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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:

Yes, we agree that the adoption provisions for Scope 3 GHG emissions disclosures should be extended to allow more time for CREs to produce GHG emissions disclosures of a higher quality, and therefore make more accurate disclosures in the market. However, see our comments below (in Question 3) in relation to aligning NZCS with the Australian Sustainability Reporting Standards (AASB), for those CREs who will be captured by both.

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?

Yes,

Comment:

Yes, we agree with Proposal 2 to add a new Adoption Provision 8 to give CREs further relief before scope 3 GHG emissions assurance becomes mandatory. We currently have limited access to Scope 3 data for significant emissions sources, such as "Category 1: Purchased Goods & Services". We anticipate that during the delay provided by the proposed adoption provision, systems will continue to evolve to support the availability of reliable data necessary for more accurate disclosures. However, we are concerned whether a one-year delay will be enough time for CREs to obtain a robust and accurate picture of their scope 3 emissions for assurance purposes. We comment on these concerns further in our answer to Question 3.

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:

We have concerns that more time will be needed before there is sufficient reliable data to inform assurance of CRE's scope 3 GHG emissions, and to enable increased consistency across the assurance market (both in New Zealand and overseas). As KMD Brands Limited will also be required to report under Australia's newly announced mandatory CRD standard, we strongly support XRB's intention to work closely with the Australian Accounting Standards Board (AASB) to ensure trans-Tasman alignment across both mandatory CRD regimes. We are particularly focused on ensuring there is alignment on Scope 3 GHG emissions disclosures, including the level and timing of assurance requirements, across the New Zealand and Australian standards. We refer to Appendix 3 of XRB's consultation document, and note that the Australian Auditing and Assurance Standards Board (AUASB) is currently consulting on their proposal for the assurance of scope 3 emissions to be required on a phased basis, based on the size of the CRE. We would encourage the XRB to consider extending the delay for scope 3 GHG emissions reporting and assurance in New Zealand if possible, so that it aligns more closely with this approach.

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,

Comment:

Yes, we agree with Proposal 3 and welcome XRB's proposal to provide guidance on anticipated financial impacts in 2025 to provide CREs with a better understanding of this disclosure requirements.

Q5

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

Yes,

Comment:

Yes, in part. We agree with Proposal 4 to extend Adoption Provision 3 to two accounting periods, in respect of paragraph 16(b), which requires CREs to disclose the transition plan aspects of its strategy. We agree that one further accounting period is a sufficient extension of time for CREs to develop transition planning, and that it is imperative CREs get underway with this work to the extent they are able to. We add that XRB should consider extending Adoption Provision 3 further, in respect of paragraph 16(c), which requires CREs to disclose the extent to which the transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes. Our view is that this aspect of the transition planning disclosure requirements is particularly difficult and will take more time for CREs to do well, given in part by the lack of guidance that is available on this aspect. We strongly support XRB's work to encourage international alignment on best practice transition planning with Australia, for the reasons given above in our answer to Question 3.

Q6

Please provide your contact details:

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