



Climate-related disclosures:

Where to start?

Why

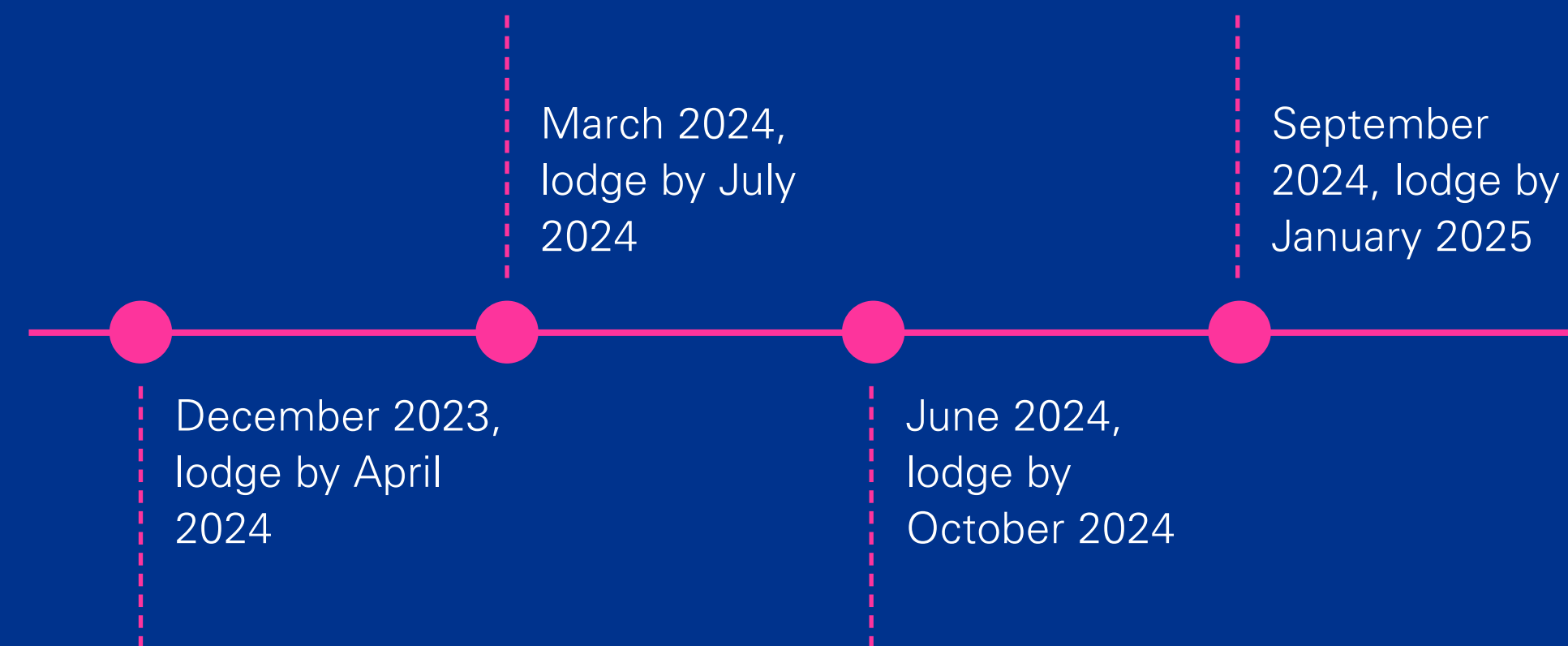
Overall objective of the standards

"to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future."



When

First reporting timelines — per balance date



Who

- Large NZX-listed entities (i.e. equity or debt securities over \$60m)
- Large banks, credit unions and building societies (i.e. total assets over \$1bn)
- Large investment scheme managers (i.e. total assets over \$1bn)
- Large insurers (i.e. total assets over \$1bn; or annual gross premium revenue over \$250m)



Assurance — for periods ending after 27 October 2024

Limited assurance over:

- Gross greenhouse emissions (GHG) (all scopes) in metric tonnes of CO₂e
- Standards and consolidation approach used
- The source of emission factors and the global warming potential (GWP) rates used
- Specification of any exclusions and justification of exclusion
- GHG emissions methods, assumptions and estimation uncertainty.



Governance

To enable primary users to understand both:

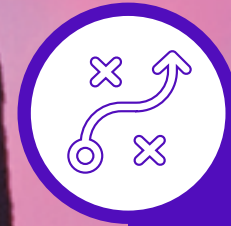
- The role an entity's governance body plays in overseeing climate-related risks **and opportunities**; and
- The role management plays in assessing and managing those climate-related risks **and opportunities**.

To achieve the objective disclose:*

- The identity of the governance body responsible for oversight of climate-related risks **and opportunities**;
- A description of the governance body's oversight of climate-related risks **and opportunities**; and
- A description of management's role in assessing and managing climate-related risks **and opportunities**.

Reporting exemptions:

None



Strategy

To enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future.

To achieve the objective disclose:*

- Current climate-related impacts;
- The scenario analysis undertaken, including the climate-related scenarios used;
- The climate-related risks and opportunities identified over the short, medium, and long term;
- The anticipated impacts of climate-related risks **and opportunities**; and
- How the entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state.

Reporting exemptions:

Available for the first reporting period:

- Current financial impacts of the physical and transition impacts identified
- Anticipated financial impacts of climate-related risks and opportunities reasonably expected
- Time horizons over which financial impacts could reasonably expected to occur
- Transition plan aspects of strategy and alignment with internal capital deployment and funding decisions; but still to provide description of progress.

