

30/09/2026

Productivity Commission

Via email: businessreporting@pc.gov.au

Submission: Business Reporting Requirements

AustralianSuper welcomes the opportunity to contribute to the Productivity Commission's inquiry into opportunities to improve the efficiency and value of business reporting requirements.

About AustralianSuper

AustralianSuper is Australia's largest superannuation fund and one of the largest 20 pension funds globally (Thinking Ahead Institute, Global top 300 pension funds, September 2026. AustralianSuper ranked 16th out of 300 global funds). AustralianSuper is run to benefit members. We manage over \$430 billion of members' assets on behalf of over 3.6 million Australians, as at 30 June 2026.

Our purpose is to help members achieve their best financial position in retirement. AustralianSuper believes Environmental, Social and Governance (ESG) considerations are an important part of managing investment risk and opportunity and maximising long-term returns for members. We consider that sustainability, environmental, and workplace gender reporting provide important inputs into investment decision-making, including assessing material ESG risks and opportunities associated with investments.

AustralianSuper perspective

As a long-term institutional investor and the largest superannuation fund in Australia, AustralianSuper is a user of the sustainability, environmental and workplace gender equality information within the inquiry's scope.

AustralianSuper supports a materiality-based reporting framework for sustainability, environmental and workplace gender equality reporting which is focused on information reasonably expected to influence investment decisions, company valuations and long-term financial performance. Disclosures should contain quality information and be consistent, comparable and capable of being tracked over time. This assists investors to identify and price material risks and opportunities across listed and unlisted markets, strengthen investor due diligence and stewardship, improve capital allocation, and assess companies' capacity to create sustainable long-term value. AustralianSuper supports reducing unnecessary duplication and reporting costs, provided this does not compromise information that investors rely on.

Sustainability matters can be financially material where they affect future cash flows, risk, operational resilience and/or enterprise value, and may not be immediately evident in traditional financial statements. In our view, disclosure frameworks should not necessarily distinguish between 'financial' and 'non-financial' reporting. The focus should instead be on whether reported information is financially material and decision useful. Accordingly, this submission uses the term 'business reporting beyond financial statements'.

Please see attached an overview of AustralianSuper's ESG and Stewardship Program to provide context on how investors use and value such information. In addition, we provide responses to the pertinent information requests.

Although AustralianSuper is both a reporting entity and a user of reported information, this submission is made from the perspective of an institutional investor as a user of the information. It therefore focuses on Information Requests 2 and 3.

Further information

We would be pleased to provide additional information or to discuss this submission in further detail. If that would be of assistance, please do not hesitate to contact Antonia Parkes, Senior Director, ESG & Stewardship or Emma Carr, Head of Government Relations and Public Policy.

Yours sincerely

Andrew Gray

Head of ESG & Stewardship

AustralianSuper's ESG and Stewardship Program

AustralianSuper's responsible investment approach is underpinned by a belief that environmental, social and governance (ESG) considerations are an important part of managing investment risks and opportunities and maximising investment returns for members.

As part of this we believe that companies that effectively manage financially material ESG issues are likely to provide better long term value creation, and active stewardship of assets can support investment value. We recognise that not all ESG risks and opportunities are financially material for all investments, and that the financial materiality of ESG issues varies across companies and sectors.

Our ESG and Stewardship program has three pillars:

- **Integration:** Considering ESG risks and opportunities when deciding which assets and companies to invest in and when assessing their investment value.
- **Stewardship:** Exercising our rights and responsibilities as an asset owner to seek effective management of ESG issues that we believe can impact investment value.

Advocacy: Engaging with policymakers, regulators and industry bodies directly or through investor networks, to advocate for ESG-related settings that support investment value.

Value of Company Disclosures to Investors

Long-term institutional investors such as AustralianSuper value business reporting beyond financial statements, for example, sustainability, environmental and workplace gender equality related disclosures (see Information Requests 2 & 3). AustralianSuper uses company disclosures in its Integration and Stewardship activities seeking consistent, comparable and decision-useful information on material ESG risks and opportunities. These are useful inputs for investment analysis and stewardship.

