

# Proposed 2025 Amendments to Climate and Assurance Standards

## Survey response 69

### Company Name

NZX 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 three years

### Please give a reason for your answer

NZX is providing this submission as a licensed market operator and New Zealand's exchange. NZX is a member of the Sustainable Stock Exchange Initiative, and the Sustainable Business Council, and is a strong supporter of the climate-related disclosures (CRD) regime. NZX supports the extension of the adoption provisions in NZ CS 2 Adoption of Aotearoa New Zealand Climate Standards (APs) relating to the reporting and assurance of Scope 3 greenhouse gas (GHG) emissions. We agree with feedback outlined in the consultation paper from climate-related entities (CREs) regarding the complexities and challenges associated with both the disclosure and assurance of Scope 3 GHG emissions. We consider the APs should be extended by at least three years to better align the timing requirements with those that apply to Group 2 Australian CREs. A three-year extension would give New Zealand CREs the benefit of a more mature reporting environment, including access to Group 1 Australian entities' Scope 3 reporting and assurance information. This would better support New Zealand CREs in complying with the requirements of the CRD regime. NZX does not consider the proposed two-year extension to be sufficient, as it would result in many New Zealand small to mid-sized listed issuers being required to disclose and assure Scope 3 GHG emissions earlier than their Group 2 and 3 Australian counterparts. These issuers already face significantly higher reporting costs compared to private businesses who fall outside of New Zealand's CRD regime. If New Zealand is serious about transition, any mandatory disclosures would also apply equally to both listed and unlisted companies. It is important our listed companies are not further disadvantaged by being required to report ahead of their Australian peers. We also support the expansion of the CRD framework to private enterprise, to better support the regime's objectives and align New Zealand's approach with that taken in Australia. Finally, we recommend the XRB revisit the Scope 3 relief upon its expiration, to assess whether further relief is warranted. This is particularly important given the existing uncertainty around the pace at which Scope 3 data collection and quality will improve over the next two to three years.

### 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

NZX supports the extension of AP 2 in NZ CS 2 relating to anticipated financial impacts (AFI) disclosures by two years. AFI disclosures can be challenging to produce due to the forward looking nature of the information and the associated complexity of quantifying potential impacts. As noted in the consultation paper there is international uncertainty regarding AFI disclosures, and New Zealand CREs have expressed uncertainty regarding expectations in relation to AFI disclosures in absence of comprehensive 'how to' guidance. With a two year extension New Zealand CREs will have more time to implement the appropriate processes to produce AFI disclosures using the guidance that is yet to be released by the XRB.

**Any other comments**

We note that the XRB mention in the consultation paper that the FMA has indicated they would issue any exemptions to support the implementation of any AP extensions. The Financial Markets Conduct (Climate-related Disclosures—Assurance Engagement) Exemption Notice 2025 (Assurance Exemption Notice), which provides certainty and complements the scope 3 assurance relief provided by AP 8 in NZ CS 2, expires on 30 April 2026. While outside the responsibility of the XRB, we wish to note that it would be appropriate for the FMA to extend the Assurance Exemption Notice to align with an extension of AP 8.