CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

CA ANZ Sustainability Playbook

Building sustainability capability in accounting and finance

Acknowledgement of Traditional Owners

Chartered Accountants ANZ acknowledges the land throughout Australia as Traditional Lands of the Aboriginal and Torres Strait Islander peoples and we respect their spiritual relationship with their Country and to their Elders past and present.

We also acknowledge them as the custodians of the Land and Waters, and that their cultural and heritage beliefs are important to Aboriginal and Torres Strait Islander peoples today.

Te Tūtohu i te Tangata Whenua

Nō roto mai i te kauanuanu, e tūtohu ana a Chartered Accountants ANZ ko ngā iwi Māori te tangata whenua o Aotearoa.

Acknowledging Tangata Whenua

Chartered Accountants ANZ acknowledges and respects ngā iwi Māori as tangata whenua of Aotearoa New Zealand.

He aha te mea nui o te ao?
He tāngata! He tāngata! He tāngata!

What is the most important thing in the world?
It is people! It is people! It is people!

Artwork acknowledgement:
Rhys Paddick, a Yamatji/Noongar digital artist from Boorloo (Perth, WA)

Contents

Foreword

In Australia and New Zealand, climate-related financial disclosures are now mandatory for many entities, with accounting and assurance standard setters issuing the required standards to be overseen by corporate regulators.

As the global economy transitions to net zero, sustainability is no longer a niche topic; it's a mainstream professional competency, which is why sustainability is now embedded in CA ANZ's 'always-on' education model, alongside taxation, assurance and core accounting areas.

Make no mistake, Chartered Accountants are uniquely positioned to lead the way in this once-in-a-generation change to corporate reporting, through reporting, assurance, strategy and governance.

But regardless of mandatory or technical requirements, Chartered Accountants have a strategic role to play in empowering organisations to navigate the opportunities and risks associated with existing and emerging social and environmental issues.

At the same time, more employees and conscious consumers now expect organisations to embed sustainability into their strategy and operations, and investors demand evidence.

That's why we are helping our members to deepen their understanding of climate, nature and social issues. We are equipping them to navigate emerging complexities with clarity and precision – the hallmark of Chartered Accountants.

The physical effects of climate change are very real in our region. Whether it's heatwaves or more severe weather events in Australia and New Zealand, or sea level rise across the Pacific Islands.

However, sustainability practices are at different stages around the world, which is why, alongside our educational work to prepare the profession, we are advocating for globally aligned sustainability efforts, as well as reporting frameworks.

Our advocacy leaders participate in international networks like the Accounting for Sustainability (A4S) Accounting Bodies Network and the UN Global Compact Network Australia. Our presence on the Chartered Accountants Worldwide board, which I chair, and through the Global Accounting Alliance is also vital.

We advocate globally so we can act locally with confidence.

This playbook is designed to help you take that first step towards embracing your role in enabling a more sustainable future. Use it to map your own capabilities (page 12) and learn from others through the insightful case studies (page 23 and beyond).

It is truly a revolutionary time to be a Chartered Accountant. As trusted advisors, you don't just interpret the numbers. You are helping to shape how the world responds to its most pressing social and environmental challenges.

Thank you to everyone who contributed to bringing this important guide to life.

Ainslie van Onselen
CEO Chartered Accountants Australia and New Zealand
Chair Chartered Accountants Worldwide

Understanding sustainability

Understanding sustainability

Building your sustainability capability

As sustainability becomes central to long-term value creation, Chartered Accountants are uniquely positioned to lead. Whether in practice or within business, the momentum toward sustainable operations is accelerating – and it's essential not to be left behind.

At the core of this shift is a more integrated way of thinking: recognising the deep interconnection between an organisation, its stakeholders, society, the economy and the natural environment across the value chain.

This isn't just about reporting – it's about embedding sustainability into strategy, governance and everyday decision-making. While large corporations may be the first to adopt formal sustainability disclosures, the expectations will cascade to small and medium entities, who will increasingly need to demonstrate their sustainability credentials through their supply chain to remain competitive.

Building capability in sustainability is no longer optional. It's become foundational for trusted advisors in understanding sustainability issues, and helping clients and organisations navigate the transition to a more sustainable future. The opportunity is significant – action aligned with global sustainability goals can help manage and reduce climate risk and unlock strategic opportunities. Now is the time to lead, because doing business sustainably isn't just good for the planet – it's good for the bottom line.

There's much to absorb in this broad, rapidly evolving space. If you're feeling overwhelmed by the pace of change, you're not alone: results of CA ANZ's 2025 climate and nature survey shows 62% of members consider understanding and addressing climate-related risks relevant to their role, but only 24% feel they have all the information they need to address climate-related matters in their role.

Chartered Accountants are increasingly expected to have a strong understanding of sustainability, so you may be asking: Where do I start? How can I build my own sustainability capabilities? How can I build these capabilities in my finance team or practice?

This playbook is designed to help you cut through the complexity with guidance on how to develop relevant sustainability knowledge and capability. With practical steps, pointers to learning opportunities and inspiring case studies, it helps you map out the sustainability capabilities you need and shows you how to build them into your broader skill set.

90%

More than 90% of CFOs globally believe ESG issues will be a major focus for their organisation over the next five years.

From compliance to competitive advantage: Accenture

Understanding sustainability

WHAT DOES SUSTAINABILITY MEAN?

The idea of sustainable development was outlined through a United Nations report into how economic development could continue in a sustainable way. The World Commission on Environment and Development's Brundtland Report in 1987 defined the idea of sustainable development as: "… development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The report recognised that sustainable development must balance economic growth goals with value for the environment and society.

The International Sustainability Standards Board (ISSB) describes sustainability as the ability for a company to sustainably maintain resources and relationships, and manage its dependencies and impacts within its whole business ecosystem over the short, medium and long term. This clearly connects sustainability-related matters and financial value creation. Sustainability is about business resilience, ensuring preservation and creation of resources and relationships across capitals including financial, social, human and natural.

Climate-first, not climate-only: how sustainability is evolving

Building sustainability skills will enhance your career prospects as you help your clients and your company meet challenges and take advantage of opportunities today – and prepare for future developments.

Many entities across Australia and New Zealand are navigating a new world of mandatory climate-related disclosures (CRD) and assurance. New Zealand climate reporting entities published their first climate statements for periods beginning on or after 1 January 2023. In Australia, Group 1 entities' reporting commenced for financial years beginning on or after 1 January 2025. Group 2 and Group 3 entities are required to report for financial years starting on or after 1 July 2026 and 1 July 2027, respectively.

These developments are widely viewed as a first step on a path to broader sustainability reporting. The ISSB, which issued IFRS S1 *General requirements for sustainability-related financial disclosures* and IFRS S2 *Climate-related disclosures to establish a global baseline for sustainability disclosures*, has recently announced[1] that it will undertake standard-setting work to introduce incremental disclosure requirements for nature-related risks and opportunities.

• **Conserving natural capital**
The World Economic Forum estimates over half of the world's GDP, approximately US$44 trillion of economic value generation, is moderately or highly dependent on nature and its services. In December 2022, representatives from about 190 countries approved the ground-breaking Kunming-Montreal Global Biodiversity Framework, which includes 23 targets for the conservation and sustainable use of

1 IFRS - ISSB Update November 2025

Understanding sustainability

nature by 2030. The 5th target of the framework is to encourage and enable transnational companies and financial institutions to monitor, assess and disclose risks and impacts on biodiversity.

