

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 29

Company Name

Fonterra Cooperative Group Ltd

Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended?

Didn't answer question

Please give a reason for your answer

Should AP 2, which relates to anticipated financial impacts, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

Fonterra supports the disclosure of anticipated financial impacts (AFIs). While we note the uncertainty in future direction of international disclosure requirements relating to AFIs, we consider that understanding the potential impact of climate-related risks and opportunities is an important part of developing a credible transition plan and therefore see business value in this work beyond the disclosure processes. Like many CREs, we have begun the process of quantifying anticipated impacts of climate-related risks ahead of the anticipated 2026 disclosure obligations, and note that we expect to be required to report on AFIs in overseas jurisdictions regardless of New Zealand requirements. Though important, we have found quantifying AFIs to be challenging, and note that there is little precedent or guidance to rely on for internal analysis or disclosure. We welcome the XRB's commitment to providing additional detailed guidance soon. We believe that the XRB's proposed two-year extension of AP 2 would allow adequate time for the XRB to release additional guidance, for CREs to respond to that guidance, and for CREs to undertake quality risk and opportunity analysis that supports both useful AFI disclosures and effective transition planning. We would also support an adjustment to the New Zealand Climate Standards to align to the IFRS S2 guidance that quantification of AFIs is not required if the level of measurement uncertainty involved in estimating those impacts is so high that the resulting quantitative information would not be useful.

Any other comments