

# Sustainability Reporting Board

## MEETING PACK

for

### SRB Meeting 007 (PUBLIC PAPERS)

Wednesday, 2 July 2025

9:15 am (NZST)

Held at:

The Icehouse, Level 4, San Francisco Room

125 Saint Georges Bay Road, Parnell, Auckland 1052

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# AGENDA

## SRB MEETING 007 (PUBLIC PAPERS)

<b>Name:</b>	Sustainability Reporting Board
<b>Date:</b>	Wednesday, 2 July 2025
<b>Time:</b>	9:15 am to 5:00 pm (NZST)
<b>Location:</b>	The Icehouse, Level 4, San Francisco Room, 125 Saint Georges Bay Road, Parnell, Auckland 1052
<b>Committee Members:</b>	Becky Lloyd (Committee Chair), Alison Howard, Carolyn Mortland, Jackie Cheyne, Joe Hanita, Mathew Nelson
<b>Attendees:</b>	Dr Amelia Sharman, Geoff Connor, Jack Bisset, Jeremie Madamour, Judy Ryan, Lisa Kelsey, Wendy Venter, Rikki Owen, Nicola van Rooijen
<b>Apologies:</b>	Alec Tang

### 1. Welcome and Karakia

<b>1.1 Private Agenda Item</b>	9:15 am (3 min)
<b>1.2 Private Agenda Item</b>	9:18 am (1 min)
<b>1.3 Private Agenda Item</b>	9:19 am (1 min)
<b>1.4 Private Agenda Item</b>	9:20 am (1 min)
<b>1.5 Private Agenda Item</b>	9:21 am (5 min)
<b>1.6 Approval of minutes</b>	9:26 am (4 min)

Becky Lloyd

#### For Decision

Supporting Documents:

1.6.a Minutes : SRB Meeting 006 (PUBLIC PAPERS) - 8 Apr 2025	6
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### 2. Private Section

<b>2.1 Private Agenda Item</b>	9:30 am (2 min)
<b>2.2 Private Agenda Item</b>	9:32 am (1 min)
<b>2.3 Private Agenda Item</b>	9:33 am (1 min)
<b>2.4 Private Agenda Item</b>	9:34 am (1 min)

### 3. Updates (public)

#### 3.1 Chair update

9:35 am (20 min)

Becky Lloyd

**For Noting**

#### 3.2 Documents open for comment

9:55 am (10 min)

Judy Ryan

**For Noting**

Supporting Documents:

3.2.a	Documents open for comment - 2 July 25.docx	8
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#### 3.3 International monitoring

10:05 am (10 min)

Rikki Owen

**For Noting**

Supporting Documents:

3.3.a	International monitoring - 2 July 2025.docx	10
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#### 3.4 Category 15 GHG emissions

10:15 am (20 min)

Judy Ryan

**For Information**

Presentation from Judy Ryan.

#### 3.5 MORNING TEA BREAK

10:35 am (15 min)

### 4. RFI on international alignment: Submissions received (public)

#### 4.1 Responses to RFI on international alignment

10:50 am (60 min)

Lisa Kelsey

**For Information**

Supporting Documents:

4.1.a	Feedback received on RFI - 2 Jul 25.docx	20
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4.1.b	Supporting paper - RFI feedback - 2 Jul 25.docx	36
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### 5. Private Section

#### 5.1 Private Agenda Item

11:50 am (60 min)

#### 5.2 Lunch break

12:50 pm (30 min)

6. Private Section

**6.1 Private Agenda Item** 1:20 pm (20 min)

**6.2 Private Agenda Item** 1:40 pm (20 min)

7. Private Section

**7.1 Private Agenda Item** 2:00 pm (30 min)

**7.2 AFTERNOON TEA BREAK** 2:30 pm (15 min)

**7.3 Private Agenda Item** 2:45 pm (70 min)

**7.4 Private Agenda Item** 3:55 pm (15 min)

8. Private Section

**8.1 Private Agenda Item** 4:10 pm (45 min)

9. Close and Karakia

**9.1 Close & karakia** 4:55 pm (5 min)

**9.2 Next meeting**

**Next meeting:** SRB Meeting #008 - 26 Aug 2025, 9:00 am

# MINUTES (in Review)

## SRB MEETING 006 (PUBLIC PAPERS)

<b>Name:</b>	Sustainability Reporting Board
<b>Date:</b>	Tuesday, 8 April 2025
<b>Time:</b>	9:00 am to 5:00 pm (NZST)
<b>Location:</b>	Virtual, Virtual
<b>Committee Members:</b>	Becky Lloyd (Committee Chair), Alec Tang, Alison Howard, Carolyn Mortland, Jackie Cheyne, Joe Hanita, Mathew Nelson
<b>Attendees:</b>	Dr Amelia Sharman, Geoff Connor, Jack Bisset, Jeremie Madamour, Judy Ryan, Lisa Kelsey, Rikki Owen
<b>Apologies:</b>	Nicola van Rooijen

### 1. Private Section

#### 1.1 Private Agenda Item

#### 1.2 Approval of minutes

**SRB Meeting #005 (PUBLIC PAPERS) 7 Mar 2025**, the minutes were confirmed as presented.

### 2. Private Section

#### 2.1 Private Agenda Item

### 3. Updates (public)

#### 3.1 Chair update

The Board NOTED an update from Becky Lloyd, Chair.

Becky NOTED that differential reporting and the forthcoming issue of the Request for Information has been the main item of focus since the last SRB meeting.

#### 3.2 Documents open for comment

The Board NOTED the update on the FMA exemption to complement XRB relief for assurance of scope 3 GHG emissions reporting in 2025.

DECISION: Approved

The Board AGREED TO COMMENT on the forthcoming ISSB's exposure draft – Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2).

The Board AGREED in-principle to move forward with a bilateral response to the forthcoming Amendments to IFRS S2 with EFRAG (subject to technical agreement on the content of the response).

### **3.3 International monitoring**

The Board NOTED the update on international and jurisdictional monitoring.

## **4. Private Section**

### **4.1 Private Agenda Item**

### **4.2 MORNING TEA BREAK**

### **4.3 Private Agenda Item**

## **5. Lunch**

### **5.1 Lunch break**

## **6. Private Section**

### **6.1 Private Agenda Item**

## **7. Private Section**

### **7.1 Private Agenda Item**

### **7.2 AFTERNOON TEA BREAK**

## **8. Private Section**

### **8.1 Private Agenda Item**

## **9. Private Section**

### **9.1 Private Agenda Item**

### **9.2 Next meeting**

**Next meeting:** No date for the next meeting has been set.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**Date:** 23 June 2025

**To:** SRB Members

**From:** Judy Ryan

**Subject:** Documents open for comment

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### Purpose and introduction<sup>1</sup>

1. The purpose of this paper is to:
  - (a) INFORM the Board about documents currently open (or forthcoming) for comment; and
  - (b) CONFIRM which documents the Board will comment on and, where relevant, provides feedback on our proposed approach for developing submissions.

### Recommendations

2. That the Board:
  - (a) NOTES the intention to provide no formal submission on the New Zealand biodiversity strategy
  - (b) NOTES the update on a forthcoming exposure draft to SASB Standards by the ISSB.

### Domestic

3. A discussion document, [Action for nature: implementing New Zealand's biodiversity strategy 2025-2030](#), has been released by the Department of Conservation (DOC). Action 5 recommends "supporting a system for nature-based financial disclosures, reporting and investment". The Ministry for the Environment (MfE) is noted as the lead agency. See page 25 for more information.
4. XRB staff are engaging directly with DOC and MfE staff on this topic and we do not intend to make a formal submission to the discussion document.

### International

5. Table 2 identifies relevant documents issued by international standard-setting bodies that are currently open (or forthcoming) for comment.