The Taskforce on Nature-related Financial Disclosures (TNFD) released its final set of recommendations in September 2023 to help companies integrate nature-related issues into decision-making, risk management and disclosures. As at November 2025, 733 organisations have voluntarily adopted the TNFD recommendations, representing over USD9 trillion market capitalisation and over USD 22 trillion assets under management.[2] The ISSB has indicated it will draw on the TNFD framework as part of its standard-setting process.

2 TNFD welcomes ISSB decision on nature-related standard setting drawing on TNFD framework as adoption crosses 730 organisations and USD 22 trillion in AUM

- **Social impacts gain traction**

While the environmental pillar of sustainability continues to capture the attention of organisations across the globe, there is a growing focus on the social impact of economic activities.

Since 2019, large companies in Australia have had to prepare modern slavery statements and gender pay gap reports. The UK and other jurisdictions have similar requirements. The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) was launched in September 2024 to develop a global framework for companies and financial institutions to include disclosures about their impacts, dependencies, risks and opportunities related to social issues. Its aim is to "incentivise business and financial practices that create stronger, more resilient societies and economies".

- **Assurance developments**

The International Auditing and Assurance Standards Board finalised ISSA 5000 *General Requirements for Sustainability Assurance Engagements* in 2024. Designed for use by both professional accountants and non-accountant assurance practitioners, this standard provides a principles-based framework for conducting assurance engagements on sustainability disclosures.

In Australia, climate-related disclosures are subject to mandatory assurance by Registered Company Auditors, with the phasing determined by the Auditing and Assurance Standards Board (AUASB). The AUASB has approved the adoption of ISSA 5000 in Australia for these purposes. In New Zealand, the External Reporting Board (XRB) has released a temporary standard, NZ SAE 1 Assurance *Engagements over Greenhouse Gas Emissions Disclosures* with assurance required over the GHG emissions disclosures within the climate statements.

62%

of CA ANZ members consider understanding and addressing climate-related risks relevant to their role, but only...

24%

feel they have all the information they need to address climate-related matters in their role.

CA ANZ Nature and Numbers survey 2025

Building sustainability capability

Building your sustainability capability

In this section

Practical guidance for building sustainability knowledge

How to apply a sustainability lens to everyday decision-making

Capability development across career levels and finance roles

Finance professionals bring discipline, analytical rigour and ethical judgment to their work. While sustainability is a rapidly changing area, these fundamental skills give you a head start for building capability. So how can you apply your skills to build sustainability considerations into financial and operational decisions? And how can you use them to mitigate sustainability risks and identify opportunities?

Getting started: four steps to building your sustainability capability

1. Identify where your role intersects with sustainability

Start by recognising the responsibilities of your role that most significantly influence sustainability outcomes and long-term organisational value. Consider the impact of your decisions on operational efficiency, financial results and regulatory obligations.

How to do it:

- Map your core tasks – such as budgeting, financial reporting or cost analysis and control – to relevant sustainability outcomes. For example, cost analysis and control could be mapped to quantify costs and savings from energy efficiency, waste management or emissions-reduction initiatives.
- Focus on areas where environmental and social factors can affect value, efficiency or compliance. For example, you could conduct energy audits, encourage investments in efficient systems or integrate ethical sourcing checks into procurement workflows.
- Spot opportunities to integrate sustainability into existing processes and workflows. For example, when assessing suppliers, highlight potential savings and reputational benefits of choosing those with strong sustainability credentials or, during budgeting, propose shifting to renewable-energy contracts or making energy-efficiency upgrades.

Building your sustainability capability

2. Apply sustainability in your daily work

Incorporate sustainability considerations into routine accounting and financial decisions, ensuring that choices deliver measurable social, environmental and financial impacts.

How to do it:

- Evaluate options such as low-emission materials, energy-efficiency initiatives or resource-saving measures.
- Use scenario modelling or cost-benefit analysis to weigh trade-offs between financial outcomes and sustainability impacts.
- Record and communicate findings to show how decisions support organisational sustainability objectives.

3. Collaborate and learn from others

Start by engaging colleagues across the organisation to embed sustainability considerations into decision-making. Guidance from experienced practitioners can accelerate your understanding and improve results.

How to do it:

- Partner with your procurement and operations teams to align financial analysis with sustainability insights.
- Seek mentorship or feedback from colleagues with expertise in sustainability reporting, carbon accounting or climate-related risk management.
- Share findings and lessons learned to promote consistent, evidence-based sustainability practices across your organisation.

4. Measure impact and build future skills

Start by tracking outcomes to reinforce learning and ensure sustainability efforts deliver value. Continuously develop skills that will allow you to apply sustainability thinking more strategically.

How to do it:

- Monitor relevant metrics, such as energy savings, emissions reductions, cost efficiencies and supplier compliance.
- Use these insights to refine recommendations and optimise decision-making.
- Builld your analytical, strategic and communication capabilities to strengthen sustainability integration.
- Look for opportunities to mentor colleagues or lead small initiatives to expand both personal and organisational capability.

52%

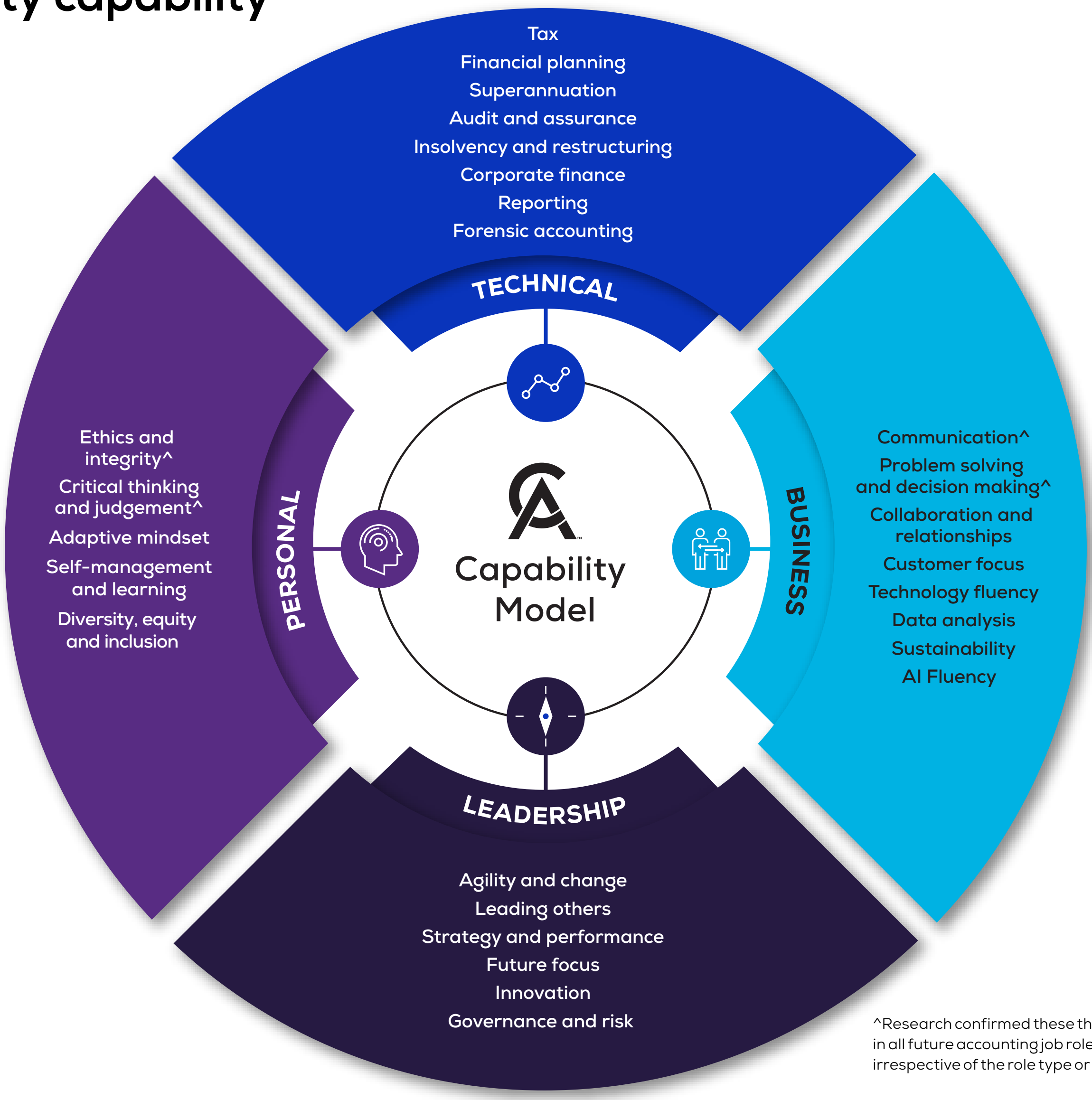
of global organisations anticipated increasing sustainability investments in 2024 (up from 33% the previous year).

