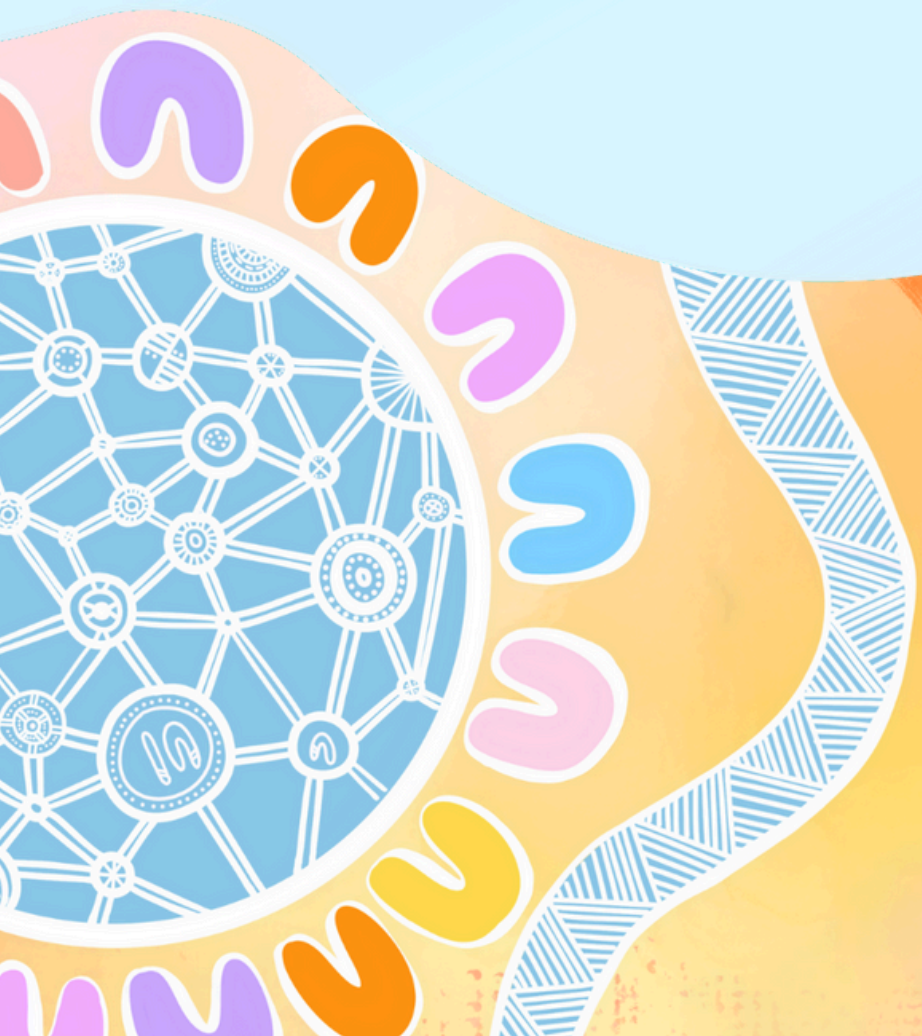
First Nations Disclosures

Identifying the gaps, risks and opportunities in current First Nations disclosure practice

RESEARCH PAPER | 2025



Australian Sustainable Finance Institute

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ASFI values the perspectives, knowledge and experience provided by First Nations Peoples to the development of this First Nations Disclosures Paper and sincerely thank those who have contributed to this work.

About the Australian Sustainable Finance Institute

ASFI is a not-for-profit organisation committed to mobilising capital for climate, nature and social impact, and the peak body for the sustainable finance sector in Australia.

ASFI's members are large Australian financial institutions – including major banks, superannuation funds, insurers, asset managers, and financial services firms – that collectively hold over AU$16.5 trillion in assets. ASFI and its members are committed to allocating capital in ways that create positive social and environmental outcomes to secure future prosperity and sustainable economic growth for Australia.

Glossary of Terms

Term	Definition
Assurance	Independent verification of disclosures; in Indigenous contexts, assurance must include Indigenous governance to ensure cultural legitimacy.
ASFT	Australian Sustainable Finance Taxonomy
Closing the Gap (CtG)	A national agreement between governments and the Coalition of Peaks to improve life outcomes for Aboriginal and Torres Strait Islander peoples.
Country	A holistic First Nations concept encompassing land, water, skies and living systems, as well as spiritual, cultural and ancestral connections between people and place.
Cultural Authority	The recognised authority of Elders, Traditional Owners, or community-appointed leaders to make decisions in accordance with cultural law and governance systems.
Disclosure	The act of transparently reporting risks, impacts and governance arrangements in the context of this paper, relating to First Nations rights and interests.
Double Materiality	A principle requiring disclosure of both how sustainability issues affect a company and how the company's operations impact people and the environment.
Dhawura Ngilan	A national vision and set of standards for protecting Aboriginal and Torres Strait Islander heritage, including Principles and a Business & Investor Guide.
Ecosystem Blind Spots	Areas where Indigenous risks and governance are systematically excluded from disclosures.
Embedded Action	Embedded action means First Nations governance is recognised as part of decision-making authority, with clear indicators, verification mechanisms and board accountability. E.g. requiring board-level reporting on FPIC compliance, assurance of heritage risk management, or disclosure of First Nations governance roles within corporate structures. These actions create enforceable obligations and generate data that can be compared, verified and acted upon.
First Nations Disclosures	Structured reporting on the rights, risks and governance issues specific to First Nations peoples, grounded in UNDRIP and Indigenous data sovereignty principles.
FPIC	A principle of UNDRIP, Free, Prior and Informed Consent requires Indigenous peoples' consent before any project affecting their rights, lands, or heritage proceeds.
GRI	Global Reporting Initiative. Provides widely used, global, voluntary sustainability reporting standards, based on the principle of double materiality.
ILUA	Indigenous Land Use Agreement. A voluntary agreement under the Native Title Act 1993 (Cth) between native title holders and others about the use of land and waters.
Indicators	Markers of performance or compliance, which may be quantitative or qualitative.
Indigenous Data Sovereignty	The right of First Nations peoples to control the collection, ownership and application of data relating to their communities, lands and knowledge systems.
Indigenous Markets	The economic ecosystem created by First Nations peoples through enterprise, investment and governance, including Indigenous-owned businesses and Indigenous-governed capital flows.

**Aboriginal and Torres Strait Islander people' 'Indigenous people' and 'First Nations people' are used throughout this paper interchangeably.