**Table 2: International documents open for comment**

Document	Organisation	International due date	Comments on SRB response
Forthcoming: <i>Exposure draft of enhancements to 9 sector standards and</i>	ISSB	Expected date July 2025	Refer to paragraphs 5 to 9 below.

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<sup>1</sup> This memo refers to the work of the International Accounting Standards Board (IASB), International Sustainability Standards Board (ISSB), International Public Sector Accounting Standards Board (IPSASB) and uses registered trademarks, for example, IFRS<sup>®</sup> Sustainability Disclosure Standards, ISSB<sup>®</sup> papers and IPSASB SRS<sup>™</sup>.



Document	Organisation	International due date	Comments on SRB response
<i>targeted amendments to 41 other standards</i>			

### **Forthcoming ISSB Exposure Draft on amendments to SASB sector standards**

6. At its meeting on 18 June 2025, the ISSB decided to issue an exposure draft proposing amendments to nine SASB Sector Standards and targeted amendments to 41 other sector standards.
7. The proposed amendments relate to:
  - (a) Enhancements to SASB standards in extractive sectors (coal operations, construction materials, iron & steel production, metals & mining, oil & gas – exploration & production, oil & gas – midstream, oil & gas – refining & marketing, oil & gas – services) and processed foods.
  - (b) Targeted amendments to 41 other standards. These include metrics on GHG emissions, energy management, water management, labour practices and workforce health and safety. The proposed targeted amendments result from the proposed amendments to the nine priority industries that affect metrics frequently occurring in other SASB Standards.
8. IFRS S2 industry-based guidelines will be updated to reflect the changes to metrics updated as part of the SASB Standard for that sector.
9. The ISSB is expecting to issue the exposure draft(s) in July 2025 with a 150-day comment period. The ISSB tentatively decided to set the effective date such that the issued amendments would be effective as soon as possible and to permit early application of the amendments.
10. The impact of the Exposure Draft for New Zealand entities and the XRB has not yet been fully evaluated by staff. The Sector Standards being updated are not highly material in the New Zealand context, but the flow on affect to other standards has not been evaluated. Staff will revert to the Board with a recommendation on whether the XRB should respond at the next meeting.




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**Date:** 23 June 2025

**To:** SRB Members

**From:** Sustainability Team

**Subject:** Update on international and jurisdictional monitoring

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### Purpose and introduction<sup>1</sup>

1. The purpose of this paper is to provide the Board with an update of our international and jurisdictional monitoring.
2. This paper covers the period from 26 March 2025 to 23 June 2025.

### Recommendations

3. The Board is asked to NOTE this update.

### Structure of this memo

4. The remaining sections in this memo are:

[AASB](#)

[ASIC](#)

[ISSB](#)

[ISSB TIG](#)

[IFRS Foundation](#)

[IPSASB](#)

[GHG ISB](#)

[ISO](#)

[PCAF](#)

[European Union](#)

[GRI's GSSB](#)

[TNFD](#)

[IASB](#)

[Capitals Coalition](#)

[TISFD](#)

[ITPN](#)

[CDP, DJSI, FTSE4Good](#)

[Jurisdictional updates](#)

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<sup>1</sup> This memo refers to the work of the International Sustainability Standards Board (ISSB) and uses registered trademarks of the IFRS Foundation (for example, IFRS® Sustainability Disclosure Standards, and ISSB® papers).

## AASB

### AASB meetings

5. The following two project plans were approved out of session by the AASB Chair and noted by the Board in May. The projects aim to support Australian entities as they commence a phased approach to mandatory reporting using AASB S2 for periods beginning on or after 1 January 2025:
  - (a) AASB S2: Implementation Support; and
  - (b) AASB S2: Industry-based Information.
6. The first set of implementation materials have now been published:
  - (a) [Overview of Australian Sustainability Reporting Standards](#)
  - (b) [Frequently Asked Questions \(FAQ\)](#)
7. The Industry-based Information project will initially support the ISSB's project *Enhancing the SASB Standards* through to 2026 then move into standard-setting activities through 2027-2028.
8. The AASB is expected to re-consider the proportionality project plan further at a future meeting.
9. The 30-day consultation period for AASB's Exposure Draft SR2 Amendments to Greenhouse Gas Emissions Disclosures ended on 2 June. The AASB will gather stakeholder views from the responses to inform its submission to the ISSB, expected in the second quarter of 2025.

## ASIC

10. ASIC have released a [regulatory guide](#) for entities who are required to prepare a sustainability report. It explains how ASIC will exercise specific powers, how ASIC interprets the law and the principles underlying ASIC's approach.
11. This follows [Consultation Paper 380 – Sustainability Reporting](#) that closed in December 2024 and saw 60 written submissions plus 11 meetings with reporting entities, industry groups, users and advisers.
12. ASIC have identified sustainability reporting as a [focus area](#) for 2025-26. ASIC has stated it will take a proportionate and pragmatic approach to supervision and enforcement as the sustainability requirements are being phased in.

## ISSB

### ISSB Meetings

13. The ISSB met in April, May and June. The ISSB were not asked to make any decisions in April and May. On 18 June the ISSB considered a staff paper recommending issuing (for a 150-day comment period) a SASB Exposure Draft that proposes:
  - (a) technical amendments to industry descriptions, disclosure topics and associated metrics across nine SASB standards comprising all eight industry standards in the *Extractive & Minerals Processing* sector, and the *Processed Foods* industry standard in the *Food & Beverage* sector

- (b) targeted technical amendments to metrics and disclosures in 41 of the 68 other SASB standards including the standard on GHG emissions.

14. It is expected that the three other priority standards (comprising two other industry standards in the *Food & Beverage Sector* and the *Electric Utilities & Power Generators* industry standard in the *Infrastructure* sector) will be included in an Exposure Draft issued in Q4 2025.

#### **Other ISSB activities**

15. The quarterly public meeting of the IFRS Sustainability Reference Group (SRG) was held on the 12 March 2025. At this meeting ISSB staff presented an update of the ISSB's work.<sup>2</sup>
16. On slide 19 staff note that 'The first phase of research [on BEES and Human Capital] helped build a foundation of knowledge and understanding. The next phase is designed to synthesise findings and analyse implications for the necessity and feasibility of potential standard-setting. In the coming months, the staff expects to begin presenting aspects of its analysis in public sessions with the ISSB.'
17. Looking at ISSB's forward meeting calendar it appears there will be substantive discussions at one or all of the following meetings; [Sustainability Standards Conference 2025 \(21-22 July\)](#), Board meeting (21-25 July), [IFRS - Sustainability Standards Advisory Forum](#) (22-26 Sept), [IFRS Sustainability Symposium 2025](#) (27-31 Oct). This timeframe represents an important window in the global evolution of sustainability standards via the ISSB. Any influence on their direction of travel will likely need to come in or before this period.
18. In early June the ISSB published [educational materials](#) about the requirements in IFRS S2 Climate-related Disclosures related to GHG emissions. They note the requirement to include ALL scope 3 emissions, not the minimum boundary as required by the GHG Protocol Scope 3 Standard.

#### **Other related to ISSB**

19. The ISSB meeting on 18 June voted to ratify the exposure draft of enhancements to nine SASB Standards. The exposure draft is expected to be released in early July 2025.

- (a) All eight SASB standards in extractive sectors:

- Coal operations
- Construction materials
- Iron & steel producers
- Metals & mining
- Oil & gas – exploration & production
- Oil & gas – midstream
- Oil & gas – refining & marketing

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<sup>2</sup> [IFRS - IFRS Sustainability Reference Group](#)

- Oil & gas – services
- The Processed foods SASB standard

(b) Consequential updates metrics in 41 other standards. These include metrics on GHG emissions, energy management, water management, labour practices and workforce Health & Safety.

