



Source: Adapted from Figure 4: Recommendations and Supporting Recommended Disclosures, found in the *2017 Recommendations of the Task Force on Climate-related Financial Disclosures*.

**Submission**

**XRB's Governance and Risk Management (NZ CS 1)**

**29 November 2021**

## Part 1: Introduction

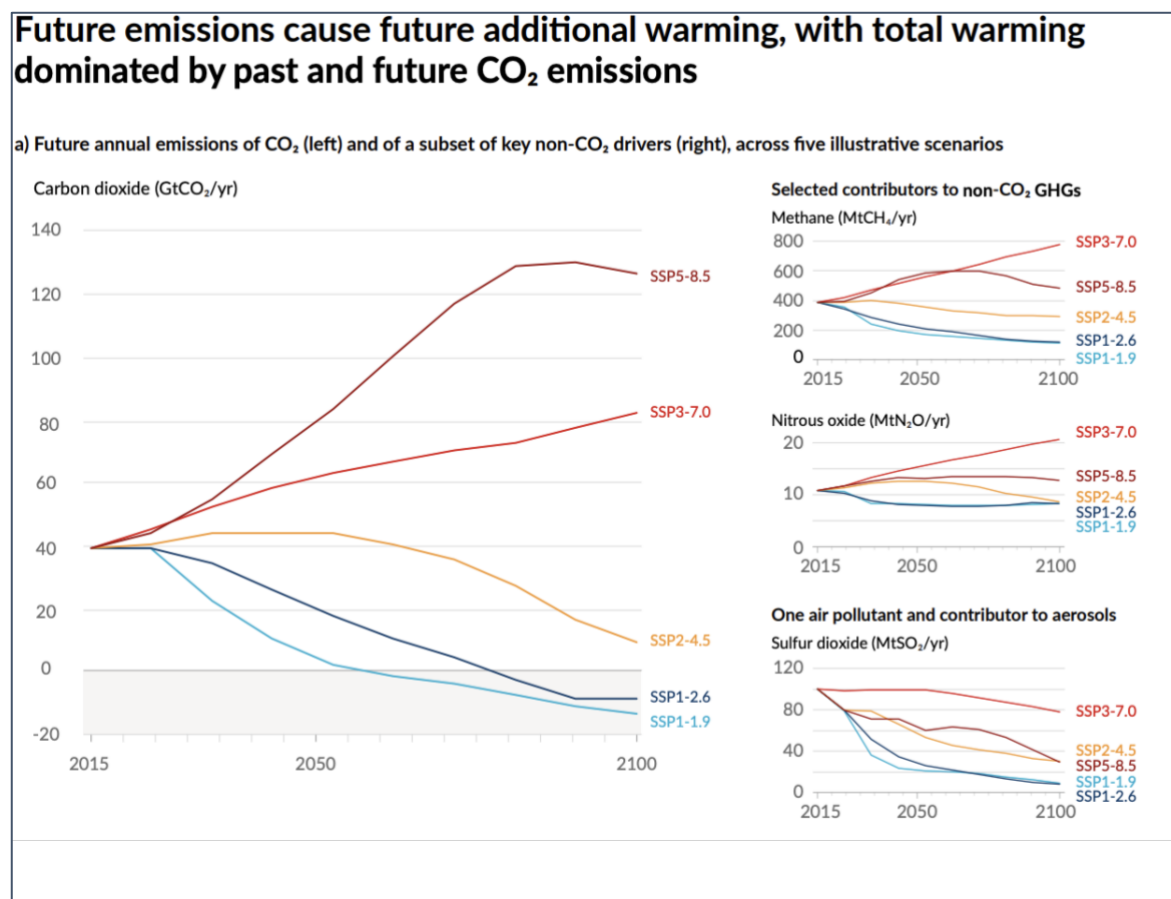
The Institute appreciates the opportunity to provide feedback on the *2021 Governance and Risk Management Consultation Document (NZ CS 1)*. It is a key aspect of the New Zealand regulatory trajectory, as illustrated in Appendix 1.

The Institute would like to congratulate the External Reporting Board (XRB) on preparing the document and inviting comment. Two major areas of our work programme are climate change and reporting, hence our interest in climate-related reporting. See previous research in Appendix 2.

Our interest is clearly how we provide climate-related information to all interested parties, including investors, policy analysts and the wider public. To help society respond to the challenges of climate change we are conscious of the small window we have in which to bring about change – the next 10 to 20 years. Most scientists consider that after 2040 we will need to adapt to climate change. Before 2040, we will need to focus on decreasing our emissions so that the level of change after 2040 is minimal. The Intergovernmental Panel on Climate Change (IPCC) 2021 Summary for Policymakers makes this point clearly.

### Figure 1: IPCC Figure SPM.4 | Future anthropogenic emissions of key drivers of climate change and warming contributions by groups of drivers for the five illustrative scenarios used in this report<sup>1</sup>

Source: Climate Change 2021: The Physical Science Basis Summary for Policymakers, p. 13, (a) only.



Page 14 of the IPCC report notes under the heading Possible Climate Futures:

Global surface temperature will continue to increase until at least the mid-century under all emissions scenarios considered. Global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions occur in the coming decades. (p. 14)<sup>2</sup>

Both the graph and the text illustrate the lag that exists between emissions and impacts, showcasing the need to report on emissions and the impact that climate change will generate.

