

# Submission – Proposed 2025 Amendments to Climate and Assurance Standards

24 September 2025

## Overview

The Responsible Investment Association Australasia (RIAA) thanks the New Zealand External Reporting Board (XRB) for the opportunity to respond to the Proposed 2025 Amendments to Climate and Assurance Standards [consultation document](#).

RIAA welcomes the XRB's continued engagement with the corporate and financial sector to ensure the success of the climate-related disclosure (CRD) regime. Disclosure of climate risk will be essential to achieving more accurate risk management and valuations. This should lead to faster, meaningful decarbonisation efforts as well as ensure Aotearoa New Zealand remains an attractive destination for global capital.

However, RIAA notes that, while the regulated disclosure produced by the CRD regime is important, this is not the only purpose of the regime. In preparing the required information under CRD, climate-reporting entities (CREs) will be able to better assess climate risk, upskill their workforce, and build business readiness. Through this process, the quality of climate risk assessment, mitigation and resilience will increase across the economy.

As such, the CRD regime functions as a vital lever within the New Zealand policy infrastructure to enhance not just information in the market but the quality of companies and businesses which are able to better operate in the current environment. In addition, the ability to attract global capital relies on certain information being provided; a degree of international interoperability and international alignment where major global economies have mandated similar disclosure. Allowing a lower standard of climate risk disclosure domestically will undermine the ability of New Zealand to both attract capital to its shores and for its businesses to be able to compete effectively overseas. This would have a direct impact on the New Zealand Government's priorities relating to attracting capital, including:

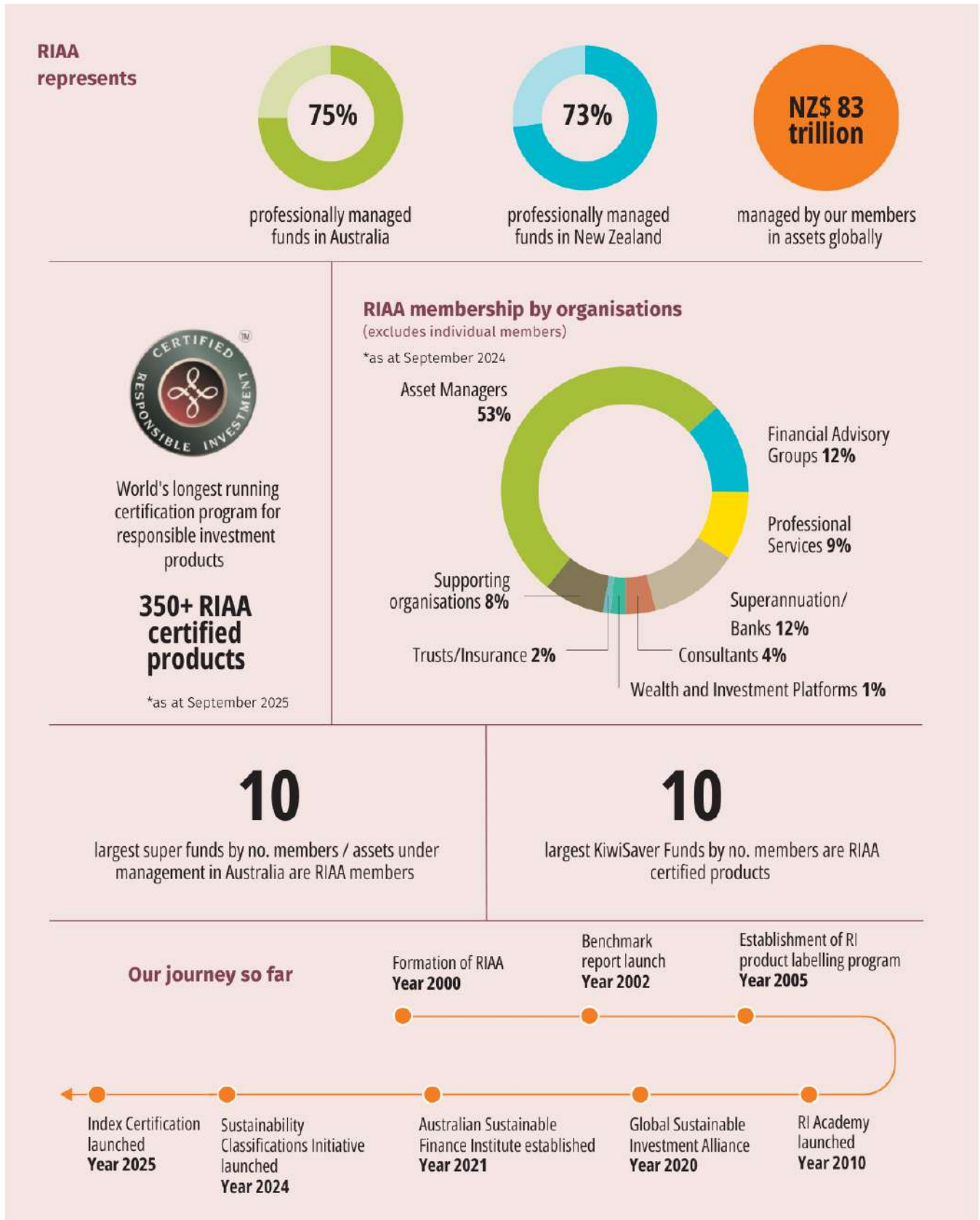
- the importance of 'promoting global trade and investment' as one of five pillars critical to lifting economic growth and improving New Zealanders' standard of living;
- initiatives relating to foreign direct investment;
- establishing [Invest NZ](#) and resourcing it under the 2025 Budget to attract investment to New Zealand; and
- the [Going For Growth](#) agenda focused on the actions the Government is taking to realise the potential of the New Zealand economy;

RIAA has relied on and refer to the following submissions:

- [MBIE – Adjustments to the CRD Regime](#)
- [XRB – Request for Information on Climate Reporting 2025 – RFI on value of international alignment](#)

## About RIAA

Established in 2000, the Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and Aotearoa New Zealand. It is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.



