

# Draft climate reporting roadmap

Consultation document

Consultation closes  
Wednesday 30 September 2026



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# 1 This consultation is about our draft climate reporting roadmap

## 1.1 This consultation document explains the proposals in the draft climate reporting roadmap

The accompanying [draft climate reporting roadmap \(the draft roadmap\)](#) is a strategic document that sets out the External Reporting Board's (XRB's) proposed direction for climate reporting in New Zealand and the key milestones to get there.

The draft roadmap and this consultation document respond to international developments in climate reporting and stakeholder feedback on our 2025 [request for information](#) on the international alignment of climate reporting (the RFI).

This consultation document explains the proposals in the draft roadmap and seeks feedback from primary users,<sup>1</sup> climate reporting entities (CREs), and other stakeholders to help the XRB finalise and implement a roadmap. No decisions will be made until consultation feedback is considered.

The draft roadmap proposes:

- issuing a new climate standard: NZ IFRS S2 *Climate-related Disclosures* (NZ IFRS S2)
- that NZ IFRS S2 will be:
  - internationally aligned by adopting IFRS S2 *Climate-related Disclosures* (IFRS S2)<sup>2 3</sup> as its basis (see section 5 of this consultation document)
  - harmonised with Australia by considering what approach to take where there are differences between IFRS S2 and the climate reporting obligations in Australia under AASB S2 *Climate-related Disclosures* (AASB S2) and the Australian Corporations Act 2001 (see section 6)
  - locally relevant by considering what modifications, if any, are needed to fit with New Zealand's legislative and regulatory settings, reporting practice and market context (see section 7)
- a multi-year transition period before NZ IFRS S2 becomes mandatory (see section 8).

Section 4 sets out what we consider to be the main benefits and costs of the strategic direction outlined in the draft roadmap.

Appendix 1 outlines the options considered but not pursued when developing the draft roadmap.

## 1.2 We are seeking your views on the draft roadmap

The purpose of this consultation document is to seek your views and supporting information on the draft roadmap. This consultation document highlights the key issues we want input on and explains how you can provide feedback through our verbal and written feedback processes (see section 2).

We strongly encourage stakeholders to engage now on the substance of what could be included in a possible exposure draft of NZ IFRS S2 (ED NZ IFRS S2). This is important because, if feedback supports the strategic direction identified in the draft roadmap, the XRB intends to consult on ED NZ IFRS S2.

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<sup>1</sup> See glossary for definition.

<sup>2</sup> This document 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).

<sup>3</sup> All references to 'adopting IFRS S2' in this document should be read to mean together with adopting the climate-relevant portions of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* – see section 5.2 for more detail.

We are proposing an accelerated consultation period on ED NZ IFRS S2 so that NZ IFRS S2 is made available for early adoption for periods beginning on or after 1 October 2026. This makes the current consultation on the draft roadmap a key opportunity for stakeholders to provide feedback on whether the XRB should proceed, and what ED NZ IFRS S2 should include.

Feedback received through this process will help shape decisions on matters such as Australian harmonisation points and any locally relevant modifications.

Please read the [draft climate reporting roadmap](#) first.

Other resources that you will need when providing feedback (such as, IFRS S1, IFRS S2, AASB S2 and a comparison of disclosure requirements between NZ CS and IFRS S2) are referred to throughout this document, with a consolidated list of references provided in section 9. Please note that to access the ISSB Standards you need to be a registered user of the IFRS Foundation website. A free 'Basic' registration will give you access to issued Standards in HTML or PDF.

### **1.3 We are not consulting on general sustainability reporting**

In addition to IFRS S2, the International Sustainability Standards Board (**ISSB**) has issued [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information \(IFRS S1\)](#). The XRB does not have the statutory power to issue a mandatory standard based on IFRS S1. Although we could issue an NZ IFRS S1 as a voluntary standard,<sup>4</sup> we are not proposing to do so as part of the draft roadmap.

This is because the draft roadmap is focused on climate reporting. Its purpose is to support the introduction of a new climate standard: NZ IFRS S2 for climate-related disclosures that provide decision-useful information to primary users, while also supporting internal decision making by CREs.

The XRB will however continue to monitor developments and seek stakeholder input on ISSB activities, such as a proposed IFRS Practice Statement relating to nature-related disclosures that was [announced by the ISSB](#) in April 2026. The ISSB has stated that it will publish an exposure draft for public comment in October 2026.

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<sup>4</sup> The XRB can issue non-binding guidance on non-financial reporting, under section 19A of the Financial Reporting Act 2013.

## **2 There are multiple ways to provide your feedback by 30 September**

The consultation closes on Wednesday 30 September 2026. Please feel free to respond to any or all questions, which are listed in section 3 of this consultation document.

### **2.1 We will host information webinars and virtual and in-person feedback forums**

We will host virtual and in-person feedback forums during the consultation period, as well as webinars to share information on the consultation. We will present an overview of the proposals in the draft roadmap and provide you with the opportunity to give feedback on each question.

Information about dates and times can be found at <https://www.xrb.govt.nz/events/>.

We encourage you to contact us should a targeted feedback forum be of interest to the stakeholders that you represent.

### **2.2 You can respond in writing**

Written submissions can be provided by emailing us at [sustainability@xrb.govt.nz](mailto:sustainability@xrb.govt.nz).

### **2.3 We will publish feedback**

We will produce a summary of verbal feedback received and publish it on our website.

We will also publish all written submissions on our website. We consider that you have consented to publication by making a submission, unless you clearly specify otherwise in your submission. If your submission contains any information that is confidential or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under the Official Information Act 1982. The XRB will consult with submitters before responding to any requests.

### 3 Consultation questions

For all questions, please provide reasons and any supporting evidence

Questions	Relevant section
Q1. Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap?	See the <a href="#">draft roadmap</a>
Q2. Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap?	Section 4
Q3. From a primary user perspective: (a) Would adopting IFRS S2 improve the climate information you rely on for your decision making? (b) Which disclosures matter most to you?	Section 5
Q4. From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?	Section 5 and 7
Q5. What are your views on the Australian harmonisation options for industry-based disclosures?	Section 6.3.1
Q6. With regard to Australian harmonisation, what are your views on how we should approach scenario analysis?	Section 6.4
Q7. Are any changes or additions needed to NZ IFRS S2 to fit with New Zealand's reporting practice and market context?	Section 7
Q8. Do you support the proposed implementation timeline?	Section 8
Q9. Do you have any other comments?	All sections

## 4 The benefits and costs of implementing the draft roadmap

This section outlines what we consider to be the main benefits and costs of the strategic direction outlined in the draft roadmap. Overall, we expect the benefits to outweigh the costs.

