

28 September 2022

External Reporting Board  
PO Box 11250  
Manners St Central  
Wellington 6142

Dear External Reporting Board,

I am pleased to submit feedback on behalf of Steel & Tube Holdings Limited for the final consultation of the proposed standard titled *Aotearoa New Zealand Climate Change Standard: Climate-related Disclosures*. Steel & Tube thanks the External Reporting Board for the opportunity to offer feedback on the final consultation of the proposed standard.

Steel & Tube is New Zealand's leading provider of steel solutions and a proud New Zealand company with over 60 years of trading history. We are the only business in New Zealand that offers the entire range of steel products under one holding company and are an integral part of our domestic steel industry. Steel & Tube recognise the need to collectively reduce carbon emissions and we support New Zealand's commitment to achieve net-zero carbon by 2050.

Steel as a building material is incredibly durable, infinitely recyclable, resistant to water damage and produces minimal construction waste; we believe steel serves a crucial role in New Zealand's transition to a lower emission economy.

Holistically, Steel & Tube supports the requirement for large entities to report and disclose their exposure to climate-related risks. We believe this is an important step in supporting New Zealand's net-zero ambitions. We recognise that many CREs are already preparing and reporting climate-related disclosures under guidance of the TCFD. We are pleased with the XRB's decision to align closely with the TCFD's recommendations, and to apply a principles-based approach where appropriate. We are also supportive of the XRB's decision to pull from areas of the ISSB draft climate standard. We have provided feedback to the specific questions asked by the XRB but are ultimately supportive of the climate standard.

Please do not hesitate in contacting me for any further questions or remarks:

Trent Brash  
Group Sustainability Manager  
[Trent.Brash@steelandtube.co.nz](mailto:Trent.Brash@steelandtube.co.nz)

Sincerely,

Trent Brash

## Appendix – Questions and Answers

1) Do you think draft Aotearoa New Zealand Climate Standards will meet primary user needs?

a) Do you think that the proposed disclosure requirements will provide information that is useful to primary users for decision making? If not, please explain why not and identify any alternative proposals.

*We believe the proposed disclosure requirements will be useful for primary users.*

b) Do you consider that draft Aotearoa New Zealand Climate Standards are clear and unambiguous in terms of the information to be disclosed? If not, how could clarity be improved?

*We believe the proposed standard is clear and unambiguous about the information to be disclosed.*

c) Do you consider that draft Aotearoa New Zealand Climate Standards are comprehensive enough and achieve the right balance between prescriptiveness and principles-based disclosures? If not, what should be removed or added to achieve a better balance? Please consider your answer to question 5 when responding to this question.

*We believe a principles-based approach to the proposed disclosures applies the correct balance for primary users to make informed decisions. There is a marginal risk of losing comparability between entities, although we do not believe this is a material issue. The standard ensures that climate risk is effectively integrated into an organisation's business strategy and primary users will be able to use this information to make unencumbered assessments on the CRE's ability to manage those risks. We recommend that this balance should be reviewed over time as users become more familiar with the standards.*

2) Do you have any views on the defined terms in draft Aotearoa New Zealand Climate Standards?

*We do not have any views on the defined terms in the draft.*

3) Do you have any practical concerns about the feasibility of preparing the required disclosures in draft Aotearoa New Zealand Climate Standards? In responding to this question, please consider the proposed first-time adoption provisions in NZ CS 2 and your answer to question 4. Please also clearly explain what would make the specific disclosure unfeasible to disclose against either in the immediate term or the longer term.

*We do not have any comments on this matter.*

4) Do you agree with the proposed first-time adoption provisions in NZ CS 2? Why or why not?

*We agree that the proposed first-time adoption provisions are appropriate for organisations in*

*preparation for the new standard. We appreciate the difficulty in preparing Scope 3 emissions, particularly for insurers and financial institutions who are required to underwrite emissions.*

- a) Are any additional first-time adoption provisions required? If so, please provide specific details regarding the adoption provision and the disclosure requirement to which it would apply, and the period of time it would apply for.

*We do not believe there are any additional first-time adoption provisions required.*

- 5) Do you think the draft staff guidance documents will support CREs when making their disclosures and support consistent application of the disclosure requirements? Why or why not?

*The draft staff guidance documents are an appropriate supplementary resource for organisations preparing for their disclosures. Organisations unfamiliar with some of the technical elements of climate reporting will particularly benefit and the impact will likely be less variability in approaches to the reporting requirements. We support the use of these documents.*

- a) Do you think the guidance is under, adequately or overly specific and granular?

*The guidance is adequately specific; we support this approach for technical guidance. There is a risk that providing specific examples for each disclosure requirement will have an influence on the types of metrics that are provided by an organisation. There is also a risk that the guidance will be the primary resource used by organisations and therefore the requirements are either missed or interpreted differently than originally intended. This is mitigated to an extent by starting each section with the original disclosure requirement.*

*It would also be useful to include specific New Zealand examples or examples of best practice within a New Zealand context within the guidance documents. Most sources refer to international examples that do not necessarily apply to a New Zealand context.*

*Lastly, the sources provided do not seem to be in any order of preference, however it is inferred that the top source is the most relevant or useful to organisations when planning a specific disclosure requirement. It would be beneficial for the XRB to clarify this.*

- b) Do you consider that anything in the guidance should be elevated into the standard? Should anything be demoted from the standard into guidance?

*We do not have any comments on this matter.*

- 6) Paragraphs 13 to 19 of draft NZ CS 3 are the proposed location of disclosures requirements. Paragraphs BC14 to BC20 of the basis for conclusions on draft NZ CS 3 explain the XRB Board's intent regarding these proposed requirements. Do you agree with the proposed location of disclosures requirements? Why or why not?

*We do not have any comments on this matter.*

– END –