Wednesday, 29 July 2026

External Reporting Board (XRB)
Via online survey

Proposed amendments to NZ CS 1 Climate-related Disclosures

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to comment on the External Reporting Board's (XRB) Exposure Draft Proposed Amendments to NZ CS 1 Climate-related Disclosures.

CA ANZ supports the XRB's ongoing commitment to maintaining a high-quality climate reporting framework that remains aligned, where appropriate, with international developments. Continued interoperability with the IFRS Sustainability Disclosure Standards (IFRS SDS) is particularly important given the increasingly interconnected nature of Australian and New Zealand capital markets and the number of entities operating across multiple jurisdictions.

CA ANZ supports the XRB's continued monitoring of developments in the IFRS SDS and encourages corresponding amendments to the New Zealand Climate Standards to be progressed as early as practicable where there is a clear benefit in maintaining international interoperability. Given the XRB's proposed climate reporting roadmap, we support making these final targeted amendments to NZ CS 1 now so that the existing Standard remains fit for purpose until it is replaced by NZ IFRS S2.

CA ANZ considers these targeted amendments will help maintain confidence in New Zealand's climate reporting framework by responding to international developments and implementation experience while supporting the proposed transition to IFRS SDS. As sustainability reporting matures globally, reporting entities, investors and assurance practitioners will benefit from a stable framework that responds to international developments while avoiding unnecessary divergence

CA ANZ supports both the proposed exclusions from Category 15 (Investments) Scope 3 greenhouse gas (GHG) emissions and the incorporation of existing staff guidance into mandatory application materials. While the amendments are relatively targeted, they are an important component of maintaining a climate reporting framework that remains practical to implement, interoperable with internationally recognised standards and capable of providing decision-useful information to investors and other stakeholders. Continued maintenance of the New Zealand Climate Standards through proportionate amendments will help support confidence in the regime as implementation matures.

If you have any questions about our submission, please contact Karen McWilliams at karen.mcwilliams@charteredaccountantsanz.com.

Sincerely,

Peter Vial FCA
New Zealand Country Head

Karen McWilliams FCA
Sustainability Leader

Appendix

General comments

CA ANZ supports the XRB's proposal to make these final targeted amendments to NZ CS 1 before the transition to NZ IFRS S2.

The proposed amendments appropriately incorporate the IFRS S2 amendments relating to category 15 greenhouse gas emissions together with existing XRB staff guidance. We consider these amendments will improve consistency in application and provide greater certainty for reporting entities while ensuring NZ CS 1 remains fit for purpose until the proposed transition to NZ IFRS S2.

Responses to consultation questions

3.2.1 Our intent is to achieve the same outcomes as paragraph 29A of IFRS S2

Question 9. *Do you agree with the proposed amendments to NZ CS 1 to permit exclusion of some financial activities?*

CA ANZ agrees with the proposed amendments.

Question 10. *Why or Why not?*

The proposed amendments align NZ CS 1 with the recent amendments to IFRS S2 *Climate-related Disclosures* and equivalent Australian Sustainability Reporting Standards. Maintaining alignment with internationally recognised sustainability reporting standards is particularly important for entities operating across New Zealand and Australia, as it supports greater comparability, reduces unnecessary implementation complexity and improves the efficiency of preparing and assuring climate-related disclosures.

We agree that excluding greenhouse gas emissions associated with derivatives, insurance- and reinsurance-underwriting activities and facilitated emissions from capital markets activities is appropriate, given the practical challenges associated with measuring emissions from these activities and the evolving nature of internationally accepted measurement methodologies. In our view, the amendments represent a pragmatic response to implementation experience while maintaining the overall integrity and decision usefulness of greenhouse gas emissions reporting.

More broadly, these amendments demonstrate the importance of maintaining a climate reporting framework that evolves alongside international developments. We consider this approach appropriately balances international interoperability, practical implementation and the continued provision of decision-useful climate-related disclosures.

Question 11. *Do you agree that the proposed list of permitted exclusions (derivatives; insurance and reinsurance underwriting activities; capital market issuance activities) appropriately captures investment-related emissions that are not 'financed emissions'?*

The proposed list of permitted exclusions appropriately captures investment related emissions that are not financed emissions. Maintaining consistency with the equivalent requirements in IFRS S2 and the Australian Sustainability Reporting Standards will also support consistent application for entities reporting across New Zealand and Australia.