20. XRB will submit its response to the IFRS S2 Exposure Draft on Amendments to GHG emissions disclosures. [Comment letters](#) are online.

## ISSB TIG

21. No TIG meetings were held during the period covered by this memo.

## IFRS Foundation

22. The IFRS Foundation has published [profiles](#) of jurisdictions who have adopted or intend to adopt ISSB Standards or have otherwise introduced sustainability-related disclosure requirements. The intent is to provide transparency to capital markets. The IFRS Foundation has also published a [Roadmap Development Tool](#) to encourage and support adoption of ISSB Standards.
23. The IFRS Foundation and the Taskforce on Nature-related Financial Disclosures (TNFD) have [announced](#) that they have signed a Memorandum of Understanding (MoU) signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the International Sustainability Standards Board (ISSB), to enable nature-related financial disclosures for use by capital markets. The ISSB will consider the relevance of the TNFD recommendations in meeting the needs of global capital markets.

## IPSASB

24. The IPSASB met in Toronto from 10-13 June. IPSASB decided to move forward with a [two-phase approach in response to feedback on IPSASB SRS ED 1](#), Climate-related Disclosures (ED 1), broadly aligned with Angela Ryan's Alternative View. This will start by focusing on finalising and issuing a standard on own operations by December. Work and discussions have started on scoping the public policy aspects.
25. Key risks with this are insufficient time spent on simplifying the own operations aspect due to pressure to align with IFRS S2 and issues falling between the cracks given lack of work to date by staff to begin the work of separation and resolving the major issues. We are currently working with IPSASB staff and other Board members, and technical advisors from South Africa and the UK, to try to move the public policy aspects forward and influence its direction in a helpful way based on NZ experiences. There was a presentation at the meeting from the City of Toronto, a similar example to Auckland Council, which shaped the thinking around next steps.
26. We were also made aware that the IPSASB has been increasingly engaging with the [United Nations](#) Permanent Forum on Indigenous Issues, as part of a broader annual meeting. As noted [here](#), the conversation reaffirmed the importance of building consensus through inclusive discussions and ensuring that the voices of Indigenous Peoples are reflected in global sustainability reporting standards. This may be a group that we can engage with more.

27. A new chair is also expected to be appointed in the coming months, before December 2025.

#### GHG ISB

28. The Independent Standards Board appoints Paul Munter to the Board. Paul is the former Chief Accountant of the US Securities and Exchange Commission.
29. The Scope 2 Technical Working Group (TWG) have released an [update](#) on its progress. The scope 2 standard update aims to strengthen how companies account for emissions from electricity, both by improving how usage is reflected in inventories and by introducing a new way to recognize the broader climate benefits of clean energy.
30. The TWG is developing a proposal for updated inventory rules based on hourly and regional matching, so reported electricity emissions better reflect when and where electricity is actually used. To recognise the emissions benefits of clean energy actions that fall outside these inventory boundaries, such as those not delivered to the same grid or timeframe as a company's usage, the TWG is also advancing a complementary metric: Marginal Emissions Impact.

#### ISO

31. ISO is close to issuing a standard on remote assurance of GHG inventories. They are continuing to work through their standard development process for the net zero standard. No updates on timing for revisions of ISO 14064 parts 1 and 3 as these are now due.

#### PCAF

32. There are no updates for PCAF during the period covered by this memo.

#### European Union

33. The sustainability reporting obligations under the Corporate Sustainability Reporting Directive (**CSRD**) started applying to the largest listed and public interest companies for the 2024 financial reporting year, with reports being published in 2025. Other companies were due to commence reporting in 2026 and 2027. However, the European Council formally approved a 'stop-the-clock' directive which postpones the application of the CSRD requirements by two years for those companies.
34. An omnibus package issued by the European Commission on 26 February 2025 includes proposals to:
- (a) reduce the number of entities that will be required to publish sustainability reports by about 80% by raising the employee number threshold from 250 to 1,000
  - (b) make reporting more accessible and efficient by amending the CSRD, the Climate Sustainability Due Diligence Directive (**CSDDD**) and European Sustainability Reporting Standards (**ESRS**). The Commission also proposed:
    - i. not proceeding with sector-specific standards
    - ii. removing the possibility of going from limited assurance (as currently required under the CSRD) to reasonable assurance

- iii. replacing full value chain transparency with direct partner disclosure only (but with the full value chain requirements retained where plausible adverse impact risks are identified).

35. The deadline for Members of the European Parliament (**MEPs**) to file their proposed amendments to the Commission's proposals was 27 June. Initial debates held in March revealed wide divisions.

#### *EFRAG's role*

36. EFRAG was given a mandate on 27 March to provide technical advice to revise and simplify ESRS by 31 October 2025. EFRAG's work is based on the Omnibus proposals set out by the Commission on 26 February. It does not take into consideration the consequences of possible changes that may stem from the CSRD legislation process. The chair of EFRAG has stated that they will need to adapt their proposals if the European Union's co-legislators (the European Parliament and the Council of the European Union) make changes.
37. EFRAG submitted its first progress report to the Commission on 20 June. The report states that the emphasis should be placed on principles rather than a checklist of granular information. Based on evidence gathered from the preparers that have implemented ESRSs, the progress report states that:
- (a) sustainability statements mix critical information with excessively detailed datapoints
  - (b) the double materiality assessment is pivotal, but a serious revision is necessary because it has been identified as a significant source of reporting burden
  - (c) the granular standard setting approach to narrative information is one of the most critical areas of unnecessary reporting.
38. many datapoints could be deleted or moved to non-binding guidance. The aim to reduce the number of mandatory datapoints by 50+ per cent.
39. EFRAG is planning to approve an Exposure Draft in mid-July (or on 25 July if a supplementary decision-making session is needed). It will be accompanied by a basis for conclusions that will illustrate the amendments and how they are expected to reduce the reporting burden. The public consultation will run through August and September.
40. EFRAG is also aiming to publish an interim cost-benefit analysis report by 31 October and a final report based on the draft revised ESRS by 31 December.

#### **GRI's GSSB**

41. At its meeting on 15 May the GSSB discussed a very early draft of the proposed work programme for 2026-2028. This programme is informed by their research work and feedback from users. They plan to:
- (a) revise most of the existing topic standards over the next three years
  - (b) continue development of sectors standards relevant for a global reporting system (ie, whatever IFRS is doing)
  - (c) introduce requirements for sector reporting where topics are not covered by a topic standard

(d) prepare interim resources for those without a sector standard

42. [Session 3](#) covered the jurisdictional pathways for adoption of GRI Standards. They noted GRI Standards are currently referenced in 477 policies worldwide, with six jurisdictions mandating their use and 127 encouraging voluntary adoption, particularly across Asia-Pacific, Europe, and Latin America.
43. [Session 4](#) was the evolution of the corporate reporting system and the role of GRI. It did provide a little more detail on the MOU with IFRS which has not been made public. “A Memorandum of Understanding (MOU) between GRI and the IFRS Foundation was signed in 2022. This agreement established the ambition to develop two complementary sets of standards to create a global corporate reporting language addressing financial and impact information. On 24 May 2024, the IFRS Foundation/ISSB and GRI/GSSB further agreed that they would pilot working together to identify and align common disclosures for thematic and sector standards for biodiversity disclosures. The MOU also established a clear commitment from the GSSB and ISSB to reinforce the global system of corporate reporting together, where GRI Standards and IFRS S Standards provide a complete and comprehensive basis for communicating with an organization’s stakeholders.”
44. The next GSSB meeting was held on 19 June. There was no paper available on the work programme. There is a paper on a [project proposal](#) for guidance on the relationships between impacts, risks and opportunities. This would only be discussed if there was time.

