

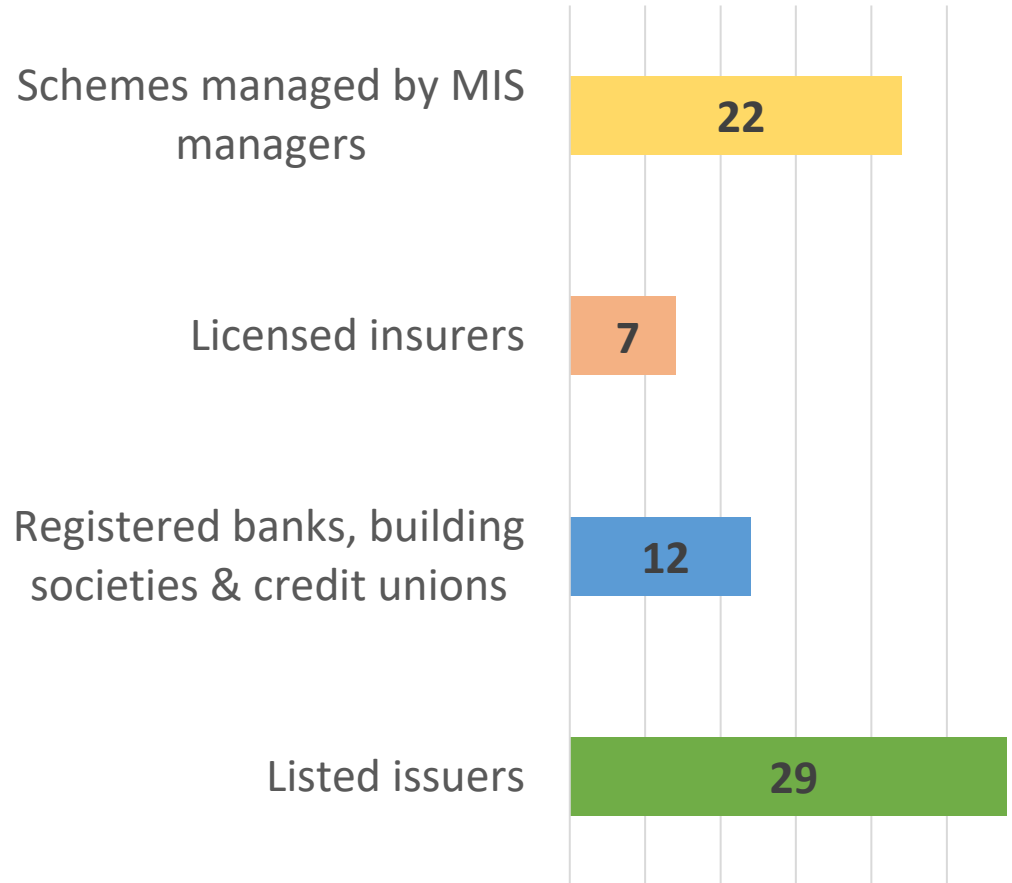


DECEMBER 2024

Climate-related Disclosures: Insights from our reviews to date

Overall insights

70 climate statements reviewed



Reviews indicate entities made reasonable efforts to comply

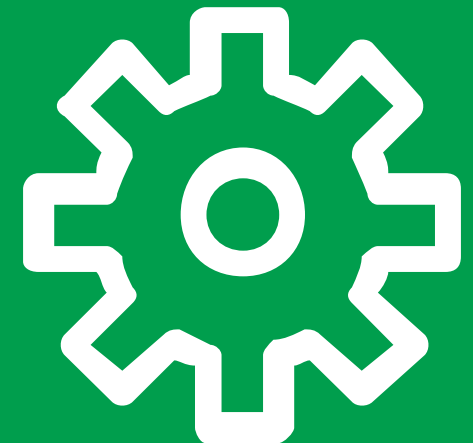


Areas for improvements across almost all climate statements



Assess which areas for improvement are most relevant to enhance disclosures next year

