

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 81

Company Name

Radius Care (NZX listed)

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 four or more years

Please give a reason for your answer

Scope 3 emissions are almost impossible to calculate with accuracy, usually requiring spend based assumptions, for which industry / product specific data is not available. Fees proposed by our auditor for assurance of FY25 Scope 3 disclosures were more than fees charged by GHG consultant to calculate disclosures, resulting in my company electing to continue utilising the adoption exemption. For smaller NZX listed companies, the costs of calculation and assurance of Scope 3 emissions far outweigh any potential usefulness to investors. (Note I am CFO of an NZX small cap CRE, c\$100m market cap)

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

Yes - By four or more years

Please give a reason for your answer

While assessment and disclosure of climate risks is developing in maturity, given the long term nature of risks (multi-decade) it is naive to expect that exact / reliable quantification of financial impacts is possible. Qualitative disclosure rather than quantitative is likely to be viewed by investors and stakeholders as more useful, as it will allow them to understand risk management maturity and the nature of risks faced by the CRE. Similarly, given the far greater uncertainty inherent in long term projections, it is very difficult and costly to provide unqualified assurance on any estimates of anticipated financial impacts. (Note I am CFO of an NZX small cap CRE, c\$100m market cap)

Any other comments

(Note I am CFO of an NZX small cap CRE, c\$100m market cap) The market cap threshold to qualify as a CRE is too low. The costs of CRD for a company with FY25 NPAT of \$7.0m are extremely onerous, and more so if assurance of Scope 3 emissions and financial impacts is mandatory. The costs involved create a further barrier for private companies considering listing. The threshold should be raised significantly (suggest \$500m market cap), and extended to include all entities of a similar size.