

# Proposed 2025 Amendments to Climate and Assurance Standards

## Survey response 60

### Company Name

Mindful Money

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

No

### Please give a reason for your answer

There should be differential treatment for corporates and specific categories of fund managers. The situation is currently unclear. Fund managers should be required to report on their Financed Emissions for the current FY. This has been the practice of most fund managers already for year 1 and year 2, but some fund managers have not reported their financed emissions, on the basis that these are technically defined as scope 3 emissions for fund managers. For clarity, the amendment should make it clear that financed emissions covering only scopes 1 & 2 for companies held in portfolios should be reported on immediately, whereas scope 3 emissions for companies held in portfolios should be delayed for 2 years. This provision to require current year reporting of financed emissions should be limited to those defined in IFRS S2, which excludes derivatives and other financial activities including those related to investment banking (facilitated emissions), and insurance and reinsurance underwriting (insurance-associated emissions). For those exclusions above, and for corporates, we would agree to a delay of one year, on the grounds that definitions and data availability for scope 3 emissions are progressing at a pace that would allow reporting with a one year delay. Assurance should be delayed for two years, for the reasons outlined in the consultation paper.

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

Didn't answer question

### Please give a reason for your answer

The quantification of anticipated financial impact is important information to primary users and would strengthen the usefulness of CRD reporting. There are provisions within CS2 that allow CREs to report qualitative information if quantitative estimates are not reliable and allow a range of estimates to be reported. We consider that this provides flexibility to CREs and therefore recommend a one year delay. We recommend a further review in one year's time. As the consultation paper notes, the future AFI reporting requirements under IFRS2 are still uncertain. If the XRB's work on international alignment reveals that New Zealand's standards would be significantly more onerous than those applying in Australia and internationally, a further delay or other amendment should be proposed.

### Any other comments

We consider that it is important for there to be a level playing field for CREs. Some fund managers are reporting their financed emissions (scopes 1 & 2 for companies in their portfolios) but others are relying on the scope 3 definition as a reason not to report their financed emissions. We consider that the methodology for calculating financed emissions in Chapter 15 of the PCAF Global GHG Emissions Standard is sufficiently settled for all fund managers to report their financed emissions. This amendment should clarify a consistent treatment for all CRE Fund Managers.