

2 May 2022

Demi Tiller
Project Coordinator Climate Standards
External Reporting Board
PO Box 11250, Manners St Central,
Wellington 6142.

Response to NZ CS1: Climate-related disclosures, Strategy, and Metrics and Targets Consultation Document (“NZ CS1”)

Kia ora Demi

Thank you for the opportunity to provide a response to NZ CS1: Climate-related disclosures, Strategy, and Metrics and Targets Consultation Document (“**NZ CS1**”). This response has been compiled by a group of representative members of the Retirement Village Association and is submitted by me on behalf of the industry body.

The RVA represents the interests of owners, developers and managers of registered retirement villages across New Zealand Aotearoa. Our 401 member villages are made up of around 96% of all retirement village units and are home to around 47,000 older New Zealanders. All the major operators that are covered in this document are members.

We have not addressed every question but make the comments below.

General comments

1. In general, we are broadly supportive of the proposed provisions in the strategy and metrics and targets sections of the NZ CS1 and believe that the information in both sections will provide information that is useful to primary users’ decision making.
2. The explanatory paragraph suggests that where disclosures are not sufficient to meet the objective, additional information should be provided. However, how would it be determined that the objective is being met?

Description of business model and strategy

3. We are supportive of a disclosure that describes the entity’s business model and strategy as we feel this provides important context and supports the primary user’s understanding. We agree that this could reference to a different location where the business model and strategy is already disclosed.

Scenarios

4. We would be supportive of a more prescriptive approach as to which scenarios companies should use as this would help with consistency and increase comparability.
5. The retirement village sector, which we represent, encompasses a number and variety of sub industries, for example building and construction, aged care, and hospitality. The RVA would welcome the opportunity to work together on an industry-specific scenario for companies that operate both retirement villages and aged care homes.

Transition plans

6. We agree that transition plans should not be required to be tied to any particular target such as net zero and/or 1.5, but that entities will be free to disclose this if they have done so.

Defined terms

7. We are supportive of consistent terminology and defined terms that have close alignment with the TCFD definitions, and to be clear when definitions differ from the TCFD. We believe that close alignment is important to future proof the standards, comparability, and understandability. Close alignment will also aid those New Zealand companies with overseas operations and those that are subsidiaries of larger global groups.

Adoption provisions

8. We are supportive of the first-time adoption provisions for specific disclosures in the NZCS1 as many companies are in the early stages of developing their climate related disclosures and reporting.
9. We would support additional first-time adoption relief for the disclosure of scope 3 emissions. Many companies are in early stages of measuring the full suite of scope 3 emissions.
10. To aid with scope 3 categories 1 (purchased goods and services) and 2 (capital goods) quantification, it would be helpful if the XRB were to provide recommended tools in their guidance documents, such as locally specific EEIOs (environmentally extended input output) tools.

Metrics and targets

11. We would be supportive of the XRB prescribing a standard(s) for how climate reporting entities ("CREs") measure and report their greenhouse gases so that there is comparability between companies.
12. We agree with the XRB's approach to not specify industry-specific metrics. It will allow companies to apply their judgement with regards to sector specific metrics. As noted in para

5 above, the retirement village sector encompasses a number and variety of sub industries, for example, building and construction, aged care, and hospitality.

Assurance

13. We agree with the XRB's proposal that the minimum level of assurance for GHG emissions be set at limited assurance.

14. We also suggest consideration of whether assurance, in the shorter term, is limited to scopes 1 and 2 emissions given the lack of locally available tools to assist with measuring the full suite of scope 3 emissions (see para 10 above), particularly goods and services and capital goods.

Materiality

15. In principle, we agree with the proposed definition of "material" but feel that the interpretation may be difficult to apply, in practice. We would welcome additional guidance on determining materiality. We also note that neither the GHG Protocol Corporate Accounting and Reporting Standard or ISO 14064-1 define material.

We thank you again for the opportunity to provide our comments. The consultation document was clear and easy to understand, and we welcome the rigour that future standards will bring around climate change.

We are happy to discuss this submission with the XRB if you consider that useful and thank you again for the opportunity to comment.

Kind regards



John Collyns
Executive Director