This means that if we are to become a climate-intelligent country, we need to create climate-intelligent markets, which further requires climate-intelligent investors, and therefore companies. This is where the climate standards fit.

The aim of the legislation to be passed later this year is set out below:

**Figure 2: Excerpts from Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill 2021**

**Part 7A**  
**Climate-related disclosures for certain FMC reporting entities with higher level of public accountability**  
Subpart 1—Overview, application, and interpretation

**461N Overview**

(1) This Part provides for climate reporting entities to—

- (a) keep proper records relating to their obligations to make climate-related disclosures; and
- (b) prepare climate statements; and
- (d) lodge those statements.

In section 5(1), insert in their appropriate alphabetical order:

**applicable climate standard**, in relation to a reporting entity and to an accounting period or an interim accounting period of a reporting entity, means a climate standard that applies to the reporting entity and to the accounting period or the interim accounting period in accordance with the climate standard

**climate-related disclosure framework** has the meaning set out in **section 9AA**

**climate reporting entity** has the same meaning as in **section 461O** of the Financial Markets Conduct Act 2013

**climate standard** means a climate standard issued by the Board under section 12; and includes an amendment to a climate standard that is issued by the Board

**climate statements**, in relation to a reporting entity and a balance date, means the climate-related disclosures for the entity as at the balance date, or in relation to the accounting period ending at the balance date, that are required to be prepared in respect of the entity by an applicable climate standard

**group climate statements**, in relation to a group and a balance date, means the climate-related disclosures for the group as at the balance date, or in relation to the accounting period ending at the balance date, that are required to be prepared in respect of the group by an applicable climate standard

It is through this lens that we have reviewed the proposed standard, in terms of the urgent need to set a standard that helps reduce emissions and make the market, organisations and citizens wiser and more responsive to what is happening, so that, together, we can get ahead of the challenges we face, pivoting quickly and appropriately, reducing harm, minimising long-term negative impacts and recognising and implementing opportunities early.

The following are general comments that we hope are useful observations given our interest in this work over time.

### **A: Characteristics of effective disclosures**

When studying the Task Force on Climate-Related Financial Disclosures (TCFD), initially very critically, there were certain aspects of the process that helped explain the output. In particular, we were taken by the characteristics of effective disclosures put out by the Financial Stability Board (FSB) on 9 November 2015:

Experience suggests that in general effective disclosures (whether or not climate-related) should be:

- Consistent – in scope and objective across the relevant industries and sectors;
- Comparable – to allow investors to assess peers and aggregate risks;
- Reliable – to ensure users can trust data;
- Clear – presented in a way that makes complex information understandable; and
- Efficient – minimising costs and burdens while maximising benefits.<sup>3</sup>

### **B: Target audience (who are the target users?)**

To our knowledge this was not discussed in the legislation. This was to enable some flexibility in the system for the standard setter/s.

The FSB, on 9 November 2015, also explored who the audience is when it asked the question:

Which users should be considered as the target audience? Should it be extended beyond lenders, investors and insurers to other users of corporate disclosures (e.g. a wider set of stakeholders which monitor climate issues)?<sup>4</sup>

The TCFD concluded: '[i]nvestors, lenders, and insurance underwriters (“primary users”) are the appropriate target audience' (see Table 1 far below).

There are four key factors here that we believe should be considered when reviewing the definition of primary user.

- (i) Purpose difference: The TCFD framework was designed for a voluntary framework (not a mandatory framework)
- (ii) Time difference: This TCFD was written in June 2017, and a lot has happened in the last five years.
- (iii) Sector difference: The TCFD was written by and for the private sector (in particular, large private investment and bankers). It was not designed for both public and private sector entities. Types of primary users are changing. Interestingly, the remit for the TCFD asked them to identify the appropriate target audience. The 2017 TCFD recommendations concluded: '[i]nvestors, lenders, and insurance underwriters (“primary users”) are the appropriate target audience.'<sup>5</sup> However the 2017 TCFD recommendations also note that other organisations have an interest, when they stated:

‘The Task Force recognizes that many other organizations, including credit rating agencies, equity analysts, stock exchanges, investment consultants, and proxy advisors also use climate-related financial disclosures, allowing them to push information through the credit and investment chain and contribute to the better pricing of risks by investors, lenders, and insurance underwriters. These organizations, in principle, depend on the same types of information as primary users.’<sup>6</sup>

Given the TCFD acknowledges that there are a number of ‘other non-primary users’ that will depend on this type of information, we consider the definition of primary user is likely to evolve. Examples of other users of the climate statements in New Zealand are likely to include suppliers, customers, employees, neighbours, policy analysts and the general public.

We can understand the argument that it is useful for standard setters to keep the definition of the target audience (the primary user) narrow, as it enables the preparer to focus on the information needs of a small number of users,

but, in practice, we would argue a mandatory regime puts in place higher expectations on preparers in terms of public good. This is arguably the reason to move from voluntary to mandatory reporting; placing information in the public domain that is comparable and decision-useful to all those interested in making climate-related decisions.

