

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 84

Company Name

Scales Corporation 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

Scales Corporation supports the XRB's proposal to extend these adoption provisions by two years. Scope 3 GHG emissions reporting remains highly complex, with significant uncertainties in boundary definitions, methodological gaps, and data quality issues. For a diversified group like Scales, obtaining reliable Scope 3 data across the value chain is challenging and resource intensive. The proposed extension would better align New Zealand's requirements with those in Australia and other jurisdictions, reducing compliance costs and supporting comparability for entities with international operations or parent companies. Assurance over Scope 3 disclosures is currently costly and, in many cases, of limited value due to the lack of reliable data and sector-specific guidance. The extension allows time for industry-wide solutions and for assurance practitioners to develop robust methodologies. Extending the APs will enable Scales and similar entities to focus resources on actual emissions reduction and adaptation efforts, rather than on compliance activities that may not yield material benefits for stakeholders.

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

Scales Corporation supports a two-year extension for AP 2. There is ongoing international uncertainty about the quantification of anticipated financial impacts (AFIs), and recent guidance suggests that quantitative disclosure may not always be required or useful. More detailed 'how to' guidance is still in development, and the extension will allow time for these resources to be embedded and for entities to build internal capability. We support the principle that disclosures should be material and decision useful. Where quantitative data cannot be reliably sourced, qualitative information should be accepted, provided it is rigorous and transparent. In a highly volatile sector like agriculture, it is not possible to reliably quantify the financial impacts of unpredictable events such as cyclones or major weather disruptions. We support the XRB's recognition that robust qualitative disclosures, with transparent explanations of uncertainty, are appropriate where quantitative estimates would be speculative or misleading.

Any other comments

(Scope 3 GHG) - While we understand the rationale for differential reporting in larger jurisdictions such as Australia, we believe New Zealand's context is fundamentally different due to our much smaller population of Climate Reporting Entities (CREs)—currently around 259. If too many entities are exempted from reporting, the pool of available data will be significantly reduced, making it more difficult for larger organizations to access meaningful, comparable information and to drive improvements across the value chain. In a small market like New Zealand, broad participation is

essential to maximize the benefits of climate-related disclosures, including data quality, benchmarking, and sector-wide learning. We therefore encourage the XRB to prioritize support and capacity-building for smaller entities, rather than exemptions, so that all CREs can progress together and the sector as a whole can benefit from a richer, more comprehensive dataset. Alignment with international standards (ISSB, ESRS, AASB) is critical for New Zealand entities operating in global markets. (AFIs) - Scales encourages the XRB to continue developing sector-specific guidance and to facilitate industry collaboration on data and assurance solutions. Maintaining flexibility to respond to changes in international standards is critical for New Zealand entities operating in global markets. General Comments Scales Corporation appreciates the XRB's consultative approach and supports the proposed extensions to adoption provisions for Scope 3 GHG emissions and AFIs. These changes will provide much-needed clarity, support, and time for entities to improve the quality and comparability of climate-related disclosures, while maintaining alignment with international best practice