Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 61

Company Name

Mosaic

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

No

Please give a reason for your answer

We believe that striving for perfect data or models should not be a prerequisite for measuring and disclosing Scope 3 GHG emissions. There is little certainty that extending the adoption provisions several years would in itself be sufficient to obtain the desired level of comfort on data availability and capability cost; delaying this aspect of the disclosure would hinder the ultimate aim of the disclosure purpose which is to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future. Scope 3 calculations are inherently complex; accordingly, it is critical to clearly define the boundaries, methodologies, assumptions and limitations to produce meaningful GHG emissions across the value chain. The boundaries should be set in line with the principles of materiality outlined in NZ CS3. GHG calculations should not be pursued solely for precision , but rather to also foster engagement with suppliers and customers. With respect to the example provided on the loan book, having high financed emissions from a specific sector of a loan book could mean highlight the specific need to focus on supporting that sector in their transition efforts. Primary users are often sophisticated users, who consume the content of reports to help drive investment decisions. There is a strong argument in principle that they are sophisticated enough to understand the purpose and meaning of the use of different metrics. New Zealand requires limited assurance over GHG emissions disclosures and apply only to GHG emissions. This level of assuranc e aims to look at obtaining sufficient and appropriate evidence that there was no material misstatement. The scope of limited assurance is to test the design decisions leading to the determination of the GHG emissions, and not necessarily to reproduce the analysis and calculation performed by the entity to a high degree of reconciliation.

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

No

Please give a reason for your answer

We strongly believe that it is crucial for climate reporting entities to be able to understand their anticipated financial impacts. This requires financial modelling and is informed by the scenario analysis climate reporting entities have run for the past two of years. While there are some specialised systems which can cater for the needs of the investment management sector, using relevant datasets from national and global industry bodies will help lay the groundwork to price anticipated financial impacts. It would not be practical in some cases to separate impacts and their financial magnitude, as separate anticipated impacts could compound one another. However, going in line with the principles of the NZ Climate standards – if the quantification disclosure explains what was in scope of the modelling, and how the model can further integrate other activities and impacts, the disclosure would be informative. As with Scope 3 GHG emissions, there is little certainty that extending the adoption provisions for anticipated financial impacts by only a few years will be sufficient to obtain the desired level of comfort sought form disclosures. New Zealand requires limited assurance over GHG emissions disclosures.

Any other comments

We are already in a late transition — further delay undermines confidence in the sector's leadership and risks signalling excuses for inaction, rather than progress toward the 1.5°C pathway and net zero by 2050. Rather than extending adoption provisions, we encourage the XRB to provide more practical guidance and support (e.g., worked examples, templates, workshops) so organisations can "do something" now, even if imperfect, and improve over time.