

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 7

Company Name

ASB Bank 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?

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

Please give a reason for your answer

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

Yes - By one year

Please give a reason for your answer

Any other comments

ASB believes measuring Scope 3 emissions and financial impacts will help organisations and their value chains better understand climate risks and opportunities. Such disclosures inform transition strategies and guide capital towards a low-emissions future, though we note these processes may pose challenges and costs, especially for smaller Climate Reporting Entities (CREs). We consider that additional guidance from the XRB, including sector-specific guidance, would be valuable in providing clarity and certainty regarding disclosure expectations while also encouraging voluntary disclosures. Comprehensive and transparent guidance will enable CREs to more effectively balance cost-benefit considerations, align disclosures with their strategic objectives, and provide primary users with decision-useful information. Overall, we are supportive of XRB's proposals, we have made some comments below for further consideration.

Scope 3 emissions and measurement While the tools and capabilities to measure Scope 3 emissions are increasingly available, we acknowledge that access to and use of these tools and capabilities are not consistent across CREs. Due to the slower than expected development of emissions measurement methodologies (for example, facilitated emissions) and the difficulties expected in providing assurance over them in the near term, we suggest that the extension of the adoption provisions for 2 years should apply to Scope 3 Category 15 emissions, at a minimum.

Anticipated Financial Impacts (AFIs) The XRB has indicated that AFIs guidance is likely to be available by the end of 2025. As such, we see the option to extend AP 2 by one year as a practical necessity given the timeframes required to plan and execute the workstreams and then take them through required governance processes prior to disclosure. There are ongoing challenges with AFIs disclosure, including international uncertainty as noted in the consultation document. Clear and flexible XRB guidance can help CREs make voluntary disclosures when feasible, supporting cost-benefit objectives and strategic goals. Promoting these disclosures allows CREs with existing AFIs capabilities to maintain and repurpose them when AFIs disclosures become compulsory. A balanced approach that recognises the urgency of climate action while considering operational constraints is essential to achieving the ultimate aim of the New Zealand Climate Standards (NZCS).