

External Reporting Board
154 Featherston St
Wellington, New Zealand

13 June 2025

Submitted via email: sustainability@xrb.govt.nz

EY Submission on Request for Information – the international alignment of climate reporting

Dear Sir / Madam,

Ernst & Young New Zealand (EY) welcomes the opportunity to respond to the External Reporting Board (XRB)'s Request for Information Phase 1a on the international alignment of climate reporting.

EY recommends that the XRB pursues international alignment of the Aotearoa New Zealand Climate Standards (NZ CS) with the ISSB Standards by adopting the ISSB Standards with a climate-first approach.

This is similar to the position taken by the Australian Accounting Standards Board (AASB), which issued the mandatory AASB S2 *Climate-related Disclosures* and the voluntary AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* standards.

This would also support Trans-Tasman harmonisation and ensure that a New Zealand entity applying NZ CS would have aligned reporting with ISSB and ideally Australian entities applying AASB sustainability reporting standards. While full alignment to the ISSB standards would be our preferred option, we consider that at a minimum, New Zealand entities should be allowed to adopt the AASB sustainability reporting standards, where preferable.

We believe alignment with the ISSB standards will:

- bring about greater comparability and consistency in the disclosure of climate-related financial information by New Zealand reporting entities;
- lower the compliance costs related to climate reporting for organisations that have to comply with multi-jurisdictional reporting obligations; and
- increase some users ability to understand New Zealand Climate Statements, as they would be consistent with international norms, which might also lead to lower costs of capital for the same reasons that would apply with the adoption of IFRS accounting standards in New Zealand.
- allow an New Zealand reporting entity complying with NZ CS to simultaneously claim compliance with ISSB Standards, improving the likelihood of interoperability.



We would be pleased to discuss our comments further with the XRB.

Yours sincerely,

A handwritten signature in dark blue ink, appearing to read 'foi', followed by a long horizontal line.

Simon O'Connor
New Zealand Managing Partner

A handwritten signature in dark blue ink, appearing to read 'Pip Best', followed by a circular flourish.

Pip Best
Partner – Climate Change and Sustainability
Services