Embracing a Brighter Future: Capgemini survey

Building your sustainability capability

Sustainability at every stage

What capabilities will you need for success in sustainability? The CA Capability Model sets out the capabilities professionals need to succeed today and in the future. It provides clear indicators for each career stage, helping individuals understand what good looks like and how to grow. The sustainability capability offers a practical way to plan with confidence and identify development priorities to create over the long-term.



^Research confirmed these three capabilities are essential in all future accounting job roles, as all levels of work, irrespective of the role type or location.

Building your sustainability capability

Here's a snapshot of how the sustainability capability may apply to your role.

1. Early career

Focus: Learning, supporting and applying sustainability in daily tasks.

At this level, you should be able to:
- Demonstrate basic understanding of sustainability principles and business impacts on society and environment.
- Participate in relevant initiatives, including tracking energy, waste or sustainability-related costs.
- Apply sustainability considerations in accounting practices under guidance, e.g., impairment, valuation, cost analysis.
- Observe cross-functional decision-making to understand sustainability integration.
- Build awareness of organisational sustainability strategy and how daily tasks contribute to it.

2. Experienced professional

Focus: Embedding sustainability into financial and operational decisions, managing teams, influencing stakeholders.

At this level, you should be able to:
- Explain how current sustainability developments affect business operations and compliance requirements.
- Apply accounting practices to sustainability matters, including target tracking, risk assessment and capital investment evaluation.
- Incorporate sustainability principles into team planning, budgeting and workflows.
- Advise on sustainability implications for clients, business units or investors, covering supply chain resilience, sustainable finance and talent attraction.
- Collaborate to embed sustainability thinking into decision-making and communicate implications for operations and stakeholders.

3. Executive

Focus: Strategic leadership, governance and organisation-wide sustainability integration.

At this level, you should be able to:
- Lead sustainability integration into organisational strategy, culture and values.
- Analyse sustainability risks and opportunities across operations and value chains, including climate change, modern slavery, DEI and sustainable finance.
- Set operational goals, KPIs and budgets to deliver a sustainability strategy.
- Guide accounting practices on sustainability-related matters such as asset valuation, impairment, reporting and assurance.
- Engage stakeholders and advise boards, clients and investors on sustainability strategy and long-term value creation.
- Evaluate interdependencies of business operations on environmental and social systems, and champion innovative solutions.

Building your sustainability capability

How does your role fit into sustainability?

By integrating sustainability into analysis, budgeting and reporting, accountants can ensure organisational decisions support both financial performance and sustainability commitments. Here are two fictional scenarios that illustrate how it works in practice.

Scenario 1: Embedding sustainability in product development

A consumer electronics company is preparing a new range of smart home devices. The management accountant evaluates budgets and investment proposals to align financial and sustainability objectives.

She demonstrates sustainability capability by analysing how design choices and material sourcing influence costs, efficiency and compliance. Energy consumption, carbon footprint and waste management are treated as both environmental considerations and financial drivers affecting margins, pricing and product longevity.

Working closely with procurement, she evaluates low-emission components, circular materials and renewable energy options. She also test alternative product configurations to balance environmental impact and return on investment.

She incorporates these findings into financial planning, cost analysis and performance tracking. Embedding sustainability metrics, such as lifecycle cost savings, emissions intensity and energy efficiency, ensures product development supports organisational sustainability commitments and long-term value creation.

Scenario 2: Sustainable capital investment decisions

A large software company plans to expand its operations with a custom-built facility. The management accountant assesses the proposed capital expenditure project, ensuring it delivers both financial returns and sustainability outcomes.

He applies his sustainability capabilities by evaluating how energy efficiency, emissions reduction and resource optimisation influence operating costs, asset resilience and compliance risk. These sustainability factors are quantified alongside financial indicators like payback period and total cost of ownership.

Collaboration with operations and finance teams ensures that proposed investments in energy-efficient servers, renewable energy for data centres or sustainable office fit-outs are evaluated, weighing trade-offs and long-term benefits.

These insights feed into capital expenditure proposals and forecasts, embedding sustainability criteria into project approvals. This enables better resource allocation, risk mitigation and operational efficiency.

READ MORE

The sustainability learning section of this playbook includes a summary of learning to help you build your sustainability capability. You can also learn how sustainability applies to assurance and to small businesses by downloading our *Sustainability assurance* playbook and the *How SMEs can create a more sustainable world* playbook.

Fit for a sustainable future: structuring and evolving finance teams

In this section

Practical steps for building sustainability capabilities in your team

Benefits of cross-team collaboration

How finance teams evolve to increase their sustainability expertise

Sustainability in finance goes beyond reporting. By weaving it into everyday decision-making, linking it to financial data and tying it to performance management, outcomes can be tracked, impacts can be measured and accountability becomes clear. But does your team have the capabilities required to meet the challenges and opportunities in this fast-moving space? And how can you build sustainability expertise into your team?

Four steps to building sustainability expertise in your team

1. Define roles and responsibilities

Start by ensuring every team member has a solid understanding of sustainability concepts, frameworks and reporting requirements, as well as your organisation's sustainability goals.

How to do it:

- Prioritise professional development with structured learning opportunities, from basic sustainability reporting to advanced scenario modelling and sustainability risk assessments. For example, CA ANZ's Climate Change Essentials for Finance course provides a starting point for your team's journey towards understanding climate-related risks and opportunities. The **sustainability learning** section of this playbook provides some useful pointers.
- Choose sustainability champions – motivated team members who can take the lead on key initiatives like greenhouse gas (GHG) accounting, scenario analysis or transition planning.
- Define roles and responsibilities between finance and other divisions.
- Leverage resources from professional bodies, peer learning and internal secondments to help

Fit for a sustainable future: structuring and evolving finance teams

build hands-on experience and grow expertise across your team.

2. Embed sustainability into core finance processes

Bring sustainability metrics and KPIs into your core finance processes, such as budgeting, forecasting and reporting. Ensure environmental and social impacts are considered alongside financial performance when evaluating suppliers, investments and capital projects.

How to do it:

- Embed sustainability metrics and KPIs into planning and reporting templates, link ESG considerations to dashboards and align evaluation criteria with both financial and non-financial objectives. This enables decision-makers to see ESG performance alongside traditional business metrics, making it easier to measure impact, identify risks and drive accountability.
- Give finance business partners the tools and training they need to interpret and clearly communicate sustainability insights. This includes access to reporting frameworks, data and analytics platforms, GHG accounting and scenario modelling tools and visualisation software, combined with training on ESG metrics and non-financial reporting.
- Facilitate collaboration with sustainability operations and procurement teams to ensure data is accurate, consistent and useful.

