CDL INVESTMENTS NEW ZEALAND LIMITED (CDI) Submission on XRB Proposed 2025 Amendments to Climate and Assurance Standards

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Q1. Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended? Please give reasons for your answer.

We support a two-year extension to the scope 3 reporting and assurance adoption provision.

Measuring our indirect scope 3 requires significant resourcing. Having only set our scope 1 & 2 GHG inventory base year in 2023, we welcome more time to source robust and quality data sets from downstream scope 3 entities and to make system improvements for the capture of this data, to meet mandatory scope 3 reporting and assurance requirements. We support a two, or more, year extension of these adoption provisions.

Assurance of scope 3 inventories in NZ is in its infancy, and in some cases, we have experienced differing expert views on the way in which indirect emissions should be accounted for.

We are also awaiting announcement of any changes to the regime with regard to reporting thresholds and or differential reporting, which may impact our requirements. It would make sense to announce decisions on these prior to requiring all CRE's to report on scope 3 emissions.

Q2. Should AP 2, which relates to anticipated financial impacts, be extended? Please give reasons for your answer

We support a two-year extension to the anticipated financial impacts adoption provision.

Requirements for AFIs should be suspended until more detailed guidance and reporting principles have been determined and are widely adopted. The international uncertainty is a barrier to being able to take a consistent and robust approach to quantifying our AFIs. Attempting to calculate a precise figure or range, based on a series of assumptions that differ across organisations or subsequent years for the same organisation is very challenging, without reliable international or NZ-based guidance available. Our experience in the early stages of determining our AFIs, with limited guidance, is not proving to be a decision-useful process for our business. We would support a two, or more, year extension of these adoption provisions.

Q3. Do you have any other comments?

We have a preference to have both scope 3 and AFIs adoption provisions extended together for two years, for consistency. As, in addition to the reasons we've already supplied, this will provide more certainty to CRE's with regard to resourcing these areas of work.