General requirements and principles



Focus on materiality

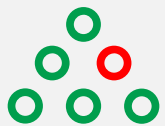
Consider *what is material*



Disclose material information only



Don't omit material information



Consider the needs of *your* primary users

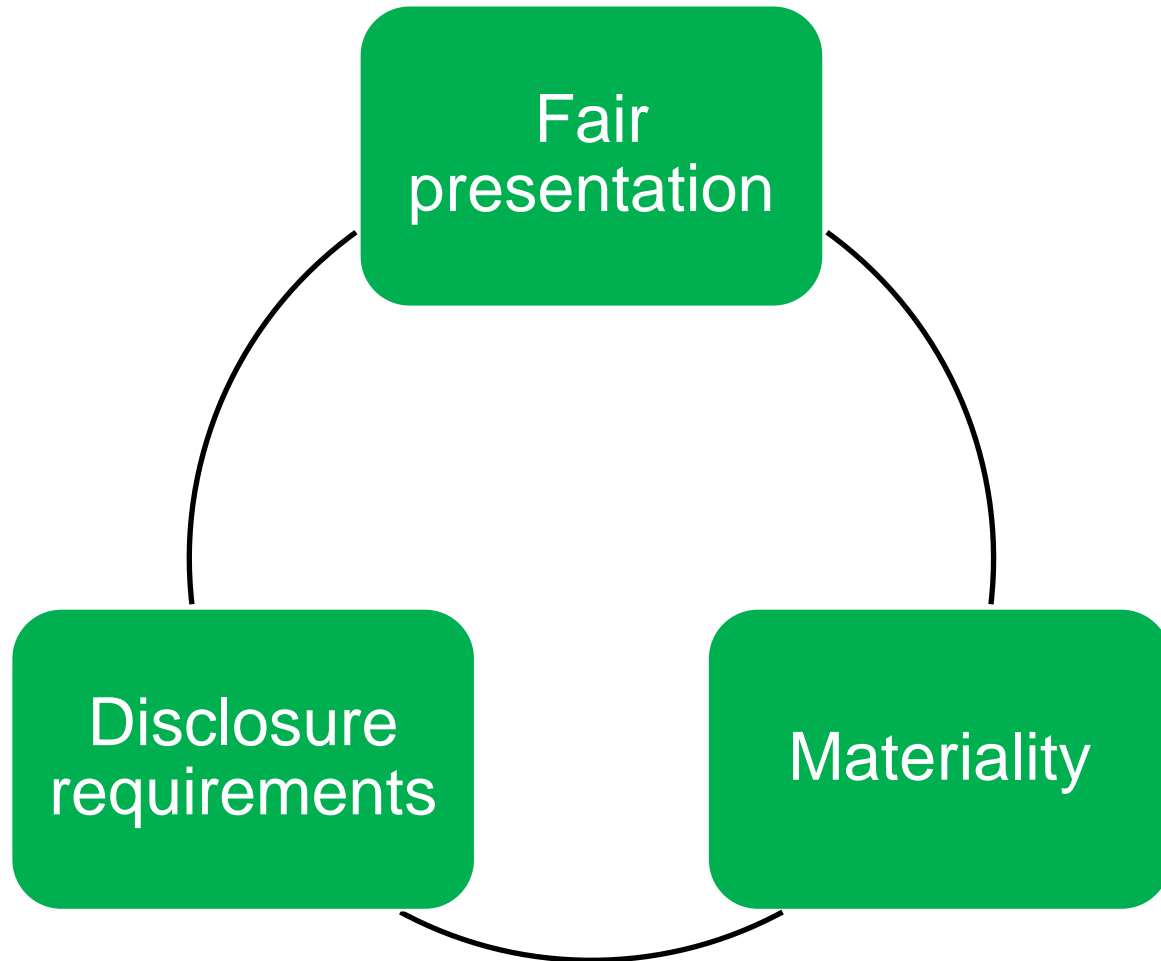


Materiality

assessment

Fair presentation of material information