We think it is a mistake to make the definition of user narrow as it is not in the spirit of the purpose of the legislation. We wonder if there are other ways that the standard can be written to include a broader definition of users while meeting XRB concerns. For example, would it be possible to define users as primary and secondary – with the primary users being the group that helps the preparer define what is material (or not), but, once that is defined, the preparer must consider the information requirements of all users. In this way, the climate standard/s can align with both public and private sector users. We would be happy to discuss this thinking in more detail.

### **C: Strategy (the link between strategy and risk management)**

We appreciate that this specific consultation document does not relate to strategy directly, but we do see an important link between strategy and risk management that we would like to explore. (Note: We are not suggesting that the XRB's approach is incorrect, as we agree that it is more efficient to consult on the two easier pillars first as they are already reflected in common business practice nationally and globally).

The issue we wish to raise is where a director's responsibilities lie, relating, in particular, to their need to keep the strategy of a business confidential. In our initial view, the International Sustainability Standards Board (ISSB) prototype goes too far in this regard, and we caution against standards that could be construed in the courts to remove or decrease the responsibility on directors. For this reason, we are not fans of scenarios being developed by standard setters or even being shaped/progressed by standard setters. We are happy to explain our concerns in more detail and direct the XRB to legal opinions in this area.

We believe the distinction between data (in this case scenarios) should not be developed by standards setters – in much the same way preparers and assurers must be different people or organisations. One of the strengths of the reporting framework is that assurance is separate from report preparers.

To be clear, under the current TCFD, we do not think that an organisation is required to present a strategy for climate change or their business strategy; all they are required to do is to compare their strategy (which can be confidential) with the scenario/s of their choice (which do not need to be public scenario/s), although the source of the scenario/s used should be listed by name. Importantly, we consider they do not need to use a public scenario or make their scenario work public. What directors are required to do is say they have looked at scenarios and compared their business models and, from that, identified risks and opportunities.

We are also concerned about the concept of sector-specific scenarios or guidance. The Institute undertook some research that explored whether NZSX-listed entities could be categorised by sectors. See Table 2b: Nature of business in *Working Paper 2018/01 – NZSX-listed Company Tables* (March 2018, p. 26) found that 54 out of 129 entities were difficult to classify by nature of business using *1292.0 - Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006*.<sup>7</sup> Over time, we have noticed sector work often delivers complexity (what is in and what is out of a sector) and big businesses tend to transverse many different sectors. We believe a move in this direction will waste time and not deliver outputs and outcomes for climate reporting and the XRB more specifically.

### **D: The distinction between principles and rules**

Another way of discussing this point is the level of touch – should the XRB provide a light touch or set a more specific and rule-based standard. Standards need to reach a unique balance between not providing too much specificity or too little. We suggest keeping terms minimal and definitions broad and using language that is unlikely to be fashionable.

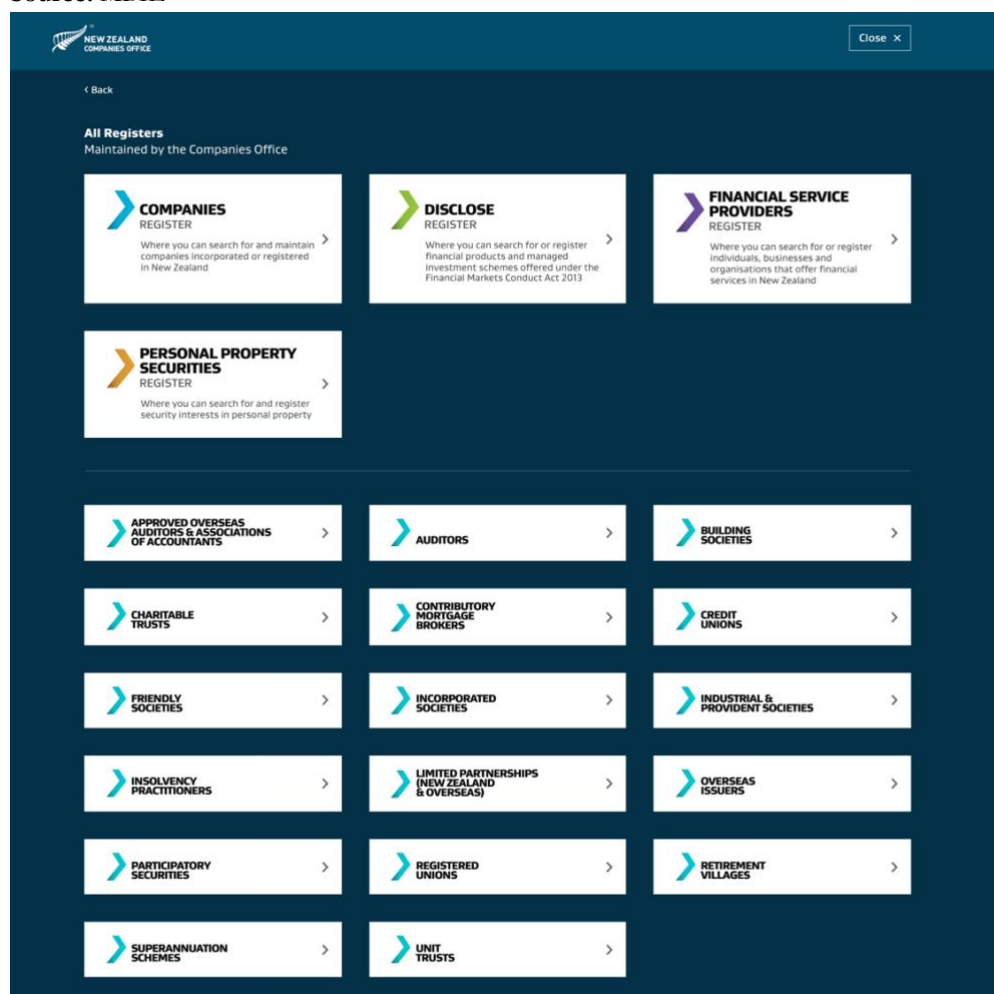
The designers of the TCFD did a superb job in delivering a product that did enough of the right things, for example, creating a tick-box exercise to say the organisation had compared its business model against a scenario without requiring it to use a particular scenario. It was clever because it put the onus on the board and the governance structure, rather than on the Taskforce.