### 4.1 Benefits of adopting IFRS S2

We consider that there are several benefits of New Zealand adopting IFRS S2. Adoption should increase access to and reduce the costs of overseas capital due to CREs' climate statements being more internationally comparable and therefore more understandable to primary users operating in other markets. It should also simplify compliance for CREs operating internationally or with overseas parents that report in accordance with IFRS S2 and S1. This benefit could include:

- avoiding the need to prepare duplicative or customised disclosures
- an increased ability to leverage or use their group's expertise and systems
- a reduced need for New Zealand-specific information gathering systems.

Finally, adoption should increase access to international expertise and services and strengthen CREs' overall reporting capability. For example, it has the potential to:

- open access to a broader range of third-party service providers who specialise in ISSB reporting
- increase efficiency by providing CREs with the opportunity to use data collection systems using software designed around the ISSB Standards.

### 4.2 Costs of adopting IFRS S2

We consider that the main costs of adopting IFRS S2 are the one-off costs for New Zealand primary users in developing an understanding of the information disclosed under NZ IFRS S2, and one-off transition costs for CREs in moving from NZ CS to NZ IFRS S2.

For CREs, these one-off transition costs could include:

- developing an understanding of NZ IFRS S2, including the climate-relevant portions incorporated from IFRS S1
- changing, enhancing or establishing information gathering systems and processes to support the new requirements
- adjusting greenhouse gas (**GHG**) emissions measurement to align with IFRS S2, including using the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (**GHG Protocol Corporate Standard**) where not already used
- making related changes to GHG measurement and disclosure processes
- making changes to support new or more detailed disclosures beyond GHG emissions, for example in relation to climate resilience assessment, current and anticipated financial effects, and tracking progress against climate-related plans and targets.
- training staff, obtaining external technical advice, revising internal controls and documentation, and updating governance and reporting processes to support consistent application of the new requirements.

The nature and extent of these one-off transition costs are likely to vary depending on a CRE's existing approach, systems and processes, the maturity of its current climate reporting practices, and whether it can leverage capabilities, systems or expertise from an overseas parent or wider group.

There could also be increased ongoing costs for some CREs because overall IFRS S2 requires more disclosures and more detailed disclosures than NZ CS.

### 4.3 Benefits and costs of harmonisation with the Australian climate reporting framework

We consider that the main benefit of harmonising NZ IFRS S2 with the Australian climate reporting framework is to reduce compliance costs for CREs that have climate reporting obligations in Australia and/or a parent entity with climate reporting obligations in Australia.

We consider that the main cost of harmonising NZ IFRS S2 with the Australian climate reporting framework is the potential to impose additional compliance costs on CREs that have no climate reporting obligations in Australia and/or that don't have a parent entity with climate reporting obligations in Australia.

We will need to monitor any future changes to the Australian reporting framework and consider the benefits and costs of harmonising with them.

### 4.4 Benefits and costs of locally relevant modifications

Section 7 proposes three types of locally relevant modifications. Table 1 outlines the benefit-cost approach that we intend to take in relation to each type of local modification.

Table 1: Types of local modifications

Type of local modification	Our benefit-cost approach
Modifications to fit with New Zealand's legislative and regulatory settings (see section 7.2)	The issue of benefits and costs does not arise because secondary legislation must conform with primary legislation.
Modifications to reflect New Zealand's reporting practice and market context: <ul style="list-style-type: none"> <li>• Potential additions to the requirements in IFRS S2 (see section 7.3.1)</li> <li>• Potential removals or changes that would be inconsistent with the requirements in IFRS S2 (see section 7.3.2)</li> </ul>	When considering any proposals for locally relevant modifications to reflect New Zealand's reporting practice and market context, a compelling reason for doing so would need to be identified, see section 7.3.3.

## 5 There are differences between NZ CS and IFRS S2

### 5.1 We have documented the differences between IFRS S2 and NZ CS

In October 2023, we published a [comparison document](#)<sup>5</sup> outlining the differences between IFRS S2 (and the climate-relevant portions of IFRS S1) and the Aotearoa New Zealand Climate Standards (**NZ CS 1, NZ CS 2 and NZ CS 3**). Overall, the comparison indicates a strong degree of alignment across the four core content areas (governance, strategy, risk management, and metrics and targets) and significant alignment in key concepts and general requirements (including materiality and fair presentation). However, there are differences in detail. In general, IFRS S2 is more specific and prescriptive, although NZ CS include additional specificity in places.

This section provides a high-level summary of the similarities and differences between IFRS S2 and NZ CS to help inform your feedback to the consultation questions.

**See the reference list in section 9 for links to the documents mentioned in this section.**

**Please read the [comparison document](#) to understand these differences in more detail.**

#### 5.1.1 Recent ISSB amendments are not in the comparison document

In December 2025, the ISSB issued [Amendments to Greenhouse Gas Emissions Disclosures — Amendments to IFRS S2](#) to address implementation challenges by providing targeted relief and clarification on specific IFRS S2 greenhouse gas disclosure requirements. These amendments are not reflected in the comparison document.

The most relevant change for the IFRS S2-NZ CS comparison is the clarification that entities may limit scope 3 investment-related emissions (GHG Protocol category 15) to financed emissions as defined in IFRS S2. In response to feedback from our stakeholders, we are [proposing amendments to NZ CS 1](#) to align with this approach, the consultation is open for comment from 30 June to 29 July 2026.

### 5.2 Adopting IFRS S2 would also mean adopting climate-relevant portions of IFRS S1

The ISSB designed IFRS S1 and IFRS S2 to be applied together, i.e. an entity does not apply IFRS S2 on its own. IFRS S1 sets the overall requirements for sustainability-related financial disclosures, and IFRS S2 builds on those requirements by specifying additional disclosures for climate-related risks and opportunities.

This means that adopting IFRS S2 would require the XRB to incorporate the climate-relevant portions of IFRS S1 into NZ IFRS S2. The ISSB have published [educational material](#) to help determine which requirements are applicable in IFRS S1 when this type of ‘climate first’ approach is taken.

Those requirements comprise:

- conceptual foundations (including fair presentation, materiality, the reporting entity boundary, and connected information)
- general requirements (including sources of guidance, where and when to disclose information, comparative information, and statements of compliance)
- matters relating to exercising judgement, measurement uncertainty, and the correction of errors.

<sup>5</sup> The comparison is limited to mandatory requirements, and excludes adoption provisions and accompanying guidance.

Similar principles, concepts and requirements are included in NZ CS 3 *General Requirements for Climate-related Disclosures (NZ CS 3)*.

### **5.3 The similarities and differences between IFRS S2 and NZ CS**

#### **5.3.1 There is significant alignment in the foundational principles and general requirements**

There is significant alignment in the foundational principles and general requirements. Both standards require disclosure of material information (using the same definition of materiality), fair presentation, consistency with the financial statements for the reporting entity and presentation currency, disclosure of methods, assumptions and measurement uncertainty, correction of material prior period errors (IFRS S1 does include a relief where impracticable), cross-referencing subject to conditions, and a statement of compliance.

