



External Reporting Board
Level 6, 154 Featherston Street
Wellington

By email: sustainability@xrb.govt.nz

11/06/2025

Dear Sir/Madam

CBA NZ response to XRB's request for information on the international alignment of climate reporting 2025

Commonwealth Bank of Australia (New Zealand Branch) (CBA NZ) welcomes the opportunity to provide feedback to the External Reporting Board on the international alignment of climate reporting 2025.

Question 1: Which standards, overseas jurisdictions or other specific elements of international alignment are the most important for you (as a CRE or a primary user of climate statements), and why?

CBA NZ is a branch of Commonwealth Bank of Australia (CBA), an Australian bank, which is part of CBA Group.

CBA Group currently completes voluntary climate reporting covering TCFD-aligned disclosures for CBA and the other members of the CBA Group, including CBA NZ.

From FY26 onwards, CBA Group, as a 'Group 1' entity, will be completing mandatory climate reporting under the Australian Sustainability Reporting Standards, AASB S1 and AASB S2 Climate-related Disclosures (AASB S2) under the Corporations Act 2001 (Cth). As CBA NZ is a small branch of a large organisation, and CBA NZ is captured under CBA Group's climate report (both voluntary and soon to be mandatory), the Australian Sustainability Reporting Standard is the most important standard for CBA NZ in terms of international alignment, as a climate reporting entity (CRE).

Question 2: Is now the right time for New Zealand to amend or replace NZ CS to achieve closer international alignment with any other standards, and why?

Climate reporting requirements are rapidly developing around the world and will likely to continue to do so for some time. There is a risk that by aligning to one international regime at this time, New Zealand's requirements would become out of alignment with other regimes in a short period of time. It is important to retain flexibility within New Zealand's regime to more easily adapt to changes in international requirements.

Question 3: If closer international alignment is desirable, what process to achieve this degree of alignment is most desirable (e.g., greater alignment of NZ CS or revoking NZ CS)? Why? AND

Question 4: What information can you provide that this closer international alignment would better achieve the stated purpose of climate reporting as per section 19B of the Financial Reporting Act 2013?

CBA NZ recommends that New Zealand branches of overseas banks (and other large institutions) be given flexibility to disclose in accordance with the climate reporting standards of their home jurisdiction (i.e. where the headquarters of the entity is located). This would be more efficient and would enable climate standards to be more easily compared with peers in New Zealand and the entity's home country.

More generally, consistency in the climate reporting standards would be advantageous to both the primary users and CREs. In particular, given the high degree of integration between the New Zealand and Australian economies, the number of corporate groups which operate both in New Zealand and Australia, and the number of investors investing or lending on both sides of the Tasman, alignment between those two jurisdictions is particularly important. Consistent standards would enable primary users to more easily compare climate statements between companies in both NZ and Australia. Consistent standards would also considerably reduce costs for the reporting entities to produce the climate statements.

In addition, please see our comments below under Question 6 in relation to preparing single climate statements to avoid duplication of costs.

Question 5: Are there any climate-related disclosure requirements that you comply with that are not standards set by other jurisdictions (for example, via supplier agreements)? How important are those disclosures to you? Should the XRB take those requirements into consideration and how?

CBA NZ is part of CBA and therefore the CBA Group. As such, it has been part of CBA Group's voluntary annual climate reports since 2022 (and soon will be part of the mandatory disclosures under AASB). These disclosures better reflect the integrated nature of CBA NZ with CBA Group as a whole, rather than an isolated climate statement at the CBA NZ level.

CBA NZ is also subject to CBA Group policies and procedures, including CBA Group strategy and risk management framework (which have sustainability-related elements), but also those specifically relating to climate change (for example, determining sectors we want to grow in, restrictions on travel, etc.).

It follows that CBA NZ is required to follow any disclosure-related elements of these policies and processes. These policies and procedures are critical to CBA NZ, as we would expect is also the case for other New Zealand-based branches of other overseas CREs, which will be subject to their group international policies and procedures.

Question 6: Is mutual recognition important to you and, if so, how would it impact any of your above answers?

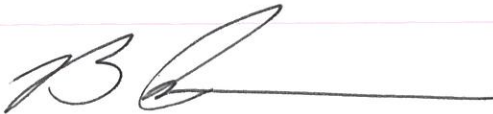
CBA NZ recommends that New Zealand-based branches of large international entities should be able to rely upon the climate statements published by the entity in their home jurisdiction to the extent that the entity is based in a country with similar climate reporting requirements (such as Australia). This would enable considerable time saving and prevent duplication of effort between the branch and the entity as a whole. The current requirements can be much more onerous on branches which typically are fairly small operations with significantly less head count than those CREs which are large New Zealand-based headquartered financial institutions.

We suggest that entities that are reporting entities under both the NZ and Australia regulations should be able to complete a single report for their group in the country that their head office is based in. This single report should be acceptable by both the NZ and Australian regulators. This would be a more efficient and cost effective process that would avoid duplication and result in a report that can be compared with other CREs in both NZ and Australia, and therefore would be of greater value to primary users.

Question 7: Do you have any other comments?

CBA NZ requests that XRB considers whether the current and anticipated financial impacts and assurance requirements can be reduced, as the business and resource impact of obtaining this data and undertaking assurance is challenging, especially for smaller entities (including branches of overseas entities). The costs of assurance in particular are significant.

Yours sincerely/faithfully

A handwritten signature in black ink, appearing to be 'B. Thomson', followed by a long horizontal line.

Bart Thomson
CEO CBA NZ