### E: Lodging climate statements (Accessibility is key)

Although we have not been asked to comment on where the statements are lodged, we are of the view that a new Climate Statement Register should be created by MBIE (similar to what is already provided, see Figure 2). Our view is that more entities will be required to report in a mandatory manner, such as Crown financial institutions (via letters of expectation). Therefore, New Zealand needs a new, easy to access, register of Climate Statements. We are also of the view that there will be many voluntary reporters who, if they have their climate statements assured (up to the level set in the standards), should be allowed to make their reports public. Otherwise, there is a risk of creating a market disadvantage to voluntary reporters.

Figure 3: Registers currently managed by MBIE

Source: MBIE<sup>8</sup>



### E: Alignment

We are aware the XRB fully appreciates the linkages that are needed nationally (e.g. XRB, FMA, IOD and NZX), and internationally (e.g. IASB and ISSB). We support building those linkages to ensure as much detail can be resolved before the standards are implemented.

### New Zealand

We note that the *NZX Corporate Governance Code Review 2021* is currently under review.<sup>9</sup> The XRB's governance disclosure area focuses on an organisation's governance of climate-related risks and opportunities. The XRB recommends that organisations describe the board's oversight and management's role in assessing climate-related risks and opportunities. Annual reports represent the mechanism for management to describe the organisation's processes in place to address these factors. The McGuinness Institute's own review of TCFD disclosures, *Working Paper 2021/06 – Reviewing TCFD information in 2017-2020 Annual Reports of NZSX-listed companies* (June 2021) found

an increase in the number of companies that include dedicated TCFD sections in their annual report (see Table 5).<sup>10</sup> The Institute looks forward to consulting on the NZX document in early 2022.

### **International work**

There are currently a range of examples around the world where legislation and standards are working hard to put in place better reporting standards. This creates a major opportunity for the XRB. It is great to see this opportunity being utilised.

The Institute looks forward to consulting on the upcoming ISSB standard (the current prototype can be found on the ISSB website).<sup>11</sup> We have some concerns, but also believe there are some good ideas for the XRB to consider.

## Part 2: Questions

The following are the questions contained in the *External Reporting Board's Climate-related Disclosures Governance and Risk Management Consultation Document (NZ CS 1)*. These are necessary to assist a future Institute submission on the climate reporting standards framework.

1. Primary users have been identified as existing and potential investors, lenders and insurance underwriters. Do you think that all of these users should be included in the primary user category?

We think a broader definition is called for. The purpose of primary user is arguably only relevant to materiality and, if that is the case, that could just be specified in the materiality clause. See discussion in Part 1 (B) above. We would be happy to discuss this point further.

2. Do you think the proposed Governance section of NZ CS 1 meets primary user needs?

- a) Do you think that the information provided under this section of NZ CS 1 will provide information that is useful for decision making to primary users (existing and potential investors, lenders and insurance underwriters)? If not, please explain why not and identify any alternative proposals.
- b) Do you consider that this section of the standard is clear and unambiguous in terms of the information to be disclosed? If not, how could clarity be improved?
- c) Do you consider that this section of the standard is adequately comprehensive and achieves the right balance in terms of prescriptiveness and specificity? If not, what should be removed or added to achieve a better balance?

We think it needs to be careful to ensure directors' responsibilities are aligned and strengthened under the standard, rather than made less clear. See discussion in Part 1 (C) above.

3. Do you think the proposed Risk Management section of NZ CS 1 meets primary user needs?

- a) Do you think that the information provided under this section of the standard will provide information that is useful for decision making to primary users (existing and potential investors, lenders and insurance underwriters)? If not, please explain why not and identify any alternative proposals.
- b) Do you consider that this section of the standard is clear and unambiguous in terms of the information to be disclosed? If not, how could clarity be improved?
- c) Do you consider that this section of the standard is adequately comprehensive and achieves the right balance in terms of prescriptiveness and specificity? If not, what should be removed or added to achieve a better balance?

We have decided not to answer this question, as we consider the user definition is too narrow (see discussion in Part 1 (B)).

4. The XRB has primarily drawn from the TCFD's definitions for its defined terms. Do you agree that we should align closely with the TCFD's definitions?