Key differences are:

- IFRS S2 has specific requirements and mandatory guidance on “connected information” and includes a hierarchy of sources of guidance. NZ CS do not prescribe external guidance and rely more on principles such as coherence.
- IFRS S2 includes an exemption in limited circumstances for commercially sensitive information about opportunities, requires disclosure of significant judgements, includes requirements on updating information received before authorisation for issue, and requires certain comparative information (including revising comparatives for some changes in estimates). NZ CS do not require revising comparatives. They instead require an explanation of changes and their effect.
- NZ CS require two prior reporting periods of comparative information for metrics. IFRS S2 requires one year only.

#### **5.3.2 The primary user is the same, but IFRS S2’s objective and scope are a little narrower, focusing specifically on an entity’s prospects**

The objectives are broadly aligned. The definition of ‘primary user’ is the same (i.e., existing and potential investors, lenders and other creditors). Both aim to provide decision-useful information to primary users.

The key difference relates to scope. IFRS S2 is narrower in that it focuses on climate-related risks and opportunities that could reasonably be expected to affect an entity’s prospects (including cash flows, access to finance and cost of capital). NZ CS include an explicit purpose statement aimed at supporting capital allocation consistent with a transition to a low-emissions, climate-resilient future.

#### **5.3.3 Governance disclosures are very similar overall, with more detail in IFRS S2**

The governance disclosures are very similar overall. Both NZ CS and IFRS S2 require disclosure of who oversees climate-related risks and opportunities, how the governance body is kept informed (including links to remuneration and incentives), and management’s role.

IFRS S2 requires additional detail such as describing how responsibilities are embedded in formal documents (For example, terms of reference, mandates, role descriptions and related policies).

#### **5.3.4 There are several differences in the strategy disclosures relating to topics like scenario analysis, resilience assessments, financial impacts and value chain considerations**

The comparison document notes that strategy disclosures are the most difficult to map because the standards are structured differently, use different terminology, and practice is still emerging in areas such as transition planning. Despite that, the core content is substantially aligned. Both require disclosure of current and future climate impacts and effects (including current and anticipated financial impacts and effects), scenario analysis (including inputs, methods and assumptions and

how the process was conducted), identified climate-related risks and opportunities across time horizons (and how those horizons are defined), and the entity's response to those climate-related risks and opportunities.

The key differences are mainly about specificity and the underlying approach.

IFRS S2 strategy requirements not included in NZ CS:

- requirement to disclose additional qualitative information on current financial effects if no quantitative information is disclosed
- requirement for an entity to identify which of its identified climate-related risks and opportunities could have a significant risk of a material adjustment within the next reporting period to the carrying amounts of assets and liabilities reported in the entity's general purpose financial statements
- mandatory application guidance that sets out the three considerations an entity must make in selecting its approach to climate-related scenario analysis
- requirement to disclose an entity's climate resilience assessment and annual updating of that assessment
- requirements about when an entity reassesses the scope of climate-related risks and opportunities throughout its value chain
- requirement for an entity to refer to and consider the disclosure topics in the *Industry-based Guidance on Implementing IFRS S2* (the **industry-based guidance**), derived from the *SASB Standards* when identifying climate-related risks and opportunities (see section 6.3 for more on the industry-based guidance)
- requirement for additional qualitative disclosures about anticipated financial impacts if an entity takes advantage of the exemption not to provide quantitative information
- requirement for additional disclosures about transition plan assumptions and dependencies
- requirement for an entity to disclose quantitative and qualitative information about the progress towards achieving plans disclosed in previous reporting periods.

NZ CS strategy requirements not included in IFRS S2:

- analysis of a minimum of three climate-related scenarios, with temperature outcomes specified for two scenarios, including a definition of 'climate-related scenario' and a requirement for more specific disclosures about how the scenario process was conducted
- requirement to disclose of anticipated financial impacts before planned response
- requires a description of an entity's current business model and strategy
- defines a climate-related transition risk as including the transition to a global and domestic climate-resilient economy.

### **5.3.5 IFRS S2 risk management disclosures require additional disclosures on processes related to opportunities**

Risk management disclosures are closely aligned at a high level. Both require an entity to describe its processes for identifying, assessing and managing climate-related risks and how those processes are integrated into overall risk management.

The main difference is that IFRS S2 requires disclosures about processes for identifying, assessing, prioritising and monitoring climate-related opportunities (and how those processes integrate into overall risk management), whereas NZ CS does not.

There are also additional disclosures in IFRS S2 that are not required in NZ CS and vice versa. For example, NZ CS requires disclosure of whether any parts of the value chain are excluded from an entity's risk management processes and IFRS S2 requires disclosure of the related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.

### **5.3.6 IFRS S2 requires more disclosures in metrics and targets and requires the use of the GHG Protocol**

Metrics and targets are substantially aligned in structure. Both frameworks use the cross-industry metric categories recommended by the Task Force on Climate-related Financial Disclosures and require disclosure of gross scope 1, 2 and 3 GHG emissions (including location-based scope 2 disclosures), industry-based metrics, entity-specific metrics used to manage climate risks and opportunities, and any targets set.

The differences are primarily about prescriptiveness and additional required detail:

- NZ CS require disclosure of a GHG emissions intensity metric, while IFRS S2 does not (unless used as a management metric).
- IFRS S2 requires an entity to use the GHG Protocol Corporate Standard to measure its GHG emissions (subject to limited jurisdictional exceptions that are not relevant to New Zealand's circumstances) and includes extensive mandatory application guidance especially on scope 3 measurement, including an ISSB scope 3 measurement framework and detailed disclosure items (for example, emissions factors and disaggregation requirements). NZ CS permit the use of other GHG emissions measurement standards.
- IFRS S2 includes specific financed emissions disclosures for entities involved in asset management, commercial banking and insurance, and requires referencing the industry-based guidance when determining industry-based metrics. NZ CS do not include these requirements.
- IFRS S2 requires the disclosures of additional items of information on GHG emissions, for example disaggregating scope 1 and scope 2 GHG emissions between the consolidated accounting group and other investees.
- for targets, IFRS S2 is generally more specific and includes additional disclosures (including legally required targets and more detailed information about target-setting, validation and, where relevant, use of carbon credits). NZ CS require entities to explain how their GHG target contributes to limiting warming to 1.5°C.

### **5.3.7 IFRS S2 includes proportionality mechanisms**

IFRS S2 includes proportionality mechanisms to support entities in providing disclosures for specific requirements where there might be a high level of judgement or uncertainty and applying the specific requirements in a way that is proportionate to an entity's circumstances. For example:

- the requirement to disclose information about climate-related risks and opportunities that could be reasonably expected to affect an entity's prospects states that "the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort"
- IFRS S2 states that an entity shall consider the available skills, capabilities and resources when determining an appropriate approach to use for its climate-related scenario analysis.