Remember fair presentation



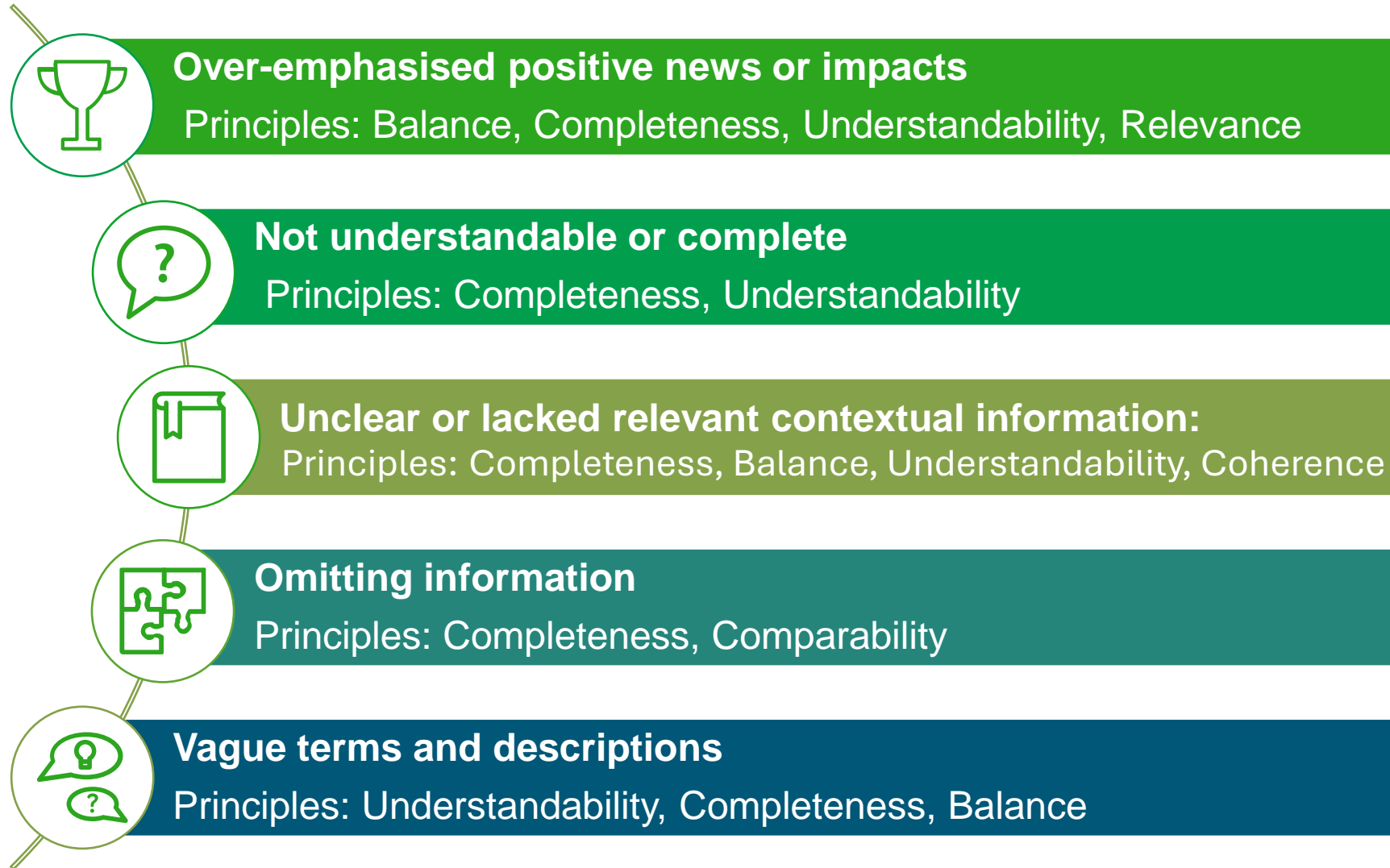
Information principles

- Relevance
- Accuracy
- Verifiability
- Comparability
- Consistency
- Timeliness

Presentation principles

- Balance
- Understandability
- Completeness
- Coherence

Fair Presentation findings



How much should we disclose?