Yes, we think the discussion document should align, as much as possible, to the TCFD. However, we note key differences exist that may impact on the definitions and the terms required, such as (i) this reporting is mandatory, (ii) it covers public and private sector, (iii) it is for-profit and not-for-profit entities and (iv) five years have passed (2017 to 2022).



5. The XRB is particularly interested in feedback on the following defined terms as they are currently proposed: ‘climate-related risk’, ‘climate-related opportunities’, ‘climate-related issues’, ‘physical risk’, and ‘transition risk’.

- a) Do you consider that the XRB should align with the TCFD and use the terms ‘climate-related opportunities’ and ‘climate-related issues’, or should we only refer to ‘climate-related risks’?
- b) Do you consider that the proposed definitions for these terms are accurate, sufficiently clear and well-explained? Do they need further detail or explanation? If so, should that detail be included in the defined terms or in guidance?

See Table 1 below.

6. Do you have any other views on the defined terms as they are currently proposed?

See Table 1 below.

**Table 1: Proposed defined terms for the Governance and Risk Management sections of NZ CS 1**

XRB terms	XRB definitions	McGuinness Institute comments
Board of directors or board	A body of elected or appointed members who jointly oversee the activities of a company or entity.	Agree.
Climate-related issues	An umbrella term to encompass climate-related risks and climate-related opportunities.	We would like to see this definition removed as it does not seem to have a purpose. Note: Unlike risks and opportunities, which may or may not happen in the future, an issue exists in the present.
Climate-related risks	The potential negative impacts of climate change on an entity. <b>Physical risks</b> emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns. Climate-related risks can also be associated with the transition to a lower-emissions global and domestic economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.	We suggest you consider including stranded assets in this definition.  Note: We appreciate the XRB may find it too complex to change the definition given it is stated here: <a href="https://www.fsb.org/wp-content/uploads/P141021-4.pdf">https://www.fsb.org/wp-content/uploads/P141021-4.pdf</a>
Climate-related opportunities	The potential positive impacts related to climate change on an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilization of low-emission energy sources, the development of new products and services, and building resilience along the	Agree. Note: We appreciate the XRB may find it too complex to change the definition given it is stated here: <a href="https://www.fsb.org/wp-content/uploads/P141021-4.pdf">https://www.fsb.org/wp-content/uploads/P141021-4.pdf</a>

	supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an entity operates.	
Governance	The system by which an entity is directed and controlled in the interests of shareholders and other stakeholders. Governance involves a set of relationships between an entity's management, its board, its shareholders, and other stakeholders. Governance provides the structure and processes through which the objectives of the entity are set, progress against performance is monitored, and results are evaluated.	Agree. Note: We appreciate XRB may find it too complex to change the definition given it is stated here: <a href="https://www.fsb.org/wp-content/uploads/P141021-4.pdf">https://www.fsb.org/wp-content/uploads/P141021-4.pdf</a>
Management	Those positions an entity views as executive or senior management positions and that are generally separate from the board.	Agree. Note: We appreciate XRB may find it too complex to change the definition given it is stated here: <a href="https://www.fsb.org/wp-content/uploads/P141021-4.pdf">https://www.fsb.org/wp-content/uploads/P141021-4.pdf</a>
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns.	
Risk management	A set of processes that are carried out by an entity's board and management to support the achievement of the entity's objectives by addressing its risks and managing the combined potential impact of those risks.	Agree. Note: We appreciate XRB may find it too complex to change the definition given it is stated here: <a href="https://www.fsb.org/wp-content/uploads/P141021-4.pdf">https://www.fsb.org/wp-content/uploads/P141021-4.pdf</a>
Risk profile	A composite view of the risk assumed at a particular level of a company or aspect of the business that positions management to consider the types, severity, and interdependencies of risks and how they may affect performance relative to the strategy and business objectives.	We are not sure why this is needed. We like the definition but would be worried about it being misconstrued or misrepresented given it is quite a narrow definition.  From our experience, a risk profile generally aims to identify the risk required to meet investment objectives, risk capacity and, most importantly, an organisation or government's risk tolerance. The risk tolerance part of the profile is important as organisations can set the bar quite high. Others will work away at the risk to reduce the risk profile – often by sharing or passing on the risk to others.

		<p>For example: A council might remove the risk of adaptation by asking all those that purchase or build property in front of the red line to sign a form declaring that the council has no care or responsibility for the land and that the new owner takes full responsibility.</p>
Transition risks	Risks related to the transition to a lower-emissions global and domestic economy, such as policy and legal risks, technology risks, market risks and reputation risks.	<p>We are not sure why this is needed.</p> <p>We think standards should not use ‘fashionable terms’ and are concerned that ‘transition’ is one of these. For example, what happens in five or ten years when some would argue they (and others) have already transitioned? Does this term then become irrelevant or confusing?</p> <p>Creating ‘durable standards’ that last the test of time should be an objective of the XRB (even though we appreciate tweaks and updates will be needed).</p>
Primary users	Existing and potential investors, lenders and insurance underwriters.	<p>We have always disliked this term in the existing standards as it suggests someone else is a secondary user (in which case that group of users should be listed to make the distinction clear). See discussion in Part 1 B above.</p> <p>The meaning of primary users (of general-purpose financial reports) is in Footnote 4 of the XRB 2018 Conceptual Framework as: ‘Throughout the 2018 NZ Conceptual Framework, the terms ‘primary users’ and ‘users’ refer to those existing and potential investors, lenders and other creditors who must rely on general purpose financial reports for much of the financial information they need.’<sup>12</sup></p> <p>The TCFD Recommendations (pp. 2–3) state:</p> <p>‘The FSB also noted the Task Force should determine whether the target audience of users of climate-related financial disclosures should extend beyond investors, lenders, and insurance underwriters. Investors, lenders, and insurance underwriters (“primary users”) are the appropriate target audience.</p> <p>These primary users assume the financial risk and reward of the decisions they make. The Task Force recognizes that</p>

