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External Reporting Board  
P O Box 11250  
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Re: Feedback on Strategy and Metrics and Targets Consultation  
Submitted via webform:  
[Strategy and Metrics and Targets Consultation » XRB](#)

Thank you for the opportunity to submit feedback to the External Reporting Board consultation on the Strategy and Metrics and Targets document.

The New Zealand Green Building Council (NZGBC) is a not-for-profit industry organisation dedicated to promoting a sustainable built environment. We're a team of people who are passionate advocates for better homes and buildings, because we know that better homes and buildings mean healthier, happier Kiwis.

We do this by working alongside politicians, industry and other businesses to bring change.

We also run trusted, robust authentication schemes, such as Homestar, NABERSNZ and Green Star, that highlight the many buildings that have proven their healthy, safe credentials. And we provide education too for hundreds of New Zealanders every year keen to learn about the technical aspects behind better buildings.

Above everything else, we're collaborators. We believe that lasting change for the better, for a sustainable Aotearoa, can only happen working together alongside others.

Our vision is for all homes and buildings in Aotearoa to be green and sustainable, making healthier, happier New Zealanders.

We have over 600 companies and organisations amongst our members, including banks, energy companies, insurers, government departments, publicly listed property companies, project managers, manufacturers, construction companies, architects, developers, designers, and tertiary education institutions. This includes many of the NZX50. These members have a combined market turnover of \$40bn. We also work with local government members, representing over 60% of Aotearoa's population.

We are in a global climate emergency that requires all sectors of society to understand their obligation and act to ensure New Zealand can achieve the 1.5-degree pathway, stipulated under the Paris Agreement. This has a practical impact for businesses across portfolios and is pertinent to Aotearoa's built environment, which accounts for 20% of the country's carbon emissions.

While risk analysis and mitigation are essential components for any balance sheet, there is now obligatory compliance firms are required to take following the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill's Royal Assent in October 2021. NZGBC commend the work by XRB to prepare New Zealand's climate related entities to begin reporting their climate related disclosures.

The consultation documents were comprehensive in addressing how to categorise Scope 1, 2, and 3 emissions, as well as key functions of measuring and disclosing associated risk and opportunity.

Today, we provide our feedback as a general comment of the collective process.

We support the following actions and definitions by the External Reporting Board and their mandate from the Financial Market Authority to develop the climate standards, build capability and influence compliance toward the first reporting deadline. In the context of this consultation, NZGBC affirms the following:

1. We support the decision by XRB to systematically consider both physical and transition risks in any given scenario and the consistency of language developed across the Task Force for Climate Related Financial Disclosures (TCFD), Technical Readiness Working Group, International Reporting Financial Standards and their newly created International Sustainability Standards Board.
2. We support XRB's alignment with the TCFD definition of scenario analysis as a process to identify the range of outcomes of future events under uncertain conditions.
3. We believe mandating climate related disclosures for large companies is an important lever to motivate corporate leadership to act. Therefore, it is imperative companies begin the process of measuring and understanding their emissions profile now and ascertain how they will mitigate these outcomes over time.
4. We support sector level analysis, which allows firms to identify their known and unknown risks and opportunities from both qualitative and quantitative metrics. We welcome the task of having these conversations in the built environment sector to help educate and inform.
5. We support a clear approach that allows the boards and management of climate reporting entities to evaluate the durability of their climate strategies. Additionally we believe in the importance of considering multiple climate (global temperature) pathways. The most advantageous is the 1.5-degree scenario, as supported by the Paris Agreement. We also believe it is important for stakeholders to understand the associated risks involved with a higher degree world and the impacts to people, businesses, communities, infrastructure, assets, the natural environment and biodiversity of Aotearoa.
6. We support a collaborative climate related disclosure process, which will lead to robust analysis and data that informs our collective emission reductions and shared climate outcomes.

Understanding the challenge ahead to decarbonise our environment in Aotearoa and achieve our net zero future begins with our analysis and cohesion now. New Zealand Green Building Council supports the mahi and effort of the External Reporting Board to ensure climate reporting entities are prepared to tackle such an all-encompassing exercise that will ensure a cleaner, less polluted environment, which generations can continue to enjoy in the future.

Our team at NZGBC is happy to provide further feedback on this submission. We look forward to our continued collaboration.

Sincerely,



Andrew Eagles,  
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