View results

Respondent

2 Anonymous

11:34
Time to complete

Name *

Madison Ryan

Email *

Organisation

Guidehouse

1. Which standards, overseas jurisdictions or other specific elements of international alignment are the most important for you (as a CRE or a primary user of climate statements), and why?

2. Is now the right time for New Zealand to amend or replace NZ CS to achieve closer international alignment with any other standards, and why?

3. If closer international alignment is desirable, what process to achieve this degree of alignment is most desirable (e.g., greater alignment of NZ CS or revoking NZ CS)? Why?

4. What information can you provide that this closer international alignment would better achieve the stated purpose of climate reporting as per section 19B of the Financial Reporting Act 2013?

5. Are there any climate-related disclosure requirements that you comply with that are not standards set by other jurisdictions (for example, via supplier agreements)? How important are those disclosures to you? Should the XRB take those requirements into consideration and how?

6. Is mutual recognition important to you and, if so, how would it impact any of your above answers?

7. Do you have any other comments?

1. Introduction & Background
PCAF recognizes the importance of creating a disclosure framework for the New financial industry and would like to highlight the benefits of referring to the PCAF Global GHG Accounting & Reporting Standard as the recommended calculation methodology for financed emissions, instead of striving for methodological flexibility.
Methodological flexibility in emissions measurement can undermine comparability and harmonization, which are crucial for ensuring transparency and accountability of sustainability reporting data. When financial institutions use different methods to calculate and report their emissions, it becomes difficult for investors, regulators, and stakeholders to compare environmental impact across organizations or regions. This lack of standardization can lead to inconsistencies, greenwashing, and misinterpretation of progress toward sustainability goals. For the financial sector, standardized, harmonized emission measurement methodologies are crucial for reliable environmental assessments and informed decision-making.
PCAF acknowledges the difficulties in collecting and disclosing Scope 3 emissions data, particularly for smaller institutions with limited resources. Rather than deviating from IFRS S1 and S2, PCAF advocates for providing additional support and resources (e.g. data sources and data collection technology) to help New Zealand financial institutions meet these standards. By incorporating the PCAF Global GHG Accounting & Reporting Standard into the New Zealand disclosure framework, clear guidance would be provided on accounting for financed emissions. PCAF also focuses on implementing the PCAF Standard at a regional level, enabling peer-to-peer collaboration between members and recognizing regional differences and needs. There are many benefits to collaborating with other financial institutions also learning to track and disclose the GHG footprint of their lending and investment activities. Institutions can learn from their peers and work together to develop industry best practice that works for all.

2. Exposure to climate related financial risks
PCAF would like to highlight again the benefits of referring to the PCAF Global GHG Accounting & Reporting Standard as the recommended calculation methodology for financed emissions.
PCAF's Global GHG Accounting & Reporting Standard Part A offers a globally applied methodology to calculate financed emissions. Measuring financed emissions is central to activities that enable financial institutions to embed climate action throughout their lending and investment activities. Reporting financed emissions is important for showing stakeholders the climate impact of a financial institution's activities. Furthermore, the act of making a public disclosure shows that the organization holds itself accountable for these impacts.
The PCAF Standard Part A offers different calculation methodologies to calculate financed emissions for different asset classes. This enables the financial sector to report on Scope 3 Category 15 emissions for various assets of their portfolio, including listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicles loans and sovereign bonds. PCAF is constantly working on expanding the calculation methodologies.

The Privacy Act 2020 applies to submissions. Please check this box below if you do not wish your name or other personal information to be included in any information about submissions that the XRB may publish.

I would like my submission (or identified parts of my submission) to be kept confidential, and have stated below my reasons and grounds under the Official Information Act 1982 that I believe apply, for consideration by the XRB.

If yes, what information do you consider to be confidential and why?