## TNFD

45. See IFRS Foundation update above regarding MOU with TNFD.

## IASB

### ***Management Commentary***<sup>3</sup>

46. IASB [expects](#) to issue the revised IFRS Practice Statement 1 *Management Commentary* on 23 June.

### ***Climate-related and Other Uncertainties in the Financial Statements***

47. In May 2025 the IASB discussed feedback on the Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements*. In June 2025 the IASB was asked if it agreed with staff recommendations on the project direction namely, to issue seven (of the original eight) illustrative examples and have them accompany IFRS Accounting Standards.
48. Based on respondent feedback, staff proposed not to proceed with Example 5: additional disclosures (IAS 1 / IFRS 18) which illustrates how an entity might need to disclose information about assumptions it makes about the future even if other IFRS Accounting Standards do not require such disclosures, because the example’s fact pattern is unrealistic. A few IASB members disagreed with this view on the basis that the example’s fact pattern is or could be realistic in some jurisdictions, for example in emerging economies or in jurisdictions with emerging regulation.

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<sup>3</sup> Also known as management’s discussion and analysis (MD&A) is a report prepared for a company’s investors and is required in many jurisdictions.



49. On the topic of connectivity, IASB staff intend to develop written educational material based on their webcast series *Connectivity between financial statements and sustainability-related financial disclosures* as signalled at the May 2025 meeting.

### Capitals Coalition

50. Value Australia has been set up as a regional hub. XRB Staff have established a relationship with the CEO, Rayne van den Berg (former CFO of Forico). Value Australia will connect leaders in business, finance and policy under the Southern Cross to value what matters in decision-making for a more resilient future economy.

### TISFD

51. The Taskforce on Inequality and Social-related Financial Disclosure (TISFD) announced [knowledge partners](#) who will support the development of a robust and practical framework for inequality and social-related financial disclosures. These partners are a multi-disciplinary group of organisations. Capitals Coalition is one of these partners, as are GRI, ISO and EFRAG. IFRS is not listed as a knowledge partner.
52. TISFD announced the launch of [four Regional Councils](#), established to ensure the Taskforce's work is grounded in the distinct social, economic, and cultural contexts of different regions. These Councils, covering the Americas, Asia-Pacific, Europe & UK, and Middle East & Africa, form a core part of TISFD's commitment to inclusivity, local relevance, and meaningful stakeholder engagement. Members are listed [here](#).

### ITPN

53. See the Director's update about the ITPN in-person event in Switzerland in May.
54. Note that the Council of Financial Regulators (CoFR) is undertaking a review, the outcome of which might result in changes to its membership to the ITPN.

### CDP, DJSI, FTSE4Good

55. No updates in this period.

### Jurisdictional updates

56. [Appendix A](#) includes a brief update on the jurisdictions we have prioritised as "Priority 3: Awareness". This update focuses on how these jurisdictions are adopting, applying or otherwise been informed by the ISSB Standards. The ISSB also provides a list of ongoing and completed jurisdictional consultations at national and supra-national level on sustainability-related disclosures.<sup>4</sup>

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<sup>4</sup> See [Jurisdictional sustainability consultations](#)

**Appendix A: Jurisdictional updates**

Jurisdiction	Update
UK	No progress as the government did not launch a consultation on the adoption of its sustainability reporting standards. The consultation was initially expected in March. This is likely due to the evolving situation in the EU. The UK sustainable finance taxonomy has also been delayed.
US	There are no updates for the US during the period covered by this update.
Canada	The Canadian Securities Administrators (CSA) has paused work on the development of a new mandatory climate-related disclosure rule to focus on initiatives that make Canadian markets more competitive, efficient and resilient. The CSA reiterate that climate-related risks are a mainstream business issue and securities legislation already requires issues to disclose material climate-related risks affecting their business.

**Appendix B: Glossary**

AASB	Australian Accounting Standards Board
AOSSG	Asian-Oceanian standard-setters group
ASIC	Australian Securities & Investments Commission
EC	European Commission
EFRAG	European Financial Reporting Advisory Group
EFRAG SRB	European Financial Reporting Advisory Group Sustainability Reporting Board
GHG ISB	GHG Protocol Independent Standards Board
GSSB	Global Sustainability Standards Board GRI Standards
IASB	International Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ISSB TIG	International Sustainability Standards Board Transition Implementation Group on IFRS S1 and IFRS S2
ITPN	The International Transition Plan Network
OECD	Organisation for Economic Co-operation and Development
PCAF	Partnership for Carbon Accounting Financials

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**Date:** 24 June 2025  
**To:** SRB Members  
**From:** Lisa Kelsey  
**Subject:** **Analysis of feedback received on the request for information — *The international alignment of climate reporting***

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## Purpose and introduction

1. The purpose of this paper is to PROVIDE the Board with an analysis of the feedback received on the request for information (RFI) — *The international alignment of climate reporting*.

## Recommendation

2. That the Board NOTES the analysis of the feedback received.

## Background

3. On the 30 April 2025, we issued a RFI on [the international alignment of climate reporting](#). The purpose of the RFI was to request information about the value of international alignment to CREs and primary users, and to understand exactly what type of international alignment is most desirable and why. The consultation closed on 13 June 2025. We specifically asked in the RFI for submitters to provide reasons for their views, along with any supporting evidence<sup>1</sup>.

## Structure of this memo

4. This memo is structured as follows:
  - (a) Key insights from feedback received
  - (b) Overview of outreach;
  - (c) Overview of submissions and feedback received; and
  - (d) Analysis of feedback by RFI question.

## Key insights from feedback received

5. The following are the key insights from the feedback received:
  - **Importance of international alignment:** the feedback showed that respondents wanted to align Aotearoa New Zealand Climate Standards (NZ CS) with international frameworks like IFRS S2 *Climate-related Disclosures* and AASB S2 *Climate-related Disclosures* (noting that these were not the only international standards mentioned, see paragraph 17). Alignment is seen as crucial for improving comparability, reducing duplication, and streamlining reporting processes.

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<sup>1</sup> For example, references to independent research, facts and figures, and relevant examples. Information about investments and costs is most useful when it includes information on current and expected future investments and costs, as well as investments already made, or costs already incurred.

- **Concerns about premature adoption:** while alignment is important, many submitters expressed concerns about the premature adoption of new standards. They emphasised the need for stability and incremental changes to avoid frequent disruptions and increased compliance burdens.
- **Support for mutual recognition:** there was strong support for some form of mutual recognition, particularly between New Zealand and Australia. This approach is expected by respondents to reduce compliance burdens and enhance efficiency.
- **Incremental or phased alignment:** rather than a full replacement of existing standards, many submitters favoured targeted amendments or a phased approach to alignment. This would allow entities to build capacity over time and avoid significant disruptions.
- **Investor expectations and market access:** stronger alignment with international standards was seen as beneficial for meeting investor expectations and improving market access. Submitters noted that global investors increasingly expect disclosures aligned with international frameworks.
- **Resource and Cost Implications:** several submitters highlighted the significant investments already made in complying with the current standards. They warned that premature changes could divert resources from meaningful climate action to compliance efforts.

6. We also received feedback on topics other than international alignment:

- **Challenges of Scope 3 emissions reporting:** the feedback underscored the challenges associated with Scope 3 emissions reporting. Submitters highlighted the complexity, cost, and limited usefulness of such reporting, especially for certain sectors.
- **Proportionality and flexibility:** there were calls for proportionality and flexibility in the standards. Submitters suggested introducing mechanisms to provide relief from undue cost and effort, particularly for smaller entities.

## Overview of outreach

### Verbal feedback sessions

7. Table 1 outlines the information and feedback sessions we held or co-hosted with industry bodies. These sessions aimed to engage stakeholders on the RFI and simplify the process for them to share their views without the need for a formal written submission.