IPP	Indigenous Procurement Policy. Requires government agencies and their delegated subcontractors to source a proportion of contracts from Indigenous businesses.
ISSB	International Sustainability Standards Board which is part of the IFRS Foundation. Develops global sustainability disclosure standards.
Materiality	The determination of which issues are significant enough to require disclosure, assessed here through financial, social/double and systems-level lenses.
Metrics	Standardised, quantifiable measures used to operationalise indicators into comparable data points.
MSS	Minimum Social Safeguards. A component of the Australian Sustainable Finance Taxonomy that outlines requirements to demonstrate alignment with human rights, including First Nations rights.
Native Title	Legal recognition under Australian law of the pre-existing rights and interests of Aboriginal and Torres Strait Islander peoples in land and waters.
PBC	Prescribed Body Corporate. An Aboriginal or Torres Strait Islander corporation nominated by native title holders to manage their rights and interests once determined.
Performative Action	Performative action occurs when organisations rely on symbolic initiatives such as issuing public statements, hosting cultural events, or citing a RAP as evidence of engagement, while avoiding structural change. These actions build reputational capital but do not shift governance, risk allocation, or accountability to First Nations peoples.
Proxies	For the purposes of this paper, 'proxies' refer to indirect signals such as RAP status, procurement spend, or certifications that may imply Indigenous engagement but do not evidence structural accountability of corporates to First Nations peoples and communities.
Proxy Voting	Proxy voting is a form of voting whereby a member of a decision-making body may delegate their voting power to a representative, to enable a vote in absence.
RAP	Reconciliation Action Plan. A voluntary framework outlining commitments organisations make towards reconciliation between First Nations and non-First Nations peoples.
Rights Holders	First Nations peoples whose rights, interests and authority are recognised through Native Title, land rights legislation, cultural heritage laws, or other statutory instruments, as well as through international standards such as the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). The term also encompasses the inherent cultural authority and sovereignty of First Nations communities, which exist beyond statutory or corporate recognition. In practice, rights holders may include Traditional Owners, Native Title holders and other First Nations groups with recognised or asserted responsibilities to Country, culture and community.
RNTBC	Registered Native Title Body Corporate. A PBC that has been formally registered to manage native title rights on behalf of Traditional Owners.
SASB	Sustainability Accounting Standards Board. Provides sector-specific disclosure standards.
Self-Determination	The right of First Nations peoples to freely determine their political status, governance systems and economic, social and cultural development.
Structural Failures	Systemic weaknesses in current disclosure frameworks that prevent recognition of Indigenous rights.
System-Level Impacts	Long-term risks linked to colonisation, dispossession and governance exclusion that destabilise markets, policies, society and institutions.
TCFD	Task Force on Climate-related Financial Disclosures, subsumed into ISSB. Provides guidance on disclosing climate risks and governance.
TISFD	Taskforce on Inequality and Social-related Financial Disclosures. An emerging global framework to address inequality in corporate reporting.
TNFD	Taskforce on Nature-related Financial Disclosures. Provides guidance on disclosing nature-related risks and dependencies.
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples (2007), setting out minimum standards for the survival, dignity and wellbeing of Indigenous peoples.

Executive Summary

What are corporate disclosures?

Corporate disclosures are the reports and statements that companies provide to inform investors, regulators and other stakeholders about their financial position, risks, strategies and performance.

They are intended to increase the transparency of information between firms and stakeholders, allowing capital to be allocated efficiently and risks to be managed transparently. They are considered an important part of corporate governance and often used as a tool by regulators to enable markets to make more informed decisions, avoiding more onerous regulation[1].

In Australia, corporate disclosure is underpinned by legal obligations that require listed entities to provide timely and accurate information to the market. Under the Corporations Act 2001 (Cth), section 674, companies have a continuous disclosure obligation to immediately disclose information that a reasonable person would expect to have a material effect on the price or value of the entity's securities. This is reinforced by ASX Listing Rule 3.1, which requires entities to disclose such information to the ASX as soon as they become aware of it.

Traditionally, disclosures have focused on financial accounts, governance and operational risks. Increasingly, however, material environmental and social issues are being recognised as integral to financial performance and long-term corporate value. This has led to an expansion of corporate disclosures to include climate, nature and human rights issues where these are considered material[2].

Sustainability disclosures and their role in greater corporate ambition

Corporate disclosure on sustainability issues has been seen as an important precondition for stronger corporate action on these issues, which can then be driven by investor and other stakeholder pressure, or a stronger understanding by corporates of the impact of sustainability issues on long-term corporate value.

Improved understanding of risks and opportunities is expected to enable businesses and investors to better mitigate sustainability related risks and capture sustainability related value creation opportunities, with the aggregation of information provided through disclosures also able to inform regulators and policy makers.

However, disclosures are a transparency mechanism, they provide investors and other stakeholders with information on which to make decisions, but in and of themselves disclosures don't require a certain level of ambition on issues.

[1] Carney, M. 2015, 'Breaking the tragedy of the horizon – climate change and financial stability' Available online https://www.bankofengland.co.uk/speech/2015/breaking-the-tragedy-of-the-horizon-climate-change-and-financial-stability
[2] ACSI 2022, 'ESG Reporting Trends: A detailed assessment of ESG reporting trends in ASX200 companies', Available online at https://acsi.org.au/wp-content/uploads/2022/06/ACSI-ESG-Reporting-Trends-in-the-ASX200-JUN-22.pdf

Even for climate disclosures, the most mature area of sustainability disclosures, global climate reporting standards established by the International Sustainability Standards Board in 2023 don't require a minimum level of ambition for corporate emissions reductions targets, or require companies to develop a transition plan to demonstrate how they will manage the risks and opportunities of the climate transition[1].

While increasing disclosure from companies globally and in Australia on sustainability issues[2] has enabled investors to increase their stewardship and engagement on these issues, there is still clearly a significant gap between current capital allocation and corporate ambition and what is needed[3]. In some cases, such as modern slavery, a mandatory disclosure based approach is not translating into any meaningful corporate action[4].

While for climate disclosures, the increased visibility, attention and analysis that climate related issues now have, in part given the strong adoption of disclosure in line with global frameworks, is leading to improved climate risk management at the corporate and system level, even before these became mandatory[5].

While disclosures generally start as voluntary, with a range of different frameworks that can be used to encourage corporate uptake, as investor and stakeholder demand for this information grows and investors want to integrate it decisions in a strategic and comprehensive way, their ability to do this becomes limited by the credibility, comparability and coverage of reporting. It is at this point that benefits of mandatory reporting outweigh the costs and we've seen this shift for climate reporting in many countries, including Australia[6].

There are mixed views on how the shift to mandatory disclosure might affect corporate ambition[7], with a range of contextual factors contributing to ambition. From our work in this area, for companies or financial institutions with high ambition, their disclosures are already relatively mature and the additional rigour that comes with mandatory reporting has brought in different parts of the business to stress test climate strategies, which has largely supported the ability of companies to deliver on those commitments.

For those companies with low ambition on climate, it is clear that disclosures alone are not enough to shift that[8].

[1] IFRS 2023, 'IFRS S2 Climate-related disclosures' Available online at https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/
[2] ISSB TCFD report, ACSI ESG report, GRI status of sustainability reporting
[3] Bloomberg NEF, 2025 'Fund Managers Drive Twice as Much Investment Fossil Fuels as Clean Energy' Available online https://about.bnef.com/insights/finance/fund-managers-drive-twice-as-much-investment-to-fossil-fuels-as-clean-energy/ ; 2025 'A Call for Global Financial Reform' Available online https://www.tragedyofthehorizon.org/
[4] ACSI 2023, 'Compliance without ambition: Taking stock of ASX200 reporting under Australia's Modern Slavery Act' Available online https://acsi.org.au/research-reports/compliance-without-ambition-taking-stock-of-asx200-reporting-under-australias-modern-slavery-act/
[5] APRA 2024, 'Climate Risk Self-Assessment Survey 2024' Available online https://www.apra.gov.au/climate-risk-self-assessment-survey-2024
[6]The Treasury 2024 'Climate-related financial disclosure' Available online at https://treasury.gov.au/consultation/c2024-466491
[7] Schoff and Segorbe 2024, 'Mandatory climate reporting: Curbing corporate ambitions', Available online https://www.minterellison.com/articles/mandatory-climate-reporting-curbing-corporate-ambitions; Privato, Johnson and Busch (2024), 'Raising the bar: What determines the ambition level of corporate climate targets?' Available online https://link.springer.com/article/10.1007/s10584-024-03783-6
[8] 2025 'A Call for Global Financial Reform' Available online https://www.tragedyofthehorizon.org/

Drivers of corporate and investor behaviour on First Nations issues

Opportunity

Companies are increasingly recognising the economic opportunity in the Indigenous economy and are looking to capture some of that opportunity. The ANZ Fuelling the growth engine of the First Nations economy report highlights that First Nations economic participation represents a $50 billion opportunity for the Australian economy, with Indigenous businesses already generating over $16 billion annually (ANZ, 2025; IBA, 2024)[1].