Materiality



Fair
Presentation



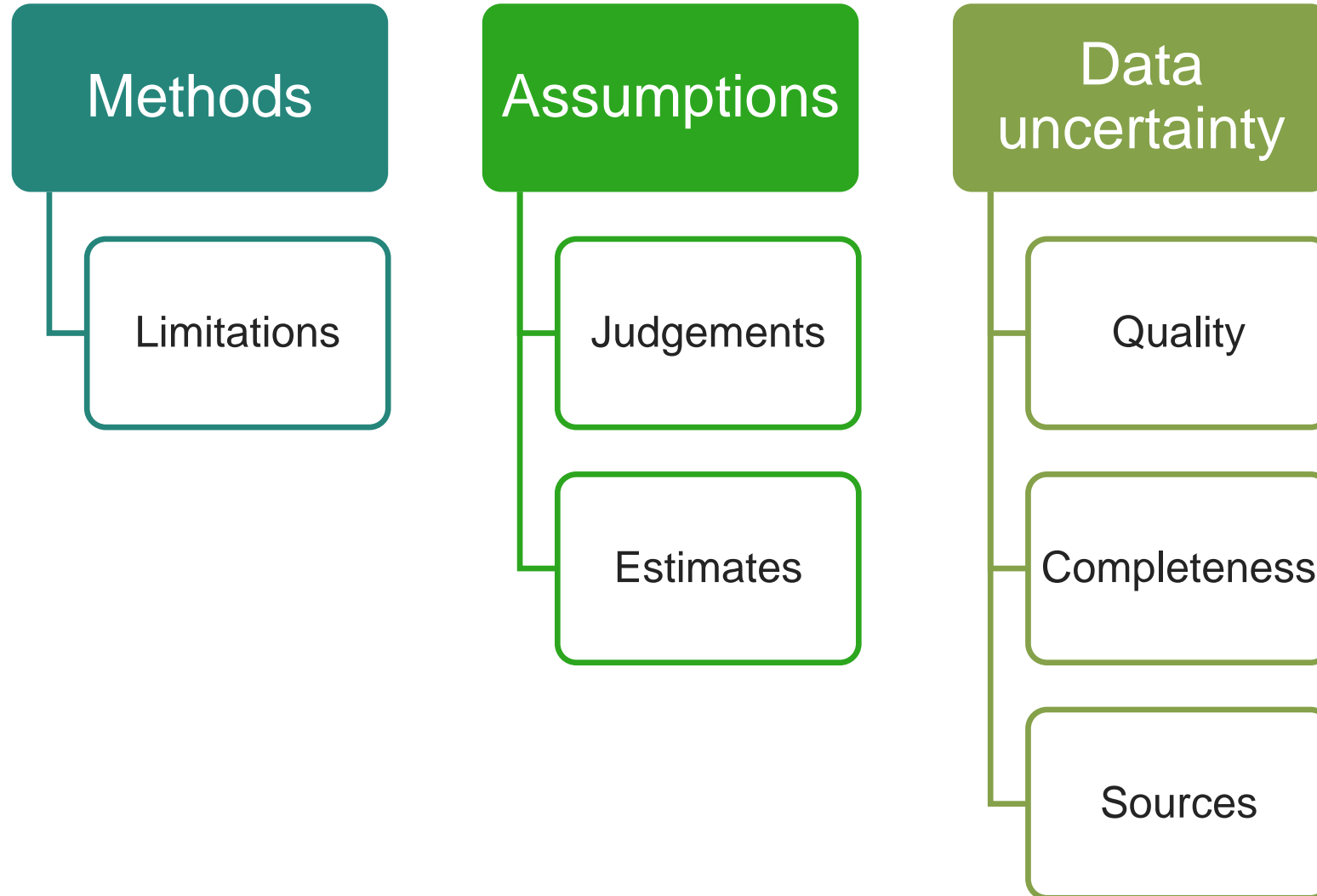
Disclosure
objectives



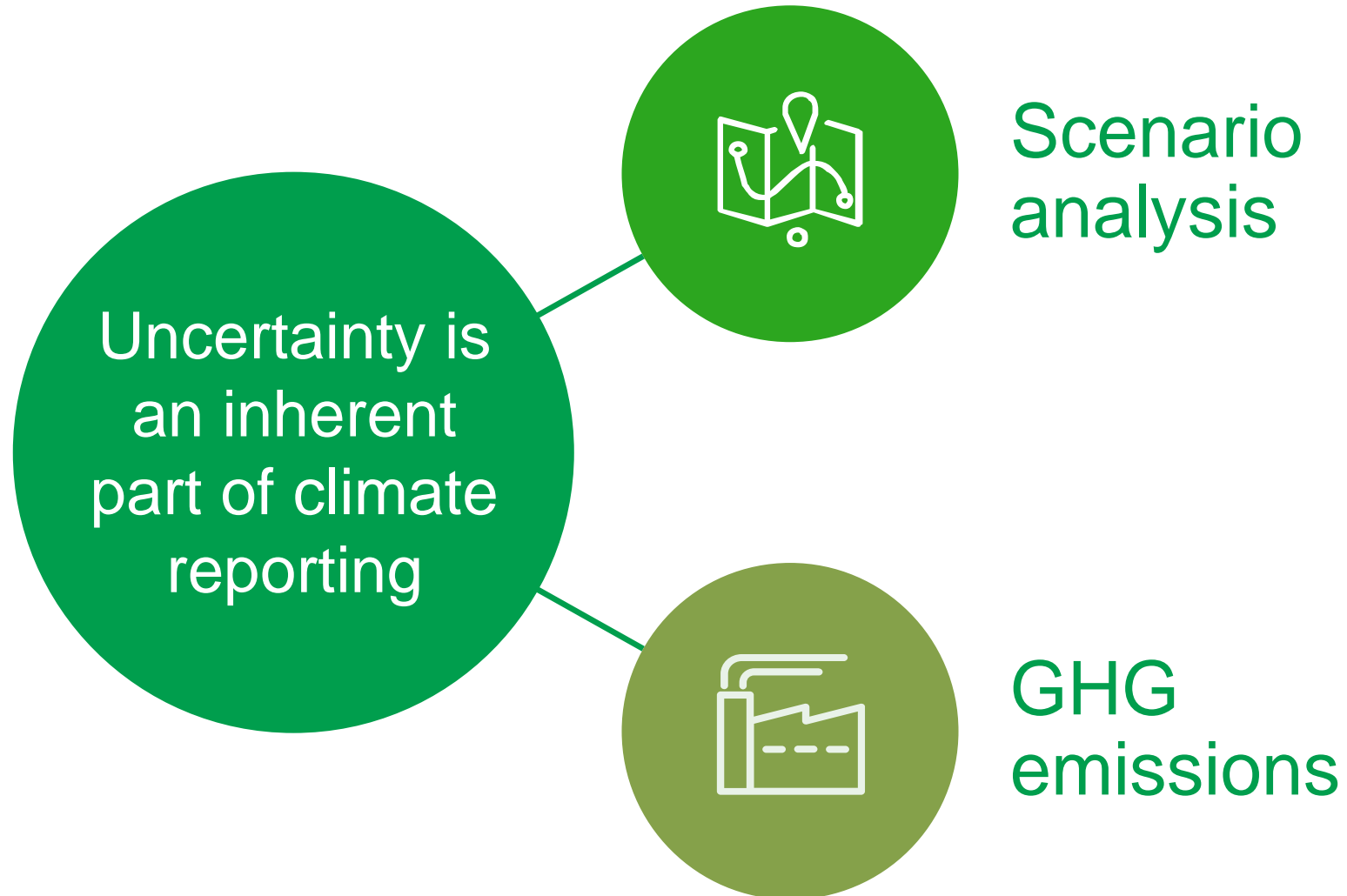
Primary users



Methods, assumptions and data uncertainty



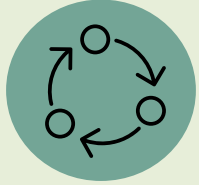
Methods, assumptions and data uncertainty: Scenario analysis and GHG emissions



Application of disclosure requirements and other matters



Climate-related processes: How and Frequency



How processes are undertaken

× “Monitored progress against targets”

✓ Disclose **all material information** on **how** climate-related processes are undertaken.