Table 1: verbal feedback sessions		
Sessions open to all stakeholders:		
Date	Description	Number of attendees
9 May 2025	Information session about the RFI	52
5 June 2025	Feedback session	8
11 June 2025	Feedback session	11
Sessions with industry bodies		
Date	Description	Number of attendees
21 May 2025	New Zealand Banking Association (NZBA)	24

23 May 2025	Australasian Investor Relations Association (AIRA)	10
3 June 2025	Responsible Investment Association Australasia (RIAA)	8
4 June 2025	NZX Limited (NZX)	27
12 June 2025	Financial Services Council (FSC)	28

8. Feedback summary reports from all sessions have been prepared. These reports are available for the Board in the non-public supporting papers to this agenda item.
9. Note that following the feedback sessions, several attendees also sent through written submissions. For the analysis contained in this paper, we removed any duplicative verbal feedback attributed to these attendees to avoid 'double counting'.

#### Other outreach activities

10. In addition to issuing climate alerts and LinkedIn posts, we also send an email to all climate reporting entities (CREs) whose details we had, notifying them of the RFI process to encourage as many responses as possible.

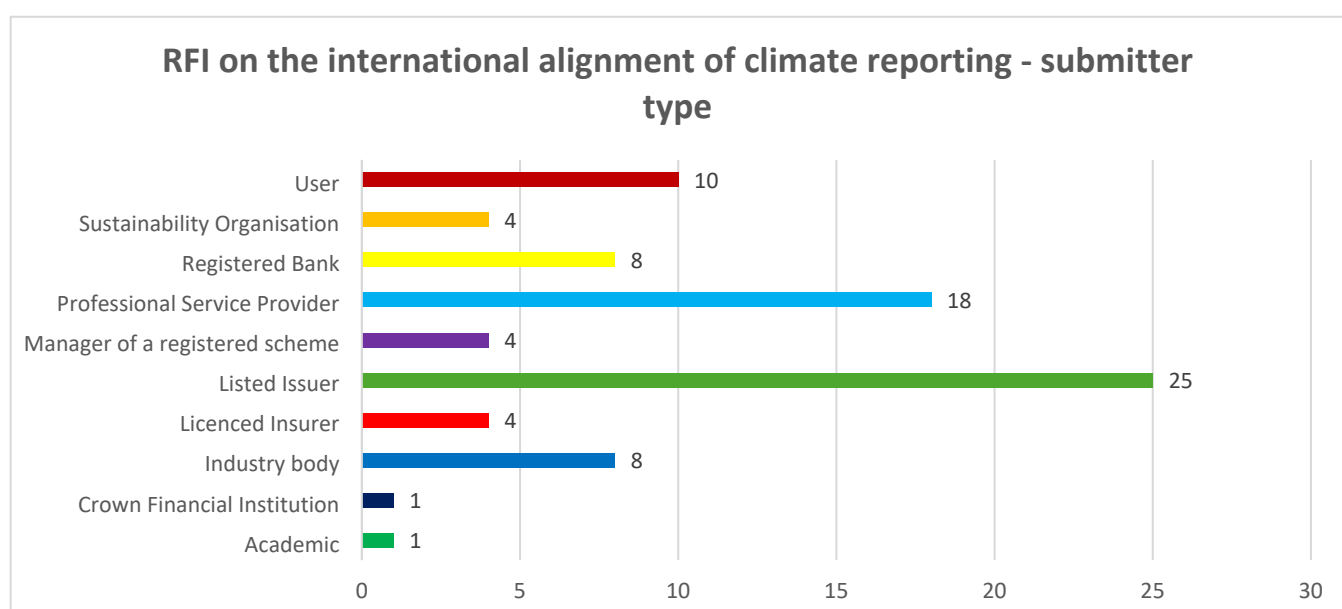
### **Overview of submissions and feedback received**

#### Number and type of submissions

11. In total we received feedback from 83 organisations. We received 51 written submissions and received verbal feedback from a further 32 organisations via the feedback sessions that we ran.

#### Profile of the submitters

12. The chart below indicates the types of submitters who provided feedback.



CREs

13. 40 of the 83 organisations who provided feedback are CREs.

Users

14. Ten users provided feedback on the RFI. They are detailed in Table 2 below.

Table 2: breakdown of users		
#	Organisation	Description
S17	Boston Trust Walden, USA	Boston Trust Walden Company is an independent, employee-owned investment management firm with approximately \$16.7 billion in assets under management.
S48	California State Teachers' Retirement System	Established in 1913, CalSTRS is the largest educator-only pension fund in the world with a global investment portfolio valued at approximately \$352.7 billion as of February 28, 2025.
S24	Canada Pension Plan Investment Board (CPP Investments)	The Canada Pension Plan Investment Board (CPP Investments) is a professional investment management organisation that invests Canada Pension Plan (CPP) funds not currently needed to pay benefits. Our legislated mandate is to maximise returns without undue risk of loss, helping provide a secure financial future for more than 22 million Canadians. As of March 31, 2025, we managed C\$714.4 billion (nearly NZ\$872 billion) in net assets globally.
S15	Capital Group, USA	Capital Group (CG) is a global investment management firm founded in 1931 and headquartered in the US, with regulated subsidiaries in the major global financial centers. CG ranks among the world's oldest and largest investment management organisations, with over \$2.8 trillion (As of 3/31/2025) in long-term equity and fixed-income assets under management globally for institutions and individuals.
RIAA1 (verbal)	Insignia Financial Limited	we are a leading Australian wealth manager, working every day to deliver what matters for Australians – security, peace of mind and financial wellbeing.
RIAA4 (verbal)	Northern Trust Asset Management	\$1.6 Trillion Assets Under Management as of December 31, 2024
S8	Railpen	Railpen is the trading name of Railway Pension Investments Limited, authorised and regulated by the Financial Conduct Authority (FCA), acting as the investment manager for the railways pension schemes and responsible for the management of c. £35 billion of assets on behalf of over 350,000 members. We invest, on behalf of our members, in companies across economic sectors and geographical regions, <u>including New Zealand</u> . [...]
S16	Wellington Management Company LLP, USA	Wellington is one of the world's largest independent investment management firms. Wellington serves as a trusted adviser to over 3,050 institutional and private clients located in more than 64 countries. Wellington actively manages approximately US\$1.2 trillion of assets, as of December 31, 2024, with capabilities covering most segments of the global capital markets.
S51	Los Angeles County Employees Retirement Association	LACERA is the largest defined benefit county pension system in the United States, with approximately \$90 billion in plan assets, as of May 31, 2025, including equity holdings in over 6,000 publicly-listed companies in more than 60 global financial markets. Over a quarter of assets are domiciled in countries outside the US— <u>including New Zealand</u> [...]
S52	Morrison Global	Morrison is a leading global infrastructure manager, investing across the risk spectrum in both private and listed makers. Founded in NZ in 1988, we have been at the forefront of infrastructure investment for over three decades.

15. Of the ten users above, seven (those shaded in the table above) are members of the [ISSB Investor Advisory Group](#) (IIAG). Two of these seven note that they do invest in New Zealand, but do not provide any further information. We also note that the IFRS Foundation raised awareness of our RFI by publishing it on its website page on '[Jurisdictional sustainability consultations](#)'. All seven of the users strongly encourage the adoption of IFRS S2 *Climate-related Disclosures* as the global baseline.

## Analysis of feedback by RFI question

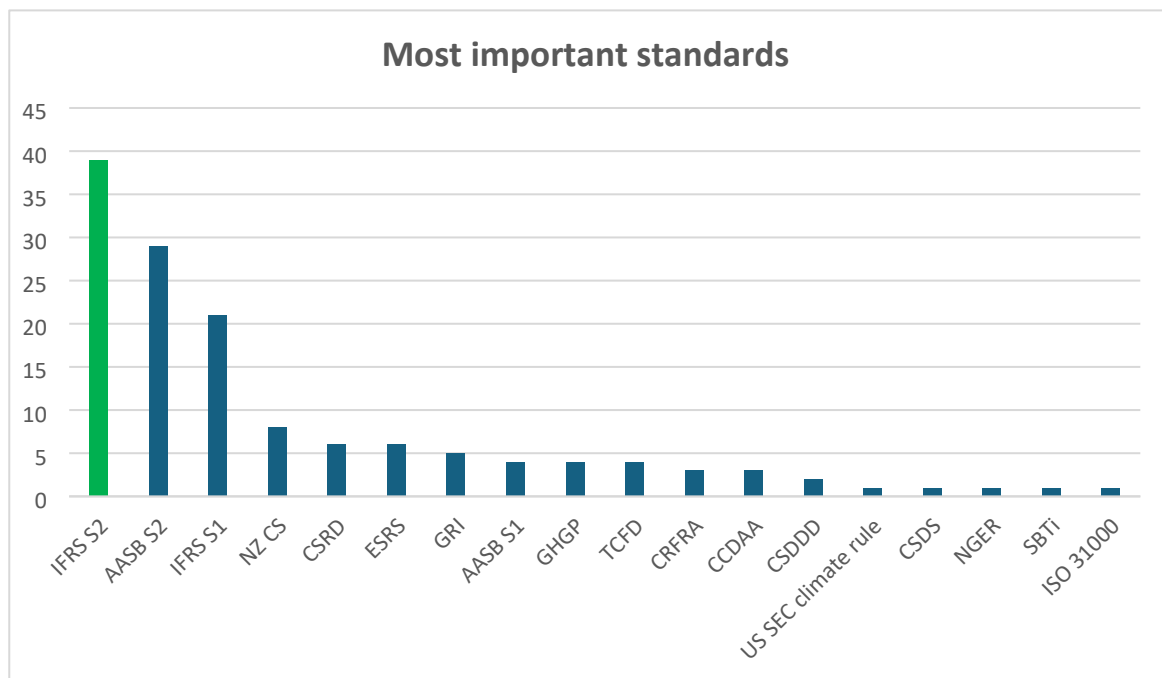
### Question 1

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?

16. 73 of the 83 submitters (88%) provided feedback on question one.

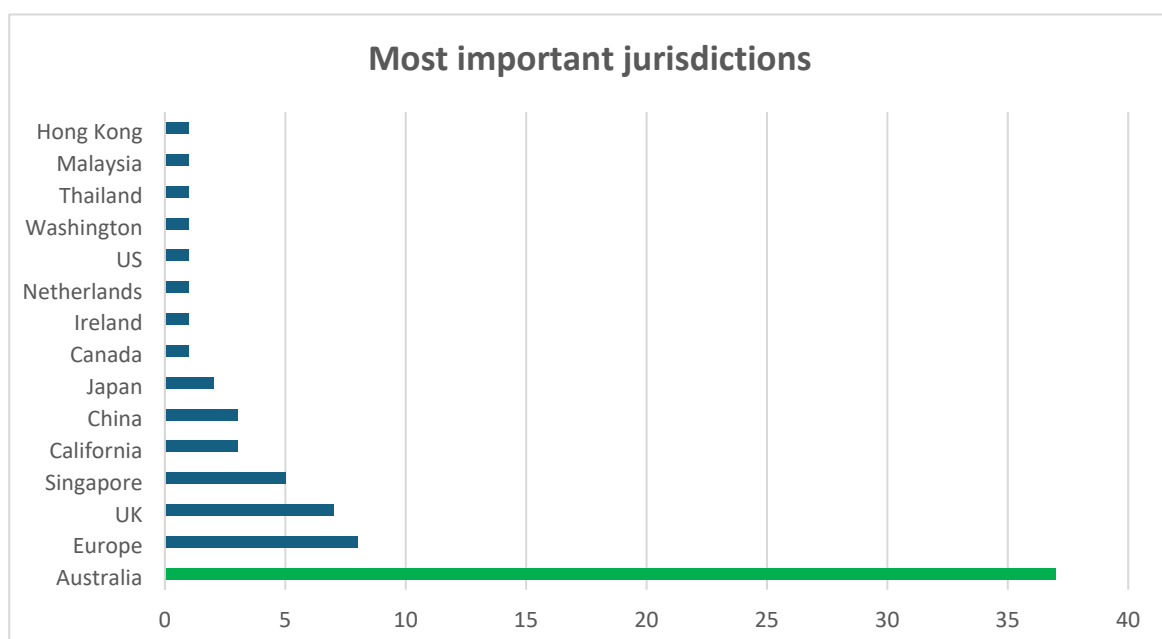
Which standards are the most important for you?

17. IFRS S2 is the most important standard for respondents.



Which overseas jurisdictions are the most important for you?

18. Australia is the most important jurisdiction for respondents.





Which other specific elements of international alignment are the most important for you?

19. Respondents identified several specific elements where alignment was important to them:

- timing of assurance of scope 3 between NZ and Australia (confidential);
- liability regime – align with Australia (confidential);
- timing of disclosure of Scope 3 between NZ and Australia (IAG);
- exclusions from Scope 3 category 15 (Australia and ISSB currently consulting on excluding insurance-associated emissions etc) (IAG, ICNZ);
- industry-specific requirements in ISSB standards (five US investors, Mercury, University of Otago);
- transition planning disclosures between NZ CS and AASB S2 (IAG, ICNZ, WSP);
- current financial impacts between NZ CS and AASB S2 (ICNZ);
- anticipated financial impacts between NZ CS and AASB S2 (WSP);
- require two climate scenarios to align with Australia (Kernel, Fonterra);
- require broader sustainability disclosures (Bloom, McHugh, one US investor);
- reporting scope — global vs local operations (Fonterra);
- climate transition plans under SBTi (KMD Brands);
- Mandate use of GHG Protocol (Perdure, Deliotte, Mindful Money, Summerset);
- Require disclosure of Scope 2 market-based (Perdure); and
- Double materiality per ESRS (Mindful Money)

Why?

20. We have summarised the why by submitter type:

*Registered Banks*

- Trans-Tasman alignment is essential due to dual operations in NZ and Australia
- Alignment with AASB S2 and IFRS S2 would reduce duplication and streamline reporting
- Emphasis on investor comparability, cost efficiency, and access to international capital
- Some banks noted that NZ-specific standards impose unnecessary burdens, especially when parent companies report under different frameworks

*Listed Issuers*

- Strong support for alignment with IFRS S2 and AASB S2, especially for dual-listed entities
- Concerns about duplicative reporting and increased compliance costs
- Emphasis on investor expectations, global comparability, and strategic alignment
- Some noted that NZ standards are already well-aligned but require fine-tuning for interoperability

*Professional Service Providers*

- Support for global alignment to reduce complexity and improve clarity
- Highlighted the need for digitisation, data comparability, and AI-readiness
- Some expressed concern about overly prescriptive standards and advocated for principles-based approaches

*Sustainability Organisations*

- Advocated for broader sustainability reporting beyond climate (e.g., GRI, double materiality)
- Emphasized the need for common methodologies (e.g., GHG Protocol) to enable comparability
- Supported industry-specific metrics and quantitative disclosures to aid investor decision-making

*Industry Bodies*

- General support for ISSB alignment, but with caution about timing
- Noted that alignment should not mean identical standards, but rather mutual recognition
- Emphasised cost savings, efficiency, and international credibility

*Academics*

- Supported IFRS S2 as a global baseline
- Emphasised the importance of materiality, comparability, and investor relevance
- Advocated for mandatory adoption to ensure consistent and reliable disclosures

*Users*

- Strong preference for IFRS S2 and TCFD for clarity and comparability
- Highlighted the need for decision-useful information and global consistency
- Emphasised that investors require material, sector-specific disclosures to assess long-term value

*Other – from the smaller CREs*

- Mixed views: some supported alignment for efficiency, others preferred NZ-specific standards
- Concerns about reporting burden, especially for smaller entities
- Some noted lack of benefit unless part of a global group

**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?

21. 62 of the 83 submitters (75%) provided feedback on question 2.

22. **73% were of the view that now is not the right time to amend or replace NZ CS to achieve closer international alignment with any other standards.** 50% of those who responded 'yes' now is the right time were users and professional service providers. The four users who responded 'yes' are all large US investors who are members of the ISSB Investor Advisory Group (see paragraph 13 above).

Question 2: feedback by submitter type				
Submitter type	No	Yes	Depends	Total
Academic	1			1
Crown Financial Institution	1			1
Industry body	5	2		7
Licensed Insurer	3	1		4
Listed Issuer	15	3		18
Manager of a registered scheme	2	1	1	4
Professional Service Provider	10	4		14
Registered Bank	4	1		5
Sustainability Organisation	2			2
User	2	4		6
<b>Total</b>	<b>45</b>	<b>16</b>	<b>1</b>	<b>62</b>

*No now is not the right time – reasons for view*

23. The following reasons were given by submitters:

*Prematurity of Change*

- Many submitters felt it was too early to make changes, as the NZ CS are still new and not fully implemented
- Several noted that adoption provisions are still in place and entities are only beginning to build capability and systems

*Need for Stability*

- A strong desire for consistency and stability was expressed, especially to avoid frequent changes that could disrupt progress and increase compliance burdens
- Submitters emphasised the importance of allowing the current standards to mature before introducing new ones

*Concerns About International Standards*

- Some submitters pointed out that international standards (e.g., ISSB, AASB S2) are themselves evolving and not yet fully tested
- There was concern that aligning too soon could lead to misalignment with future global consensus and require further revisions

*Resource and Cost Implications*

- Several submitters highlighted the significant investment already made in complying with NZ CS

- They warned that premature changes would divert resources from meaningful climate action to compliance efforts

#### *Preference for Incremental or Phased Alignment*

- Rather than full replacement, many favoured targeted amendments or a phased approach to alignment
- Suggestions included extending adoption provisions and focusing on interoperability rather than wholesale change

#### *Sector-Specific and Size Considerations*

- Some submitters noted that smaller entities or those without international operations would not benefit from alignment and could be disproportionately burdened
- There was support for differential reporting based on entity size and complexity

#### *Strategic and Market Considerations*

- A few submitters cautioned against being a “fast follower” and emphasised that changes should be driven by investor needs and market maturity
- Others stressed the importance of maintaining New Zealand’s credibility and competitiveness but through measured steps

#### *Yes, now is the right time – reasons for view*

24. The following reasons were given by submitters:

#### *Global Momentum Toward ISSB Standards*

- some submitters noted that the ISSB’s IFRS S1 and S2 standards are gaining traction globally and are becoming the de facto baseline for sustainability reporting
- Alignment now would position New Zealand as a credible participant in global markets and reduce future compliance costs

#### *Efficiency and Streamlining*

- Entities with international operations (especially those with offshore parent companies) emphasised that aligning NZ CS with international standards would:
  - Reduce duplication of reporting
  - Streamline governance, risk management, and reporting processes
  - Enhance comparability for global investors

#### *Investor Expectations and Market Access*

- Stronger alignment would support investor clarity and comparability, especially for capital markets
- Some respondents argued that global investors increasingly expect disclosures aligned with international frameworks, which can influence capital flows

*Regulatory Certainty and Strategic Planning*

- Early alignment would provide certainty for preparers still developing internal processes and systems
- It would also allow entities to build toward a stable, long-term reporting regime rather than adapting to multiple evolving standards

*Support for Incremental or Phased Changes*

- Many “yes” respondents did not advocate for wholesale replacement but supported:
  - Targeted amendments to improve interoperability
  - Phased implementation to allow time for adjustment
  - Optional early adoption of international-aligned standards (e.g., a NZ equivalent of AASB S2)

*Avoiding Future Disruption*

- Delaying alignment could lead to more disruptive changes later
- Acting now allows New Zealand to shape its alignment strategy while international standards are still bedding in

*It depends – reasons for view*

25. One submitter feedback was ‘it depends’. The submitter supported immediate change if changes reduce requirements and simplify the reporting burden, for example reducing the required climate scenarios from three to two.

**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?

26. 43 of the 83 submitters (52%) provided feedback on question 3.
27. **Most submitters (26/60%) who responded to this question did not think NZ CS should be revoked at this time.**

Question 3: feedback by submitter type					
Submitter type	Allow choice*	Greater alignment	Revoke	Other**	Total
Academic		1			1
Industry body		6		1	7
Licensed Insurer	1	2			3
Listed Issuer	2	6		3	11
Manager of a registered scheme	1	2			3
Professional Service Provider	1	5	2	1	9
Registered Bank	1	2	1		4
Sustainability organisation		1			1
User		1	3		4

<b>Total</b>	<b>6</b>	<b>26</b>	<b>6</b>	<b>5</b>	<b>43</b>
*Allow choice – submitters want choice to apply NZ CS or AASB S2/IFRS S2 **keep NZ CS as is, prefer mutual recognition, no strong preference, want flexibility					

28. Key themes from the Feedback on Question 3:

*General Support for Greater International Alignment*

- Most submitters expressed support for closer alignment with international standards, particularly the ISSB (IFRS S1 & S2) and AASB S2
- Many emphasised that alignment should be incremental and phased, to avoid disruption and allow entities to build capacity over time
- Several responses highlighted the benefits of mutual recognition, especially for trans-Tasman entities operating in both New Zealand and Australia

*Concerns About Revoking NZ CS*

- Most respondents opposed a full revocation of the New Zealand Climate Standards (NZ CS), citing:
  - The significant investment already made in systems and processes
  - The risk of disruption and increased compliance costs
  - The value of local relevance and flexibility embedded in NZ CS

*Preference for Flexibility and Choice*

- Some stakeholders advocated for a dual-framework approach, allowing entities to choose between NZ CS and international standards based on their operational context
- This was seen as a way to accommodate both globally integrated entities and smaller, locally focused organisations

**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?

29. 38 of the 83 submitters (46%) provided feedback on question 4.

Question 4: feedback by submitter type	
Submitter type	Number
Academic	1
Industry body	7
Licensed Insurer	3
Listed Issuer	9
Manager of a registered scheme	3
Professional Service Provider	10
Registered Bank	3
User	2
<b>Total</b>	<b>38</b>

21. The following reasons were given by submitters:

*Improved Comparability and Transparency*

- Alignment with global standards like IFRS S2 and AASB S2 would allow investors and stakeholders to compare climate-related disclosures across jurisdictions more easily
- This comparability is essential for global capital markets and for benchmarking performance and risk management strategies

*Enhanced Decision-Usefulness for Investors*

- Internationally aligned disclosures are more likely to meet investor expectations and provide consistent, credible information for capital allocation decisions
- Retail investor surveys showed that 54% of respondents valued internationally consistent climate reporting standards

*Reduced Duplication and Reporting Burden*

- Entities operating across multiple jurisdictions would avoid duplicative reporting efforts, freeing up resources for actual climate risk management
- This supports the intent of Section 19B by allowing entities to focus on strategic integration rather than compliance

*Support for Governance and Risk Management*

- A consistent international framework helps embed climate risk into governance and strategy across geographies, especially for multinational entities
- It enables a unified approach to scenario analysis, transition planning, and resilience assessments

*Access to Global Capital and Services*

- Misalignment could deter investment or listings on NZX due to perceived reporting inefficiencies
- Alignment would allow NZ entities to benefit from international assurance services and data providers without needing custom adaptations

*Leveraging Global Expertise and Best Practices*

- The IFRS Foundation and ISSB have robust mechanisms for updating standards based on emerging trends, which New Zealand could benefit from
- Alignment would allow NZ to contribute to and benefit from evolving global best practices in climate reporting

*Avoiding Fragmentation and Confusion*

- Multiple frameworks can lead to similar but slightly different disclosures, confusing users and undermining the purpose of climate reporting
- A single, high-quality, internationally aligned report is preferable to fragmented jurisdiction-specific disclosures

**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?

30. 36 of the 83 (43%) submitters provided feedback on question 5.

