

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)
Tower 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?
Tower is in agreement with the ICNZ position that Insurance Associated Emissions (IAE) are an area of complexity and uncertainty. Data quality, boundary definitions, and methodologies are still developing making reliable measurement and assurance challenging. Significant investment in systems and processes may not deliver reliable or comparable outputs.
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]
Yes, we agree with the list of permitted exclusions however recent developments in Australia regarding the boundaries of "insurance-associated emissions" require clear definitions of what is included within the category. Further, proposed changes to the GHG protocol combine insurance-associated and claims-related emissions to be included under a newly developed Scope 3 Category 16. Clarity of the boundaries of the proposed exclusions, particularly in relation to insurance claims supply chain related emissions, is required.
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?
Consideration of materiality should be included with the standard considering the requirements within the GHG Protocol. Insurance-associated emissions have been estimated to be material

for Tower, and exclusion would require clear justification against the current measurement standard. Suggest including mention of materiality in the wording. I.e. “may exclude” 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?

Yes

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.

The exclusion would result in a reduced resource and financial burden on insurers climate disclosures. The proposed excluded categories are often supported by incomplete datasets, and a high level of estimation is required.

23. Do you have any other feedback on the ED proposals?