



30 October 2024

By email: climate@xrb.govt.nz

PROPOSED 2024 AMENDMENTS TO CLIMATE AND ASSURANCE STANDARDS

Mercury NZ Limited (Mercury) welcomes the opportunity to provide feedback to the External Reporting Board (XRB) on its *Proposed 2024 Amendments to Climate and Assurance Standards* (the consultation document). We commend the XRB for its efforts to continue to evolve and enhance the climate-related disclosure framework and for reflecting stakeholder feedback into these proposed amendments.

The XRB is proposing to amend:

- a) NZ CS 2 Adoption of Aotearoa New Zealand Climate Standards
- b) NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures

Mercury supports the proposed amendments and appreciates the XRB's commitment to improving climate-related disclosures.

General support for the amendments

Mercury broadly supports the amendments to the NZ CS 2 and NZ SAE 1 standards as proposed. We believe the extended adoption provisions will help reporting entities meet their climate-related disclosure obligations by providing additional time to gather information and prepare accurate and meaningful disclosures. In addition, such measures are likely to be useful for the XRB should it wish to release further guidance - for example, relating to anticipated financial impacts.

Alignment with ISSB standards

Mercury recognises the importance of aligning New Zealand's Climate Standards with the International Sustainability Standards Board (ISSB) framework. This alignment will support consistency and comparability of climate-related disclosures globally, benefiting both preparers and users of climate disclosures. We encourage the XRB to continue its efforts in this direction and to keep stakeholders informed about future developments.

Director liability

Mercury believes the current director liability settings ought to be reviewed. The current liability regime places significant burden on directors, resulting in complex compliance and due diligence processes and potentially more conservative disclosures being made.

While we acknowledge that the XRB does not have the power to make changes to the director liability regime under the Financial Markets Conduct Act 2013, we encourage the XRB to work closely with the Government and the Financial Markets Authority to address outstanding stakeholder concerns on this. In our view, Australia's approach to director liability would be a reasonable starting point.

Amending the current director liability provisions in connection with climate-related disclosures would be a step towards improving the content and quality of climate disclosures, helping to achieve the overall purpose of the Climate Standards.

We look forward to continued collaboration and dialogue as these standards evolve. If you have any questions about this submission, please do not hesitate to contact me.



Yours sincerely,

Esther Tomkinson
Sustainability and Strategy Analyst