3. Align data and systems

When your data, systems, controls and team capability are aligned, sustainability information becomes as trustworthy and actionable as financial data. This makes future reporting smoother and more efficient, and enables your finance team to play a leading role in strategic decision-making.

How to do it:

- Review your current processes to identify gaps in the collection, analysis and reporting of data. For example, this data should include GHG emissions from Scope 1 (direct), Scope 2 (energy-related) and Scope 3 (value chain) activities. When using external tools and calculators, consider the level of detail you will need now and in the future, the relevance of factors and calculations and the transparency of embedded assumptions.
- Plan ahead for the skills your team will need as disclosure standards evolve and expectations around data quality increase. For example, what capabilities related to nature and biodiversity considerations should they be building now?
- Build on strong foundations within your finance function by leveraging existing controls, processes and governance frameworks to improve sustainability data quality and assurance.
- Explore ways to integrate your systems through shared platforms or reporting tools that bring financial and sustainability data together in one

Fit for a sustainable future: structuring and evolving finance teams

place. For example, some software solutions can integrate into the ERP systems of large entities and some are specifically tailored for small and medium-sized enterprises (SMEs). When assessing the software options, ensure you consider both your current and potential future needs.
- Design your systems and processes to be flexible, so they can grow and adapt as regulations, stakeholder expectations and business priorities change.

4. Use external expertise strategically

If you have sufficient resources, consider bringing in external consultants or sustainability specialists. This may help accelerate your sustainability journey – think of them as partners in building internal capability. Use these engagements to transfer knowledge, share practical guidance and strengthen your finance team's ability to manage sustainability reporting independently over time.

How to do it:
- Structure collaborations so your team learns by doing. For example, have external experts lead complex reporting or assurance projects while your internal staff work alongside them, observing and participating in key steps such as data collection, analysis and interpretation.
- Incorporate mentoring sessions, workshops and hands-on learning opportunities to reinforce new skills and standardise best practices across your team.

Building cross-team collaboration

Embedding sustainability into everyday decisions requires close collaboration across departments or business units. By working together, teams can align financial performance with environmental and social goals, improve data quality and ensure sustainability becomes part of how your organisation operates – not just how it reports.

Here are some practical ways to strengthen collaboration:
- **Encourage cross-pollination and secondments:** Encourage movement between finance and sustainability teams so knowledge and experience flow in both directions. This helps build shared understanding, break down silos and develop skills that bridge financial and non-financial priorities.
- **Establish cross-functional working groups:** Bring together finance, operations, procurement, legal and sustainability functions. These teams meet regularly and align metrics, set priorities, assign responsibilities and ensure decisions are evaluated through both financial and sustainability lenses.
- **Enhance finance business partner roles:** Equip finance business partners with sustainability knowledge so they can advise and challenge operational teams on non-financial impacts, from supplier choices to capital expenditure decisions.
- **Boost strategic integration:** Position finance as the connector that links sustainability goals to business strategy. By translating sustainability data into financial and strategic insight, finance helps ensure the entire organisation works toward shared, long-term value creation.

Fit for a sustainable future: structuring and evolving finance teams

From cost control to value creation: sustainability in your finance team
By embedding sustainability into decisions and performance measures, your finance team can help redefine how value is created. This fictional scenario illustrates how finance teams can evolve to increase their sustainability capabilities.

Building sustainable supply chains
A mid-sized packaging manufacturer faces growing expectations from its largest corporate client to demonstrate responsible sourcing and report on sustainability metrics, such as Scope 3 GHG emissions and labour practices. To remain a trusted supplier, it must integrate sustainability into procurement and finance operations.

The finance team builds foundational sustainability literacy, learning how environmental and social risks, like modern slavery, waste and carbon emissions impact cost, continuity and reputation. They begin by linking non-financial indicators to financial outcomes, establishing a shared understanding of sustainability as a business imperative.

Next, the team appoints a sustainability procurement champion and a finance business partner trained in carbon accounting. Together, they gather supplier data and identify risk areas in the supply chain as well as commence GHG emissions measurements for scope 1 and 2 GHG emissions. This cross-functional collaboration ensures sustainability insights are embedded into purchasing and budgeting decisions.

Finally, through engagement with the legal team, the manufacturer updates its procurement policies to evaluate suppliers on sustainability performance as well as cost. Finance integrates supplier data into capital planning and forecasting, recognising efficiency-driven savings.

85%

of companies globally see sustainability as a value-creation opportunity (rather than just a cost/compliance issue).

Sustainable Signals survey: Morgan Stanley

Preparing for sustainability in accounting and audit practices

In this section

Practical steps for embedding sustainability in accounting/audit practice

Choosing a sustainability service model for your practice

Case studies of real-world practice applications

Sustainability presents a significant shift – and a huge opportunity - for accounting and audit practices. As a trusted business partner, you can help your clients build sustainable business practices and evaluate the sustainability-related risks and opportunities that feed into financial reporting and strategy. And, as requirements for sustainability reporting increase, so too will the demand for high-quality, independent sustainability assurance.

Embedding sustainability capability into your practice requires research, learning and time. Where should you start?

Four steps to embedding sustainability into your practice

1. Choose a sustainability leader for your practice

Assign a clear owner for sustainability within your firm. This person will be responsible for exploring opportunities, developing the business case and guiding capability-building across the team.

How to do it:

- Choose a partner or an emerging leader who is personally invested in sustainability and can drive the agenda.
- Give them support, resources and time to research the viability of providing sustainability services.
- Have them determine whether the firm needs a specialist team or a single point of ownership, depending on size and complexity.
- Task them with planning how to build sustainability skills across the firm.

2. Speak with clients and assess their needs

Understand your clients' sustainability requirements, both current and future, and position your firm to provide trusted advice.

How to do it:

- Engage clients in conversations about their sustainability priorities, disclosures and potential risks or opportunities.
- Discuss risks such as regulatory

Preparing for sustainability in accounting and audit practices

compliance and investor expectations, as well as opportunities such as enhancing reputation or attracting capital and talent.

- Ensure your firm is fully aware of mandatory sustainability reporting requirements, so you can advise clients accurately.
- Use these insights to shape the services your firm will offer.

3. Clarify required capabilities and identify gaps

Determine the skills and knowledge your firm needs to deliver sustainability services effectively.

How to do it:

- Consider the services clients need now and in the future. What skills and expertise are required? Which capabilities exist internally, and which must be developed or acquired?
- Recognise existing relevant strengths. For example, audit strengths such as risk-based approaches, sampling and analytical skills.
- Identify specialist knowledge gaps, such as measuring scope 1, 2, and 3 GHG emissions.
- Decide whether skills should be built internally or sourced externally.

4. Upskill teams and develop expertise

Sustainability is an evolving area. Ensure your team has the knowledge and training to deliver these services confidently.

How to do it:

- Use professional development opportunities, such as the CA Program's Assurance module or the Sustainability for Accountants elective.
- Upskill existing staff and integrate sustainability knowledge broadly across the firm.
- Consider external experts if internal skills are limited, but aim to build internal capability for mandatory assurance requirements.
- For firms auditing clients with mandatory climate disclosures, develop in-house expertise, while ensuring partners and client-facing teams have a strong foundational understanding.

75%

of global investors say how a company manages sustainability-related risks and opportunities is an important factor in their investment decisions.