## Consultation questions

### 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.*
- **No**
  - **Yes, by one year**
  - **Yes, by two years (the XRB's proposal)**
  - **Yes, by three years**
  - **Yes, by four or more years**

RIAAs has considered disclosure and assurance of scope 3 GHG emissions separately and submit that for:

- disclosure requirements: **no extension** be provided; and
- assurance requirements: a short **extension of one year** would be appropriate.

#### Disclosure of scope 3 GHG emissions

Following the extension of an additional year in 2024, RIAAs does not support an extension which would results in a total of 2 years in which New Zealand CREs have provided minimal to no scope 3 GHG emissions information. Continuing exemption from disclosure would not be appropriate to support CREs to be better prepared to make this disclosure. By maintaining the disclosure requirement while providing assurance relief for an additional year, this would allow for capability development through “doing” (not just “planning to do”) and, in particular, provide the necessary regulatory incentive for those entities that are lagging behind. In addition, for financial institutions, the most significant climate risk information relates to scope 3 emissions.

In addition, CREs have the benefit of additional guidance to support disclosure of scope 3 GHG emissions, including to manage variable and uncertain data. These include:

- XRB [Excluding Emissions Sources](#);
- XRB [GHG Emissions Uncertainty and Data Quality](#);
- AASB [Greenhouse Gas Emissions Disclosure requirements applying AASB S2 Climate-related Disclosures](#) (aligned to ISSB requirements); and
- the IFRS [Resource Database](#)

Considering the timeframe since mandatory climate disclosures were first announced in New Zealand, RIAAs expects that, whilst CREs may not be ready to release assurance-level scope 3 GHG emissions disclosure, they should have preliminary data as they work toward this standard. Requiring Scope 3 disclosure also requires CREs to work towards business readiness to provide this disclosure. As such, when required to have the Scope 3 disclosure assured, CREs will be more ready than if they had foregone disclosure for multiple reporting periods.

#### Assurance of scope 3 GHG emissions

RIAAs supports a short extension of one year to the assurance requirements for Scope 3 GHG emissions.

Scope 3 disclosure is material to both internal climate risk assessment and transition planning by companies as well as institutional investors’ decision-making and assessment of a company’s risk management and governance. In addition, providing Scope 3 disclosure is consistent with reporting requirements in other jurisdictions and would ensure that the New Zealand market remains a competitive and attractive destination for global capital.

As such, RIAA submits that an extension to the assurance relief, without providing disclosure relief, would be most effective at both addressing investors' need for up-to-date information, whilst not placing CREs under undue regulatory burden to achieve assurance-level Scope 3 disclosure early in their reporting. Continuing exemptions from assurance will not only reduce the quality of available information, but also hinder the development of auditor capability in New Zealand to provide assurance over climate statements. This concern, already raised by CREs, may increase costs and complexity without delivering improvements, making ongoing assurance relief unlikely to be effective.

A short extension of one year would be appropriate as it would also bring assurance timelines closer to aligning with Australian assurance requirements (limited assurance of scope 3 disclosures will be required for Group 1 with reporting periods [starting 1 July 2026](#)).

## Anticipated Financial Impacts (AP 2)

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

- **No**
- **Yes, by one year**
- **Yes, by two years (the XRB's proposal)**
- **Yes, by three years**
- **Yes, by four or more years**

RIA **does not support** a further extension to the disclosure of anticipated financial impacts.

In our view, CREs with robust and effective governance and risk management systems should already be accounting for the anticipated financial impact of climate change. As such, CREs should largely already possess relevant data, and disclosure of anticipated financial impacts should not be overly burdensome for CREs to report. In addition, the requirements in NZ CS 1 provides flexibility to CREs for disclosing anticipated financial impacts:

### 15 ***Anticipated impacts and financial impacts***

*An entity must include the following information when describing the anticipated impacts of the climate-related risks and opportunities it has identified (see paragraph 11(d)):*

- (a) *the anticipated impacts of climate-related risks and opportunities **reasonably expected** by the entity;*
- (b) *the anticipated financial impacts of climate-related risks and opportunities **reasonably expected** by an entity;*
- (c) *a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could **reasonably be expected** to occur;*
- (d) *and if an entity is unable to disclose quantitative information for paragraph 15(b), an explanation of why that is the case. (emphasis added)*

Anticipated financial impacts disclosures are required by international climate reporting regimes, leading to an expectation that this information is readily available. Deferring disclosure would further impact the international interoperability and international alignment of the NZ CRD regime and negatively impact the ability of New Zealand businesses to compete globally and to attract incoming capital.

## Other comments

The CRD does not operate in a vacuum and requires a joined-up policy response to ensure its success, not only in providing investors and the market with relevant information on climate risks, but also to build resilience of New Zealand businesses (and through this, the New Zealand economy).

In this regard, RIAA continues to advocate director for and encourages:

- regulatory guidance from the Financial Markets Authority (e.g. how reasonable basis for unsubstantiated statements would be considered in relation to scope 3 GHG emissions disclosure);
- clarity on the status and conclusion of the Ministry for Business, Innovation and Employment (MBIE) Capital Markets Reform regarding the future of the CRD; and
- following the outcome of the MBIE Capital Markets Reform, prompt consultation from XRB on differential reporting for smaller CREs and institutional investors,