There is also a growing recognition that authentic engagement with First Nations peoples strengthens governance, enhances transparency and supports sustainable economic outcomes across sectors. Investors and corporations are increasingly recognising the strategic value of partnering with First Nations peoples in areas such as land and water stewardship, natural capital management and sustainability performance.

Gilbert and Tobin's "First Nations Partnerships in the Clean Energy Transition" (2023) reinforces the benefits to proponents stating that "...companies and project proponents not only meet international standards but also create a more just, equitable and "greener" future, where best practice collaboration leads to sustainable development and true partnerships based on lasting cooperation"[2].

Risk

The most visible driver for increased activity by investors and business on First Nations issues has been reputational risk in crisis and misconduct. The destruction of Juukan Gorge in 2020, despite Rio Tinto's Elevate Reconciliation Action Plan, sparked significant investor and corporate activity. The incident led to a parliamentary inquiry, a collapse in investor confidence and widespread calls for reform (HESTA, 2021). Investors such as HESTA and investor organisations like ACSI explicitly linked the failure to disclose Indigenous risks to failures of governance and stewardship, arguing that UNDRIP principles should guide corporate conduct (HESTA, 2022).

Investor stewardship has also been a driver. The Dhawura Ngilan Business and Investor Initiative explicitly positions First Nations cultural heritage as a systemic risk to investors, arguing that projects which fail to secure Free, Prior, Informed Consent (FPIC) or protect heritage create long-term value erosion (DNBII, 2024).

This aligns with the Australian Sustainable Finance Taxonomy's First Nations Minimum Social Safeguards, which require companies to demonstrate alignment with First Nations rights before an activity can be considered fully aligned with the taxonomy and therefore 'sustainable' (ASFI, 2025).

[1] Australia's $50 billion opportunity: Fuelling the growth engine of the First Nations economy, 2025, ANZ, Australia's $50 billion opportunity, Fuelling the growth engine of the First Nations economy
[2] First Nations Partnerships in the Clean Energy Transition, Gilbert and Tobin, 2023

The potential to drive stronger First Nations outcomes

Based on the experience with climate and broader sustainability disclosures in recent years, including the growth in sustainability ambition and reporting globally and in Australia[1], the purpose of this work was to determine whether and how better corporate disclosures on First Nations risks, opportunities and impacts could enable stronger corporate ambition and more meaningful corporate action on First Nations issues.

When this work was originally conceived, with First Nations partner organisations in late 2023, there was support from many parts of the corporate sector to play a stronger role in reconciliation and supporting economic opportunities for First Nations peoples.

There was also appetite from ASFI members to align the finance sector with First Nations rights and interests and openness to exploring a range of ways to do that. While there were some cultural heritage focused frameworks in development at that time, there was interest in a more comprehensive approach to First Nations disclosures so that this information could be integrated more holistically into capital allocation and stewardship activities.

When this work commenced in late 2024, the Dharuwa Ngilan Business and Investor Guides[2] had been released and the Australian Sustainable Finance Taxonomy[3] had included First Nations rights and heritage in its social safeguards. These are both now being piloted and used by a number of organisations across the business and finance sectors.

This paper maps the current state of First Nations disclosures in Australia, including how global frameworks include First Nations issues to support disclosure. It analyses different views on the purpose of First Nations disclosures and the key design principles and elements a comprehensive disclosure framework should include to achieve those different purposes, drawing heavily on the analysis and views of First Nations Affairs. Finally it outlines pathways forward and assesses how disclosures and the context needs to evolve to be a stronger driver for ambition on First Nations issues.

Throughout this work, ASFI partnered with First Nations Affairs who brought a First Nations perspective and expertise on disclosures to the work and were also guided by the expertise and perspectives of our First Nations Reference Group and other stakeholders. We are grateful for all of their contributions and insights.

[1] IFRS 2024, 'Progress on Corporate Climate Disclosures – 2024 Report' Available online https://www.ifrs.org/sustainability/tcfd/ ; ACSI 2022, 'ESG reporting trends' Available online https://acsi.org.au/wp-content/uploads/2022/06/ACSI-ESG-Reporting-Trends-in-the-ASX200-JUN-22.pdf
[2] First Nations Heritage Protection Alliance, 'Dharuwa Ngilan Business and Investor Guides', Available online https://culturalheritage.org.au/business-investor-guides/
[3] ASFI 2025, 'Australian Sustainable Finance Taxonomy', Available online https://www.asfi.org.au/australian-taxonomy

Mapping the Frameworks

Incorporation of First Nations issues into Sustainability Disclosures Frameworks

The below analysis demonstrates how existing commonly used international and Australian sustainability disclosure standards incorporate First Nations issues.

First Nations issues are starting to appear more regularly in sustainability and disclosure frameworks, but the level of attention and integration varies significantly.

Disclosure obligations for Australian corporates do not explicitly require the disclosure of First Nations rights, interests or involvement in governance, which means that material risks and opportunities related to First Nations peoples are often excluded from disclosure practices, treated as peripheral or non-financial matters rather than issues central to governance, legitimacy and long-term value creation.

Some international frameworks clearly reference Indigenous rights and include principles like Free, Prior and Informed Consent (FPIC). Others mention Indigenous Peoples only in passing or rely on broad stakeholder materiality without naming specific cultural, land, or governance issues. In some cases, these issues are left out altogether.

The table on page 11 (T1) maps how different sustainability and disclosure frameworks currently approach First Nations issues. It looks across core areas that are particularly relevant to both financial decision-making and the rights and interests of First Nations peoples.

It helps to identify where frameworks are making progress, where key gaps remain and what this means for the ability of disclosures to support more meaningful action and stronger alignment with First Nations priorities.