PwC 2023 Global Investor Survey

Preparing for sustainability in accounting and audit practices

The right fit: choosing a sustainability model

As sustainability becomes a strategic business imperative – and an increasing reporting requirement – practices are adopting different models to embed it effectively into their service offering. The right approach depends on the size, capability and strategic priorities of your practice. Here are three models to consider.

Model 1: Dedicated sustainability specialist team (or specialist centre)	Model 2: Integrated sustainability across all roles	Model 3: Hybrid – outsourcing with external partnership
Create a focused team of sustainability experts within your firm. This model positions the service as a specialty offering, with dedicated professionals leading delivery and development. It works well for firms with multiple clients requiring sustainability services and where in-depth expertise is essential. **Steps to follow:** • Identify key individuals with expertise or strong interest in sustainability. • Develop a specialist centre within your practice where these individuals drive methodology, client engagement and capability-building. • Use this team to stay up to date with technical standards, regulatory changes and industry trends.	In this model, sustainability knowledge and capability are embedded broadly across your practice, so it becomes part of everyday client service. In this model, the capability is not isolated but distributed across teams. It ensures that sustainability is a core part of the firm's service offering and that knowledge is widely shared, creating flexibility and resilience. **Steps to take:** • Train all client-facing staff to have a base level of knowledge about sustainability. • Encourage teams to include sustainability as part of their regular audit, advisory or consulting roles. • Maintain a small specialist team to support complex engagements, provide guidance and lead methodology development.	In this model, external experts or specialists are engaged to provide sustainability services, but the practice maintains enough internal knowledge to engage confidently with clients. This model is suitable for practices that do not want to develop a dedicated sustainability team or fully integrated sustainability services, or have limited client demand for these services. **Steps to take:** • Provide all staff with foundational knowledge sufficient to have informed client conversations. • Partner with trusted external specialists to deliver assurance engagements or complex technical advice. • Ensure strong collaboration between internal staff and external experts to maintain quality, consistency and client confidence.

NOTE: For firms conducting registered company audits where clients are subject to mandatory climate disclosures, in-house capability (Model 1 or 2) is strongly recommended. The hybrid approach (Model 3) is appropriate for firms not performing mandatory audits or with limited sustainability assurance demand.

Preparing for sustainability in accounting and audit practices

In practice: Evolving audit and assurance expertise

By embedding sustainability expertise into your practice, you can increase your service offering and help support your clients' future success. The following fictional scenario illustrates how a practice can evolve to increase its sustainability capabilities.

Scenario:

A mid-sized audit firm recognises growing stakeholder and regulatory demand for credible sustainability assurance. As some of their clients face mandatory climate-related disclosures, this creates new service opportunities for the firm.

A senior partner leads a capability review, identifying that while traditional assurance skills, such as risk assessment, verification and independence, remain core strengths, the firm lacks technical expertise and knowledge in carbon accounting, sustainability assurance standards and climate-related financial disclosures.

To strengthen internal capacity, assurance staff undertake structured training on mandatory climate-related disclosure standards, the legislated framework, the Greenhouse Gas Protocol and relevant sustainability assurance standards. Regular knowledge-sharing sessions build collective confidence within the team and new talent motivated by sustainability-driven work is attracted to the firm.

"Building capability isn't just about certifications: it's about applying that knowledge strategically to client work, creating advisory opportunities and demonstrating real value."

Chaitanya Mawji CA, CIB

CASE STUDY

Chaitanya Mawji CA

When Chaitanya Mawji CA learned that mandatory climate reporting was imminent for certain entities in Australia, he knew clients would expect guidance – and there was a risk they would go elsewhere if his firm couldn't provide it.

The audit director of western Sydney accounting and advisory firm CIB, Mawji began researching sustainability standards and frameworks in Australia and internationally to see how larger firms were approaching the requirements and how this could be applied to his firm.

"My advice is to look at resources and materials published by big or mid-tier firms and try to connect with international colleagues to gain knowledge on what is happening in their part of the world in relation to climate reporting," he says.

"Once you have done your initial research, use that information to determine what it means for your practice. For example, I went through the list of our clients to see which ones would be directly impacted by mandatory climate disclosure reporting, as well as which ones would be indirectly impacted," he says.

From there, Mawji began to help his colleagues understand the need – and the benefits – of incorporating sustainability capabilities into the business.

Demonstrating value

Mawji advises new accountants joining his firm to undertake the relevant CA courses in sustainability. He says upskilling more experienced Chartered Accountants at the firm requires a different approach, as some of them initially viewed sustainability as having little practical benefit.

He addresses this by summarising key developments, sharing educational materials and keeping the team updated on new regulations and trends. His goal is for everyone to feel confident discussing sustainability with clients.

"We've really encouraged people to explore the subject," Mawji says. "There are many courses available, including the CA elective on sustainability for accountants, but building capability isn't just about certifications: it's about applying that knowledge strategically to client work, creating advisory opportunities and demonstrating real value."

Mawji also highlights the strategic advantage for clients who go beyond compliance.

"Even if reporting isn't mandatory for certain companies at this stage, doing nothing carries risk," he says. "Competitors are already adopting sustainable practices, and customers, especially younger generations, expect ethically and sustainably sourced products. Staying ahead means using sustainability to protect and grow the business."

He also uses competitor benchmarking to illustrate opportunity.

"If a rival opens a new facility and highlights its green features, such as solar panels or sustainable design, that creates a narrative the client can't ignore," he says. "Even if they're undertaking similar initiatives, failing to report or communicate them means missing a chance to strengthen their market position."

Business as usual

Mawji says the shift toward climate-related reporting has changed the way his audit teams approach client engagement. While this mandatory reporting does not apply to most CIB clients, emerging requirements are already prompting auditors to think differently.

"Until recently, there hadn't been a need to specifically consider sustainability in the audit process," he says. "But with upcoming requirements, our teams are increasingly aware of when it should be considered."

One example involved a client in the agricultural sector who was expanding into new export markets. Sustainability had suddenly become a commercial necessity – not just an ethical one.

"As part of the audit, we needed to understand what systems they had in place to capture data that may need to be validated if assurance was required," he says.

The client also wanted to include new sustainability-related statements in their directors' report. "We had robust discussions to make sure anything they disclosed was accurate, supported and not at risk of being viewed as greenwashing."

Mawji has also seen sustainability considerations reshape audit planning, particularly for clients connected to global supply chains or major Australian retailers.

"For example, a large bakery that supplies one of the big supermarket groups has recently been asked to start providing carbon emissions data," he says. "Clients who export, or who deal with multinationals, are feeling the shift first."

For others, sustainability is becoming a strategic issue rather than a compliance obligation.

"It's not just about keeping up with reporting rules," Mawji says. "It's about helping clients understand the commercial impact, manage risks, and communicate their efforts credibly."

CASE STUDY

Warwick Russell CA

Auckland-based Warwick Russell CA was drawn to sustainability through his leisure activities – he's an avid sailor and cyclist. In 2024, the co-founder of carbon accounting firm GreenMetrics added a sustainability CFO offering for SMEs to the company's suite of services.

"With the issues around global warming, I think about the impact on my children and grandchildren, because it's not going to be a paradise like it was when I was young," he says.

For the past two years, Russell has been building his sustainability knowledge and capability by researching sustainability issues in the industries his business is targeting, and testing a range of carbon accounting and sustainability platforms.

He's now onboarding two virtual CFOs at GreenMetrics. "Both are CAs in their 40s and have an interest in sustainability," he says. "They're doing a day a week with me to slowly build up their own sustainability capability.