		<p>many other organizations, including credit rating agencies, equity analysts, stock exchanges, investment consultants, and proxy advisors also use climate-related financial disclosures, allowing them to push information through the credit and investment chain and contribute to the better pricing of risks by investors, lenders, and insurance underwriters. These organizations, in principle, depend on the same types of information as primary users.’<sup>13</sup></p> <p>The concept that a primary user exists for climate-related information is flawed in that the interest in the information is much wider. If the goal is public good, then the end user is the general public.</p> <p>If there is a reason to define user of climate-related information, we suggest a much wider definition is called for – something along the lines of:</p> <p>Climate-related information users include investors, bankers, insurance providers, suppliers, customers, employees, NGOs, neighbours, councils, government and citizens.</p>
Value chain	The upstream and downstream life cycle of a product, process, or service, including material sourcing, production, consumption, and disposal/recycling. Upstream activities include operations that relate to the initial stages of producing a good or service (e.g., material sourcing, material processing, supplier activities). Downstream activities include operations that relate to processing the materials into a finished product and delivering it to the end user (e.g., transportation, distribution, and consumption).	We are not sure why this is needed.

7. The XRB is currently of the view that adoption provisions for some of the specific disclosures in NZ CS 1 will be required. However, the XRB does not believe it is necessary to provide any adoption provisions for entities in relation to the Governance and Risk Management disclosures. Do you agree with this view? Why or why not?

No comment at this stage.

8. The XRB currently intends NZ CS 1 to be concise and sector neutral, with sector-specific requirements to be contained in guidance. Do you agree with this approach?

We believe that the XRB should not produce sector specific guidance (see discussion in Part 1(C)).

9. Do you have any other comments?

**9. Do you have any other comments?**

Yes. The Institute would like to comment further on scenarios as we are aware this is where your next area of work will be undertaken.

Currently, we are writing a discussion paper that aims to explore what the development, preparation and use of reference climate scenarios could look like. *Discussion Paper 2021/05 – Establishing reference climate scenarios for Aotearoa New Zealand* is part of a discussion paper series that considers solutions to policy knots specifically related to climate change.

The Institute agrees with the XRB’s definition of scenarios, the purpose of scenario analysis and the identified high-level challenges. However, we hold three concerns around the development and implementation of scenarios, which we elaborate on below.

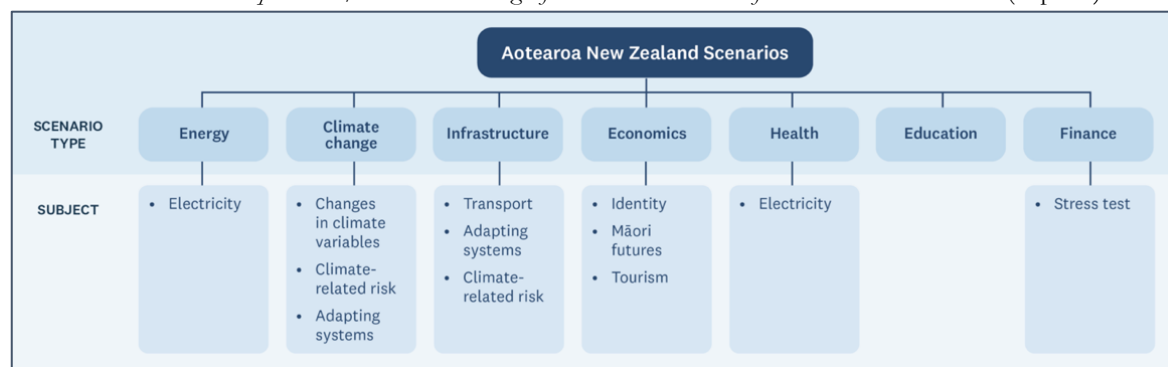
**(i) Reference climate scenarios**

Reference climate scenarios are important for three main reasons:

- a) Regarding the NZ CS1 disclosure, it is key to ensure that preparers have useful, relevant and comparable scenarios for assessing their business strategy (and therefore its resilience to climate change).
- b) It is crucial to ensure that users (citizens, councils, iwi, departments and businesses) have the best scenarios available to inform decision making. The ownership, access and reliability of climate data/information are areas of concern that are hoped to be made more robust via the development of climate reference scenarios.
- c) The establishment of reference climate scenarios would help develop and push the idea of an integrated reference scenario framework for Aotearoa New Zealand. Figure 4 (below) illustrates an overview of what an integrated scenario framework could look like. Such an approach would successfully embed foresight and strengthen risk management across Aotearoa New Zealand’s public and private sectors.