Business reporting beyond financial statements is important to long-term institutional investors such as AustralianSuper because it:

- **Helps identify financially material risks and opportunities and forward-looking indicators of value creation** – Financial statements do not capture every factor affecting long-term value creation. Disclosures on sustainability issues including climate exposure, workforce safety and management, workplace gender equality, cybersecurity, modern slavery, supply chain resilience and governance can help investors identify and assess materials risks and opportunities that may affect future earnings, cash flows and valuations.
- **Is relevant for capital allocation and investment decision-making** – Investors incorporate inputs from business reporting beyond financial statements in investment decision-making. This may include investment analysis including company valuation, due diligence, portfolio construction, stewardship activities and share voting. Consistent and comparable disclosures can be used by investors to track performance, engage on areas of concern and assess how companies manage material risks, adapt to market conditions and create sustainable long-term value.
- **Helps reduce information asymmetry across markets** – As an investor across listed equities, and unlisted investments such as infrastructure, property and private equity, AustralianSuper supports high quality, consistent and material disclosure across both listed and unlisted companies and assets, to improve transparency and comparability. This is particularly important in private markets, where reporting obligations are generally less extensive despite potentially material ESG risks.
- **Strengthens accountability and contributes to driving better management** – Decision-useful reporting beyond financial statements can reinforce organisational accountability and support stronger management of material risks and opportunities.

AustralianSuper considers high-quality business reporting beyond financial statements important to informed investment decision-making and efficient capital markets. It provides insights into material risks, opportunities, governance quality and long-term value creation that financial statements alone cannot adequately capture. A materiality-based reporting framework that has consistency and comparability of decision-useful information can support more effective investment-decision making and stewardship

Information request 2 – Sustainability and environmental reporting

To what extent is reported information used by stakeholders, and what effects has its availability had on their decisions, activities or outcomes?

Climate change is a significant investment issue and presents risks and opportunities for the investments in our portfolio. AustralianSuper considers the climate-related financial disclosures prepared under the Australian Sustainability Reporting Standards as useful to inform investment analysis, due diligence and stewardship.

These disclosures can help to assess a company's exposure to climate related risks and opportunities, including transition and physical risks, evaluate strategic and capital allocation decisions, monitor emissions performance and targets. The information can inform investment analysis, company engagement and voting decisions. Their importance varies according to the materiality of climate issues to a company's business model and value chain.

AustralianSuper values the increased consistency, transparency and comparability introduced through the AASB S2 reporting requirements. More standardised disclosures help improve the efficiency of investment analysis, support more informed capital allocation decisions and enable more effective comparison of companies across sectors.

AustralianSuper notes that the requirements ask companies to identify and quantify climate-related risks and opportunities and in doing so, they are encouraging the integration of climate considerations into companies' core business functions, including governance, strategy, capital allocation, business planning and risk management. This has been reinforced by the requirement for boards to oversee and sign off on climate-related disclosures thereby embedding accountability for climate-related risks and opportunities.

Information request 3 – Workplace gender equality reporting

To what extent is reported information used by stakeholders, and what effects has its availability had on their decisions, activities or outcomes?

Diversity, equity and inclusion is one of AustralianSuper's priority ESG themes. AustralianSuper uses company disclosures available through WGEA's Employer Data Explorer to assess certain companies. Disclosures that are valuable include:

- overall workforce composition
- level of Gender Pay Gap, including in comparison to industry peers
- gender composition by quartile and level of seniority
- diversity of board, management levels and leadership pipeline
- strategies and initiatives to reduce gender pay gap and improve diversity, equity and inclusion outcomes

These disclosures provide a consistent, comparable, quantitative perspective on this investment theme, beyond what may be provided by companies in annual reports, which is often inconsistent in format between companies, or of a qualitative nature which limits comparability. The disclosure of this information can help inform our assessment of companies' management of this theme, identify engagement priorities, and provide engagement prompts, which can enable us to better assess a company's approach to workforce risks and culture. We value this disclosure as an institutional investor and believe it supports executive accountability.