

4th November 2021

Submission on the XRB proposed Climate Standard 1: Climate related Disclosures (NZ CS 1) from Gael Ogilvie

Thank you for the opportunity to provide input to the proposed Governance and Risk Management sections, *Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1)*. I commend you on a very clear well structured draft document.

I completely understand that this external reporting standard needs to be 100% aligned with the TCFD requirements. Having acknowledged this, I think the XRB will be missing an opportunity if there is not some reference to the future possibility that the reporting requirements for the specified entities are likely to extend beyond climate to include nature risks. This may already be being considered as part of introductory comments but I want to make sure that I do what I can to encourage this action at any opportunity.

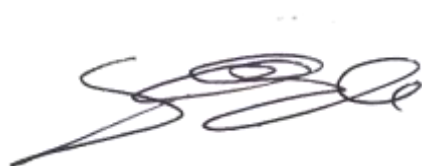
As you will know the Task Force for Nature-related Disclosures (TNFD) will, in the medium term, be issuing requirements for nature-related reporting. The XRB could formally signal, with appropriate qualifiers and in the appropriate part of this document, the benefits of integrating future nature-related risk reporting with climate reporting. This will convey the important message that NZ is committed to combating climate change, but is also committed to a non-siloed approach to our environmental challenges.

Without this signalling the XRB could be unintentionally facilitating negative environmental impacts, for example widespread exotic pine plantation planting to sequester carbon that will accelerate alarmingly high extinction rates for our native animals and plants. It could also risk “environmental fatigue” as a possible market reaction may be *“not another environmental problem – I thought we were across this by meeting our climate-related reporting requirements”*

All of our futures’ are dependent on us tackling both the climate change and the biodiversity crises. As above I understand that the latter cannot be addressed specifically through this XRB process but I am hoping that future integration plans could be signalled by to the business community now? This is, of course, also aligned to the holistic Te Ao Māori worldview and I believe represents a significant leadership opportunity for the XRB and Aotearoa more broadly.

Thank you for your consideration and I hope the process goes well.

Ngā mihi



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