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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, noting this work has been completed for the entity which I represent. Defining scope 3 emissions is a significant piece of work and is a space where consultants will often be required to be used to support a carbon inventory collation project. Consultants vary in experience, availability and can often be expensive so this is a piece of work that needs to be adequately planned and budgeted. This is something that is not clear to an entity if they have not been collating emissions previously.

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, noting the consultation timing is challenging for early reporters as these assurance projects will likely already have been engaged on.

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:

No, I think there will still be significant change in this space as assurance becomes more mature for GHG emissions. I also think different companies will have different boundaries and types of emissions that will be more challenging to have a set system for as they will have niche emission factors. Therefore, some scope 3 'systems' will be robust and will mature quickly whilst others will be slower to have an appropriate methodology defined. It also means consistency can be challenging. I do not think the systems and assurance will mature fast enough over the next few years, so there will be required restatements. I think support from FMA and XRB to define how restatements will be viewed in this space would be useful. Especially to ensure investors are not viewing restatements in light of error but rather a maturity in this space. It would also be useful to understand what level of assurance the XRB/FMA are expecting to move to eventually for Scope 3 GHG emissions (as well as other parts of the CRDs)

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, the guidance is limited in this space. As noted, XRB will be releasing additional guidance but this timing is challenging for 31 December and 31 January balance dates and CRE's with small corporate teams (micro-cap companies). This requires much more internal resources than expected and due to lack of guidance the boundaries/judgements required can vary significantly meaning it may be challenging to do any type of comparison between CREs. External support in this space is expensive, can vary in experience and can be challenging to get pragmatic workplans that tangibly move a company forward. I think the consulting space is still working on refining scopes of work that are at the level required for various sized companies and the availability of time and resource appropriate for that size of company.

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, the guidance is limited in this space. As noted, XRB will be releasing additional guidance but this timing is challenging for 31 December and 31 January balance dates and CRE's with small corporate teams (micro-cap companies). The challenge here is working with consultants to understand how current workplans and strategy can be built into this transition plan in a way that works for a company without causing significantly more spend, time and resource when the foundation exists. External support in this space is expensive, can vary in experience and can be challenging to get pragmatic workplans that tangibly move a company forward. I think the consulting space is still working on refining scopes of work that are at the level required for various sized companies and the availability of time and resource appropriate for that size of company.

Q6

Please provide your contact details:

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