

MEDIA RELEASE

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RIAA welcomes New Zealand announcement on mandatory disclosure of climate risk

The Responsible Investment Association Australasia (RIAA) has welcomed the New Zealand Government's announcement today that it will require the business and finance sector to report on climate risks.

"This marks a significant step forward and demonstrates New Zealand's exemplary leadership on the global issue of climate change and the sustainability of New Zealand's financial system and economy" said RIAA CEO Simon O'Connor.

"This requirement makes a pivotal contribution to New Zealand's comprehensive engagement on climate change and help New Zealand to deliver upon its commitment to the Paris agreement. Once implemented, investors will be better able to price and value companies within the portfolios they manage, as well as realign portfolios to contribute to a lower carbon world."

"New Zealand's future resilience and prosperity depends on being able to navigate climate change risk. It is now the expectation that our finance and corporate sectors deliver positive social and environmental outcomes, and they need to be able to measure and report on these over time."

"RIAA's [Responsible Investment Benchmark Report New Zealand 2020](#), launched today, shows that of the \$153.5 billion of New Zealand assets managed using a leading approach to responsible investment, climate change is a central theme for responsible investors – both in terms of managing risk and capturing opportunities in the low carbon transition."

"For example, between 2018 and 2019, there was a fivefold increase in the assets under management being screened by responsible investors for some level of exposure to fossil fuels."

"Financial regulators and central banks have been clear in their view of climate change risks as distinctly financial in nature, and warned of the significant financial and economic risks if more is not done to reduce greenhouse gas emissions. Mandatory disclosure of climate change risks by companies and investors will enable the economy to better identify, avoid and navigate these risks."

"In November the Sustainable Finance Forum will release its final report and roadmap for the New Zealand financial system. This mandatory disclosure of climate risk is a critical step that will enable the finance sector to step up and play its role in contributing to long term social, environmental and economic wellbeing and prosperity for all New Zealanders."

"Under this requirement, many Australian businesses with trans-Tasman operations will also be required to report on the risk they face relating to climate change. This is overwhelmingly the direction global financial markets are heading in and we encourage the Australian Government to follow in New Zealand's footsteps and demonstrate the same level of leadership."

The Hon James Shaw will be speaking at RIAA's RI New Zealand 2020 conference at 11.20am NZST today. For media access to this event please contact: briony@responsibleinvestment.org

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