Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 95

Company Name

T&G Global

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

T&G Global Limited ("T&G") is a climate-reporting entity ("CRE") under the Financial Markets Conduct Act 2013 and published its second mandatory Climate-related Disclosure in March 2025. T&G supports the proposals by the External Reporting Board ("XRB") to extend adoption provisions ("APs") 4, 5, 7 and 8 by two years. T&G agrees with the XRB that scope 3 greenhouse gas ("GHG") emissions disclosures and associated assurance are valuable due to their materiality to the emissions profiles and climate-related risks and opportunities of many entities, relevance to transition planning, and evolving global expectations. We consider that the XRB's proposed two-year extension to these APs will address current implementation issues by allowing sufficient time for CREs to implement systems to enable scope 3 disclosures and assurance, and ultimately ensure robust and credible disclosures. The calculation and assurance of scope 3 GHG emissions is inherently complex, requiring considerable effort, resources and financial investment. Challenges also arise in relation to the availability and quality of scope 3 GHG emissions data. The complexities associated with calculating scope 3 emissions may lead in turn to substantial timing constraints once draft disclosures are referred to the assurance practitioner to commence the assurance engagement – in particular, entities may have insufficient time to comprehensively address any challenges or gaps identified during the process before they are required to publish their climate statements. T&G considers that the extension would support CREs to build internal capability, strengthen data systems and prepare for future assurance in a practical and scalable manner. Given the adoption provisions are optional, entities would retain the flexibility to report and assure their scope 3 emissions if they wish to do so. As a vertically integrated global produce business operating in over 60 countries, T&G considers that increased alignment with international standards is particularly valuable to support comparability for investors and to enable efficiencies in the global reporting system. T&G considers that there are significant strategic and operational benefits in ensuring that New Zealand’s disclosures are consistent with global best practice, including maintaining preferential market access and avoiding reputational risk. T&G considers that a two-year extension would support this global alignment. For example, a two-year extension would align the timing of New Zealand's scope 3 assurance obligations more closely with Australia's regime, which will require scope 3 disclosures from entities’ second reporting year (with periods beginning 1 July 2026 for group 1 entities, and one to two years later for groups 2 and 3 respectively). T&G considers that this additional time will support the development of globally consistent practices and streamline processes for New Zealand businesses by enabling them to take advantages of developments in technology, systems and data developed overseas as other jurisdictions prepare for mandatory reporting.

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

T&G supports the extension of AP 2 for a further two years, primarily due to significant uncertainty in the market as to how to disclose anticipated financial impacts ("AFIs") under the New Zealand framework and in the context of possible changes to international best practice regarding the quantification of AFIs. The two-year extension would allow the XRB time to develop and publish further guidance for AFI disclosure and provide sufficient lead in time for CREs to apply these guidance materials effectively in developing their AFI reporting processes. In addition, recent developments suggest that global consensus on AFI disclosure best practice, including whether and when quantification will remain necessary, is still evolving. Given the importance of consistency, comparability and credibility across jurisdictions, requiring entities to publish AFIs prematurely (particularly in the absence of comprehensive guidance) may result in inconsistent, unhelpful and/or potentially misleading disclosures. Extending the adoption relief by a further two years will allow the XRB to monitor international developments and amend the climate standards in line with international best practice and primary user expectations, and for CREs to build internal capability and implement systems that support meaningful and internationally credible AFI reporting. This approach will also help manage compliance costs and reduce the risk of restatements or misinterpretation by primary users, particularly in the early years of implementation.

Any other comments