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To: [External Reporting Board Enquiries](#); [External Reporting Board Enquiries](#)
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Comments All comments are provided in the context of an urgently closing window to address our global climate crisis. As a economy, New Zealand is one of the most well-adapted countries able to make changes to help provide an example and steer our world towards a zero carbon, net positive future.

Proposal 1:

- This should not be adopted as described. Given that scope 3 dominate most entities' emissions profiles, greater emphasis needs to be made on accounting for (and ultimately determining what to do with) these emissions. Whilst I acknowledge there are inherent challenges in drawing reliable and accurate data on these emissions, we should not let perfection get in the way of progress. Like many facets in climate science and emissions accounting, the tools, processes and technology available to help map scope 3 emissions will only continue to develop. In the meantime, CREs (as the largest and most financial robust entities) are well placed to estimate their emissions and/or where this cannot reliably be done, provide rationale for identified emissions (or categories of) that they are unable to assess. Accordingly, if any kind of additional relief is to be granted in respect of scope 3 emissions, it should be on the basis of a comply or explain obligation. This best serves the rationale of the disclosure regime (to help with the appropriate allocation of capital within our economy), whilst still driving transparency and improvement.

Proposal 2:

- This proposal can be adopted on the basis that all CRE's are required to meet a comply or explain type obligation, and fully set out their explanation as to how their disclosed scope 3's are "accurate" (see NZCS3) to the extent possible. I have limited faith in the current maturity of the assurance market in NZ to reliably assure scope 3 emissions regardless. I strongly support any work by the XRB (and other stakeholders) to improve the knowledge and quality of carbon assessment professionals in New Zealand (acknowledging there are some fantastic people, but speaking in generalisations, the largest audit houses do not currently hold the requisite capacity,

experience or expertise to reliably conduct assurance of scope 3s).

Proposal 3:

- This should not be adopted. The CRD regime has (and will continue to be) an exercise in learning and development (if not some trial and error). Given the pressing and critical nature that a fulsome understanding of climate related risk and opportunity (especially as it speaks to financial outcomes), this learning and development exercise should not be stalled simply because it is “too hard”. Again a comply or explain regime, with a requirement to provide the most “accurate” and “complete” set of financial implications of CRR and CRO’s, will help transition our economy (as the regime intends) as quickly as possible. With the window to make changes that will allow us to collectively keep global warming under 2 degrees rapidly closing, we do not have the luxury to delay further. CRE’s should be cognisant of this and invest further resources into making these financial assessments. Whilst potentially expensive in the short term, the investment horizon and repayment will be rapid for this work, with the benefits of having robust (or at least existing) financial outcomes arising from CRR and CROs readily able to be leverage by strategic business functions before the end of the decade. This is critical work.

Proposal 4:

- This should not be adopted. Transition planning is the most critical and important part of the CRD regime. Whilst transition planning guidance and thinking around the world is rapidly developing, so too is the context in which CREs are operating. To further stall the requirement for our largest entities to have a robust plan to adapt for and mitigate the impacts of climate change would be a hugely embarrassing and ill thought through bending to capitalist demands, rather than providing regulation (and ultimately thinking and disclosures) that can benefit society more widely. Transition plans are going to be a work in progress for the foreseeable future regardless of when they are mandated, so the earlier we can get CREs up the reporting curve (and learning from one another and their own mistakes) the better chance we have of establishing a climate resilient network of entities and economy in Aotearoa.

Consultation Page URL

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