NZ CS do not include explicit proportionality mechanisms. They instead rely on a principles-based approach and include targeted relief (for example, exemptions from quantifying certain financial impacts where unable, with explanation).

#### 5.4 We are seeking your views on what these differences mean in practice

Many jurisdictions are in the early stages of adopting (or otherwise using) ISSB Standards. As a result, disclosures under IFRS S2 are not yet widely available. Disclosures under AASB S2 are beginning to emerge, with more expected in the coming months. These will provide better insights into whether differences in disclosure requirements lead to different information being provided to primary users, and what the costs are to reporting entities.

This includes feedback on what the proportionality mechanisms in IFRS S2 may mean in practice compared with the current NZ CS approach.

We are seeking your views in the locally relevant considerations section of this consultation document (see section 7) on whether:

- any existing disclosures in NZ CS should be carried forward into NZ IFRS S2 as additional New Zealand requirements
- there are any compelling reasons that any requirements in IFRS S2 need to be removed or amended for the New Zealand context before being incorporated into NZ IFRS S2.

#### 5.5 Our standard setting activities will change after IFRS S2 is adopted

Replacing NZ CS with NZ IFRS S2 will mean that the XRB will shift from domestic climate reporting standard setting, towards engaging and influencing at an international level.

We would work with New Zealand stakeholders, and coordinate with the AASB and other national standard setters, to put forward views on the areas that matter most to New Zealand. We would seek to influence the outcome of any ISSB proposals by engaging early and actively in the ISSB's consultations, as well as via other international engagement processes such as the Asian-Oceania Standard-Setters Group (**AOSSG**)'s sustainability working group. The AOSSG has a seat on the ISSB's [Sustainability Standards Advisory Forum](#).

We would also publish consultation documents and exposure drafts about potential amendments to NZ IFRS S2 should the ISSB issue consultation documents and exposure drafts proposing amendments to IFRS S2 (and any amendments to the climate-relevant portions of IFRS S1). Our documents would pose the same questions as the ISSB and include any additional questions about New Zealand-specific issues that might arise. We would also consider any relevant Australian harmonisation issues.

#### 5.6 The XRB's approach to guidance would change

The XRB has issued NZ CS-related guidance documents to support CREs and primary users.<sup>6</sup> These include staff guidance about disclosure requirements, guidance issued to support the assurance of scope 3 GHG emissions, and 'how to' guidance to support CREs with the more novel aspects of the climate-related disclosure framework (**CRD framework**) such as scenario analysis. Other implementation support included the sector-level scenario analysis work carried out in 2022-2025.

Moving to an NZ IFRS S2 would mean that the XRB would no longer publish its own staff guidance about disclosure requirements. Rather, we may be able to follow the lead of Australia and issue domestic versions of ISSB educational material, as are available in the [AASB S2 Knowledge Hub](#).

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<sup>6</sup> By referring to 'guidance' in this section, we mean guidance and implementation support issued separately from the standard. It does not refer to application guidance that forms part of IFRS S2 itself.

However, we would consider whether we continue to provide other implementation support and guidance material (such as 'how to' guidance or guidance relating to locally relevant modifications) subject to stakeholder demand. For example, we might issue guidance about how to transition from NZ CS to NZ IFRS S2.

Existing NZ CS guidance would remain available to CREs during the transition period.

## 6 There are differences between IFRS S2 and the Australian reporting framework

### 6.1 Defining what we mean by harmonisation with Australia

The [Memorandum of Understanding Between the Government of New Zealand and the Government of Australia on the Coordination of Business Law](#) that was last updated in 2010 includes the following principles, among others:

- persons in Australia or New Zealand should not have to engage in the same process or provide the same information twice
- measures should deliver substantively the same regulatory outcomes in both countries in the most efficient manner.

Consistent with these principles, trans-Tasman harmonisation refers to the process of aligning regulatory requirements, standards, and policies between Australia and New Zealand to create a seamless business environment and a single economic market. It involves reducing regulatory differences and overlap—without necessarily making laws identical—to facilitate easier trade, lower compliance costs for businesses, and increase the mobility of labour.

### 6.2 Clarifying what harmonisation means in the context of climate standards

The preface of AASB S2 states that AASB S2 is based on IFRS S2. The AASB retained IFRS S2's structure and paragraph numbering but added or substituted a small number of Australian-specific 'Aus' paragraphs to make AASB S2 locally relevant. Assuming New Zealand adopts IFRS S2, we need to make decisions about what approach to take where there are differences between IFRS S2 and the climate-related disclosure framework in Australia.

There are four significant differences. Two differences, relating to industry-based guidance and scenario analysis are relevant to this consultation and are discussed in sections 6.3 and 6.4.

The two differences that are not relevant to this consultation are as follows:

- the AASB made amendments to enable AASB S2 to be applied by not-for-profit entities, requiring those entities to use the *Framework for the Preparation and Presentation of Financial Statements* descriptions of “general purpose financial reports” and “primary users of general purpose financial reports” instead of the Appendix A definitions when applying AASB S2. We are not proposing any amendments to harmonise with this as it is not applicable in the New Zealand regulatory context.
- section 296A(4) of the Corporations Act 2001 allows the responsible Minister to require additional climate-related disclosures by legislative instrument. This power has not been used to date. If it is, we would assess the instrument against the principles in section 1.1 of the draft roadmap to determine whether NZ IFRS S2 needs consequential amendment, and we would consult on any proposed changes.

### 6.3 We are seeking your views on industry-based guidance

The ISSB's industry-based guidance is derived from the SASB Standards. The industry-based guidance suggests possible ways of identifying, measuring and disclosing information about climate-related risks and opportunities in 77 industries.

IFRS S2 includes requirements to “refer to and consider” the industry-based guidance.<sup>7</sup> Paragraph 32 requires an entity to disclose industry-based metrics, and it must refer to and consider metrics in the industry-based guidance:

*32. An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the [ISSB’s] Industry-based Guidance on Implementing IFRS S2.*

In AASB S2, the AASB deleted all text in IFRS S2 relating to industry-based metrics and guidance. Paragraphs BC 28-30 of AASB S2 state that the AASB decided, as an interim measure, to not require industry-based disclosures but that they intended to finalise mandatory requirements for industry-based disclosure by 1 July 2030. The AASB gave the following reasons for the deletions in the [exposure draft](#) it published in October 2023:

- the ISSB’s public consultation period was too short for Australian stakeholders to appropriately consider the proposals and for the AASB to appropriately apply its own due process
- parts of the guidance do not relate to climate-related risks and opportunities
- SASB Standards are US-centric and not representative of the Australian or global market.

