



XRB submission: Proposed 2025 Amendments to Climate and Assurance Standards

September 2025

Scope 3 GHG emissions disclosure and assurance (AP 4, AP 5, AP 7 and AP 8)

1. Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended? Please give reasons for your answer.

Yes, by two years (the XRB's proposal)

The New Zealand Society of Actuaries (NZSA) understands the complexities involved in companies measuring their scope 3 emissions, with ever changing methodologies and availability of data and we have sympathy for a delay and support the two year extension.

We note that it is the trend and relativities of scope 3 emissions between years and entities which holds the value to the entities, investors and wider community. Any solution developed will not be perfect but a two year delay balances the needs for reporting with developing a pragmatic solution.

Anticipated Financial Impacts (AP 2)

2. Should AP 2, which relates to anticipated financial impacts, be extended? Please give reasons for your answer.

Yes, by one year

The NZSA view is that no delay would be preferable. However, it understands the complexities involved for entities. From a pragmatic perspective the NZSA supports a delay of a year for entities to put in place their modelling frameworks.

As was observed with the implementation of IFRS 17 a delay merely pushes the impetus for change out to the new deadline.



Whilst appreciating that the AFIs are designed for the users of the climate disclosures, the NZSA strongly believe that the true value of the AFI is to the entities themselves by considering the risks and opportunities they face, allowing for more timely investment decisions, which if done correctly will make them more competitive, will drive NZ to a lower carbon economy and benefit the wider society.

We expect that by the third year of financial reporting entities should have a reasonable qualitative understanding of the risks and opportunities that they face and as more guidance becomes available, entities should be focussing on sizing these risks, even if this exercise is only conducted internally. NZ CS 1 clause 15 (d) allows for explanation if the entity is unable to disclose quantitative information. Guidance on applying clause 15 (d) may reassure entities that undue effort is not expected where:

- there is limited availability of data to assess financial impacts; or
- there is such a high level of uncertainty in quantification of the financial impacts, the financial impacts become meaningless

As we commented in the previous question, no solution is perfect but the value comes from the relativities in these disclosures between entities and periods. The sooner entities quantify the risks and opportunities, the more likely it is that entities and the wider society will benefit.

Any Other Comment

None