Response

Are you responding on behalf of an organisation, or as an individual? Organisation
The full name of the organisation you are responding on behalf of (f relevant) AA Insurance Limited
Will you be a climate-reporting entity after the definition is changed through the Financial Markets Amendment Bill? Yes
Which of the following best describes your organisation? Licensed insurer
Responding to this survey as: a preparer of climate-related disclosures
9. Do you agree with the proposed amendments to NZ CS 1 to permit exclusion of some financial activities? Yes
10. Why or why not? Permitting the exclusion of these financial activities supports international alignment, the benefits of which have previously been consulted on.
11. Do you agree that the proposed list of permitted exclusions (derivatives; insurance and reinsurance underwriting activities; capital market issuance activities) appropriately captures investment-related emissions that are not 'financed emissions'? Yes
12. If not, what should be added or removed, and why? [see Exposure draft – Appendix B, paragraphs B6 and B9] It is essential that the term 'insurance and reinsurance underwriting activities' is clearly defined, including explicitly stating whether this covers claims supply chain emissions. Currently there is uncertainty in Australia regarding whether insurance and reinsurance underwriting activities extends to emissions associated with servicing claims, which is causing confusion for both reporting entities and assurance practitioners.
13. Is the proposed 'may exclude' drafting clear and operable for your entity given the measurement standard you use (e.g., GHG Protocol Scope 3 Standard, ISO 14064-1, PCAF Standards)? [see Exposure draft – Appendix B, paragraph B9] No
14. If not, what specific wording changes would improve it? Specific wording should be added around how this permitted exclusion works alongside the concept of materiality per NZ CS3. Insurance and reinsurance associated emissions are likely highly material for insurers, therefore clarity is requested for preparers and auditors that this exclusion is permitted regardless of materiality.

15.	The ISSB added additional disclosures (IFRS S2 paragraphs 29B–29C) when an entity applies the IFRS S2 paragraph 29A relief. Do you agree that we should not add these additional disclosures into NZ CS 1, given NZ CS 1 already requires disclosure of exclusions under paragraph 24(d)? Yes
16.	If not, what additional disclosure(s) would you consider useful for primary users (and why)?
17.	Do you agree with the proposed inclusion of content from our existing staff guidance *Excluding GHG emissions sources — Considerations for preparers*, as authoritative (mandatory) application material within NZ CS 1? [see Exposure Draft – Appendix B, paragraphs B1 to B8] Yes
18.	If not, why not, and what would you suggest should be included or deleted?
19.	Do you agree with the proposed mandatory date of 1 January 2027, with early adoption permitted? Yes
20.	If not, what date would you suggest and why?
21.	Do you agree with our assessment of the benefits and costs of the proposed amendments to NZ CS 1 including the impacts on primary users and climate reporting entities? Partially
22.	Why or why not? In your response, please include any examples that illustrate the practical effects, such as costs or impacts on the usefulness or comparability of the proposed amendments. Agree with the key benefits being international alignment and certainty. Unsure about comment on alignment with transition risk: for insurance associated emissions, their removal is more aligned to not measuring and reporting on emissions requiring significant investment that cannot be reasonably influenced.
23.	Do you have any other feedback on the ED proposals?