



Environmental Law Initiative
Tiakina te mauri o te taiao

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Submission on the Climate-Related Disclosures Framework Consultation Document

Thank you for the opportunity to comment on the Climate-Related Disclosures Framework Consultation Draft and associated guidance.

I write on behalf of the Environmental Law Initiative, or ELI. ELI is a registered charitable trust whose objective is to support the effective protection of Aotearoa's natural resources and environment. We are a small team skilled in environmental law, policy, science, ecology and management.

We support the creation of climate-related disclosures standards and congratulate the staff of the XRB on preparing these. We are not in a position to comment on the detail, but we would like to make one suggestion.

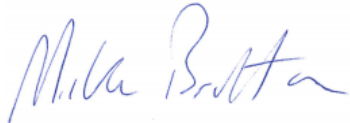
We agree with the comment in the draft staff guidance that while disclosure is a vitally-important output, the process of constructively engaging with climate-related risks and opportunities is equally important.

In our view, the need to engage with sustainability and nature-related risks is also important, and climate and wider nature-related risks are very closely related. Given the complexity of many environmental issues, we expect there will be areas of overlap where entities may not be able to gain a full understanding of climate related risks without also assessing sustainability and nature related risks more generally. For example, many primary production businesses will face closely interlinked climate and biodiversity-related physical and transition risks. Only by considering the two areas together will reporting entities truly be able to engage with their climate-related risks and opportunities – and therefore their necessary disclosures.

We suggest that the staff guidance, or introductory material to the standards, refer entities to the sustainability and nature-related disclosure frameworks which are being developed by the Taskforce on Nature-related Financial Disclosures, and the International Sustainability Standards Board. In addition, the defined terms could be amended to clarify that impacts and risks include those arising from second-order effects of climate change, such as loss of, or changes to, biodiversity.

We understand that a wider and world-class sustainability reporting framework is something the XRB aims to develop, in the first instance focusing on te ao Māori. We implore the XRB to develop a nature-related disclosure regime. Again, only in this way will reporting entities truly be able to engage with their climate-related risks and opportunities. We look forward to these developments and would be interested in engaging with the XRB in future on them.

Thank you for the opportunity to comment. Please contact us if you have any questions.



Mike Britton
Chief Executive
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