**Figure 4: Aotearoa New Zealand Reference Scenario framework**

Source: See *Discussion Paper 2021/05 – Establishing reference climate scenarios for Aotearoa New Zealand* (in press)<sup>14</sup>



**(ii) Entity-based scenarios**

We hold concerns that the development and implementation of ‘bespoke [...] entity-specific’ scenarios would not enable meaningful comparison, and therefore would dilute the benefits of effective reporting and further reduce the availability of climate-related data that currently exists within the public arena – further adding to the research gap.

**(iii) Who develops reference climate scenarios?**

We recommend that the development of reference climate scenarios should fall outside of the XRB's responsibility. An independent institution should be responsible for the development of these scenarios and should, ideally, undertake active coordination across industry to inform development. In our view, a targeted, transparent and coordinated approach will improve the quality, comparability, timeliness and cost associated with the development of these scenarios.

**Thank you**

Thank you for all the hard work. This is a new and emerging area and will be difficult. We want to thank you for your progress to date, which has been exemplary. We look forward to engaging with the XRB on this important topic going forward.

# Appendix 1: Timeline of Climate Change Policy

Source: Working Paper 2021/01 – Timeline of climate change institutions and instruments since 1980<sup>15</sup>



## Appendix 2: Relevant ReportingNZ publications from 2011

Soft copies of these publications can be found [here](#).

Year	Month	Publication
2021	WIP	<i>Working Paper 2021/11 – Analysis of Donations and Political Donations in 2020 Annual Reports by NZSX-listed companies</i>
	WIP	<i>Discussion Paper 2021/06 – Accounting for Natural GHG emissions, such as wildfires and volcanic eruptions (to become Discussion Paper 2022/01)</i>
	Dec	<i>Working Paper 2021/04 – Reviewing Voluntary Reporting Frameworks mentioned in 2018 – 2020 Annual Reports (work in progress)</i>
	Dec	<i>Working Paper 2021/09 – Analysis of Climate Reporting in the Public and Private Sectors (work in progress)</i>
	Oct	<i>Discussion Paper 2021/04 – An Accounting Dilemma: Does a commitment to purchase offshore carbon credits create a requirement to disclose that obligation in the financial statements of the New Zealand Government?</i>
	Jul	<i>Submission in response to the International Financial Reporting Standards Foundation (IFRS)</i>
	Jun	<i>Working Paper 2021/06 – Reviewing TCFD information in 2017–2020 Annual Reports of NZSX-listed companies</i>
	May	<i>Submission on the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill</i>
	Mar	<i>Submission on the He Pou a Rangi Climate Change Commission 2021 Draft Advice for Consultation</i>
2020	Jun	<i>Working Paper 2020/05 – Reviewing Voluntary Reporting Frameworks mentioned in 2019 Annual Reports</i>
	Jun	<i>Working Paper 2020/04 – Analysis of Climate Reporting in the Public and Private Sectors</i>
	Jun	<i>Working Paper 2020/03 – Reporting Requirements of Five Types of Entities</i>
	May	<i>Working Paper 2020/02 – The Role of a Directors’ Report: An analysis of the legislative requirements of selected Commonwealth countries</i>
2019	Dec	<i>Submission on Climate-related financial disclosures: Understanding your business risks and opportunities related to climate change</i>
	Dec	<i>Survey Insights: An analysis of the 2019 Task Force on Climate-related Financial Disclosures (TCFD) survey</i>
	Oct	<i>Discussion Paper 2019/01 – The Climate Reporting Emergency: A New Zealand case study</i>
	Oct	<i>TCFD Workshops: Practical steps for implementation (Auckland and Wellington)</i>
	Sep	<i>Think Piece 32 – Exploring Ways to Embed Climate Reporting in the Existing Framework</i>
	Sep	<i>Working Paper 2019/06 – Analysis of Climate Change Reporting in the Public and Private Sectors</i>
	Oct	<i>Working paper 2019/05 – Reviewing Voluntary Reporting Frameworks Mentioned in 2017 and 2018 Annual Reports</i>