The AASB’s reasons relating to insufficient consultation time, due process and scope are broadly relevant to New Zealand. We do not consider it feasible to retain the IFRS S2 requirements to “refer to and consider” the industry-based guidance for two reasons. First, it could amount to too much change at once for CREs that wish to early adopt NZ IFRS S2, particularly CREs that wish to adopt NZ IFRS S2 for their 2027 or 2028 financial years. Secondly, there are significant due process issues. Section 22(1) of the Financial Reporting Act 2013 (**FR Act**) states that the XRB must not issue a standard unless it has taken reasonable steps to consult with persons (or their representatives) who, in the XRB’s opinion, would be substantially affected by the issue of a standard. The ISSB’s industry-based guidance on implementing IFRS S2 cover 77 industries and total more than 500 pages. A consultation that meets the section 22(1) requirements could require a multi-year process.

### **6.3.1 Options in relation to industry-based disclosures**

We are seeking your views about the approach to take in relation to the industry-based disclosure requirements in IFRS S2. We have identified the following options:

- Option 1: Full deletion. Delete the requirement to disclose industry-based metrics and all requirements in IFRS S2 to refer to and consider the industry-based guidance. This would be consistent with Australia’s approach.
- Option 2: Provide flexibility about industry-based metrics. Include the IFRS S2 requirement to disclose industry-based metrics but make the industry-based guidance optional by changing “*shall refer to and consider*” to “*may refer to and consider*”. This would be consistent with the approach taken by jurisdictions such as the United Kingdom<sup>8</sup> and South Korea.
- Option 3: Wholly optional. Make the requirement to disclose any industry-based metrics optional (i.e., “an entity may ...”) and make the ISSB’s industry-based guidance optional by changing “*shall refer to and consider*” to “*may refer to and consider*”.
- Option 4: Status quo. Retain the requirement from paragraph 21 of NZ CS 1 to disclose “industry-based metrics relevant to its industry or business model used to measure and manage climate-

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<sup>7</sup> IFRS S2 paragraphs 12, 23 and 32.

<sup>8</sup> [UK SRS S2: Climate-related Disclosures](#), February 2026, see examples paragraph 12 and 32.

related risks and opportunities”. Delete all references to the ISSB’s industry-based guidance (and enable full flexibility as to source material).

## 6.4 We are seeking your views on scenario analysis

### 6.4.1 There are different approaches to scenario analysis

Scenario analysis is a core requirement in NZ CS 1, IFRS S2 and in AASB S2. However, they use different approaches in relation to the number of scenarios and temperature outcomes.

NZ CS 1 states that a CRE must analyse a minimum of three climate-related scenarios, with temperature outcomes specified for two scenarios (i.e., 1.5°C and ≥3°C). Our reasons were stated in the Basis for Conclusions on NZ CS 1:

*BC 37 ...In relation to the disclosure requirements, the XRB Board initially proposed disclosing against two scenarios in [an earlier] consultation. Following feedback, the XRB Board added a third scenario in [the exposure draft of] NZ CS 1. This was in response to concerns raised that two scenarios are easily seen as opposites or ‘good and bad’, and because exploring at least three scenarios is increasingly seen as a commonly accepted minimum (noting that some more advanced entities explore four or more scenarios). The XRB Board considered that adding a third scenario in the context of many sector-level scenario analysis processes underway is practically achievable and appropriately challenging. This is because the marginal effort required to explore three rather than two scenarios is relatively low.*

[BC 38](#) and [BC 39](#) of NZ CS 1 further discuss the XRB Board’s views in relation to the specified temperature outcomes of 1.5°C and ≥3°C.

IFRS S2 does not specify the number of climate-related scenarios or any temperature outcomes. A single scenario analysis is permissible, but only if the entity can demonstrate its climate resilience using that scenario and meet the requirements of the ‘reasonable and supportable information’ proportionality mechanism outlined in section 5.3.7 above.

AASB S2, as it relates to scenario analysis, is the same as IFRS S2. However, [section 296D\(2B\)](#) of the Australian Corporations Act 2001 requires an entity to disclose information about its climate resilience, as assessed under two possible future states. It requires the analysis to be carried out using at least two scenarios referable to temperature increases set out in subparagraphs 3(a)(i) and 3(a)(ii) of the Australian [Climate Change Act 2022](#). The two mandated scenarios are increases in the global average temperature of 1.5°C above pre-industrial levels and well exceeding 2°C above pre-industrial levels. To summarise, section 296D(2B) is effectively an Australian-specific rule for complying with the more permissive requirement in IFRS S2.

### 6.4.2 Scenario analysis considerations and trade-offs

We will need to consider several issues in determining the approach to be taken to scenario analysis under NZ IFRS S2. We are seeking your feedback on:

- whether NZ IFRS S2 should require a minimum number of scenarios and if so, how many
- if a minimum number of scenarios is specified, whether temperature outcomes should be specified for one or more scenarios and, if so, whether they should be aligned with New Zealand’s pledges under the Paris Agreement
- how to avoid unnecessary compliance for CREs:
  - that have climate reporting obligations in Australia or a parent entity with such obligations
  - that have climate reporting obligations in an overseas jurisdiction other than Australia, or a parent entity with such obligations
  - that do not have climate reporting obligations in other jurisdictions.

## 7 We are seeking input on any necessary locally relevant modifications

### 7.1 Clarifying the approach to locally relevant modifications

Our objective is to issue an NZ IFRS S2 that is fit-for-purpose for New Zealand while remaining aligned as possible with IFRS S2. We have identified three types of locally relevant modifications:

- Modifications to fit with New Zealand’s legislative and regulatory settings – these are technical amendments required to ensure that NZ IFRS S2 operates properly within the New Zealand legal framework (see section 7.2)
- Modifications to reflect New Zealand’s reporting practice and market context:
  - Potential additions to the requirements in IFRS S2 (see section 7.3.1)
  - Potential removals or changes that would be inconsistent with the requirements in IFRS S2 (see section 7.3.2).

When considering any modifications to reflect New Zealand’s reporting practice and market context (additions, removals, or changes), a compelling reason for doing so would need to be identified (see section 7.3.3).

### 7.2 Proposed modifications to fit with legislative and regulatory settings

We expect to make technical amendments so the standard fits with New Zealand’s legislative and regulatory settings. We have identified two proposed modifications.

#### 7.2.1 Clarifying the scope of the assurance engagement over GHG emission disclosures

Section 461ZH of the Financial Markets Conduct Act 2013 (**FMC Act**) requires every CRE to ensure its climate statements are, to the extent those statements disclose GHG emissions, the subject of an assurance engagement. Section 461ZHA of the FMC Act further requires the assurance engagement to be carried out in accordance with applicable auditing and assurance standards issued by the XRB.

[Paragraph 25 of NZ CS 1](#) states that limited assurance is the minimum level of assurance. We propose to replicate this requirement in NZ IFRS S2.

[Paragraph 26 of NZ CS 1](#) clarifies the scope of the GHG assurance engagement. IFRS S2 includes different measurement and disclosure requirements for GHG emissions compared to NZ CS. Therefore, we propose to clarify in NZ IFRS S2 which information required by NZ IFRS S2 is subject to an assurance engagement. Our intent is to retain the existing scope, i.e., assurance over GHG emissions and closely related disclosures (for example, the related methods, assumptions and estimation uncertainty), and not to expand the scope to other metrics and targets disclosures (for example, GHG emissions intensity metrics or GHG emissions targets).

We would seek feedback on how best to describe the scope of the GHG assurance engagement in NZ IFRS S2 through targeted consultation before issuing an exposure draft, including drafting that minimises the risk of confusion or unintended consequences.

#### 7.2.2 The reporting entity requirements cannot override the FMC Act

IFRS S2 requires an entity to prepare its climate-related disclosures for the same reporting entity as its financial statements. This is consistent with the approach in NZ CS, where the [XRB decided](#) climate-related disclosures should be prepared for the same reporting entity as the financial statements to support “high-quality, credible, integrated reporting” and to enable clear links between the financial statements and the climate-related disclosures.

However, Part 7A of the FMC Act determines whether (and how) entities are subject to the CRD framework and therefore classified as CREs. To reflect this, the XRB included an override in paragraph 21 of NZ CS 3:

*Except as otherwise required by Part 7A of the Financial Markets Conduct Act 2013, an entity must prepare its climate-related disclosures for the same reporting entity as its financial statements.*

We propose to replicate this requirement in NZ IFRS S2.

### **7.3 Proposed modifications for New Zealand's reporting practice and market context**

In addition to technical amendments required by New Zealand law, we want to understand whether any further modifications are needed to reflect New Zealand's reporting practice and market context.

New Zealand is in a different position from most jurisdictions adopting IFRS S2 because CREs will be moving from existing domestic standards, rather than adopting IFRS S2 'from scratch'. CREs and their advisers have had three years of practical experience implementing NZ CS, and primary users and other stakeholders have three years' experience reading climate statements prepared in accordance with NZ CS.

We want to use this practical implementation experience to help determine whether any requirements in IFRS S2 need to be supplemented or modified to ensure NZ IFRS S2 is fit for purpose in New Zealand.

#### **7.3.1 Potential additions to the requirements in IFRS S2**

We are seeking views on whether any additional requirements should be included in NZ IFRS S2 to reflect New Zealand's reporting practice and market context. For example, this could include carrying forward some NZ CS requirements that are not in IFRS S2 as additional requirements, such as the requirement to disclose a GHG emissions intensity metric, or specifying temperature outcomes for scenario analysis.

#### **7.3.2 Removals or changes that would be inconsistent with IFRS S2**

We are also seeking views on whether there are any requirements in IFRS S2 that should be removed or changed for the New Zealand context. This could include making a mandatory disclosure voluntary, for example, by changing 'shall' in IFRS S2 to 'may' in NZ IFRS S2. It could also include removing a requirement altogether, such as not requiring a resilience assessment, or allowing an alternative approach that would otherwise be inconsistent with IFRS S2, such as permitting the use of GHG measurement standards other than the GHG Protocol Corporate Standard.

#### **7.3.3 A compelling reason will be required for additions, removals and changes**

When considering any proposal that would add to, remove, or otherwise change the requirements in IFRS S2, a compelling reason for doing so would need to be identified.

We are therefore seeking reasons and supporting evidence for any such proposal. Relevant considerations may include excessive costs to CREs, significant difficulties in obtaining reliable information, whether the information would be significantly more or less useful to primary users, or whether the proposal would enhance or limit the ability to achieve the stated purpose of climate reporting in [section 19B](#) of the FR Act.

Feedback on the practical effect of the proportionality mechanisms in IFRS S2 may help inform whether any locally relevant additions, removals or changes should be considered.

### 7.3.4 Examples of local relevance modifications that other jurisdictions have made

Table 2 provides examples of locally relevant modifications made by other jurisdictions when adopting IFRS S2. These examples are intended to illustrate the types of modifications that jurisdictions have made; they do not imply that New Zealand will adopt the same approach.

Table 2: Examples of locally relevant modifications made by jurisdictions

Jurisdiction	Description
Australia	Section 6.2 outlines the modifications that the AASB made to IFRS S2 to make AASB S2 locally relevant. For example, AASB S2 does not require industry-based disclosures to be provided or include the provisions in IFRS S2 relating to <i>Industry-based Guidance on Implementing IFRS S2</i> .
Japan	In March 2025, the Sustainability Standards Board of Japan (SSBJ) issued its inaugural sustainability disclosure standards (SSBJ Standards). The SSBJ has produced a <a href="#">comparison of ISSB Standards and SSBJ Standards</a> . The SSBJ made two types of modifications: (i) It added some jurisdictional-specific alternatives that entities can choose to apply. For example, it provides an option for an entity to disclose its market-based Scope 2 GHG emissions as an alternative to disclosing information about any contractual instruments it has. (ii) It added requirements that are not included in ISSB Standards. For example, if an entity uses a method other than the GHG Protocol (2004) to measure its GHG emissions, it is required to disaggregate its total GHG emissions by the amount of its GHG emissions measured in accordance with the GHG Protocol (2004) and the amount of GHG emissions measured in accordance with a method other than the GHG Protocol (2004).
United Kingdom	In February 2026, the Department for Business and Trade published the UK Sustainability Reporting Standards (UK SRS). Annex A of the <a href="#">UK Government response to the consultation on UK SRS</a> contains a summary of differences between IFRS S2 and UK SRS S2 <i>Climate-related Disclosures</i> . For example, paragraph B59A adds a requirement for reporting entities to explain why they have been unable to disclose gross financed emissions generated during the reporting period if they have determined it to be impracticable to reliably estimate financed emissions for the same reporting period as the related financial statements. Also as noted in section 6.3, the UK made the industry-based guidance optional by changing “shall refer to and consider” to “may refer to and consider”.
South Korea	In February 2026, the Korea Sustainability Standards Board (KSSB) published the Korean Sustainability Disclosure Standards (KSDS). The KSSB has made some IFRS S2 disclosures optional in KSDS 2 <i>Climate-related disclosures</i> , for example, industry-based metrics and internal carbon price per metric tonne. The KSSB has also added requirements to IFRS S2, such as introducing a requirement to disaggregate scope 3 GHG emissions by measurement method where methods are mixed. <sup>9</sup>

### 7.4 Locally relevant modifications could affect the ability to state compliance with ISSB climate requirements

In May 2024, the ISSB issued an [Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards \(the Jurisdictional Guide\)](#). Section 3.5 explains when an entity can assert compliance with ISSB Standards. Paragraph 188 explains that an entity can state that it complies with the climate-related requirements in ISSB Standards only if it complies with all the requirements in IFRS S2 and the climate-related provisions in IFRS S1.

This means that locally relevant modifications that change or remove requirements from the ISSB Standards (other than transition adoption reliefs) may affect whether CREs can assert compliance

<sup>9</sup> Information provided to the XRB by the Korea Sustainability Standards Board.

with the climate-related requirements in ISSB Standards. It will also influence how the ISSB describe New Zealand’s jurisdictional approach in its jurisdictional profile.

For example, the ISSB’s jurisdictional [profile for Australia](#) states that Australia “partially incorporates ISSB standards” because AASB S2 does not include the requirements in IFRS S2 relating to industry-based disclosures. The profile also states that Australia has a target of “adopting climate requirements in ISSB Standards” because the AASB has a project on industry-based disclosures, which it intends to complete by 2030. Jurisdictional profiles for New Zealand’s trading partners are available on the [IFRS Foundation website](#).

Section 3.3.11 of the Jurisdictional Guide explains that jurisdictions may decide to introduce additional disclosure requirements to meet jurisdiction-specific needs. Paragraph 151 states that additional disclosure requirements do not affect the description of the jurisdictional approach as long as the requirements do not obscure information required by ISSB Standards to meet the needs of investors. On that basis, adding requirements to NZ IFRS S2 is unlikely, of itself, to prevent CREs from stating compliance with the climate-related requirements in ISSB Standards.

If we proceed with issuing NZ IFRS S2, we will work with the ISSB to develop and publish a jurisdictional profile for New Zealand.

## 8 We propose a transition period before mandatory application of NZ IFRS S2

### 8.1 NZ IFRS S2 would be mandatory for reporting periods beginning on or after 1 January 2033

The timeline in section 3 of the [draft roadmap](#) sets out the proposed milestones for adopting IFRS S2. It proposes NZ IFRS S2 being issued and made available for early adoption for reporting periods beginning on or after 1 October 2026.<sup>10</sup> It also proposes requiring mandatory application for reporting periods beginning on or after 1 January 2033. The proposed transition period reflects RFI submissions calling for stability and a phased approach to minimise disruption and compliance burden.

This also means that any entities that are not CREs prior to 1 October 2026 but become CREs before 1 January 2033 would be able to apply NZ CS or NZ IFRS S2 during the transition.

### 8.2 Explaining the rationale for a long transition period with early adoption permitted

We are proposing a transition period because it is in the interests of primary users to ensure that CREs have sufficient time to be able to produce high quality disclosures in accordance with NZ IFRS S2.

We also consider that it reflects the differing interests of CREs. CREs whose interests are best served by adopting IFRS S2 as early as possible can do so for reporting periods beginning on or after 1 October 2026 (for example, those with Australian parents). CREs whose interests are best served by continuing to apply NZ CS in the medium term (for example, those without primary user demand for information reported in accordance with NZ IFRS S2) will, depending on their balance date have up to seven years to report in accordance with NZ IFRS S2.

A transition period should also allow time for CREs to develop the capability to fully comply with the additional and more detailed disclosure requirements in NZ IFRS S2 and allow time for CREs to make associated changes to their systems and processes. Finally, it should provide the opportunity for New Zealand to learn from further implementation experience of AASB S2 in Australia, including implementation by the Group 2 and 3 entities that will publish their first sustainability reports in 2028, 2029 and 2030.

### 8.3 NZ IFRS S2 would not include IFRS S2 transition reliefs or broader phase-in requirements

IFRS S1 and IFRS S2 apply from the first year an entity adopts them (i.e. they are applied prospectively not retrospectively), with limited transition relief set out in each standard.

IFRS S2 contains the following transition reliefs that are limited to first-time application:

- no comparative information in the first annual reporting period.
- if, in the immediately preceding annual period, an entity used a method other than the GHG Protocol to measure GHG emissions, the entity may continue using that other method in the first year of IFRS S2.
- scope 3 GHG emissions (including any associated financed emissions information) do not need to be disclosed in the first year.

We are not proposing to include these IFRS S2 transition reliefs in NZ IFRS S2, or to phase in requirements more broadly. This is because CREs have already been applying NZ CS for several years.

<sup>10</sup> Under the Financial Reporting Act 2013, a standard generally takes effect 28 days after it is published in the Gazette. Early adoption could apply to a reporting period that began before NZ IFRS S2 takes effect, provided that reporting period has not ended before the standard takes effect.

We consider that the proposed transition period should provide sufficient time for CREs to familiarise themselves with NZ IFRS S2 and establish the necessary information-gathering systems and processes. We also consider that a broader phase-in would not be in the best interests of primary users. We note that IFRS S2 already includes proportionality mechanisms that allow certain forward-looking requirements, such as scenario analysis, to be applied in a way that is proportionate to an entity's circumstances.

The only exception we propose is tailored transitional relief for comparative information on first application:

- CREs that applied NZ CS in the period immediately before first applying NZ IFRS S2 would be required to present comparative information for that preceding period. However, they would not be required to restate that comparative information to comply with NZ IFRS S2
- CREs that did not apply NZ CS in the period immediately before first applying NZ IFRS S2 would not be required to present comparative information in their first annual reporting period under NZ IFRS S2.

#### **8.4 We will follow our due process if the ISSB amends IFRS S2 during the transition period**

The ISSB might issue exposure drafts proposing amendments to IFRS S2 after we have issued NZ IFRS S2 but before it becomes mandatory. If so, we would follow our usual due process for standard setting, including stakeholder consultation.

## 9 References

### Documents published by the XRB

Document	Link
Aotearoa New Zealand Climate Standards	<a href="https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards/">https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards/</a>
Aotearoa New Zealand Climate Standards (NZ CS) and Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) — Interoperability overview and tool for preparers	<a href="https://www.xrb.govt.nz/dmsdocument/5411/">https://www.xrb.govt.nz/dmsdocument/5411/</a>
Aotearoa New Zealand Climate Standards and IFRS® Sustainability Disclosure Standards — Comparison Document	<a href="https://www.xrb.govt.nz/dmsdocument/5006/">https://www.xrb.govt.nz/dmsdocument/5006/</a>
Request for information — The international alignment of climate reporting — Consultation document	<a href="https://www.xrb.govt.nz/dmsdocument/5415/">https://www.xrb.govt.nz/dmsdocument/5415/</a>
What we heard — The international alignment of climate reporting — Request for information feedback	<a href="https://www.xrb.govt.nz/dmsdocument/5565/">https://www.xrb.govt.nz/dmsdocument/5565/</a>

### Document published by the AASB

Document	Link
Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures	<a href="https://standards.aasb.gov.au/sustainability-reporting-standards">https://standards.aasb.gov.au/sustainability-reporting-standards</a>