"I'm setting up frameworks for how we engage with clients, and we have protocols in place for how we report."

Room to learn

Russell believes there's much for organisations to learn about sustainability.

"I did some sustainability reporting for a national building services business that is under scrutiny from corporate customers around ESG," he says. "Initially, the financial controller could not see the point of the report, even when there were clear decarbonisation gains and positive financial outcomes on offer.

"They're busy people with monthly deadlines. They are generally not invested in sustainability or have the time to set up carbon accounting. Part of our service is to educate them about both."

Tools to get started

Sustainability represents a huge opportunity for Chartered Accountants, says Russell, as many sustainability consultants lack the financial expertise to translate useful data into reports. He suggests exploring carbon accounting solutions as an early step in building capability.

"Sumday, for example, is free with Xero [Xero subscribers can sign up for a

12-month free trial of Sumday until April 2026]. I recommend partners learn to use carbon accounting tools so they can be more informative when talking to clients.

These tools are not that hard to use, "even if some are pretty clunky", adds Russell. "I have personally researched and tested more than 10 carbon accounting platforms. Most don't have a CFO perspective, so they miss insights that accountants and CFOs can add."

Russell explains that carbon accounting tools like Sumday include emissions factor databases, which help translate activities, such as driving a petrol car or using electricity, into the amount of carbon emissions generated. This helps measure an organisation's carbon footprint.

"Then think about how a client can reduce that footprint and improve returns," he says. "At that point, I'd start involving some of the savvy people in your team who are good at Excel, Power BI and AI as well as presenting to clients.

"Then pick a couple of clients and have a go, because if you're waiting for a client to ring and say, 'I need you to do a carbon footprint report for me', you're not going to get many calls.

"If you're on Xero Practice Manager, you can get a client's financial statements for a year. Tell them you're doing it, and then go back to them once you've done your research with your CFO hat on. You can then tell them how they can reduce their carbon footprint and increase returns.

"I'd also recommend being open to work for free initially," adds Russell. "I've done it myself to learn what's possible and to enhance my credentials."

"Then pick a couple of clients and have a go, because if you're waiting for a client to ring and say, 'I need you to do a carbon footprint report for me', you're not going to get many calls."

Warwick Russell CA, GreenMetrics

CASE STUDY

Rayne van den Berg FCA

For Rayne van den Berg FCA, integrating sustainability into decision-making is a natural extension of what Chartered Accountants have always done: protecting and creating value.

"As finance professionals, we're trained to understand what drives value in a business," she says.

A member of CA ANZ's Sustainability Management Advisory Committee, van den Berg is the chief value officer at Value Australia, which aims to harmonise approaches to managing natural, social and human capital. She also founded NatCap+, a consultancy service that helps organisations embed sustainability-focused decision-making into their strategic and operational planning, especially in relation to natural capital.

It's an area she knows well. While in the role of CFO at Tasmanian forestry company Forico, she led the development of Australia's first integrated climate and nature-related disclosures. Thus began her journey to embed sustainability at the heart of financial decision-making.

"For us, it was about taking that same mindset and asking, 'What if some of that value comes from nature?'" she says.

Protecting what matters

Working in a business like Forico with an entire model dependent on the health of forests and ecosystems, van den Berg began by exploring how those natural assets underpinned profitability.

"It really began with curiosity," she says. "We wanted to understand what was driving growth and yield, and it turned out that nature was doing a lot of the work."

By framing natural capital as an asset that needs to be protected and maintained – much like financial and physical assets – van den Berg says Chartered Accountants can better understand their critical role in preserving these resources.

For her team at Forico, building capability didn't mean reinventing accounting systems or learning entirely new skills.

"We already had the right toolkit," she says. "We just needed to apply it to different metrics. Accountants often take metrics like tonnes, litres, widgets and units, assign value to them, and then use

those to build models, calculate discounted cash flows, and so on. We were doing exactly the same thing - but for carbon, water and other inputs and values drawn from nature."

Already comfortable valuing assets like timber and crops, the team extended that logic to new measures such as carbon and water.

"It wasn't about overhauling everything," she says. "We used Excel to model the future costs and benefits of natural capital and built up from there."

Risk was also an important onsideration for the team. What happens to the bottom line if that natural value is diminished by drought, bushfire or loss of biodiversity? For van den Berg, the link between sustainability and the profit and loss statement became obvious.

"When you start mapping those connections," she says, "you realise sustainability isn't just an environmental issue: it's a financial one."

Looking beyond climate

Led by van den Berg, the Forico team began collaborating closely with ecologists, foresters and operations staff to gather data and translate it into meaningful insights. Over time, sustainability became embedded in the finance portfolio, and the team's name was changed to Business Sustainability and Insights, reflecting a shift in focus from just reporting on metrics to asking deeper questions about what made the business sustainable.

Dashboards evolved to include human capital and natural capital metrics alongside traditional financial indicators, so leaders can see performance through a broader lens.

Expanding people's understanding of sustainability beyond climate is an important step, says van den Berg. "It's not just about carbon or trees. It's also about people – making sure we're not exposed to modern slavery risks, while supporting communities and thinking about long-term resilience.

"We weren't just presenting profit and costs each month: some of these new KPIs gave a much more holistic view of where value was coming from in our business."

Creating value

When it comes to resourcing, van den Berg is clear: sustainability shouldn't be treated as a side project. "You have to build it into business as usual," she says.

That means dedicating people and resources to the task. "Sustainability isn't just about doing good: it's about creating real business value," she adds. "We found when we put on an environmental accountant, they spent the first year collecting information, but they soon became a profit centre because we discovered that there was a whole lot of value to unlocking carbon markets."

Forico's work has since been recognised internationally, including in the European Union-funded A-Track project's report *Embedding nature into business: A primer for finance teams*, which profiles innovative finance leaders building sustainability capability within their organisations.

Her message for Chartered Accountants is simple: start with curiosity.

"You just have to ask what really drives value in your business – and what risks could threaten that value," she says. "That's where the sustainability conversation begins."

CASE STUDY

Mike Atkinson FCA: The 'carrot and stick' in New Zealand

Mike Atkinson FCA is managing director of Auckland-based Andersen New Zealand Limited, where he leads the governance division. Atkinson has been involved in various sustainability initiatives over the past decade.

"Back then, there wasn't an effective stick, and the carrot wasn't really working, so being sustainable was a nice-to-have but didn't have much cut-through for most companies," he says.

Attitudes are now changing markedly. More recently, Atkinson has seen increasing interest from small and medium-scale businesses to adopt ESG practices. For example, local governments issuing tenders are scoring companies higher if they meet certain sustainability criteria.

"Businesses are starting to adjust and develop ways to meet those criteria because they don't want to miss out on opportunities if they're not addressing ESG issues," he says.

"Ultimately, it's bigger organisations such as central or local government departments and larger corporates, further up the supply chain, that are demanding smaller suppliers become sustainable. This is having a trickle-down effect," he says.

It's typically much easier for large companies to address all these issues as they often have a sustainability officer or a whole team dedicated to these initiatives. That said, small businesses have the advantage of being able to act much more quickly when they need to, compared to larger companies. "The smaller companies typically just don't have the resources, and so this is where you as their accountant, their trusted adviser, come in," says Atkinson.

This is a good business opportunity for accountancy firms, he says. But the problem is how to tackle these issues with clients.

"Often, as accountants, we are quite risk-averse and not very good at selling," Atkinson says.

"The point is that sustainability is firmly on the agenda of most companies and it's definitely becoming a conversation point. Clients are actually going to demand this type of service and advice from their accountant."