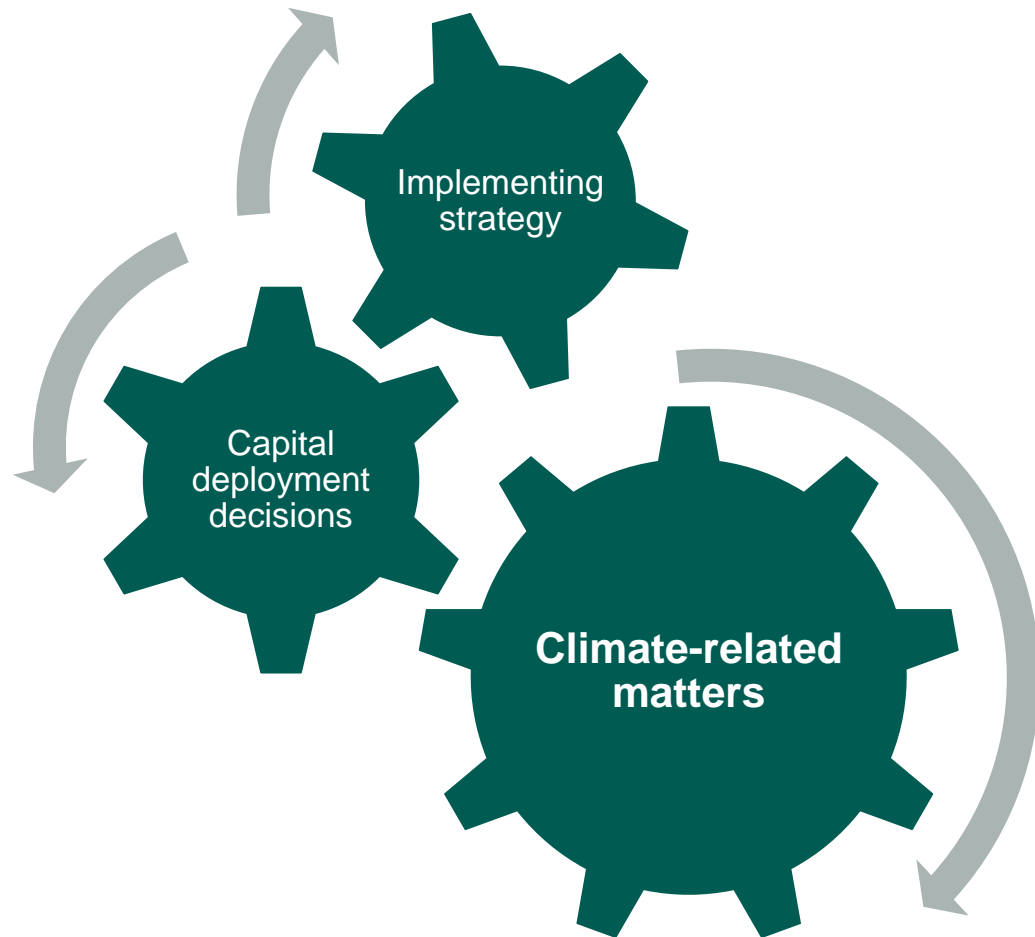


Process frequency

× “Regularly” or “periodically”

✓ Ensure primary users **understand the frequency** of climate-related processes.

Connections between climate-related matters and other activities

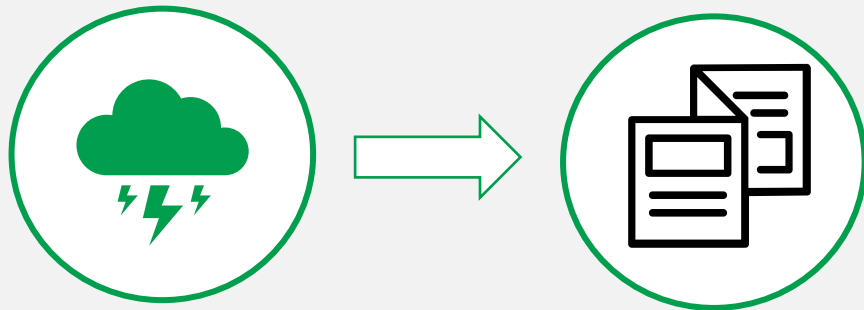


- ✓ **Links and connections** between:
 - climate-related processes or matters
 - other organisational activities
- ✓ **Fair presentation** and the principle of Balance
- ✓ CREs should disclose **all material information**

The meaning of “current impact”

Understand and apply the meaning of “current climate-related impact”

Current Climate-related events



Impacts ≠ Future Risks and Opportunities



How did the events materially **impact** the CRE?

Disclose all material information to explain climate-related risks and opportunities



Disclosure of risks and opportunities are more useful for primary users when:

Relevant and specific to the entity

Identified over time horizons

Provide contextual information

Issues we saw

- Long lists of industry or sector risks and opportunities
- Broad descriptions of climate-related risks
- Not identifying the relevant time horizons

GHG emissions targets

Specific information requirements



Targets?

⊕ Including Scope 3?

⊕ Relying on offsets?



Are the offsets verified or certified?



Basis of view? How does the target contribute to global warming < 1.5°C?



Relying on third parties?



provide context to these statements:

“grounded in science”

“science based”

“alignment”

Scenario analysis

 The process undertaken to analyse climate-related scenarios

 How the future develops

 Plausible and Challenging

 The extent to which archetypes and sector level scenarios have been used



Consistency and coherence with other information

Consistency and coherence



Consistent climate-related information across all publications



A **coherent** picture of a CRE's activities

Issues we saw



Information is inconsistent between publications



Material Information is absent or missing in climate statements

What's next

Year 1 – reporting periods commencing in 2023	Year 2 – reporting periods commencing in 2024
<ul style="list-style-type: none">• Continue to review first year of climate statements• Provide individual feedback or point to relevant insights in our report	<ul style="list-style-type: none">• Constructive and educative regulatory approach but looking for improvements• Additional focus:<ul style="list-style-type: none">• Assurance obtained over GHG emissions disclosures• Reasonable efforts for disclosures that are no longer optional• Disclosures are broadly consistent and coherent with first year, with any material differences disclosed and explained• Feedback provided individually and through future monitoring reports

Dec
2024

May
2025

April
2026

Thank you



ClimaterelatedDisclosures@fma.govt.nz