T1: Comparative Mapping of First Nations Indicators in Disclosure Frameworks

Framework	Focus Area/s	Materiality	References to First Nations Issues	Key Areas of First Nations Focus	Other Information
ISSB S1	General sustainability disclosure (enterprise value)	Single materiality (financial)	✕ Not mentioned	None	Stakeholder governance included but does not name
ISSB S2	Climate-related disclosure	Single materiality (financial)	✕ Not mentioned	None	Transition risk may indirectly affect land/culture but not surfaced
GRI	Comprehensive ESG, incl. human rights	Double materiality	✓ Explicit references (GRI 411)	FPIC, human rights, land, consent	GRI 411 dedicated to Indigenous rights
SASB	Sector-specific ESG metrics	Single materiality	⚠ Sector-specific (e.g. extractives)	Land, consent, cultural risk in high-risk sectors	No cross-sector baseline
TNFD v1.0	Nature-related risks and opportunities	Double materiality	✓ Explicit in LEAP + guidance on IPLCs	FPIC, custodianship, knowledge systems	Dedicated IPLC guidance & sector toolkits
UNGPs	Business & human rights due diligence	N/A (non-financial standard)	✓ Strong rights-based references	Human rights, FPIC, consultation	Not a disclosure framework, but widely used as a baseline
Australian SF Taxonomy	Investment classification framework	N/A (taxonomy)	✓ Referenced in social safeguards	FPIC, cultural integrity, community benefit	Piloting in progress; safeguards not yet formalised
Dharuwa Ngilan Guides	Ethical investment guidance	Double materiality / relational	✓ First Nations-led with explicit principles	Consent, economic participation, stewardship	Not a reporting framework, but investment-facing
ICMM	Mining sector sustainability & rights	N/A (sector position)	✓ Member commitments include FPIC	Land access, cultural heritage, benefit-sharing	Applies to ICMM members only
Equator Principles (v4)	Project finance risk assessment	Single materiality (risk-based)	✓ Explicit on Indigenous Peoples	FPIC, land, heritage, stakeholder engagement	Applies to large-scale project finance only
IFC PS7	Performance standards for projects	Single materiality (financial/investor risk)	✓ Strong references	FPIC, land, cultural heritage	Binding for IFC clients only, however often used as broader industry
OECD MNE Guidelines	Responsible business conduct	N/A (voluntary guidelines)	✓ General references	Human rights, FPIC implied	Broad guidance, lacks enforcement or structure

Key Dimensions Explained:

- **Focus Area:** What the framework covers (e.g. climate, nature, human rights).
- **Materiality:** How issues are prioritised e.g. financial (single), financial + impact (double), or relational.
- **First Nations Mentioned:** Whether Indigenous or First Nations Peoples are explicitly referenced.
- **Key Areas of Focus:** Specific First Nations issues covered (e.g. FPIC, land, culture).
- **Other Information:** Notes on scope, use, or limitations (e.g. sector-specific, voluntary).

Key global disclosure standards[1] including ISSB S1 and S2 and SASB do not include clear, structured guidance on Indigenous rights, risks and reporting. Where First Nations issues are included, they are often grouped under broader stakeholder categories or only considered when they meet narrow financial materiality thresholds. This limits the visibility of First Nations issues in corporate reporting and makes it harder for companies, investors and other stakeholders to fully assess related risks and opportunities.

The absence of clear standards and metrics also increases the likelihood that material risks are underreported, cultural and governance issues are mispriced and social license is eroded particularly in sectors with operations on land subject to First Nations interests and rights.

Some frameworks are beginning to provide more meaningful guidance on how to consider First Nations rights and interests in corporate reporting. The Global Reporting Initiative (GRI) includes a specific standard on Indigenous rights (GRI 411), while the Taskforce on Nature-related Financial Disclosures (TNFD) recognises the importance of engaging with Indigenous Peoples and Local Communities as part of nature-related risk assessments and theLEAP approach encourages organisations to consider Indigenous custodianship and knowledge as part of how they govern their relationship with nature, but does not embed Free Prior Informed Consent, cultural data sovereignty or First Nations governance into disclosure requirements.

Similarly, the UN Guiding Principles on Business and Human Rights (UNGPs) highlight Indigenous rights within broader human rights due diligence. These frameworks offer a more explicit foundation for companies to disclose how they engage with First Nations communities, however are all global and voluntary in nature and in some cases do not recognise the unique nature of First Nations rights and interests. In practice, reporting under SASB and GRI standards often results in qualitative narratives of “engagement,” with little verification.

Certain industry frameworks have developed more specific expectations for how companies engage with First Nations Peoples, particularly where land use, cultural heritage, or reputational exposure is more visible. In extractives, for example, frameworks like SASB, the ICMM Indigenous Peoples Position Statement and the Equator Principles set clearer expectations around issues such as land access, cultural heritage and benefit-sharing. These tend to be operationalised through project-level risk assessments or impact management plans. However, this type of guidance is not consistent across sectors.

Since being included in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) Free, Prior and Informed Consent (FPIC) is emerging as a key principle across several frameworks, particularly those grounded in human rights, nature-related risks and project finance.

Standards such as GRI, the UNGP, IFC Performance Standard 7 and the Equator Principles explicitly reference FPIC, positioning it as integral to responsible engagement with Indigenous Peoples. While enforcement remains limited and operationalisation is varied, FPIC is increasingly recognised by financiers and investors[1][2][3].

Australian frameworks

Newer and more regionally grounded frameworks are beginning to embed First Nations principles in a more structured way. The Dharuwa Ngilan Business and Investor Guides set out investment principles based on self-determination, consent and cultural continuity and represents a landmark attempt to operationalise UNDRIP principles within business and investment practice.

Dhawura Ngilan is pivotal because it reframes cultural heritage as a matter of systemic economic governance, not discretionary engagement. It provides a cornerstone reference point for how businesses and investors should approach heritage and responsibility.

Following on from this work, the Australian Sustainable Finance Taxonomy, with version 1 released in June 2025, introduces social safeguard criteria that reference FPIC, cultural integrity and community benefit. This inclusion represents the first time that First Nations governance has been formally embedded within a national sustainable finance taxonomy. It acknowledges that credible and enduring sustainability outcomes are inseparable from the recognition of First Nations peoples' inherent rights and responsibilities particularly given the depth of First Nations land ownership, stewardship and cultural governance across Australia.

This is an important step forward in aligning sustainable finance practice with international standards, while grounding it firmly in the Australian context. The First Nations Minimum Social Safeguards provide a clear starting point for how rights-based considerations can be integrated into financial decision-making, investment classification and risk assessment.

At this stage both of these frameworks are available for voluntary adoption and are currently being piloted by a number of companies and financial institutions. Further guidance on their use, including disclosure and assurance processes underpinning reporting against these frameworks will be developed and provided to support the widespread adoption and consistent and credible use of these standards. Strong evidence of market use of these standards will help to make the case for more comprehensive and robust First Nations disclosures over time.

[1] Westpac Human Rights Position Statement and Action Plan, 2024, Westpac Human Rights Position Statement and Action Plan ACSI and Westpac publications
[2] For further details on the investment risk of poor company engagement with First Nations people, see ACSI's research report, 'Company Engagement with First Nations People', December 2021, p9.
[3] THE APPLICATION OF THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES (UNDRIP) IN AUSTRALIA, ACSI, 2022, Submission-UNDRIP_final-published-version.pdf

Emerging frameworks

While emerging standards offer an opportunity to continue to strengthen First Nations rights, governance and perspectives in disclosure standards this is not always occurring. The emerging Consolidated Mining Standard Initiative (CMSI) has raised concerns among civil society and investors by diverging from established international norms such as UNDRIP, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines[1]. It weakens the application and enforcement of FPIC and does not embed First Nations sovereignty within its assurance mechanisms.

The CMSI highlights the risk of "standards capture," where industry-led initiatives establish benchmarks that fall short of international human rights obligations, creating confusion for investors and weakening outcomes and accountability of companies to First Nations rights holders (Business & Human Rights Resource Centre, 2025).

The emerging Taskforce on Inequality and Social-related Financial Disclosures (TISFD) presents a critical opportunity. Its foundational premise is that inequality itself constitutes a systemic financial risk. This framing creates space to embed First Nations rights explicitly within disclosure standards. However, as of mid-2025, publicly available drafts do not yet articulate how First Nations sovereignty, governance, or data rights will be addressed. While First Nations perspectives are included in working groups and in the governance of the Taskforce, there remains a risk that the framework will replicate symbolic inclusion rather than structural accountability. For First Nations, TISFD represents an opportunity to ensure inequality frameworks treat sovereignty and rights as central, not incidental.