He suggests that "braver" Chartered Accountants could step up and take a leadership role on sustainability and encourage clients to look at the business case. "It can improve financial efficiency and lead to business growth, creating an environment in which we all win," he says.

Learning for sustainability success

Learning for sustainability success

Turning capability into action: Your next steps

Now that you've identified the sustainability capabilities most relevant to your role, it's time to build and apply them. Here's how you can move from understanding to impact, with targeted CA ANZ resources to support you at each stage:

1. Apply what you know – start small, start now

- Find opportunities in your current work to use new sustainability concepts. For example, suggest a sustainability metric in a team report or volunteer for a project with an environmental or social focus.
- **CA ANZ support:** Access practical guides and case studies in the Sustainability Playbook to see how others have embedded sustainability in real-world situations.

2. Connect and collaborate

- Work with colleagues, mentors or cross-functional teams who are interested in sustainability. Collaboration accelerates learning and shows how sustainability fits across the business.
- **CA ANZ support:** Join the CA ANZ sustainability community for peer learning, events, and for sharing best-practice.

3. Target your learning

- When you encounter a gap – whether it's technical (like climate-related disclosures) or strategic (like leading sustainability initiatives) – look for focused learning to address it.
- **CA ANZ support:** Choose from micro courses, certificates, or workshops that address your needs, such as climate-related disclosures, sustainability reporting, or assurance. These are modular and flexible, so you can build expertise as you need it.

4. Stay current and future-ready

- Sustainability is a rapidly evolving field. Make it a habit to check for updates – new standards, regulations and emerging topics.
- **CA ANZ support:** Regularly visit the CA ANZ Sustainability Resource Centre for the latest resources, updates and new learning opportunities.

5. Share and lead

- As you build confidence, share your insights and progress with your team or professional network. Leading by example helps to embed sustainability in your organisation's culture.
- **CA ANZ support:** Use CA ANZ's forums and events to showcase your work, learn from others and contribute to the profession.

Learning for sustainability success

CA ANZ SUSTAINABILITY LEARNING

CA Capability Model
The CA Capability Model outlines the essential capabilities for accounting and finance professionals. Sustainability has been incorporated into the model to support decision-making, collaboration, strategy and activities for long-term, sustainable growth.

CA Program
Sustainability is being integrated throughout the CA Program, including a dedicated subject – Sustainability for Accountants. Key topics include sustainability-related disclosures, sustainability risks and opportunities, assurance fundamentals, and ethical considerations like greenwashing.

Sustainability certificates
These skills-based learning experiences combine self-paced learning, peer engagement and rigorous assessment. Sustainability certificates support skills development and provide the opportunity to achieve a sustainability micro credential.

Micro courses and skill boosters
A suite of short courses and workshops designed to support upskilling in sustainability related capabilities, enabling professionals to build practical, job-ready skills.

CA ANZ Sustainability Resource Centre
The CA Sustainability Resource Centre provides practical guidance, resources and learning opportunities to support critical business and investment decisions relating to sustainable business practices, sustainability reporting and assurance.

Sustainability Reporting Community of Practice (SRCoP)
An initiative designed to help CA ANZ members and other professionals in business to navigate emerging sustainability reporting requirements, share learnings and knowledge, and foster collaboration.

Conferences and events
Sustainability sessions feature in CA ANZ conferences and events, connecting members to emerging insights.

Building sustainability capability is about action – applying what you know, filling gaps as they arise, and staying connected to a community that supports your growth. CA ANZ is here to help you at every step, with resources and learning that fit your needs and career stage.

Learning for sustainability success

Empowering the profession

CA Capability Model
Recognising sustainability as a vital capability

CA ANZ Sustainability Resource Centre
Practical guidance, resources and learning opportunities to support business and investment decisions

Sustainability Reporting Community of Practice
Navigate emerging sustainability reporting requirements, share learnings and knowledge

Building sustainability capability

CA Program
Building graduates ready to incorporate sustainability in business processes and reporting

Sustainability certificates
Practical, applied learning for professionals

Micro courses and skill boosters
Learning to support targeted upskilling

Conferences and events
Connecting members to experts on the future of sustainability

Development for all career stages

CASE STUDY

Christine Laban FCA

As an Impact Measurement, Assurance and Reporting Manager at KPMG, Christine Laban FCA says the finance team's role is changing. "Chartered Accountants have the opportunity to steer organisations through an uncertain future and enable them to create long-term value. Accountants who embrace change, invest in learning and work collaboratively will remain indispensable."

Laban emphasises that value creation today requires more than traditional financial tools. "The way we've done accounting and business in the past won't work for the future. Finance teams need to embed sustainability into financial decision-making. There is a two-fold opportunity for accountants: first, to use their skills and experience to provide robust, decision-useful sustainability information; and second, to focus financial planning on longer-term horizons and help their organisations assess the financial implications of future uncertainties.

To navigate this, Laban advises following measurement and reporting frameworks, tailoring them to your circumstances where appropriate and evolving your approach as experts refine the process and new information arises.

Scenario analysis is another cornerstone. "It's very different from what we've done before," Laban says. "You're assessing vulnerability to something that might happen and asking: if this occurs, what changes – and what does it mean for our business?"

Integrating sustainability into the core business strategy is crucial. Finance teams can ensure that environmental and social considerations are part of everyday decision-making and long-term planning, not treated as separate initiatives. This enables organisations to align financial goals with broader sustainability objectives, creating value for both shareholders and society. Laban encourages a shift in mindset: "We need to move from asking, 'What's the financial return this quarter?' to, 'What does this mean for our organisation's long-term sustainability on a functioning planet?'"

Finally, Laban stresses collaboration. "Finance and sustainability teams must work together. This is critically important for the future of your organisation," she says. "When sustainability and finance teams work hand-in-hand, organisations move beyond compliance toward strategic advantage, by integrating long-term resilience and sustainability into the core of financial decision-making."

Sustainability capability in action

CASE STUDY

Lauren Davey

Lauren Davey CA is a member of CA ANZ's Sustainability Management Advisory Committee and works as executive manager, investor relations and sustainability reporting at Commonwealth Bank, where she supports the preparation of the bank's external sustainability disclosures.

"It's critical to make sure that information is accurate, transparent, fully verified, has been thoroughly reviewed and provides readers with useful information," she says.

From Davey's perspective, climate change is a key area of focus for many people thinking about sustainability, and with the introduction of new regulations for Australian corporates, climate reporting has become an important part of her work. However, she notes that effective reporting should also reflect a range of sustainability topics that are material to an organisation and its stakeholders.

"In my role, I also spend time looking at how we communicate in areas such as how the bank supports its customers and communities, its diversity, equity and inclusion practices, through to risk management and governance," she says.

Unravelling the complex

Davey gains great satisfaction from working with an internal team or group of specialists to simplify complex pieces of work.

"If I've helped audiences to understand complex information, I feel I've done my job well," she says. "Every reporting period I try to set myself the challenge of identifying something I could do better. I then work with individual internal contributors or stakeholders to develop it or make it more compelling the following year."

Davey believes her background as a Chartered Accountant has been invaluable in her sustainability reporting work.

"My training as a CA has really helped me to read, interpret and understand sustainability standards, apply professional judgement and navigate areas where requirements or expectations are still evolving," she says. "It's given me a strong foundation to assess materiality, help ensure accuracy and consistency, and think critically about how information is presented."

She also believes, now the IFRS Foundation is responsible for sustainability reporting standards, it's vital that finance professionals and Chartered Accountants are up to speed with the information required. Equally important is finding ways to quantify and communicate the impact of sustainability programs using metrics that can be consistently reported.

