

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 55

Company Name

Lawyers for Climate Action NZ Inc

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 one year

Please give a reason for your answer

Our preference would be for there to be no continued delay in including Scope 3 GHG emissions in reporting requirements. As the discussion document notes, ensuring the disclosure and assurance of Scope 3 GHG emissions is critical. Scope 3 emissions present significant climate-related risks and opportunities for CREs, and their measurement and disclosure can help unlock international capital. This is even more critical in the context of the Climate Change Commission estimating that at least \$34B of additional investment across key areas of the economy is needed by 2035. However, we also recognise that the feedback XRB has received from CREs is that there are challenges around measuring and disclosing Scope 3 GHG emissions, and that this is more burdensome than anticipated. We also recognise that there is increased political tension and pressure on the CRD regime within Aotearoa New Zealand. With that lens, we support a one-year extension to ensure that the existing support for the regime is maintained (and increased). We encourage the XRB to provide additional guidance materials and offer support where possible for CREs to upskill and improve their systems and processes during the interim period (alongside further support from central government for XRB itself to provide this support).

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

Yes - By one year

Please give a reason for your answer

Similar to the previous answer, we would prefer that there be no extension to AP2.2. The anticipated financial impacts of climate change are among the most critical aspects of the CRD regime. The sooner CREs engage in the most “accurate” and “complete” financial assessments possible, the greater the payoff for CREs will be in terms of leveraging this analysis before the end of the decade (with this being the critical decade for climate action). However, we recognise the market feedback that XRB is hearing that further guidance material is required, and that there is international uncertainty about AFIs. In light of this, and the need to ensure that critical support remains for the regime, we would support a one-year extension.

Any other comments

Lawyers for Climate Action strongly supports the CRD regime, and we acknowledge the XRB’s leadership, which has made Aotearoa New Zealand a global leader in developing a robust and credible regime. As we explained in our previous answers, we would prefer that there be no delay. The earlier CREs engage with issues such as AFI and understand their Scope 3 GHG emissions, the better their chances are to effectively transition to a low-emissions model and compete in the global market. However, recognising the current political tension as well as the expressed concerns from CREs, we accept that some delay may be necessary to maintain (and increase) support for New Zealand’s

regime. We believe that more support should be provided to the XRB, as well as CREs themselves, to ensure the continued strength of the CRD Regime. If there were to be a continued delay beyond two years for both, we would have significant concerns. Continued delays would also weaken the current market edge that the CRD regime affords New Zealand CREs, as well as potentially placing New Zealand behind the Australian regime in terms of Scope 3 GHG emissions.