* The standard includes more detailed disclosure requirements



Metrics and targets

To enable primary users to understand how an entity measures and manages its climate-related risks **and opportunities**. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.

To achieve the objective disclose:^{*}

- The metrics relevant to all entities regardless of industry and business model (8 included in standard);
- Industry-based metrics relevant to industry or business model used to measure and manage climate-related risks **and opportunities**;
- Any other key performance indicators to measure and manage climate-related risks **and opportunities**; and
- The targets used to manage climate-related risks **and opportunities**, and performance against them.

Reporting exemptions:

Available for the first reporting period:

- Gross scope 3 GHG emissions
- Comparatives
- Trend analysis

Available for the second reporting period:

- Comparatives for scope 3 GHG emissions
- One year of comparative information for other metrics
- Trend analysis

Available for the third reporting period:

- One year of comparative information for scope 3 GHG emissions



Risk management

To enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.

To achieve the objective disclose:^{*}

- A description of its processes for identifying, assessing and managing climate-related risks; and
- A description of how these processes are integrated into its overall risk management processes.

Reporting exemptions:

None

^{*} The standard includes more detailed disclosure requirements

Take

action

01

Consider your disclosures in the next annual report

02

Make this topic a standing item on your board agenda for the coming year

03

Get involved in sector/industry initiatives, especially around scenario analysis

04

Consider financial statement amounts and disclosures that could be impacted by climate-related risk and opportunity analysis

05

Visit our website for more information and get in touch – we can help



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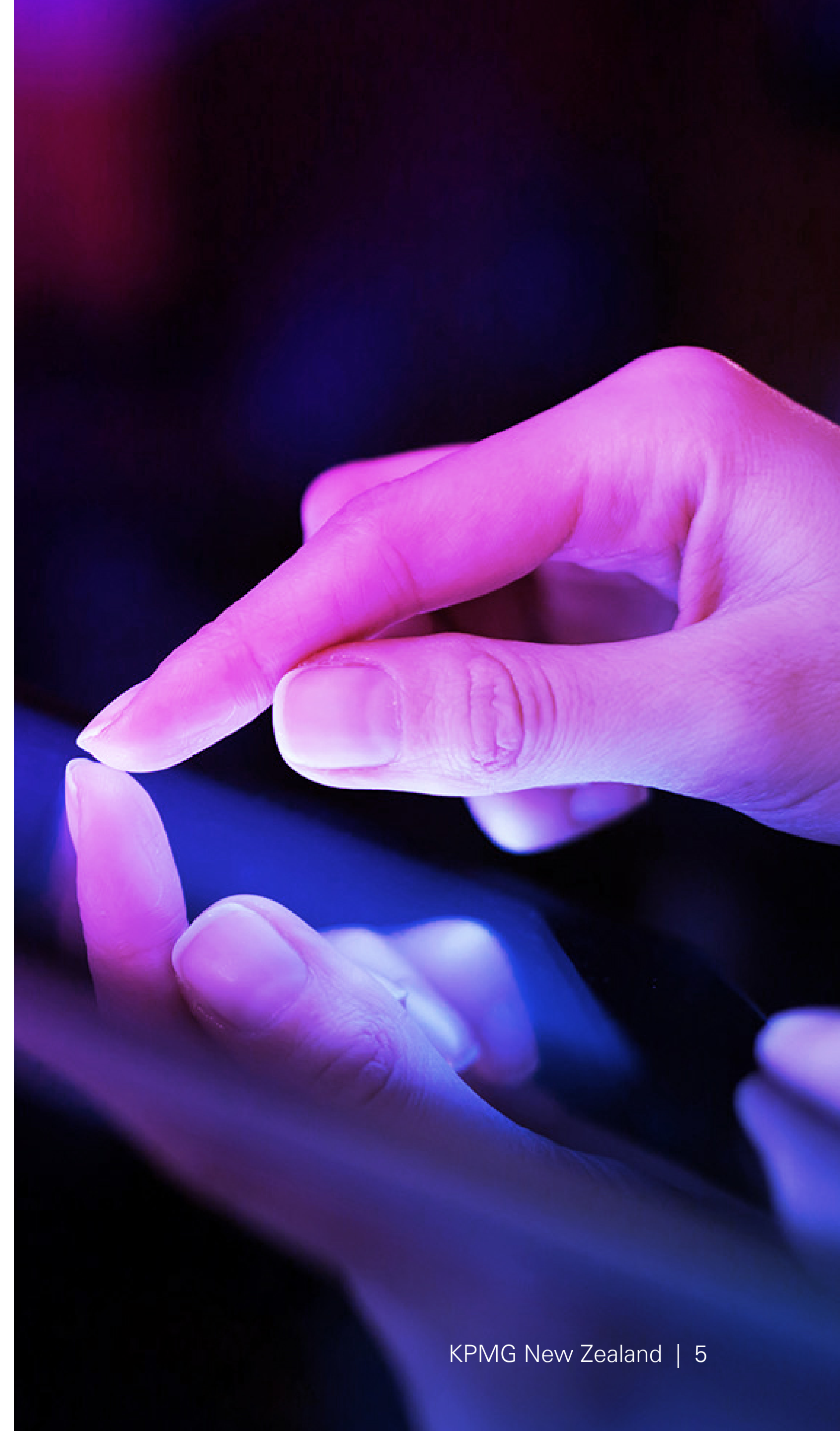
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