"I think finance professionals can help sustainability teams to report more effectively by bringing rigour into data, making methodologies more robust, establishing controls and supporting assurance activities," she says. "At the same time, I think sustainability professionals can teach accountants how to balance diverse stakeholder perspectives and report a nuanced narrative about an organisation's strategy, performance and progress."

First steps to sustainability reporting

Davey advises anyone new to sustainability reporting to start with a materiality assessment.

"You need to understand which topics are material to your organisation – the ones that could have positive or negative impacts – in order to identify what matters most to you and your stakeholders," she says. "You could also look at the SASB standards or review reports from other companies in your industry, as the material topics are likely to be very similar."

From there, she suggests taking advantage of the many educational materials, many of them free, available from sources such as ISSB, GRI and CSRD. CA ANZ offers knowledge sessions, and many large law and accounting firms provide research and create resources, including podcasts, to support learning.

"This is a strong starting point for understanding sustainability reporting," says Davey. "Then, if this is an area of interest you want to pursue, you could look at more formalised education through CA ANZ or other providers."

CASE STUDY

Miranda Siu CA

As an independent sustainability consultant, Miranda Siu CA helps companies, government bodies and NGOs to understand and take action on climate change and decarbonisation, and chairs CA ANZ's Sustainability Management Advisory Committee.

"Once they know their emissions number, we can start talking about strategies to reduce that number," says Siu. "It's not all Excel and reports. I often host workshops and education pieces."

Siu has always been interested in sustainability, undertaking courses at university and volunteering for environmental groups. More recently, she has completed short courses with the Centre for Sustainability Leadership, the Cambridge Institute for Sustainability Leadership and the Planetary Accounting Network in New Zealand.

"I was the first Australian to complete the planetary accounting certification," says Siu. "A team of scientists at the Stockholm Resilience Centre has quantified the nine planetary boundaries or limits we need to live within to thrive safely, which include carbon dioxide [concentration] and ocean acidification. Planetary accounting takes those global limits and normalises what they mean for individual, regional and company consumption."

Measuring impact

Siu sees a strong connection between the climate, nature, economic and social impact factors of sustainability, but says she is yet to work with a client on all factors.

"The closest I have come is with the Council of the City of Sydney," she says. "They wanted to measure the impact of all residents, visitors, businesses and tourists in their local government area. I was looking at flights, visitor spend and cruise numbers to get a sense of the scale of consumption.

"Organisations will typically start with emissions reporting because that's easier to grasp. If a person has a nature or social interest, you can use that as a lever, otherwise suggesting all factors to start with can be overwhelming for anyone."

Siu describes Chartered Accountants as gatekeepers of crucial information that can aid sustainability reporting and decisions.

"Another council I worked with didn't understand some of the financial data they were receiving for their emissions reporting," she says.

"For the next meeting, we asked the finance team to join us, who were great. They explained how the data came to them through invoicing. Then walked us through their processes to determine what further data they could capture from suppliers for the emissions report.

"We then brought in the procurement team, who could see that the conditions in contracts with suppliers could be updated, so that we could better classify expenses and improve reporting.

"Many non-financial professionals working in this space do not understand spend data and expense attributions," adds Siu. "Accountants can translate what the data means and the value of it beyond a risk-management exercise or a compliance exercise."

Building your credentials

For Chartered Accountants looking to get into sustainability, Siu suggests they first seek to understand the connection and trade-offs between climate, nature, financial and social impacts.

"For example, if you make a decision around emissions, do you know the impact it will have on customers, suppliers or biodiversity?" she says.

To build up sustainability credentials, Siu recommends attending webinars and networking as important first steps for people who are time poor.

"I recommend baby steps because you might find it overwhelming, unless you're working part-time and have spare time to sink into upskilling yourself," she says.

"CA ANZ regularly hosts sustainability webinars as well as a sustainability conference, and they also offer micro courses.

"Then find your area of interest," she says. "Is it waste, materials, circular economy or maybe circular fashion? Your area of interest will lead you down the path to sustainability factors like modern slavery or human rights or energy consumption.

"At the same time, get out and connect with people, because this is such an emerging space. I would not recommend a master's degree as a first step, because it might be too academic and not practical enough.

"At a later stage, if you really want to dive deeper into an area of interest, a university course with more academic rigour might be suitable."

CASE STUDY

Sumit Lodhia CA

As professor of accounting in UniSA Business, an academic unit within the University of South Australia, Sumit Lodhia leads research focused on sustainability accounting, reporting and governance. In his workplace, he is involved with sustainability communities and encourages sustainable practices within the organisation. However, as an academic, he exerts his greatest influence by teaching.

Lodhia's third-year undergraduate course Sustainability Accounting and Reporting is a core requirement for UniSA accounting students. This is in contrast to most other Australian universities, where a course of this kind is usually offered as an elective or a module.

"In the course we discuss the fact that there's much more to accounting than just numbers and economic information," he says. "Social and environmental issues are also important, so we talk about the capabilities future accountants will need to report on them, manage their impacts and give assurance on sustainability."

Natural connections

Lodhia notes that there's also much more to sustainability than climate change, carbon and GHG emissions. "From an environmental perspective, biodiversity is extremely important, as are air and water pollution, resource management and renewable energy. We all need to be aware of natural capital," he says. "There are also many pressing social issues, such as human rights and modern slavery."

Traditionally, these areas have been treated separately, with financial reporting on one side and social and environmental reporting on the other. Integrated reporting challenges this separation. Investor demand for this approach, regulatory shifts and the growing recognition that long-term value depends on more than financial performance suggest it will become the norm.

"One of my PhD students was looking at the role of accountants in integrated reporting," says Lodhia. "She found that some were leading the sustainability practice and driving organisational change, while others were playing a more supportive role, providing technical input to support sustainability experts.

"It remains an open question, and the answer likely depends on each organisation's culture, priorities and attitudes toward sustainability," he says.

Preparing for change

In 2023, the International Sustainability Standards Board published two standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The new standards can help accountants embed sustainability into their practice by providing a globally consistent framework for identifying, measuring and disclosing sustainability-related risks, opportunities and impacts. They can also provide a framework for accountants who want to build their skills in ESG literacy, climate risk analysis and integrated reporting.

"The standards provide useful guidance to students and future accountants, especially when it comes to understanding the financial impacts of sustainability issues," says Lodhia. "Some argue that we need to go further by focusing on the broader connections between financial, social and environmental factors but this is definitely a step in the right direction."

Lodhia's advice to Chartered Accountants seeking to build their sustainability capability is to start by asking questions.

"Talk to people within your organisation to find out what they're doing about sustainability," he says. "What sort of committees do they have? What role could you play? How can your skills be embedded into these practices?"

He stresses that Chartered Accountants need to understand that sustainability is an economic issue with financial consequences.

"These aren't necessarily short-term, but accounting has always been about the longer-term future," he says. "Accountants have the skills to address critical issues for organisations and influence their future viability, and I believe sustainability is now an important part of that."

He sees technology, and AI in particular, changing the way businesses operate.

"In the future, accountants will be required to work in a different way," he says. "They will always have a role, but we must all prepare for change, and I believe that includes embedding sustainability into our thinking and decision-making."

Sustainability resources

Investing in your own sustainability capability

Visit charteredaccountantsanz.com for news, advocacy updates, tools and more.

Visit the CA Store for the latest sustainability learning opportunities.

Visit the Sustainability Resource Centre for information and support on sustainable business practices, sustainability reporting and assurance

Find out how other CAs are leading the way on sustainability at acuitymag.com

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND