



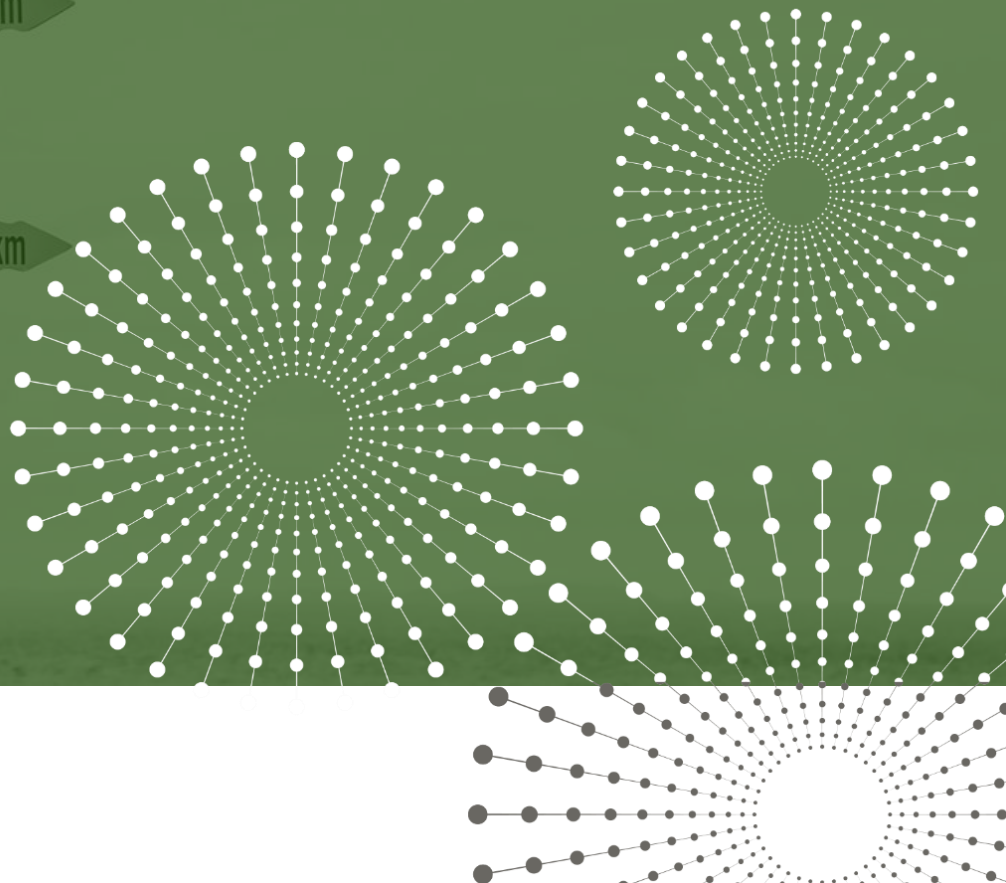
What we heard



The international alignment of climate reporting

Request for information feedback

July 2025



We wanted to know more about the value of international alignment of climate standards

On 30 April 2025, we issued a [request for information \(RFI\)](#) on the international alignment of climate reporting. The consultation closed on 13 June 2025. The purpose of the RFI was to request information about the value of international alignment to climate reporting entities (CREs) and primary users, and to understand exactly what type of international alignment is most desirable and why.

This document summarises what we heard.

We received feedback from a wide range of stakeholders

Thank you to everyone who provided feedback on our RFI. In total we received 84 submissions from a wide range of stakeholders including 40 CREs (Figure 1). Of these, 52 were written submissions. All non-confidential submissions can be read [here](#). We held seven feedback sessions. Five sessions were co-hosted with industry bodies and two XRB-run sessions which were open to all stakeholders. We had 116 people participating in the sessions and received verbal feedback from 32 organisations.

Of the 10 users of climate reports who responded, seven were global US investors who are members of the [ISSB Investor Advisory Group](#).

Headline feedback was:

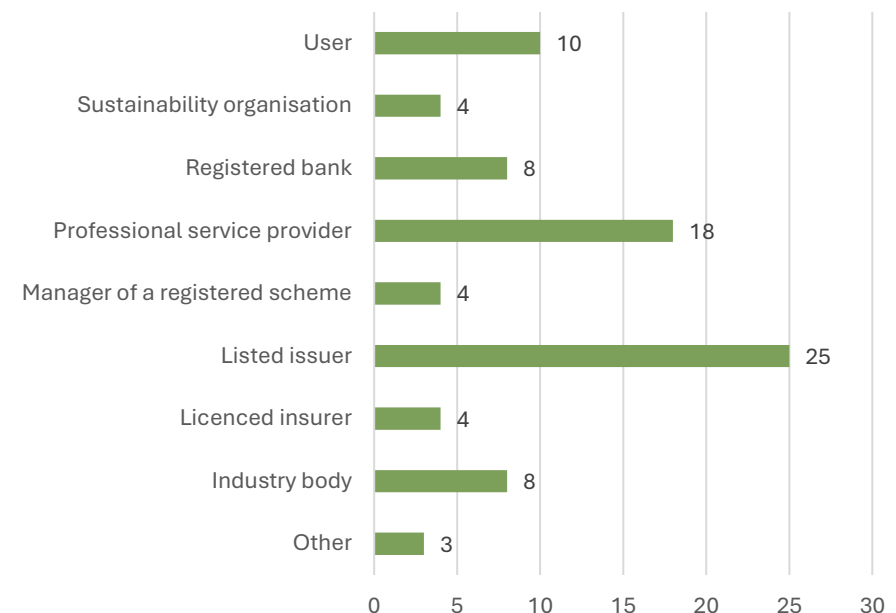
International alignment is important: Many submitters wanted NZ CS to be aligned with international frameworks, particularly IFRS S2 *Climate-related Disclosures* and AASB S2 *Climate-related Disclosures*. Alignment or adoption is seen as crucial for improving comparability, reducing duplication, streamlining reporting processes, meeting investor expectations and improving market access. Some submitters proposed adopting New Zealand

equivalents of IFRS S2 or AASB S2.

The need for stability and a phased approach to change: Many submitters expressed concerns about the premature adoption of new standards. They emphasised the need for stability and a phased approach to avoid frequent disruptions and increased compliance burdens. There were also warnings that premature changes could divert resources from meaningful climate action towards compliance. It was also stated that targeted amendments or a phased approach would allow entities to build capacity over time and avoid significant disruptions.

Support for mutual [or unilateral] recognition: There was strong support for some form of mutual recognition of climate standards, climate reports or both, particularly between New Zealand and Australia, or unilateral recognition by New Zealand as an alternative. This was expected to reduce compliance burdens and enhance efficiency.

Figure 1: Who we heard from



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?

What we heard

74 of the 84 submitters (88%) provided feedback on Question 1. **The most frequently referred to standard was IFRS S2 *Climate-related Disclosures*** (Figure 2).¹ **The most frequently referred to jurisdiction was Australia** (Figure 3).

Unsurprisingly, the responses from CREs on the most important jurisdiction varied based on their ownership structure, operating context, and the source of their offshore capital.

“In terms of relevant overseas jurisdictions, in our experience most offshore equity capital investment in New Zealand listed issuers comes primarily from Australia, the United States, the United Kingdom, Hong Kong, Singapore, and certain specified jurisdictions in Europe.” (Chapman Tripp)

Submitters identified several specific elements where alignment between New Zealand and Australia was important to them. For example, number of climate scenarios to be analysed, transition planning disclosures, current and anticipated financial impacts disclosures, and the timing of disclosure and assurance of scope 3 greenhouse gas (GHG) emissions.

Submitters also identified elements from other standards or jurisdictions that were important to them. For example, the industry-specific requirements in IFRS S2, double materiality from the ESRS, and climate transition plans under the SBTi.

Figure 2: Most important standards

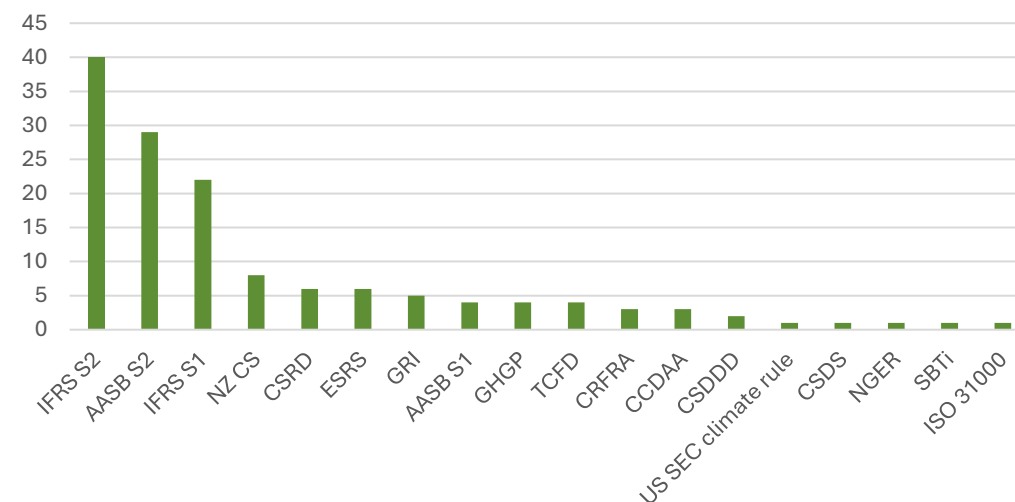
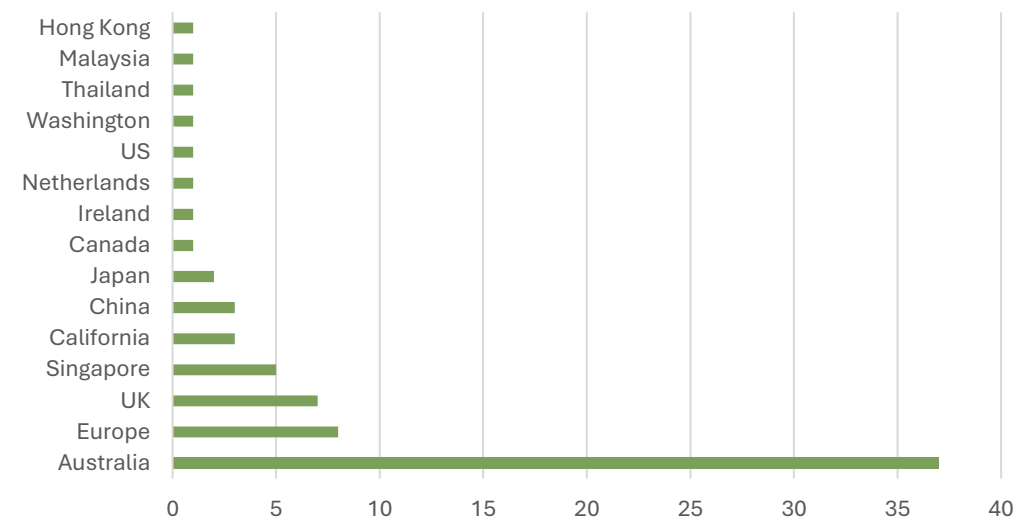


Figure 3: Most important jurisdictions



¹ See the glossary on the last page for all abbreviations used in this document.



Registered banks: Trans-Tasman alignment is essential

We heard that trans-Tasman alignment is essential due to many banks' dual operations in New Zealand and Australia—alignment with AASB S2 and IFRS S2 would reduce duplication and streamline reporting. We also heard that alignment improves investor comparability, cost efficiency, and access to international capital.

“International alignment of climate reporting standards will mean that entities are able to take advantage of automated system solutions at a lower cost due to the scale of these solutions being developed for use across multiple jurisdictions.”
(ANZ)

Listed issuers: Strong support for alignment with IFRS S2 and AASB S2

We heard strong support for alignment with IFRS S2 and AASB S2, especially for dual-listed entities. Reasons included an emphasis on investor expectations, global comparability, and strategic alignment. We also heard concerns about duplicative reporting and increased compliance costs. Some noted that New Zealand standards are already well-aligned but require fine-tuning for interoperability.

“In our view, alignment with ISSB standards will support consistency and comparability of climate-related disclosures globally. We currently use ISSB sector-specific guidance to identify relevant metrics for the management of climate-related risks and opportunities and report on these in our Climate Statement. Additionally, alignment with Australian standards will reduce duplicate effort for trans-Tasman businesses. We note and appreciate the work the XRB has done to publish the interoperability tool explaining the differences and similarities for each NZ CS and AASB S2 requirement.” (Mercury)

Professional service providers: Support for global alignment

We heard support for global alignment to reduce complexity and improve clarity. Submitters highlighted the need for digitisation, data comparability, and AI-readiness. Some also expressed concern about overly prescriptive standards and advocated for principles-based approaches.

Sustainability organisations: Varied feedback received

These entities advocated for broader sustainability reporting beyond climate (for example, GRI and double materiality), as well as an emphasis on the need for common methodologies such as the GHG Protocol to enable comparability. We also heard support for industry-specific metrics and quantitative disclosures to aid investor decision-making.

Industry bodies: General support for ISSB alignment

There was general support for ISSB alignment, but with caution about timing. One industry body noted that alignment should not mean identical standards, but rather mutual recognition. There was an emphasis on cost savings, efficiency, and international credibility.

“We recognise that not all NZ CREs are subject to international reporting requirements and are not proposing that all NZ CREs would be required to comply with IFRS S2. Instead, we support an approach which enables New Zealand CREs to produce one climate statement which meets the requirements of both NZ CS and the IFRS S2, whether this be via a process of mutual recognition or through minor amendments to NZ CS to enable interoperability.” (CA ANZ)

Users: Strong preference for IFRS S2 and TCFD-aligned

Users expressed a strong preference for IFRS S2 and TCFD-aligned disclosures for clarity and comparability. They highlighted the need for decision-useful information, global consistency and that investors require material, sector-specific disclosures to assess long-term value.

“We agree with the consultation’s view that international alignment must be balanced with local relevance. The ISSB Standards are designed to be adaptable across jurisdictions, allowing for contextual relevance while maintaining global comparability.” (Railpen)

From the smaller CREs: Reporting burden of international standards

Some supported alignment for efficiency, others preferred New Zealand specific standards. Some raised the concerns about reporting burden of having to apply international standards, especially for smaller entities. Some noted lack of benefit of international alignment 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?

What we heard

63 of the 84 submitters (75%) provided feedback on Question 2.

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.

It is too early to make changes

Many submitters felt it was too early to make changes, as 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.

"Our view is that it may be premature to amend or replace NZ CS, as we just had a full year of disclosures from climate reporting entities. Learnings and insights from the initial years may not be as impactful for climate reporting entities if the disclosure requirements shift (in scope or in level of granularity)." (Mosaic)

Stability is needed

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.

International standards are too new to align with

Some submitters pointed out that international standards (for example, IFRS S2 and 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.

"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." (CBA NZ)

Significant investment already made in complying with NZ CS

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 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.

Alignment of no benefit for those without international operations

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 (for example, reduced disclosures) based on entity size and complexity.

Don't be a 'fast follower'

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.



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?

What we heard

44 of the 84 submitters (52%) provided feedback on Question 3.

Most submitters (27/61%) who responded to this question did not think NZ CS should be revoked at this time.

General support for greater international alignment

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

“We support a phased revision of the existing climate standards to bring them into closer alignment with IFRS S1 and S2. This would provide continuity for reporting entities while allowing for the integration of global standards over time. A full revocation and replacement of the standards could create unnecessary disruption, however progress on alignment should start as soon as possible. An exemption for disclosure across dual jurisdictions or mutual recognition should be considered until confirmation on alignment is in play.” (Northwest Healthcare Properties Management Limited)

Concerns about revoking NZ CS

Most submitters opposed a full revocation of NZ CS, citing the significant investment already made in systems and processes, the risk of disruption and increased compliance costs, and the value of local relevance and flexibility embedded in NZ CS.

“Given the substantial investment already made in building systems, processes, and capability aligned with NZ CS, we do not support revoking the current standards. Such a move would risk undermining existing momentum and progress, while introducing further disruption and uncertainty. Instead, we recommend a phased and pragmatic approach to international alignment, modelled on Australia’s staged implementation of IFRS S2. This would allow time for capability development, system adjustments, and integration of new requirements without compromising the integrity of existing disclosures.” (Institute of Directors, Chapter Zero)

“We recommend a phased approach to greater alignment of NZCS, rather than revoking NZ CS. This allows for a smoother transition for entities, consulting partners and assurance providers, and the ability to build capacity and provide guidance as standards evolve. This approach balances international relevance with domestic applicability. We strongly recommend to not revoke NZ-CS as this would undermine the work and progress already achieved in setting up governance and reporting structures.” (Perdure Carbon Limited)

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.

“Rather than amending or revoking the NZ CS at this stage, we recommend an approach that prioritises increased flexibility for CREs. Specifically, we propose allowing CREs to adopt one of the internationally recognised standards— IFRS S2 or AASB S2— in substitution for NZ CS. This would enable entities to select the framework most relevant to their operations and stakeholders, while reducing the burden of reporting under multiple regimes.” (KMD Brands Limited)



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?

What we heard

39 of the 84 submitters (46%) provided feedback on Question 4.

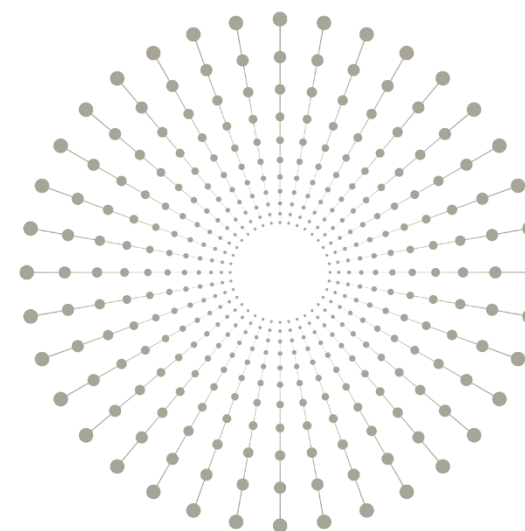
International alignment would enhance comparability

Submitters commented that international alignment in climate reporting, such as adopting global standards like IFRS S2 and AASB S2, would enhance the comparability and transparency of disclosures across jurisdictions. They saw this comparability as crucial for investors and stakeholders who require consistent information to make informed decisions, especially in global capital markets. They noted that aligned standards also reduce the reporting burden for organisations operating in multiple countries, allowing them to focus more on strategic climate risk management rather than duplicative compliance requirements.

International alignment has other benefits

Furthermore, submitters commented that following internationally recognised frameworks can strengthen governance and risk management by providing a unified approach to assessing and responding to climate-related risks. They noted that it would also help New Zealand entities access global capital and services, leveraging international expertise and keeping pace with evolving best practices. Overall, submitters commented that adopting a single, high-quality, internationally aligned standard would help avoid potential confusion and inefficiency arising from fragmented, jurisdiction-specific disclosures.

“For entities with parents or subsidiaries that are operating overseas and are caught by overseas reporting regimes, international alignment will support a consistent approach to assessing, managing and reporting on climate-related risks and opportunities across the group. This will lead to better management of risks and opportunities. It should also deliver some efficiency, enabling more time to be spent on improving the quality of reporting and/or managing climate-related risks and opportunities.” (Westpac NZ Limited)



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?

What we heard

36 of the 84 (43%) submitters provided feedback on Question 5. Listed issuers provided the most feedback on this question.

Many listed issuers receive climate-related data requests from suppliers and customers

Many listed issuers noted that they receive climate-related data requests from suppliers or customers, which are most often focused on emissions and greenhouse gas performance. They commented that these requests are typically straightforward and data-driven, although some issuers expressed concerns about the burden of completing ESG benchmarking questionnaires and questioned the relevance of certain information being requested.

Several issuers comply with voluntary frameworks

Several issuers commented that they comply with voluntary frameworks to meet investor expectations or supply chain requirements.

Listed issuers regard these disclosures as critical for a range of reasons

These disclosures are regarded as critical by listed issuers for a range of reasons: they help maintain business relationships, enable them to access capital, facilitate participation in global supply chains, and are often key to winning and retaining high-value business. Some issuers also noted that their climate disclosures have enabled them to meet international customer demands with only minor adjustments to NZ CS disclosures.

Range of views among submitters as to whether the XRB should take these requirements into consideration

There were a range of views among submitters as to whether the XRB should take these requirements into consideration. Some submitters believed that the XRB should consider these non-jurisdictional requirements, given their material influence and increasing significance. Others felt that the diversity and specificity of such requirements made them impractical for standard-setting, and a few explicitly recommended that the XRB avoid focusing on external frameworks so as not to add to the reporting burden.

“The expectations of global stakeholders vary greatly, and it would likely be impractical for the XRB to attempt to take these into consideration.” (Fonterra)

“Our view is that these additional disclosure requirements are highly relevant, and the XRB should absolutely consider them, to ensure our climate reporting regime is as useful and efficient as possible. They will likely be of particular relevance when considering the introduction of differential reporting requirements.” (Lawyers for Climate Action NZ)



Question 6

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

What we heard

43 of the 84 (51%) submitters provided feedback on Question 6.

Most submitters (38/88%) who responded to this question identified mutual recognition as important to them.

Strong support for some form of recognition

Many submitters—especially those with cross-jurisdictional operations—expressed strong support for some form of mutual or unilateral recognition, noting that it could reduce duplication of climate reporting efforts, lower compliance costs and administrative burden, and lead to improved efficiency and better resource allocation. They also emphasised that recognition would enhance the comparability and credibility of disclosures, as well as streamline assurance processes across jurisdictions.

A recurring theme was the desire for trans-Tasman mutual recognition

A recurring theme was the desire for trans-Tasman mutual recognition between New Zealand and Australia. Entities operating in both jurisdictions highlighted the need to align NZ CS with Australia's AASB S2, suggesting updates to NZX/ASX listing rules and advocating for exemptions for dual-listed entities to ease compliance requirements.

“Yes, mutual recognition is of importance to Summerset. The primary reason is Summerset has a desire to see mutual recognition between Australian and New Zealand jurisdictions. This is due to Summerset operating within both jurisdictions and eventually being required to report against both standards if nothing changes. If mutual recognition with the Australian reporting regime occurs, then Summerset would see NZ CS as the most important.” (Summerset Group Holdings Limited)

Submitters proposed various mechanisms to operationalise mutual recognition

Submitters proposed various mechanisms to operationalise mutual recognition, including formal bilateral agreements between regulators, unilateral recognition via FMA exemptions, and equivalence frameworks allowing NZ entities to report under AASB S2 or IFRS S2.

Some submitters raised concerns that mutual recognition may be complex to navigate and maintain

Some submitters raised concerns that mutual recognition may be complex to negotiate and maintain and noted that differences in reporting scope and assurance could complicate interoperability. There was a preference amongst some for interoperability through aligned standards rather than mutual recognition.

“Insurers are generally supportive of mutual recognition in principle, appreciating the Financial Markets Authority (FMA) mandate for this work. Insurers see mutual recognition as a potential opportunity for removing the duplication of effort; however, insurers note that achieving mutual recognition might involve lengthy negotiations between jurisdictions.” (ICNZ)

Mutual recognition seen by some as a pragmatic interim solution

Submitters also pointed to 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 is pursued.



Question 7

Do you have any other comments?

What we heard

Concerns with the complexity, cost and usefulness of scope 3 emissions reporting

Some submitters expressed strong concerns about the complexity, cost, and limited usefulness of scope 3 emissions reporting, especially for sectors like ports, automotive, and intermediaries. They highlighted the high uncertainty and limited control over scope 3 emissions sources and called for an extension of the adoption provisions on the disclosure and assurance of scope 3 emission for another year. There were also concerns expressed about the misalignment of timing of the disclosure and assurance of scope 3 emissions compared with Australia.

“[...] that disclosure of Scope 3 emissions will be voluntary for Australia while mandatory for New Zealand in FY26. This will create additional compliance costs in New Zealand, and we continue to recommend that the adoption provision for Scope 3 GHG emissions be extended by one additional year (i.e. to FY27). The further extension would provide time to address the current uncertainty as to whether the disclosure of Scope 3 financed emissions should include insurance-associated emissions (IAEs).” (IAG NZ Limited)

Some submitters called for the inclusion of proportionality mechanisms

Submitters called for the inclusion of proportionality mechanisms and undue cost and effort reliefs into NZ CS, especially for smaller entities and managed investment schemes. There were also recommendations to phase in requirements and tailor them based on entity size and sector.

Concerns voiced regarding high costs of mandatory assurance and increased director liability

Some submitters voiced concerns regarding the high costs of mandatory assurance and increased director liability, noting a shift from concise TCFD reports to more extensive, legal-driven disclosures, which has resulted in both substantial internal and external expense.

Support for digital reporting and iXBRL

There was support for adopting iXBRL to digitise sustainability disclosures, as this would improve accessibility and comparability, and enable AI-driven analysis.

Support to expand sustainability reporting beyond climate

There were recommendations to expand sustainability reporting beyond climate issues, suggesting the inclusion of material sustainability-related risks and opportunities in alignment with IFRS S1.

Alignment with Australian standards beneficial for talent mobility and capacity building

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

Support to extend CRD to private entities

There was support for the Government to extend the CRD regime to private entities.

“NZX supports the CRD regime being extended to apply to private entities. This would further support the delivery of the purpose of the regime by better supporting the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future and also avoid capital markets regulatory arbitrage between public and private markets. This would also better align New Zealand’s CRD regime with the approach taken in Australia where entities are not differentiated based on whether or not they are listed, but on their size and scale.” (NZX)



Glossary

AASB S1	Australian Sustainability Reporting Standard AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information
AASB S2	Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures
CCDAA	Climate Corporate Data Accountability Act (aka Senate Bill 253) California law enacted in 2023 - requires large companies doing business in California to Scope 1, Scope 2, Scope 3 GHG emissions
CRFRA	Climate-Related Financial Risk Act California law enacted in 2023 - requires large companies doing business in California to disclose climate-related financial risks and the strategies they are using to mitigate.
CSDDD	European Union regulation - Corporate Sustainability Due Diligence Directive
CSDS	Chinese Sustainability Disclosure Standards
CSRD	European Union regulation - Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standards
GHGP	Greenhouse Gas Protocol
GRI	Global Reporting Initiative (GRI) Standards
IFRS S1	IFRS® Sustainability Disclosure Standard IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS® Sustainability Disclosure Standard IFRS S2 Climate-related Disclosures
ISO 31000	International Organisation for Standardisation - ISO 31000 – Risk Management
ISSB	International Sustainability Standards Board
iXBRL	An open standard that enables a single document to provide both human readable and structured, machine-readable data
NGER	Australian - National Greenhouse and Energy Reporting Scheme
NZ CS	Aotearoa New Zealand Climate Standards
SBTi	Science Based Targets Initiative
TCFD	Taskforce on Climate-related Financial Disclosures
US Sec Climate Rule	United States Securities and Exchange Commission Climate Rule

