



22 November 2021

External Reporting Board  
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### **Climate-related Disclosures - Governance and Risk Management Consultation Document**

Thank you for the opportunity to opportunity to submit on the consultation on Climate-related Disclosures - Governance and Risk Management ('consultation document').

By way of background, IAG New Zealand is New Zealand's leading general insurer. We insure more than 1.8 million New Zealanders and protect over \$650 billion of commercial and domestic assets across New Zealand. IAG receives more than 450,000 claims a year and in the last financial year and paid \$1.576 billion in settling them. IAG is a member of the Insurance Council of New Zealand (ICNZ). As a member of ICNZ we have contributed to its submission on this consultation and support its content and recommendations.

IAG has been active in the climate change space, both from a mitigation and adaptation perspective, for many years. It is a founding member of the Climate Leaders Coalition and is also a member of the Sustainable Business Council. We have been carbon neutral since 2012 and have science-based targets for our Scope 1 and 2 emissions. IAG New Zealand is a wholly owned subsidiary of the ASX-listed Insurance Australia Group Ltd, which commenced disclosure aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019.

We have supported the introduction of mandatory climate-related disclosures in New Zealand and support the proposed governance and risk-management requirements outlined in the consultation document for *Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures* (NZ CS 1). In further developing and refining the Standard we emphasise the importance of it remaining consistent with TCFD requirements, while also being compatible with domestic regulatory practice, for example by the RBNZ under the prudential regime for insurers.

It will for instance be important for insurers to be able to use a consistent set of scenarios for meeting these various domestic and international obligations. We would welcome further consultation on this and recognise the challenges in developing scenarios that are relevant for different sectors, while simultaneously maintaining comparability and international consistency. We understand the XRB has been working with the RBNZ and the Australian Prudential Regulation Authority (APRA) and we encourage the continuation of that. Trans-Tasman alignment on relevant aspects will be essential for efficiency and for future proofing of the regime given the various interconnections and the significant role of Australian owned financial services entities in the New Zealand market.

We agree that guidance will have an important role. We support the proposals for guidance in a range of areas and agree that using this for sector-specific information is preferable to including it in the Standard itself. A final point we wish to emphasise is the importance of clearly outlining how NZ CS 1 will be phased in.

We look forward to continuing to engage with the XRB during the consultations planned for 2022 in relation to the further development and finalisation of NZ CS 1.

Yours sincerely

**Bryce Davies**

Executive Manager Corporate Relations

IAG New Zealand