Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 59

Company Name

Millennium Hotels and Resorts NZ

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

We support a two-year extension to the scope 3 reporting and assurance adoption provision. Measuring our indirect scope 3 requires significant resourcing. Having only set our scope 1 & 2 base year in 2023, we are finding it challenging to source robust and quality data from a range of sources to meet mandatory scope 3 reporting requirements, including assurance. The time and effort required to do so is drawing away resource from transition planning and implementing emission reduction initiatives. We are heavily reliant on third-party data and there is a lack of primary data available from our 1,500+ suppliers (based on feedback - only ~16% currently measure their emissions and have suitable data available to us). Assurance of scope 3 inventories in NZ is in its infancy, and we have experienced differing expert views on the way in which indirect emissions should be accounted for. If the exemption is granted, we intend to continue to source data across a range of new categories to continue to measure our indirect emissions, but at a reduced pace. Which will enable us to suitably resource this; and to our benchmark indirect emissions (which may fluctuate significantly over time depending on our annual capital work); alongside efforts to reduce our emissions. We are also awaiting announcement of any changes to the regime with regard to reporting thresholds and or differential reporting, which may impact our requirements. It would make sense to announce decisions on these prior to requiring all CRE's to report on scope 3 emissions.

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

We support a two-year extension to the anticipated financial impacts adoption provision. Requirements for AFIs should be suspended until more detailed guidance and reporting principles have been determined and are widely adopted. The international uncertainty is a barrier to being able to take a consistent and robust approach to quantifying our AFIs. Attempting to calculate a precise figure or range, based on a series of assumptions that differ across organisations or subsequent years for the same organisation is very challenging, without reliable international or NZ-based guidance available. Our experience in the early stages of determining our AFIs, with limited guidance, is not proving to be a decision-useful process for our business. We would be unlikely to quantify AFIs, based on the IFRS S2 issued guidance - which does not require entities to disclose quantitative AFIs information if: • the impacts are not separately identifiable; or • the level of measurement uncertainty involved in estimating those impacts is so high that the resulting quantitative information would not be useful; or • the company does not have the necessary skills, capabilities or resources

Any other comments

We would prefer to have both scope 3 and AFIs adoption provisions extended together for two years, for consistency. As, in addition to the reasons we've already supplied, this will provide more certainty to CRE's, rather than a start stop approach where we are unsure if year-by-year extensions will be granted, only months out from when reporting is due.