### Documents published by the IFRS Foundation

Document	Link
Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2 — Educational material	<a href="https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/applying-ifrs-s1-reporting-only-climate-related-disclosures-accordance-ifrs-s2.pdf">https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/applying-ifrs-s1-reporting-only-climate-related-disclosures-accordance-ifrs-s2.pdf</a>
Factsheet Series — Proportionality Digest	<a href="https://www.ifrs.org/content/dam/ifrs/news/2025/sustainability/proportionality-factsheet.pdf">https://www.ifrs.org/content/dam/ifrs/news/2025/sustainability/proportionality-factsheet.pdf</a>
Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures — Educational material	<a href="https://www.ifrs.org/content/dam/ifrs/supporting-implementation/ifrs-s2/ghg-ifrs-s2-educational-material.pdf">https://www.ifrs.org/content/dam/ifrs/supporting-implementation/ifrs-s2/ghg-ifrs-s2-educational-material.pdf</a>
IFRS® Sustainability Disclosure Standard IFRS S2 Climate-related Disclosures	<a href="https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/">https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/</a>
IFRS® Sustainability Disclosure Standard IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	<a href="https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements">https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements</a>
Industry-based Guidance on Implementing IFRS S2	<a href="https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/">https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/</a>
The jurisdictional journey towards globally comparable information for capital markets — Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards	<a href="https://www.ifrs.org/content/dam/ifrs/supporting-implementation/adoption-guide/inaugural-jurisdictional-guide.pdf">https://www.ifrs.org/content/dam/ifrs/supporting-implementation/adoption-guide/inaugural-jurisdictional-guide.pdf</a>

## 10 Glossary

<b>AASB</b>	Australian Accounting Standards Board
<b>AASB S1</b>	Australian Sustainability Reporting Standard AASB S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> * (*issued as a voluntary standard)
<b>AASB S2</b>	Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i>
<b>AOSSG</b>	Asian-Oceanian Standard-Setters Group
<b>CRD framework</b>	Climate-related disclosure framework
<b>CRE</b>	Climate Reporting Entity – see the definition in section 461O of the FMC Act
<b>ED NZ IFRS S2</b>	Proposed exposure draft of New Zealand climate-related disclosure standard based on IFRS S2
<b>ESRS E1</b>	European Sustainability Reporting Standard E1 <i>Climate Change</i>
<b>FMC Act</b>	Financial Markets Conduct Act 2013
<b>FR Act</b>	Financial Reporting Act 2013
<b>GHG</b>	Greenhouse gas
<b>GHG Protocol Corporate Standard</b>	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)
<b>IFRS S1</b>	IFRS® Sustainability Disclosure Standard IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
<b>IFRS S2</b>	IFRS® Sustainability Disclosure Standard IFRS S2 <i>Climate-related Disclosures</i>
<b>Industry-based guidance</b>	Industry-based Guidance on Implementing IFRS S2
<b>IOSCO</b>	International Organisation of Securities Commissions
<b>ISSB</b>	International Sustainability Standards Board
<b>ISSB Standards</b>	IFRS S1 and IFRS S2
<b>NZ CS</b>	Aotearoa New Zealand Climate Standards — NZ CS 1, NZ CS 2 and NZ CS 3
<b>NZ CS 1</b>	Aotearoa New Zealand Climate Standard 1 <i>Climate-related Disclosures</i>
<b>NZ CS 2</b>	Aotearoa New Zealand Climate Standard 2 <i>Adoption of Aotearoa New Zealand Climate Standards</i>
<b>NZ CS 3</b>	Aotearoa New Zealand Climate Standard 3 <i>General Requirements for Climate-related Disclosures</i>
<b>NZ IFRS S2</b>	Proposed New Zealand climate-related disclosure standard based on IFRS S2
<b>Primary users</b>	Existing and potential investors, lenders and other creditors
<b>SASB standards</b>	The standards that underpin the ISSB’s Industry-based Guidance on Implementing IFRS S2
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>the draft roadmap</b>	The proposed climate reporting roadmap issued by the XRB in June 2026
<b>the Jurisdictional Guide</b>	Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards
<b>the RFI</b>	Request for Information on the International Alignment of Climate Reporting published by the XRB in April 2025
<b>XRB</b>	External Reporting Board



## Appendix 1: Other options we considered for the draft roadmap

We considered but did not pursue the following alternative options for the draft roadmap.

### Retain the status quo

<p><b>Description of option</b></p> <p>We continue to issue climate standards by way of NZ CS. We pay close attention to international developments, especially regarding what we include in supporting guidance. We continue to advocate internationally for high-quality standards and guidance. We do not make any explicit moves to comprehensively align or replace NZ CS with IFRS S2 or AASB S2 until greater international convergence is achieved, but we make targeted amendments in response to stakeholder feedback, as needed. An example of this approach is our <a href="#">current consultation proposing amendments to the GHG emissions disclosure requirements in NZ CS 1</a> to align with changes made by the ISSB to IFRS S2 and by the AASB to AASB S2 in December 2025.</p>
<p><b>Reasons for not preferring this option</b></p> <ul style="list-style-type: none"> <li>• It does not respond to stakeholder feedback received on the RFI or provide greater medium-term certainty.</li> <li>• There is now sufficient clarity about international trends; increasing numbers of jurisdictions, including Australia, are adopting ISSB standards. Some individual jurisdictions, such as the European Union and California have issued their own standards or rules or are in the process of doing so. However, those jurisdictions are large and New Zealand is not.</li> <li>• Overseas investors that consider climate-related risks and opportunities in their investment decisions will need to spend time to understand the differences between IFRS S2 and NZ CS. Consequently, they will choose not to invest in New Zealand entities, or charge a premium for doing so.</li> </ul>

### Actively further internationally align NZ CS

<p><b>Description of option</b></p> <p>We continue to issue standards by way of NZ CS and establish a programme to identify and implement changes to more closely align NZ CS with IFRS S2 and AASB S2. We would consider:</p> <ul style="list-style-type: none"> <li>• aligning definitions, disclosure requirements, and concepts, objectives and principles</li> <li>• timing issues including whether all changes should be made at once, or phased in.</li> </ul>
<p><b>Reasons for not preferring this option</b></p> <ul style="list-style-type: none"> <li>• It does not provide primary users and CREs with the certainty they are seeking.</li> <li>• It is only workable for targeted and simple amendments. Aligning definitions, principles and concepts is likely to be impracticable because IFRS S2 and NZ CS are structured and operate in different ways that make piecemeal alignment problematic. There are significant risks of unintended consequences.</li> </ul>

### Adopt international or overseas standards other than IFRS S2

<p><b>Description of option</b></p> <p>NZ CS would be replaced by standard other than IFRS S2, such as GRI 102 – Climate Change 2025, the European Union’s ESRS E1 Climate Change or any other jurisdictional climate-related standards that are in development such as China’s.</p>
<p><b>Reason for not preferring this option</b></p> <ul style="list-style-type: none"> <li>• We did not hear strong demand during the RFI process to align with any standards other than IFRS S2 or AASB S2.</li> </ul>