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Primary users have been identified and in addition it would be useful formalise the “wider group of stakeholders” mentioned in the consultation document as “secondary users”.

In this way “secondary users” could be:

- Government, regulators, civil society, analysts, customers and employees, and the general public

it can be compared against the next reporting entity.

We consider that this section of the standard would benefit from a one page “cover template” defined by the XRB. Reporting entities could always expand the cover contents on a complementary document (if necessary). Although this is a prescriptive approach it also would be an excellent starting point for the primary user to refer to consistently.

If a “cover” is not defined by the XRB to summarise key information on an easy to read/digest way there is a high risk of every reporting entity disclosing the 10 items required about the Board to length in a way that no primary user is going to find it useful, nor unambiguous, nor comprehensive.

#### Background

As it is described on page 16th of the consultation document, governance seems to be focused on how the Board oversees, manage, processes, monitors, and holds to account climate related policies including accessing expertise on climate-related issues when needed. Furthermore, for a MIS:

- Statements must be completed in relation to each fund, and
- Include in our annual reports a copy of the climate statements

#### Question for the XRB

In our case we have 5 funds under management, does this mean?

- We have to build 5 statements duplicating for each one the same governance information?
- Include the 5 statements (one per fund) to our annual financial statements?

Like our answer above, the XRB should consider a “cover” approach for the different areas to be disclosed (Governance and Risk). This “cover” could effectively serve as starting point and reference for the primary user. Also would allow comparisons between reporting entities by the primary user.

As long as the Task Force on Climate-related Financial Disclosures (TCFD) definitions are aligned with internationally recognised defined terms for climate-related disclosures.

Failure to do so would only lead to confusion when trying to understand and compare NZCS1 vs other internationally recognised disclosures.

Regarding question 5A (above)

We consider the XRB should only refer to “climate related risks”. Trying to separate between positive / negative impacts via splitting risk definitions can only create bias towards what kind of risk is more desirable.

In the end risks are not positive or negative inherently but the response to the risk is what makes them positive or negative. If there is a need to refer to “climate related opportunities” this should be only done so after achieving a certain level of maturity dealing with “climate related risks”. Our concern here is that reporting entities could be biased to identify opportunities over risks.

Regarding question 5B (above)

The proposed definitions are clear enough for a subject matter expert in risk management. Unfortunately, these definitions are not clear enough for the intended audience which in this case are the primary users.

There should be two definitions for every definition, for example Table 5: proposed defined terms structure could look something along the following lines:

- Term, Definition, Definition Example on layman terms

Table 5 is missing the layman term example of the definition.

As mentioned under question #5 an example per term or a case study to work out the terms would be useful for the primary users.

We agree, specially when considering that reporting entities belong to a range of industries and each one will have variations in how they approach governance and risk management.

At this point we agree with the XRB as stated on page 23 of the consultation document that “providing this information is not onerous, as the disclosures ask for a description of an entity’s current activities”. High level information at this point should suffice.

We agree, sector neutral requirements have a better chance to be adhered to.

A useful approach could be FMA's "codes of practice". As the disclosures evolve a code of practice for x or y concept/industry could fulfil the need to expand on key concepts and reiterate what is good practice to achieve the full potential of the NZCSX.

We agree with the statements made on page 27 of the consultation document about the XRB developing some form of presentation requirement – Table 1 (we refer to it as a "cover under questions 2 and 3). We believe that having a common starting point for the industry participants will allow primary users to effectively make comparisons between reporting entities.

I wish to have my submission  
remain confidential                      No