Question 5: feedback by submitter type	
Submitter type	Number
Crown Financial Institution	1
Industry body	6
Licensed Insurer	2
Listed Issuer	12
Manager of a registered scheme	3
Professional Service Provider	8
Registered Bank	3
User	1
<b>Total</b>	<b>36</b>

31. Listed issuers provided the most feedback on this question, below is a summary of their feedback:

*Supplier and Customer Requests*

- Many listed issuers receive climate-related data requests from suppliers or customers, often focused on emissions and greenhouse gas performance
- These requests are typically straightforward and data-driven, though some issuers noted the burden of ESG benchmarking questionnaires and questioned their relevance

*Use of Voluntary Frameworks*

- Several issuers comply with voluntary frameworks such as:
  - GRI (Global Reporting Initiative)
  - SBTi (Science Based Targets initiative)
  - CDP (Carbon Disclosure Project)
  - EcoVadis
  - B Corp Certification
  - GRESB (Global ESG Benchmark)
  - Green Star (building certification)
- These frameworks are often used to meet investor expectations or supply chain requirements

*Disclosure Importance*

- Disclosures are seen as critical for:
  - Maintaining business relationships



- Accessing capital
- Participating in global supply chains
- Winning and retaining high-value business
- Some issuers noted that their climate disclosures helped meet international customer demands with only minor adjustments to NZ CS standards

*XRB Consideration:*

- Views were mixed:
  - Some issuers felt the XRB should consider these non-jurisdictional requirements due to their material influence and growing importance
  - Others argued that the diversity and specificity of these requirements make them impractical for standard-setting
  - A few explicitly recommended that XRB not focus on these external frameworks to avoid increasing reporting burdens

32. The professional service providers and industry bodies provided similar feedback to each other when responding to Question 5. They highlighted that many entities face climate-related disclosure demands beyond formal regulatory standards—particularly through supplier agreements, investor mandates, and voluntary frameworks like GRI, CDP, TNFD, EcoVadis and SBTi. They noted these disclosures are often critical for maintaining business relationships, accessing capital, and participating in global supply chains. Some industry bodies, such as the Institute of Directors, supported the XRB considering these non-jurisdictional requirements to improve interoperability and reduce duplication. However, some professional service providers noted that while these requirements are commercially important, they are typically bespoke and sector-specific, making them impractical to incorporate into universal standards like NZ CS.

#### Question 6

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

33. 43 of the 83 (52%) submitters provided feedback on question 6.
34. **Most submitters (38/88%) who responded to this question identified mutual recognition as important to them.**
35. The NZBA noted in its submission that “Some members propose that foreign branches should be generally exempted from producing standalone disclosures and should instead be able to rely on their parent company’s disclosures, on the basis that the parent company disclosures likely provide the most relevant content for primary users, even where those disclosures have been prepared offshore. This would go beyond mutual recognition, i.e. simply directing users to parent company disclosures”.

Question 6: feedback by submitter type			
Submitter type	Yes	No	Total
Industry body	7		7
Licensed Insurer	2		2
Listed Issuer	11	2	13

Question 6: feedback by submitter type			
Submitter type	Yes	No	Total
Manager of a registered scheme	2	1	3
Professional Service Provider	7	2	9
Registered Bank	4		4
Sustainability organisation	2		2
User	3		3
<b>Total</b>	<b>38</b>	<b>5</b>	<b>43</b>

## 26. Key themes from the Feedback on Question 6:

### *Strong Support for Mutual Recognition*

- Many submitters—especially those with cross-jurisdictional operations—expressed strong support for mutual recognition, citing benefits such as:
  - Reduced duplication of climate reporting efforts
  - Lower compliance costs and administrative burden
  - Improved efficiency and resource allocation
  - Enhanced comparability and credibility of disclosures
  - Streamlined assurance processes across jurisdictions

### *Trans-Tasman Focus*

- A recurring theme was the desire for Trans-Tasman mutual recognition between New Zealand and Australia:
  - Entities operating in both jurisdictions (e.g., Fonterra, Swiss Re) emphasised the need to align NZ CS with Australia's AASB S2
  - Suggestions included updating NZX/ASX listing rules and allowing exemptions for dual-listed entities

### *Implementation Suggestions*

- Submitters proposed various mechanisms to operationalise mutual recognition:
  - Formal bilateral agreements between regulators
  - Unilateral recognition via FMA exemptions
  - Equivalence frameworks allowing NZ entities to report under AASB S2 or IFRS S2

### *Concerns and Caveats*

- Some submitters raised concerns:
  - Mutual recognition may be complex to negotiate and maintain
  - Differences in reporting scope and assurance could complicate interoperability
  - Preference for interoperability through aligned standards rather than mutual recognition

### *Other*

- Submitters highlighted the global nature of capital markets and the need for coherent international standards
- Mutual recognition was seen as a pragmatic interim solution while global harmonisation (e.g., ISSB adoption) is pursued

### Question 7

Do you have any other comments?

36. Key themes from feedback on question 7:

#### *Scope 3 Emissions Reporting Challenges*

- Strong concerns about the complexity, cost, and limited usefulness of Scope 3 emissions reporting, especially for sectors like ports, automotive, and intermediaries
- Some submitters highlighted high uncertainty and limited control over Scope 3 sources
- Calls to extend the adoption provisions on the disclosure and assurance of Scope 3 emissions for another year

#### *Proportionality and Flexibility*

- Calls to introduce proportionality mechanisms and undue cost and effort reliefs into NZ CS, especially for smaller entities and Managed Investment Schemes (MIS)
- Suggestions to phase in requirements and tailor them based on entity size and sector

#### *Assurance and Legal Liability*

- Concerns about the cost and emotional toll of mandatory assurance and director liability
- One submitter reported significant internal and external costs, and a shift from concise TCFD reports to lengthy, legalistic disclosures

#### *Digital Reporting and XBRL*

- Support for adopting Inline XBRL to digitise sustainability disclosures, improving accessibility, comparability, and enabling AI-driven analysis

#### *Broader Sustainability Reporting*

- Recommendations to expand beyond climate to include material sustainability-related risks and opportunities, in line with IFRS S1

#### *Talent Mobility and Capacity Building*

- Alignment with Australian standards seen as beneficial for cross-border staff mobility, training, and addressing skills shortages in sustainability reporting and assurance

#### *Consultation Fatigue and Resource Strain*

- Feedback highlighted the burden of multiple consultations and the need for streamlined processes and clearer timelines



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**Date:** 24 June 2025  
**To:** SRB Members  
**From:** Lisa Kelsey  
**Subject:** **Cover memo – supporting papers RFI feedback**

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**Purpose and introduction**

1. The purpose of this paper is to PROVIDE the Board with access to the public submissions received on the RFI— *The international alignment of climate reporting*.

**Recommendations**

2. That the Board NOTES the submissions received.

**Submissions received**

3. All non-confidential submissions received are available on the XRB website [here](#).