Question 12. *If not, what should be added or removed, and why? [see Exposure draft – Appendix B, paragraphs B6 and B9]*

No comment

Question 13. *Is the proposed 'may exclude' drafting clear and operable for your entity given the measurement standard you use (e.g., GHG Protocol Scope 3 Standard, ISO 14064-1, PCAF Standards)? [see Exposure draft – Appendix B, paragraph B9]*

We recognise that reporting entities may apply different measurement frameworks under NZ CS 1. The proposed drafting should be capable of being applied regardless of the measurement framework adopted, while remaining consistent with the broader approach taken in NZ CS 1

Question 14. *If not, what specific wording changes would improve it?*

No comment

3.2.1 We are not proposing to include additional disclosures added by the ISSB

Question 15. *The ISSB added additional disclosures (IFRS S2 paragraphs 29B–29C) when an entity applies the IFRS S2 paragraph 29A relief. Do you agree that we should not add these additional disclosures into NZ CS 1, given NZ CS 1 already requires disclosure of exclusions under paragraph 24(d)?*

CA ANZ agrees with the XRB's proposal not to introduce disclosure requirements equivalent to IFRS S2 paragraphs 29B and 29C.

We consider the existing disclosure requirements in NZ CS 1 appropriately capture information about material exclusions from greenhouse gas emissions measurements. Introducing additional disclosure requirements would duplicate existing obligations without providing significant additional benefit to users. This is also consistent with the drafting approach adopted throughout the NZ Climate Standards, where common disclosure requirements are addressed through overarching requirements rather than repeated for individual topics.

Question 16*. If not, what additional disclosure(s) would you consider useful for primary users (and why)?*
No comment

3.2.2 We are proposing to include existing XRB staff guidance on exclusions in NZ CS 1

Question 17. *Do you agree with the proposed inclusion of content from our existing staff guidance Excluding GHG emissions sources — Considerations for preparers, as authoritative (mandatory) application material within NZ CS 1? [see Exposure Draft – Appendix B, paragraphs B1 to B8]*

CA ANZ agrees with incorporating the existing staff guidance on excluding greenhouse gas emissions sources into mandatory application guidance within NZ CS 1.

The amendments would provide clarity and support consistency in application while preserving the principles-based nature of the standards and the exercise of professional judgement.

Question 18. *If not, why not, and what would you suggest should be included or deleted?*

Not applicable

3.3 The proposed amendments would apply from 1 January 2027 with early adoption permitted

Question 19. *Do you agree with the proposed mandatory date of 1 January 2027, with early adoption permitted?*

CA ANZ supports the proposed effective date of 1 January 2027 and the option for early adoption.

3.5 The benefits and costs of implementing the proposed amendments

Question 21. *Do you agree with our assessment of the benefits and costs of the proposed amendments to NZ CS 1 including the impacts on primary users and climate reporting entities?*

CA ANZ agrees with the XRB's assessment that the benefits of the proposed amendments outweigh the implementation costs.

Reporting entities are unlikely to incur many implementation costs given these changes propose exclusions from disclosure and relate to scope 3 emissions, which are still covered by the adoption provisions. The proposed exclusions and incorporation of existing staff guidance into mandatory application material should improve clarity, reduce uncertainty and lower compliance effort for reporting entities applying the Category 15 requirements for their scope 3 emissions.

We also note that the number of reporting entities expected to apply these amendments is likely to be relatively limited, especially given the proposed legislative changes to remove Managed Investment Scheme (MIS) Managers and health and life insurers from the climate-related disclosure regime and the FMA's exemption for Overseas Climate Reporting Entities. This further reduces the overall regulatory impact associated with the proposed amendments.

Question 22. *Why or why not? In your response, please include any examples that illustrate the practical effects, such as costs or impacts on the usefulness or comparability of the proposed amendments.*

No comment

Any other feedback

Question 23. *Do you have any other feedback on the ED proposals?*

No comment

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Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 16 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

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