The mapping highlights that while some global and sector-specific frameworks are beginning to provide more explicit references to Indigenous rights and engagement, consistent expectations across the sustainability disclosure landscape are still lacking. Key voluntary standards often treat First Nations issues as peripheral or only material in specific sectors, resulting in significant variation in how companies assess and report on these risks and opportunities. This inconsistency makes it difficult for investors to access reliable and comparable information across their portfolios and for companies to identify and manage First Nations -related risks and opportunities effectively.

RAPs and their role in corporate action on First Nations outcomes

Reconciliation Action Plans (RAPs) are the primary mechanism for corporates in Australia to make voluntary commitments to contributing to First Nations outcomes. While there is no requirement to disclose progress against those commitments, RAPs remain a widespread framework for corporate engagement with First Nations peoples in Australia.

As of 2025, 2,283 organisations have RAPs in place, spanning banks, mining companies, insurers, government agencies and universities (Reconciliation Australia, 2025).

[1] Risks Posed by the Consolidated Mining Standard Initiative: A Grief for Investors, June 2025

The current four tier RAP structure includes: Reflect: Building Strong Foundations; Innovate: Implementing Change; Stretch: Reconciliation Leadership; and Elevate: Transformational Change (Reconciliation Australia, 2025). While RAPs are voluntary This widespread uptake of RAPs demonstrates a strong foundation of intent and engagement across sectors, yet the absence of consistent disclosure requirements limits the ability to measure impact and track progress in a comparable way. Integrating insights from RAP commitments into the Disclosure Project provides an opportunity to evolve these voluntary initiatives into structured, transparent and data-driven mechanisms that strengthen accountability and guide future standards for First Nations reporting.

In analysis of the impact of RAPs The impact of Reconciliation Action Plans 2024 [1] three areas of impact were identified:

Relationships: At the heart of reconciliation is the relationship between the broader Australian community and Aboriginal and Torres Strait Islander peoples. RAPs contribute to creating opportunities for these meaningful relationships by measuring membership numbers, amount of informal and formal partnerships between RAP holders and First peoples and RAP organisation National Reconciliation Week events.

Respect: RAP activities contribute to building a strong understanding of Aboriginal and Torres Strait Islander cultures, rights and experiences, underpinning progress towards all five dimensions of reconciliation. Cultural immersion and face-to-face cultural learning, online cultural learning and organisational influence and change are considered the measurements supporting this pillar.

Opportunities: RAPs create economic opportunities for Aboriginal and Torres Strait Islander people and businesses. This enables enhanced equal and equitable participation in a range of life opportunities which is crucial to advancing reconciliation. Measuring this pillar comes in the form of procurement, contracts between RAP organisations and Aboriginal and/or Torres Strait Islander owned businesses and board representation.

ASX RAP Summary

- Total ASX-listed companies analysed: 231
- Companies with a Reconciliation Action Plan (RAP): 61
- Proportion of ASX companies with a RAP: ≈ 26.4 %

Presenting this data provides critical insight into the current state of corporate engagement with First Nations peoples across Australia's largest listed companies. While 26% of ASX-listed companies having a RAP demonstrates a growing recognition of reconciliation within the corporate landscape, it also highlights the limited scale of structured First Nations engagement relative to other sustainability and governance initiatives. For comparison, nearly all ASX200 companies now produce sustainability or ESG reports and more than 85% align with at least one international framework such as the Task Force on Climate-related Financial Disclosures (TCFD) or the Global Reporting Initiative (GRI). This contrast suggests that while reconciliation has entered the corporate consciousness, it has yet to be included within mainstream disclosure systems.

The relatively modest uptake of RAPs within the ASX200 reflects the maturity and willingness of integrating First Nations governance into formal corporate practice which seems to be a natural evolution towards structured disclosure mechanisms.

[1] The impact of Reconciliation Action Plans in 2024, Reconciliation Action Plan, 2024-RAP-Impact-Report.pdf

This analysis also reveals important patterns in sector ambition and maturity that signal clear opportunities for growth and alignment. Industries such as Real Estate, Energy and Consumer Staples demonstrate higher RAP adoption rates, reflecting advanced engagement with communities and land-based partnerships, while sectors such as Financials and Materials, despite their significant market influence, have lower participation.

These differences suggest that reconciliation is being approached unevenly across sectors, strategic and embedded for some, emerging or underdeveloped for others. Recognising this variation provides valuable insight into where collaboration, guidance and shared standards could lead to impact.

RAPs Focus Areas

Analysis of common terms and themes within the "RAP Pillars" section shows that most focus areas centre on:

1. **Economic Participation and Opportunities** – particularly First Nations employment, procurement and business growth.
2. **Relationships and Partnerships** – building long-term, trust-based collaborations with First Nations communities and organisations.
3. **Respect and Cultural Recognition** – fostering cultural awareness, respect and inclusion across workplaces.
4. **First Nations Leadership and Governance** – increasing self-determination and shared decision-making.
5. **Education, Capability and Pathways** – supporting learning, development and career pathways for Aboriginal and/or Torres Strait Islander peoples.

While RAPs demonstrate consistent focus areas and strong intent across industries, they do not yet translate into prominent or standardised disclosures. RAPs are a valuable starting point for building relationships, cultural capability and economic participation with First Nations peoples; however, their voluntary nature and varied implementation limit the ability to measure and compare progress across organisations.

By building on these learnings, there is opportunity to develop a framework or set of disclosure guidelines that brings coherence and comparability to First Nations commitments across industries. Such a framework could align with established sustainability reporting structures similar to climate or human rights disclosures while embedding First Nations governance, data sovereignty and partnership principles as measurable indicators of sustainable performance.

This would not only elevate the credibility and accountability of reconciliation efforts but also position Australia as a global leader in integrating Indigenous rights and governance within sustainable finance and corporate reporting systems.

Industry	Companies with RAPs	Total Companies	RAP Adoption (%)	Key Insights
Real Estate	11	18	61	The highest adoption rate across the ASX, driven by property developers and REITs embedding community partnerships and cultural heritage engagement into ESG frameworks.
Consumer Staples	4	7	57	Strong commitment across food, retail and beverage sectors, with a focus on procurement, supply chain inclusion and community investment.
Communication Services	4	9	44	Telecommunications and media firms are aligning RAPs with social licence, focusing on digital inclusion and workforce representation.
Energy	4	9	44	Energy companies are integrating RAPs into their sustainability and transition strategies, particularly through land access, Traditional Owner partnerships and local employment.
Utilities	3	7	43	Water, electricity and infrastructure providers are embedding RAPs into community engagement and long-term sustainability programs.
Consumer Discretionary	6	17	35	Retail and service-based industries use RAPs to build inclusive workplaces and culturally safe customer experiences.
Industrial	8	24	33	Construction and transport sectors are linking RAP outcomes to workforce diversity, procurement and major project delivery.
Materials	7	45	16	Resource companies are beginning to evolve from compliance-based engagement to strategic, co-governed partnerships with Traditional Owners.
Financials	9	67	13	The finance sector shows growing momentum, with major banks and insurers embedding First Nations engagement into governance, lending and investment practices.
Health Care	2	17	12	Health organisations are emerging adopters, primarily focusing on cultural safety, access to services and employment pathways.

