

#48

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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:

We have made best efforts to disclose scope 3 emissions. Throughout this process we have found some areas difficult to obtain reliable information. For this reason, we support an extension.

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:

We have endeavored to report on scope 3 emissions ahead of the compulsory requirements and had some of our key scope 3 inputs qualified due to availability of reliable data from third party suppliers. For this reason, we support an extension.

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:

New Zealand's attempt to lead the world on TCFD reporting has created significant practical challenges for businesses operating in a global environment and who rely on global scale suppliers over whom we have little or no leverage to force them to provide appropriately assured information. Until there is more international pressure put on large global suppliers, we will be unable to obtain sufficiently robust data to meet the requirements of scope 3 assurance and would simply incur additional costs with disclaimers that mean the assurance would not add value to our stakeholders. We therefore we suggest a delay of two years.

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:

There has been little to no guidance on how to practically apply the XRB standards, from within New Zealand or internationally. For a company with limited internal expertise in this area this makes it extremely difficult to fulfil these compliance requirements. We understand some industry groups have collaborated to assist with the scenario modelling as this has not been carried out for the technology sector therefore our organisation is unable to lean on shared knowledge. Our organisation has incurred considerably cost from external consultants to assist with preparation of the climate disclosures to date, and even more significant is the amount of internal time spent in understanding and applying the standards including senior management and our board with a significant opportunity cost in less time available to focus on the things that are important to our stakeholders. Our organisation had very low GHG emissions (less than 50tCO₂e across scope 1 & 2 in FY24). Our planning timeframes are short (long term is 3 – 5 years) reflecting the nature of operating in the technology industry and we are not location dependent, combining these two factors means physical risks are not material to our business. When a materiality assessment was undertaken, climate change was not considered a material risk or opportunity for our organisation by our investors or other key stakeholders. As a technology company operating in global markets we experience significant levels of uncertainty the further forward forecasts are made. This is quite different to organisations with long term assets and relatively stable operating environments. We consider it would be inappropriate for us to provide long term forecasts to investors let alone to ascribe impacts of individual potential drivers such as climate change. Within this context, it makes it incredibly difficult for us to be able quantify the financial impacts of climate change on long term plans with high credibility or confidence for our investors. Making this a legal requirement for all CRE's puts significant burden on CRE's that have minimal emissions and for whom long term forecasts are unlikely to be reliable and in fact may be misleading to investors and other stakeholders. Our organisation has ceased all efforts in preparing its anticipated financial impacts for FY25 reporting and is reliant on the extension of Proposal 4 going ahead. If this were not to go ahead there is significant risk that we would not be able to adequately complete the anticipated financial impacts in time for FY25 reporting.

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:

As described in question number 4, there has been little to no guidance on how to practically apply the XRB standards, from within New Zealand or internationally. For a company with limited internal expertise in this area this makes it extremely difficult to fulfil these compliance requirements. We also note that due to the time frames on which we plan (long term is 3 – 5 years, consistent with global software company norms) and our lack of dependence on particular locations to operate our business we would not anticipate a meaningful level of transition being required within our planning horizons and would therefore not prepare a transition plan absent a regulatory requirement as the cost of producing the plan would far outweigh any benefits to our stakeholders. Our organisation has ceased all efforts in preparing its Transition Plan for FY25 and is reliant on the extension of Proposal 4 going ahead. If this were not to go ahead there is significant risk that we would not be able to adequately complete the Transition Plan in time for FY25 reporting.

Q6

Please provide your contact details:

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