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Q1

Do you agree with Proposal 1 to extend Adoption Provisions 4, 5 and 7 for scope 3 GHG emissions disclosures from one accounting period to two accounting periods?

Yes,
Comment:
Fisher Funds has been actively involved in both the BIG and FSC feedback sessions and submission that was sent to the XRB on 30 October 2023. The additional comments in here are from a Fisher Funds perspective.

Q2

Do you agree with Proposal 2 to add a new Adoption Provision 8 that gives relief of one accounting period before scope 3 GHG emissions assurance is mandatory?

No,
Comment:
Fisher Funds believes that a three-year delay is necessary to provide adequate time for the following to occur: 1. benefit of NZ and AU regime maturing, catch up of international guidance being provided 2. giving assurers time to work through what is required, train staff. Realistically managers will use the same provider who does financial statement audits, due to efficiency, working relationships (one provider told us they needed an additional 100 staff across ANZ to staff demand) 3. knowledge building for directors, getting comfort around process and how it may differ from financial audit process 4. Improvement of data quality of GHG S3 capture, verification and publication by third party providers. NZ clients have very little clout with global firms, so we need jurisdiction to also be requesting for the bar to raised. 5. Availability of SOC1 or 2 reports from providers to managers, so they can be relied upon an also for assurers 6

Q3

Do you agree that a one-year delay for scope 3 GHG emissions assurance is sufficient to enable systems to mature to support the availability of sufficient reliable data and to enable increased consistency across the assurance market?

No,

Comment:

Fisher Funds believes that a three-year delay is necessary to provide adequate time for the following to occur: 1. benefit of NZ and AU regime maturing, catch up of international guidance being provided 2. giving assurers time to work through what is required, train staff. Realistically managers will use the same provider who does financial statement audits, due to efficiency, working relationships (one provider told us they needed an additional 100 staff across ANZ to staff demand) 3. knowledge building for directors, getting comfort around process and how it may differ from financial audit process 4. Improvement of data quality of GHG S3 capture, verification and publication by third party providers. NZ clients have very little clout with global firms, so we need jurisdiction to also be requesting for the bar to raised. 5. Availability of SOC1 or 2 reports from providers to managers, so they can be relied upon an also for assurers In additional to for Fisher Funds, we have 13 reporting entities (10 schemes and 3 LICs), and 49 funds, the bulk have 31 March year end, two 30 June and one 30 September. It is a stretch to get the climate statements prepared within the timeframe anyhow without also having to do assurance. Working backwards with board meetings etc, it would mean that assured statements would need to be completed by the end of June. It took 6 weeks for two funds to be assured through the 2024 process and this process was run alongside the climate statement preparation. This was inefficient. The climate statements would need to be in a final draft form, signed off by key stakeholders prior to assurance commencing. Realistically the assurance process would need to start by the end of April. We can only start running our climate impact reports for our funds mid April. All processes, improvements would need to significantly improve to have a realistic chance of an entity like ourselves to achieve the outcomes. Another point is that in the last financial year a significant amount of emissions data was restated, which will been YoY comparisons also needing to be restated and the significant amount of analytics that goes into this and all of the working documents. Weblink: Nearly half of the UK’s largest companies made restatements on climate and sustainability, as new reporting rules loom | Deloitte UK Cost: Our CRD assurance costs are estimated to be 1/4 of the financial audit costs, a significant cost to investors (these are often expenses that are paid for by the funds). We have 49 funds. I'd be happy to discuss any aspects of this submission through with the XRB.

Q4

Do you agree with Proposal 3 to extend Adoption Provision 2 for anticipated financial impacts from one accounting period to two accounting periods?

Yes

Q5

Do you agree with Proposal 4 to extend Adoption Provision 3 for transition planning from one accounting period to two accounting periods?

Yes

Q6

Please provide your contact details:

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