The existence and level of a companies RAP is often used as a proxy for First Nations related performance in the absence of more comprehensive and robust disclosures on First Nations issues. However while RAPs can be revoked, there is currently no real mechanism to penalise organisations for failing to meet minimum standards for First Nations customers or stakeholders. Telstra's experience illustrates this: in 2021, Reconciliation Australia revoked Telstra's Elevate RAP, its highest-tier endorsement, after Telstra admitted to unconscionable sales practices involving First Nations customers, resulting in a $50 million penalty and public criticism (ACCC v Telstra, 2021)[1].

At present, RAPs are one of the only formal avenues through which companies publicly engage on First Nations issues, offering a valuable platform that could be strengthened through the introduction of disclosure-like features such as reporting on FPIC, governance arrangements and heritage management. However, due to the voluntary nature of RAPs which are designed primarily to raise awareness and build cultural capability, embedding rigid disclosure or compliance requirements too early risks corporate participation. Instead, the opportunity could lie in leveraging the existing foundation of RAPs to inform the development of a voluntary disclosure framework that connects reconciliation commitments with sustainable finance and accountability systems. Such a framework could act as a bridge between relationship-based ambition and structured, transparent reporting, making First Nations engagement more visible to investors, regulators and capital markets while supporting equitable access to finance and shared economic prosperity.

First Nations Perspectives on the Purpose of Disclosures

While corporate disclosures have a well-established corporate governance purpose and investor audience, sustainability disclosures are often used by a broader set of stakeholders beyond just investors or corporate regulators. This broader use and purpose has influenced the design and implementation of sustainability reporting frameworks with double materiality, which requires reporting on both financial risks and impacts on society and the environment, being widely adopted in European sustainability reporting (OECD, 2023). As part of assessing the value of First Nations disclosures in driving corporate ambition and what it take to achieve, this work sought to understand First Nations perspectives on disclosures – their primary purpose and how they should be designed and implemented.

Unique rights and interests

At the core of First Nations disclosures should be the shared recognition that Indigenous peoples are rights-holders under international law, whose knowledge, governance and stewardship contribute significant value to sustainable economic systems. The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) outlines global standards that support the wellbeing and self-determination of Indigenous peoples. Articles three and four affirm the rights to self-determination and self-government, while Articles 26 to 28 recognise enduring relationships to lands, territories and resources (United Nations, 2007). These principles provide a strong foundation for collaboration between First Nations peoples and the private sector, more specifically in this case the Finance Sector which encourages alignment of governance, investment and mutually beneficial disclosure practices.

[1] Australian Competition and Consumer Commission v Telstra Corporation Limited [2021] FCA 502, 2021, Australian Competition and Consumer Commission v Telstra Corporation Limited [2021] FCA 502

In Australia, First Nations rights are recognised through legal mechanisms including the Native Title Act 1993 (Cth), state-based cultural heritage legislation and ILUAs. Unfortunately, these mechanisms provide limited economic or governance guidelines. Using the Noongar Settlement (Australia's first recognised Treaty) as an example, it demonstrates both progress and compromise. First Nations people received land, finance and governance recognition, but only in exchange for extinguishing native title (ANTAR, 2023). The settlement illustrates how legal frameworks can both acknowledge and constrain First Nations sovereignty.

Implications for disclosures

- Corporate disclosure frameworks have an important opportunity to recognise First Nations rights as distinct from general stakeholder interests, reflecting sovereignty-based entitlements grounded in law, culture and internationally endorsed standards.
- Embedding these rights within disclosure practices strengthens transparency, trust and long-term value creation.
- By aligning with these principles, the private sector, government, corporate and finance institutions can collaboratively advance sustainable, rights-informed approaches that enhance governance, mitigate risk and contribute to shared economic and social prosperity.

First Nations data sovereignty

Data sovereignty is the cornerstone of First Nations disclosures. It asserts that First Nations peoples must control the collection, use and dissemination of data about their communities, lands and governance. Without this, disclosures risk replicating extractive practices, where information about Indigenous peoples is gathered, interpreted and reported by corporations without consent or accountability.

The Indigenous Peoples' Declaration on Certification Bodies and Verification Bodies (2025) underscores the dangers of weak assurance: auditors often lack cultural expertise, operate with conflicts of interest and conduct superficial engagements. The declaration calls for culturally competent, First Nations-led verification processes that uphold FPIC and governance integrity. For disclosures, this means that assurance cannot be outsourced to conventional auditors alone; it must embed Indigenous oversight and validation.

The Dhawura Ngilan Principles and Business/Investor Guide both explicitly reference data sovereignty. They require companies to engage in co-design with First Nations communities, to ensure that heritage data, agreements and impacts are represented accurately and respectfully.

Data sovereignty is not only about preventing harm; it is also about enabling self-determination and active participation. Through co-designing and guiding disclosure processes, First Nations peoples can exercise governance authority and contribute to defining materiality in ways that reflect cultural, social, environmental and economic values. This collaborative approach ensures that benefits and outcomes are measured in ways that align with First Nations priorities while strengthening transparency, accountability and shared value across the broader financial ecosystem.

[1] Australian Competition and Consumer Commission v Telstra Corporation Limited [2021] FCA 502, 2021, Australian Competition and Consumer Commission v Telstra Corporation Limited [2021] FCA 502

Implications for disclosures

- Co-design disclosures processes at the local level with First Nations communities
- First Nations-led verification and validation processes for disclosures are critical
- Identify opportunities for enabling self-determination and active participation rather than just minimising harm through disclosures processes

Cultural authority

Cultural authority refers to the recognised legitimacy of a First Nations person or group to speak for, decide on and act in relation to matters of Country, culture and community. It operates at multiple levels and in multiple contexts:

I. Cultural Authority Within Kinship Structures

This is the traditional form of authority, grounded in lineage, kinship and place. It includes:

- Elders or knowledge holders who are recognised by community and Country
- Rights to speak for land, stories, ceremony and community obligations
- Intergenerational responsibility passed through cultural protocols
- Often not written or institutionalised, but deeply legitimate

This form of cultural authority determines who can speak, where and on what terms and is foundational to governance and FPIC.

II. Cultural Authority Within Contemporary/Institutional Contexts

This form reflects the cultural legitimacy a First Nations person carries when navigating or leading within systems not designed for them such as corporate, legal, policy, or research spaces. It includes:

- Representing lived experience and community perspectives responsibly
- Navigating dual accountabilities (to community and to system)
- Carrying cultural insight into decision-making, strategy, or negotiation

This may be referred to as "walking in two worlds" where individuals assert cultural integrity in spaces that do not always recognise kinship governance.

Cultural authority refers to the right and responsibility of specific individuals or groups to speak for Country, culture and kinship systems. This aligns with UNDRIP, which affirms Indigenous peoples' right to participate in decision-making through representatives chosen in accordance with their own procedures (Article 18), to maintain and develop their own institutional and cultural governance systems (Article 34) and to protect their cultural heritage and knowledge systems (Article 31).

Recognition of cultural authority is essential to ensure that engagement reflects not just representation but accountability to the systems of authority embedded within First Nations communities (United Nations, 2007; First Nations Affairs, 2025).

Implications for disclosures

- Misunderstanding or undermining these forms of authority can lead to tokenistic engagement, poor risk management and loss of trust.
- Disclosures should distinguish between representational participation and governance legitimacy.
- Recognising both forms allows for a more nuanced, ethical and effective approach to First Nations risk, impact and opportunity.

