Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 34

Company Name

IAG New Zealand Limited

Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

We support the additional two-year extension proposed by the XRB for the following reasons: - As XRB have identified in the consultation document, there is ongoing uncertainty around some aspects of Scope 3 reporting, including whether insurance-associated emissions (IAE) are a mandatory inclusion within Scope 3 Investment emissions. We have identified this in previous submissions and discussions with XRB, and the uncertainty remains. A deferment of Scope 3 emissions disclosure will allow time for greater clarity to emerge at an international level (ISSB and AASB consultations on this issue are still open) and for alignment at a domestic level (requiring additional guidance or advice from XRB or the FMA). - If IAE is to be required in our local disclosure then the additional time would also allow for relevant methodologies to mature further, such as the PCAF methodology which currently does not provide a methodology for home insurance. - Additional time will provide an opportunity for IAG to further mature our approach and data infrastructure for Scope 3 Category 1 (supply chain and procurement sources) and Category 15 Investments. This would help to reduce the use of prior year restatements as the related data and methodologies are bedded down. - As XRB have noted, further time will allow for an evolution in the maturity of assurance approaches to Scope 3 data, including in relation to the content needed from third party providers (such as MSCI data supporting our investment emissions preparation). - Providing an additional two years relief rather than one will allow for more certainty in our planning, while still allowing the ability for voluntary disclosure for CREs depending on data quality/availability. This allows for a potential reduction in assurance costs especially once we have certainty around the length of the extension. - Given our need to align with our Australian parent, which is a Group 1 entity under the Australian mandatory regime, this extension allows for greater alignment between ourselves and IAG Group on how we approach this disclosure.

Should AP 2, which relates to anticipated financial impacts, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

We support the additional two-year extension proposed by the XRB for the following reasons: - As outlined by the XRB, lack of clarity on the methodology and approach to anticipated financial impacts locally and internationally– mean it would be premature to require this from NZ CREs at this point in time. - In particular, it would be useful to have the guidance currently being worked on with the Society of Actuaries available well in advance of disclosure being required, to allow for a level playing field for CREs regardless of their year-end. - Work can still continue internally within CREs to build an understanding of the financial impacts of climate-related risks and opportunities, which can be used to inform transition planning and strategy, without the immediate disclosure driver. - Given the importance of this information to investors, additional time will allow for both higher quality and more maturity in disclosures that are less subject to change over time, and for further maturity in understanding of the risks and opportunities themselves (which has already been seen between year 1 and year 2). In addition, as stated with regards to Scope 3 these points also apply here: - Providing an additional two years relief rather than one will allow for more certainty in our planning, while still allowing the ability for voluntary disclosure for CREs depending on data quality/availability. This allows for a potential reduction in assurance costs especially once we have certainty around the length of the extension. - Given our need to align with our Australian parent, which is a Group 1 entity under the Australian mandatory regime, this extension allows for greater alignment between ourselves and IAG Group on how we approach this disclosure.

Any other comments

No, our comments are all covered in the prior questions.