

Amendments to Assurance Engagements over Greenhouse Gas Emissions Disclosures

Exposure Draft

Submissions close
10 October 2025

A decorative graphic consisting of four slanted rectangular bars in shades of green, grey, blue, and orange.

July 2025

Three stylized sunburst or molecular-like patterns composed of dots and lines, arranged in a triangular formation on the right side of the page.



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Part A – Introduction

This amending Standard makes changes to NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*. The amendments are to reflect amendments arising due to the adoption of International Standard On Sustainability Assurance (New Zealand) 5000, *General Requirements For Sustainability Assurance Engagements*.

Part B – Commencement and Application

When standard takes effect (Section 27 Financial Reporting Act 2013)

0. This standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019¹.

Accounting period in relation to which standards commence to apply (section 28 Financial Reporting Act 2013)

- 0.1 The accounting periods in relation to which this standard commences to apply are:

- (a) for an **early adopter**, those accounting periods, following and including, the **early adoption accounting period**.
- (b) for any other assurance practitioner, those accounting periods following, and including, the first accounting period that begins on or after the **mandatory date**.

- 0.2 In paragraph 0.2:

early adopter means an assurance practitioner that applies this standard for an early adoption accounting period.

early adoption accounting period means the accounting period:

- (a) that begins before the mandatory date but has not ended or does not end before this standard takes effect (and to avoid doubt, that period may have begun before this standard takes effect); and
- (b) for which the early adopter:
 - (i) first applies this standard for an assurance engagement and
 - (ii) discloses in the assurance report for that accounting period that this standard has been applied for that period.

mandatory date means 31 December 2026.

Part C – Amendments to NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*

Paragraph 26A is added. New text is underlined. Paragraph 27 and headings of the standard are provided for context.

¹ The standard was published on [Date] and takes effect on [date].

Requirements

Applicable Assurance Standards

11. When conducting the assurance engagement required by the Financial Markets Conduct Act 2013, the assurance practitioner:
 - (a) Shall comply with either ISO 14064-3: 2019 *Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements*² or ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements or ISSA (NZ) 5000 General Requirements for Sustainability Assurance Engagements*³. Is not required to, but may, comply with PES 1⁴, and shall comply with the fundamental principles and independence requirements set out in paragraphs 13 to 23 of this standard.
 - (b) Is not required to, but may, comply with PES 3⁵, and shall comply with the quality management requirements set out in paragraphs 62 to 72 of this standard.
 - (c) Is not required to, but may, comply with PES 4⁶, and shall comply with the quality reviewer requirements set out in paragraph 73 to 78 of this standard.

Use of the Work of Others

26. If the assurance practitioner intends to use the work of other individuals or organisations who have expertise in matters related to GHG emissions, the assurance practitioner shall:
 - (a) Evaluate whether that individual or organisation has the necessary competence, capabilities and objectivity for the assurance practitioner's purposes;
 - (b) When evaluating objectivity, enquire with the individual or organisation regarding interests and relationships that may create a threat to that individual or organisation's objectivity; (Ref: Para. A33)
 - (c) Obtain a sufficient understanding of the field of expertise of the individual or organisation to determine the nature, scope and objectives of that individual or organisation for the assurance practitioner's purposes;
 - (d) Agree with the individual or organisation the nature, scope and objectives of their work; and
 - (e) Evaluate the adequacy of the work performed by the individual or organisation for the assurance practitioner's purposes. (Ref. Para. A34–A35)

26A In agreeing the nature of the work performed in accordance with paragraph 26 (d) and evaluating the adequacy of the work in accordance with paragraph 26 (e), if the assurance

² ISO 14064-3: 2019 is available for purchase from the Standards NZ website: <https://www.standards.govt.nz/shop/iso-14064-32019/>. We understand this ISO is subject to revision five years after being issued.

³ International Standard on Sustainability Assurance (New Zealand) 5000, General Requirements for Sustainability Assurance Engagements (ISSA (NZ) 5000)

⁴ Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards (New Zealand))*

⁵ Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

⁶ Professional and Ethical Standard 4 *Engagement Quality Reviews*

practitioner plans to use an assurance report of another assurance practitioner that has been designed for use by user entities and their assurance practitioner across a value chain (a one-to-many report), the assurance practitioner shall determine whether the assurance report provides sufficient appropriate evidence for their purposes by evaluating:

- (a) Whether the description of the procedures performed and the results thereof are appropriate for the assurance practitioner's purposes; and
- (b) The adequacy of the standard(s) under which the assurance report was issued.

27. If the assurance practitioner intends to use the work of another assurance practitioner, who is not subject to their assurance organisation's system of quality control, the assurance practitioner shall follow the requirements of paragraph 26, where relevant, and shall perform the following additional steps:

- (a) Determine that the other assurance practitioner is independent of the assurance client and GHG disclosures;
- (b) Evaluate whether the other assurance practitioner's system of quality management related to that assurance work is suitable for their purposes; and
- (c) Communicate with that practitioner about the findings from their work.