First Nations governance

First Nations governance refers to the systems of authority, decision-making and accountability exercised through Indigenous laws, institutions and cultural authority. These include formal structures such as Prescribed Bodies Corporate, native title organisations and community-controlled institutions, as well as cultural governance exercised through kinship and traditional authority systems.

Importantly, cultural authority determines who has legitimacy to speak for Country, culture and community in specific contexts. For example, a First Nations individual may sit on a corporate board in their professional capacity, while a Traditional Owner may hold authority through kinship structures in decisions involving land or equity in major projects. For disclosure purposes, recognising both institutional governance and cultural authority is essential. Without this, reporting risks reducing governance to representation alone, rather than demonstrating accountability to the systems of authority that underpin First Nations decision-making (First Nations Affairs, 2025).

Implications for disclosures

- Legitimacy and effectiveness of disclosures requires an understanding of First Nations governance and cultural authority to ensure the right people are involved in co-design and implementation of the process

Materiality

Materiality is the cornerstone of disclosure systems. What is considered material determines what must be reported. The dominant approach in corporate reporting has been financial materiality - what matters to investors.

In the Australian context, the ASFI Taxonomy explicitly require companies to align with international human rights standards, including First Nations rights. This represents a recognition that First Nations issues are material. Yet, in practice, materiality assessments often exclude First Nations perspectives. Materiality workshops are conducted with investors, executives and consultants, while First Nations rights-holders are left outside the room (Winangali, 2023).

A First Nations materiality lens highlights three interrelated forms of materiality:

I. Financial Materiality

Financial materiality asks the question - Will this issue affect the financial performance or enterprise value of the organisation? This is the traditional view of materiality used in accounting and financial reporting frameworks (e.g. AASB, IFRS, ASX Listing Rules).

Examples:

- Land disputes that delay major infrastructure projects
- Reputational damage from cultural heritage breaches that results in share sell offs
- Regulatory fines for non-compliance with Indigenous Land Use Agreements (ILUAs)
- Loss of contracts with government departments due to RAP or IPP failures

First Nations Disclosure Implication - If a First Nations issue creates a foreseeable financial risk or liability, it should already be disclosed under existing frameworks.

II. Impact Materiality

Impact materiality asks the question - Does this issue materially affect people, communities, or the environment even if it doesn't affect the company's bottom line (yet)?
This broader lens is used in frameworks like GRI and TNFD and is central to the EU's Corporate Sustainability Reporting Directive (CSRD), which contrasts with ISSB's single materiality focus.

Examples:

- Procurement or employment practices, or ILUAs perpetuating economic exclusion of First Nations communities
- Exploitation of First Nations knowledge or other assets without consent for example carbon projects undertaken on land subject to First Nations rights and interests without a benefit sharing arrangement in place.
- Displacement of cultural governance through industry-led decision-making, including on issues affecting Country and community, for example access and use of water, impacts of company operations on Country

First Nations Disclosure Implication - First Nations communities are rights-holders. Materiality should be defined by their experience of impact, not just the company's exposure to risk.

III. System-level Materiality

System-level materiality asks the question - How does this issue affect the broader systems that the economy, markets, or society depend on? This emerging lens recognises that some issues (especially First Nations rights, climate and biodiversity), have consequences beyond individual firms or balance sheets.

Examples:

- Ongoing exclusion of First Nations Peoples from economic systems undermines national reconciliation
- Weak cultural governance erodes trust in regulatory and development processes
- Lack of First Nations disclosure creates blind spots in investment decisions and public policy
- Undermining First Nations land custodianship weakens climate resilience and biodiversity outcomes

First Nations Disclosure Implication - System-level failures are slow-moving but deeply destabilising. Disclosures must reflect how First Nations issues influence long-term legitimacy, sustainability and national cohesion beyond quarterly risks.

Insights from the Murru Waaruu seminar series emphasise that First Nations perspectives on value and impact are relational, grounded in responsibilities to land, culture, kinship and community (Barnett, 2023). This challenges investor-centric interpretations of what matters in economic decision-making, underscoring the need for disclosure systems that recognise obligations beyond financial risk. Translating this into disclosure systems requires a fundamental shift: from treating First Nations issues as optional or reputational, to treating them as structural and systemic.

Implications for disclosures

- Impact and systems level materiality is critical to First Nations peoples and Indigenous worldviews and needs to be incorporated into First Nations disclosures for them to be meaningful.
- There needs to be a fundamental shift in the way that corporates view First Nations issues.

What these perspectives mean for progress on First Nations disclosures

For meaningful progress on First Nations disclosures that will meet the purpose and objectives of all stakeholders, particularly First Nations stakeholders, the following elements would need to be in place:

First Nations Governance recognised in disclosures systems

First Nations governance structures provide a vital source of legitimacy, insight and accountability. Integrating these perspectives into corporate disclosures enhances decision-making, strengthens assurance frameworks and supports long-term value creation. Boards and investors have the opportunity and responsibility to demonstrate how First Nations governance informs their strategies, how FPIC is embedded in reporting and how cultural expertise contributes to effective oversight and verification.

Expanded definitions of materiality

Modern disclosure practice increasingly recognises that financial outcomes are interconnected with environmental, social and cultural systems. This integrated approach ensures that Indigenous inclusion is not peripheral but central to understanding enterprise value and resilience. The Impacts, Dependencies, Risks and Opportunities (IDRO) framework provides a globally recognised model for analysing how business activities intersect with people, environments and systems. When applied through a First Nations partnership lens, it enables companies and investors to identify the full spectrum of risks and value creation linked to Country, culture and community.

This includes understanding how First Nations-led governance strengthens environmental stewardship, how partnerships built on cultural legitimacy reduce operational risk and how co-designed initiatives create long-term economic opportunity. Integrating IDRO with First Nations collaboration transforms disclosure from a compliance exercise into a strategic tool for resilience, innovation and shared prosperity

Enhancing the role of RAPs in First Nations reporting and accountability

Reconciliation Action Plans remain an important part of Australia's reconciliation and corporate inclusion landscape. While RAPs were not originally designed as disclosure mechanisms, their adoption presents an opportunity to evolve their purpose. Incorporating structured reporting elements such as governance arrangements, FPIC processes and heritage management protocols, RAPs can strengthen their role as complementary tools within a broader disclosure framework. This evolution positions RAPs as both relationship-building instruments and mechanisms of transparency that demonstrate the tangible progress of organisations in partnership with First Nations peoples.

Embedding First Nations data sovereignty into processes

Respecting and operationalising First Nations data sovereignty enhances the integrity, trust and legitimacy of disclosures. Collaborative assurance processes such as Indigenous-led verification panels or co-governed data management systems ensure that First Nations knowledges and information are used responsibly and with authorisation. This approach supports investors and companies to demonstrate not only quantitative performance (e.g., employment or procurement outcomes) but also the governance arrangements that ensure this data is culturally legitimate, ethically managed and aligned with international standards.

Different perceptions and use cases for disclosures

Disclosures are interpreted and used differently depending on perspective. For corporations, disclosures are often framed as tools to demonstrate compliance, manage reputation, or attract capital, which can lead to selective or symbolic reporting. For investors, disclosures serve as instruments of comparability and risk assessment, helping to determine portfolio exposure and stewardship priorities.

