

# Proposed 2025 Amendments to Climate and Assurance Standards

## Survey response 53

### Company Name

KMD Brands Limited

### 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

We support the proposed extension of adoption provisions AP 4, AP 5, AP 7, and AP 8 relating to Scope 3 GHG emissions disclosure and assurance. These amendments represent a pragmatic step towards balancing robust reporting requirements with the practical realities faced by Climate Reporting Entities (CREs). Quality and reliability of data: Extending these provisions will allow CREs more time to improve the quality and reliability of Scope 3 GHG emissions data, leading to more accurate and meaningful disclosures. The current challenges in accessing and verifying data, especially across complex value chains, make it difficult to ensure high-quality reporting and assurance at this stage. Consistency and market readiness: More time is needed for the assurance market, both in New Zealand and internationally, to develop consistent approaches and methodologies for Scope 3 assurance. This will help reduce audit complexity and costs, and support the development of sector-specific guidance. Alignment with international reporting frameworks: We strongly support the ongoing monitoring of, and alignment with, reporting and assurance requirements in other jurisdictions, particularly for CREs subject to multiple reporting obligations. Harmonising these requirements will reduce compliance costs, streamline assurance, and allow internal teams to focus on improving the quality and impact of disclosures rather than duplicating effort across jurisdictions. Cost and capability: The cost of assurance is significant, especially given the current learning curve across the assurance industry. Extending the adoption provisions will allow CREs and assurance practitioners to build capability and systems, ultimately improving the effectiveness of the regime. In summary, we believe the proposed extensions will support higher-quality, more consistent, and more useful Scope 3 GHG emissions disclosures and assurance, while also providing time and opportunity for international alignment.

### 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

We agree with the proposal to extend the exemption from reporting on anticipated financial impacts (AP 2). Need for Guidance and Capability: CREs require more time and clearer guidance to fully understand and implement this disclosure requirement. The ability to source quantitative financial impact data is currently very limited, and there is a high degree of measurement uncertainty, which risks undermining the usefulness of disclosures. While we have begun developing our internal processes for quantification, a key challenge remains the difficulty of directly attributing specific climate events to financial impact. This lack of clear linkage makes it hard to establish a baseline and report consistently over time. Resource and Cost Implications: Preparing anticipated financial impact disclosures requires substantial internal resources, capability development, and external support, all of which come at significant cost. Many entities are still in the early stages of developing the necessary

systems and processes. Usefulness of Disclosures: Given the current uncertainty and lack of robust data, requiring disclosures at this stage may not provide meaningful information to users and could detract from the overall quality of climate reporting. In conclusion, extending AP 2 will provide CREs with the necessary time to build capability, improve data quality, and ensure that anticipated financial impact disclosures are both useful and reliable.

**Any other comments**