

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 76

Company Name

Principles for Responsible Investment (PRI)

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 one year

Please give a reason for your answer

We do not support the XRB's proposal to further delay Scope 3 emissions disclosure and assurance requirements by two years, but a one-year delay would provide needed implementation support to improve the quality of disclosures for investors. A two-year delay would extend New Zealand's existing phase-in of this reporting and assurance beyond most of the nearly 40 jurisdictions that have adopted (or are currently adopting) the ISSB standards, despite investor demand for full and timely adoption of the standards. Further, Scope 3 emissions are important to investors because they are the most impactful kind of emissions for some industries. The XRB's proposal would lead to a large share of actual emissions not being reported by some companies for another two years – compromising investors' access to relevant information they need but often lack from investees – and where they are reported but unassured, investors may lack confidence in the quality of this data. However, we understand that Scope 3 emissions can be difficult to report, that methodologies (e.g. related to facilitated emissions) are evolving, and that there may be difficulties in providing assurance in the near term. Therefore, providing companies another year to build capacity would lead to improvements in this reporting for investors. This will be facilitated as the availability and quality of Scope 3 disclosures continue to increase, as the ISSB standards are adopted, and by a growing set of relevant guidance within the IFRS Sustainability Knowledge Hub. Leveraging existing practice and guidance can allow preparers to provide investors with the information they need to account for climate-related risks and address climate goals sooner – and build capacity to improve such disclosures in future reporting periods.

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

No

Please give a reason for your answer

We do not support further delays to requirements to disclose anticipated financial effects of climate-related risks and opportunities. Like the proposal on Scope 3 emissions, this would extend phase-in of this reporting beyond the vast majority of jurisdictions that have adopted (or are currently adopting) ISSB standards – again despite investor demand for full and timely adoption. All investors, regardless of investment strategy, need disclosures on financial effects to understand the existing and future financial implications of exposure to sustainability-related risks and opportunities. This information is needed to clearly illustrate the connections between sustainability risks and opportunities and specific financial statement line items – with additional information needed to provide additional context and explain methodological choices. As for Scope 3, the XRB's proposal risks compromising investors' access to relevant information they need but often lack from investees. We recognise that calculating anticipated financial effects may present implementation challenges for preparers. However, as for Scope 3 emissions, the availability and quality of such disclosures will continue to

increase as the ISSB standards are adopted, and there is a growing set of guidance (including from the ISSB) on how to report this information. Leveraging existing practice and guidance can allow preparers to provide investors with this information sooner – and build capacity to improve such disclosures in future reporting periods.

Any other comments