For First Nations, however, disclosures are fundamentally governance instruments: they provide transparency on whether rights are recognised, whether cultural authority has been respected and whether systemic risks are being addressed. These contrasting expectations explain why existing disclosure systems often fail to meet First Nation's needs. They prioritise corporate drivers to demonstrate progress over cultural governance legitimacy. Embedding First Nations governance into disclosure design is necessary to ensure that use cases are not limited to financial audiences but extend to the communities most affected.

Conclusion & Recommendations

Findings

This work has demonstrated that there is some momentum and growing recognition of the importance of embedding First Nations rights, governance and knowledge within Australia's financial and corporate systems. Through the combined insights of First Nations Affairs' research paper and consultations with ASFI's First Nations Reference Group (FNRG), we have identified a pathway toward a more consistent, transparent and credible approach to First Nations Disclosures.

There remains a clear need for the continuation of evidence building to build the evidence base and understanding of the financial materiality of First Nations issues beyond cultural heritage. While early progress has been made in identifying the economic dimensions of these issues, particularly through recent research commissioned by the First Nations Clean Energy Network in the First Nations Energy Report[1] the current evidence base remains limited in scope and application.

The findings of this report begin to demonstrate how First Nations participation and governance contribute to improved project outcomes, risk management and long-term value creation within the energy sector. However, to substantiate the case for broader integration across the financial system, further empirical analysis is required to quantify and articulate the relationship between First Nations engagement, risk mitigation and company and project financial performance. Building this evidence base will be critical to justify the expansion of disclosure frameworks from a finance and investment perspective, ensuring that First Nations considerations are embedded as a material component of sustainable finance and corporate governance in Australia.

Sustainability reporting, particularly climate reporting, is increasingly aligning with emerging global standards and this provides one, long-term pathway for increasing disclosures on Indigenous engagement and social outcomes that would enable investors to use comparable and credible information to inform their decision making.

[1] EY 2024. "First Nations Energy Report." Ernst & Young Australia.

However, moving directly to mandatory reporting on First Nations issues is not yet feasible or desirable to increase ambition in the corporate sector. We recommend a more effective approach would be to support a gradual, co-designed transition from existing voluntary to more formalised and comprehensive frameworks, allowing capability, trust and readiness to mature over time. Equally, the next phase of this work must be First Nations-led to ensure that it is culturally grounded, legitimate and reflects the diversity of Nations, communities and governance structures across Australia.

Given differing levels of capacity and interest among Nations, sectors and organisations, a blanket approach to First Nations disclosures as needed under a mandatory approach would not be practical at this stage. Instead, ASFI recommends that next phases of this work be guided by collaborative partnerships between First Nations organisations and initiatives such as Reconciliation Australia, the Dhawura Ngilan Business and Investment Initiative and key industry bodies where appropriate. This could help develop and test more detailed voluntary disclosure frameworks for particular sectors where there is high risk and high opportunity for First Nations outcomes, building sector confidence and informing any future framework design.

While only 26% of ASX 200 companies currently have a RAP, this provides a valuable foundation for growth. RAPs demonstrate intent and commitment and could serve as a basis for developing disclosure-like features that strengthen transparency and accountability. Over time, these could inform the creation of a voluntary First Nations Disclosure Framework, aligned with broader sustainability standards and setting the stage for future national frameworks.

Recommendations

1. Transition Leadership of First Nations disclosures to a First Nations-Led Organisation

Given the findings through this project of the very different views on purpose and therefore design and governance around disclosures, it is recommended that a First Nations-led entity or partnership should now take carriage of developing and implementing a disclosure framework. This would ensure cultural legitimacy, governance integrity and authentic representation. ASFI will continue to support this work if and where requested, however does not have the cultural legitimacy to co-design frameworks in the way that First Nations-led organisations or partnerships would.

2. Build Sector Readiness and Capability

Develop sector education and technical support to enhance understanding of First Nations governance, materiality and data sovereignty to improve quality of existing voluntary disclosures and encourage additional companies to disclose more data in this area and for investors to use this to inform capital allocation and stewardship activities.

3. Lay the Groundwork for Future co-design of a voluntary disclosure framework which would enable broader adoption of higher quality disclosures

ASFI supports the leadership of First Nations organisations in developing a credible, culturally grounded framework for future mandatory reporting. Over time, regulatory and market conditions could evolve under this leadership toward a national First Nations disclosure framework, guided by cultural legitimacy and shared authority. Drawing on lessons from the climate disclosure journey, ASFI remains committed to partnering with First Nations leaders to co-design and scale reporting practices that strengthen accountability and advance shared prosperity.

Pathway Forward

The evolving landscape of sustainability and social governance presents a significant opportunity for Australia to lead globally in embedding First Nations governance, rights and knowledge systems within its financial and corporate frameworks. To achieve this, the next phase of development must be led by the appropriate First Nations organisation or consortium, ensuring that any future disclosure framework is established through genuine collaboration, shared authority and cultural legitimacy. The Australian Sustainable Finance Institute (ASFI) acknowledges that this stage of the disclosures project provides an important foundation shaped by research, consultation and the guidance of ASFI's First Nations Reference Group (FNRG). The next step is to translate this foundation into an enduring, culturally grounded mechanism that advances First Nations economic participation, governance and inclusion within Australia's sustainable finance system.

ASFI recognises that advancing corporate disclosures which meaningfully incorporate First Nations governance requires an appreciation of the diversity, complexity and strength of Nations across Australia. Each Nation holds distinct cultural, economic and governance priorities; therefore, a uniform or standardised approach would make it challenging to capture this diversity and reflect the principle of self-determination. A credible and sustainable disclosure framework will depend on place-based engagement that accommodates different levels of readiness, ambition and capability across Nations and sectors. Central to this process is the creation of authentic, trust-based relationships between First Nations proponents and both financial and corporate stakeholders. These relationships form the basis for co-design and mutual benefit, supporting the transition from compliance-based engagement to models that reflect genuine partnership, accountability and shared prosperity[1] [2].

ASFI remains committed to supporting the continuation of this work in partnership with the appropriate First Nations-led organisation or consortium that holds the cultural authority, governance capability and national mandate to take it forward. Such an organisation would determine how the framework is developed, governed and implemented, ensuring both cultural integrity (through Nation-led governance) and strategic alignment with national and global sustainability standards. ASFI will draw upon its membership and networks to provide technical expertise, research support and coordination where appropriate to assist in embedding the framework within Australia's financial and regulatory landscape. Rather than establishing a new or isolated model, we suggest this work could be taken forward within an existing First Nations-led institution, such as Reconciliation Australia or the Dhawura Ngilan Business and Investment Initiative, to ensure continuity, avoid duplication and enhance market confidence[3][4].

ASFI is committed to providing support and facilitating collaboration, while ensuring that leadership and decision-making remain firmly under First Nations governance. This approach reflects the priorities identified by the First Nations Reference Group (FNRG), which has guided this work from inception and ensured its cultural integrity. Moving forward, there is likely to be a need for further research and consultation particularly with the corporate and investment sectors, to deepen understanding, strengthen legitimacy and support broader industry adoption of the framework. Through continued partnership, Australia has the opportunity to establish a globally credible First Nations Disclosure Framework that enhances transparency, accountability and shared prosperity, while embedding First Nations governance at the heart of sustainable finance and corporate responsibility.

[1] Fry, T. (2022) Indigenous Sovereignty and Corporate Responsibility in Australia: Pathways to Reconciliation through Governance. Journal of Sustainable Finance and Investment, 12(4), pp. 563–579.
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