



## **Terms of Reference for the Sustainability Reporting Board**

*April 2025*

### **The SRB and its accountabilities**

1. The Sustainability Reporting Board (**SRB**) is a committee of the External Reporting Board (**XRB**). The SRB was established under section 73(1)(c) and clause 14 of Schedule 5 of the Crown Entities Act 2004 (**CE Act**).
2. The Chair and members of the SRB are appointed by the XRB Board and serve at its pleasure. Members report to the Chair, who in turn is accountable to the XRB Board for the SRB's performance.

### **Delegation**

3. The XRB Board has delegated the following Financial Reporting Act 2013 (**FR Act**) functions to the SRB under section 73(1)(c) of the CE Act:
  - 3.1. Section 12(aa) – prepare and issue climate standards
  - 3.2. Section 12(c)(ii) – prepare and issue authoritative notices for the purposes of the definition of the climate-related disclosure framework
  - 3.3. Section 19A – issue non-binding guidance on one or more of the matters in section 17(2)(a)(i) to (iv) of the FR Act
  - 3.4. Section 12(e) – liaise with international or national organisations that perform corresponding or similar functions to those listed in paragraphs 3.1 to 3.3
  - 3.5. Section 12(f) – perform the duties and exercise the powers imposed or conferred on the XRB under the FR Act and other enactments necessary to carry out the functions listed in paragraphs 3.1 to 3.4.
4. The XRB Board may delegate any other specific functions in writing from time to time to the SRB.
5. Consistent with section 75 of the CE Act, these delegations by the XRB Board do not affect or prevent the performance of any function or the exercise of any power by the XRB Board. In particular, the XRB Board may at any time notify the SRB that a particular proposed climate reporting standard, authoritative notice, or other matter will be addressed by the XRB and not by the SRB under these delegations.

### **Specific expectations**

6. In undertaking its functions, powers and duties, the SRB shall:
  - 6.1. promptly inform the XRB Board of matters of significance, particularly where these matters may be controversial or may become the subject of public debate
  - 6.2. promote confidence in climate reporting by issuing high quality standards and authoritative notices
  - 6.3. consider the impacts of proposed standards and authoritative notices on users and reporting entities

- 6.4. as requested by the XRB Board, contribute to the development of the XRB's strategy and operating plans
- 6.5. contribute to submissions to international standard-setting bodies on consultation documents and exposure drafts
- 6.6. participate in relevant international forums, including those involving national standard setters
- 6.7. promptly provide to the XRB Board or Chief Executive, any information either may request relating to any matter under consideration by the SRB
- 6.8. communicate and consult with the New Zealand Accounting Standards Board and the New Zealand Auditing and Assurance Standards Board on matters of mutual or common interest.

### **Specific responsibilities**

#### *Collective responsibilities*

7. The SRB must act in a manner consistent with:
  - 7.1. the XRB's Statement of Intent
  - 7.2. the XRB's Statement of Performance Expectations
  - 7.3. general strategy and policy positions issued by the XRB Board
  - 7.4. strategy and policy positions issued by the XRB Board relating to climate and sustainability reporting
  - 7.5. the SRB workplan approved by the XRB Board
  - 7.6. these Terms of Reference
  - 7.7. due process explanatory guides issued by the XRB Board

#### *Individual responsibilities*

8. SRB members shall:
  - 8.1. comply with the *Code of Conduct for Board Members* issued by the XRB Board
  - 8.2. conduct all contact with the media in accordance with the XRB Board's media policy.

### **Statutory requirements**

9. In carrying out its work, the SRB must comply with the requirements imposed on the XRB under the CE Act and FR Act, as relevant. This includes complying with:
  - 9.1. section 50 of the CE Act by performing its functions:
    - 9.1.1. efficiently and effectively
    - 9.1.2. in a manner consistent with the spirit of service to the public
    - 9.1.3. in collaboration with other public entities, where practicable
  - 9.2. the requirement to act independently under section 13 of the FR Act
  - 9.3. the consultation requirements in section 22 of the FR Act
  - 9.4. the duty to not disclose information under section 57 of the CE Act

- 9.5. the conflict-of-interest rules in sections 62-68 of the CE Act, with necessary modifications consistent with the accountabilities and delegations stated in paragraphs 2-4 above
- 9.6. the board procedures described in Schedule 5 of the CE Act including:
  - 9.6.1. clause 5 – exercise of the chair’s function and powers during a vacancy
  - 9.6.2. clause 7 – notice of meetings
  - 9.6.3. clause 8 – methods of holding meetings
  - 9.6.4. clause 9 – quorum
  - 9.6.5. clause 11 – presiding at meetings
  - 9.6.6. clause 12 – voting at meetings.

### **Additional operating procedures**

#### *Conducting meetings*

- 10. The SRB shall hold all sessions in public when discussing and voting on the exercise of its authoritative notice and standard setting functions.
- 11. The SRB may, at its discretion, discuss other matters in public or private.
- 12. The SRB may invite non-member observers to attend and participate in meetings.

#### *Voting*

- 13. The following requirements apply to the SRB in addition to the voting provisions in clause 12 of Schedule 5 of the CE Act:
  - 13.1. Each member shall vote according to their knowledge, experience and judgment based on the discussions they have taken part in, and not according to the views of any firm, organisation or constituency with which they are associated.
  - 13.2. Decisions involving issuing an exposure draft, a standard, or an authoritative notice must be approved by two-thirds of members voting on the question.
  - 13.3. All decisions will be made by consensus, and once a decision is made, all members must abide by that decision.
  - 13.4. Matters may be voted on outside of a meeting by way of circular resolution.
  - 13.5. Non-member observers have no voting rights.

#### *Procedure generally*

- 14. The SRB may regulate its own procedure, except as otherwise provided under the CE Act, FR Act, any other enactment and these Terms of Reference.