	Aug	<i>Oral Submission to Select Committee on Climate Change Response (Zero Carbon) Amendment Bill</i>
	Jul	<i>Submission to Ministry for the Environment on the Climate Change Response (Zero Carbon) Amendment Bill</i>
2018	Oct	<i>Think Piece 30 – Package of Climate Change Reporting Recommendations</i>
	Sep	<i>Working Paper 2018/04 – Legislation Shaping the Reporting Framework: A compilation</i>
	Jul	<i>Submission to Ministry for the Environment on the Zero Carbon Bill</i>
	Jul	<i>Submission to Productivity Commission on a Low-emissions Economy</i>
	Jul	<i>Working Paper 2018/03 – Analysis of Climate Change Reporting in the Public and Private Sectors</i>
	May	<i>Submission to the Tax Working Group on the Future of Tax</i>
	Mar	<i>Supporting Paper 2018/01 - Methodology for Working Paper 2018/01</i>
	Mar	<i>Working Paper 2018/01 – NZSX-listed Company Tables</i>
	Mar	<i>ReportingNZ Overview Worksheet: An analysis of the state of play of Extended External Reporting</i>
	Mar	<i>Users’ Survey: Attitudes of interested parties towards Extended External Reporting (published in collaboration with the XRB) 29 May – 21 August 2017</i>
	Mar	<i>Preparers’ Survey: Attitudes of the CFOs of significant companies towards Extended External Reporting (published in collaboration with the XRB) 10 April – 3 July 2017</i>
	Mar	<i>Survey Highlights: A summary of the 2017 Extended External Reporting Surveys</i>
	Mar	<i>Survey Insights: An analysis of the 2017 Extended External Reporting Surveys</i>
2017	Dec	<i>Submission on NZX Listing Rule Review</i>
	Apr	<i>Submission on disclosing non-GAAP financial information</i>
2016	Oct	<i>Submission on the NZX Corporate Governance Best Practice Code</i>
2014	Apr	<i>Submission on the Environmental Reporting Bill</i>
2013	Jul	<i>Submission to the International Integrated Reporting Councils’ (IIRC) Consultation Draft of the International Framework</i>
	Feb	<i>Submission on the Public Finance (Fiscal Responsibility) Amendment Bill 2012</i>
2011	Dec	<i>Submission on the International Integrated Reporting Committee Discussion Paper</i>
	Jan	<i>Integrated Annual Report Survey of New Zealand’s Top 200 Companies: Exploring Responses from Chief Financial Officers on Emerging Reporting Issues</i>

## Endnotes

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- <sup>1</sup> See Intergovernmental Panel on Climate Change (IPCC). (2021). *Climate Change 2021: The Physical Science Basis – Summary for Policymakers*, p. 13. Retrieved 7 December 2021 from <https://www.ipcc.ch/report/ar6/wg1>
- <sup>2</sup> See Intergovernmental Panel on Climate Change (IPCC). (2021). *Climate Change 2021: The Physical Science Basis – Summary for Policymakers*, p. 14. Retrieved 7 December 2021 from <https://www.ipcc.ch/report/ar6/wg1>
- <sup>3</sup> See Financial Stability Board (FSB). (9 November 2015). *Proposal for a disclosure task force on climate – related risks*, p. 3. Retrieved 7 December 2021 from <https://www.fsb.org/wp-content/uploads/Disclosure-task-force-on-climate-related-risks.pdf>
- <sup>4</sup> See Financial Stability Board (FSB). (9 November 2015). *Proposal for a disclosure task force on climate – related risks*, p. 4. Retrieved 7 December 2021 from <https://www.fsb.org/2015/11/disclosure-task-force-on-climate-related-risks-2>
- <sup>5</sup> See Task Force on Climate-related Financial Disclosures (TCFD). (June 2017). *Recommendations of the Task Force on Climate-related Financial Disclosures*, p. 2. Retrieved 7 December 2021 from <https://www.fsb-tcfd.org>
- <sup>6</sup> See Task Force on Climate-related Financial Disclosures (TCFD). (June 2017). *Recommendations of the Task Force on Climate-related Financial Disclosures*, p. 3. Retrieved 7 December 2021 from <https://www.fsb-tcfd.org>
- <sup>7</sup> See McGuinness Institute. (March 2018). *Working Paper 2018/01 – NZSX-listed Company Tables*, p. 26. Retrieved 10 December 2021 from <https://www.mcguinnessinstitute.org/publications/working-papers>
- <sup>8</sup> See NZ Companies Office. (2021). *All Registers*. Retrieved 10 December 2021 from <https://www.companiesoffice.govt.nz/all-registers>
- <sup>9</sup> See NZX. (30 November 2021). *Rules and Guidance Consultation*. Retrieved 7 December 2021 from <https://www.nzx.com/regulation/nzx-rules-guidance/consultation>
- <sup>10</sup> See McGuinness Institute. (June 2021). *Working Paper 2021/06 – Reviewing TCFD information in 2017-2020 Annual Reports of NZSX-listed companies*, p. 16. Retrieved 10 December 2021 from <https://www.mcguinnessinstitute.org/publications/working-papers>
- <sup>11</sup> See International Accounting Standards Board (IFRS). (3 November 2021). *Climate-related Disclosures Prototype*. Retrieved 7 December 2021 from <https://www.iasplus.com/en/news/2021/11/climate-prototype>
- <sup>12</sup> See External Reporting Board Te Kāwai Ārahi Pūrongo Mōwaho. (May 2018). *New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting (2018 NZ Conceptual Framework)*, p. 9. Retrieved 10 December 2021 from <https://www.xrb.govt.nz/accounting-standards/conceptual-frameworks>
- <sup>13</sup> See Task Force on Climate-related Financial Disclosures (TCFD). (June 2017). *Recommendations of the Task Force on Climate-related Financial Disclosures*, pp. 2-3. Retrieved 7 December 2021 from <https://www.fsb-tcfd.org>
- <sup>14</sup> See McGuinness Institute. (December 2021). *Discussion Paper – Establishing reference climate scenarios for Aotearoa New Zealand*. (In press). Retrieved 10 December 2021 from <https://www.mcguinnessinstitute.org/publications/discussion-papers>
- <sup>15</sup> See McGuinness Institute. (December 2021). *Working Paper 2021/01 – Timeline of climate change institutions and instruments since 1980*. Retrieved 10 December 2021 from <https://www.mcguinnessinstitute.org/publications/working-papers>