NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington 6140
New Zealand

www.nzx.com

25 August 2026

External Reporting Board
Level 6/154 Featherston Street
Wellington, New Zealand

By email: sustainability@xrb.govt.nz

NZX Submission: XRB consultation on draft climate reporting roadmap

Background

1. NZX Limited (**NZX**) provides this submission in response to the draft climate reporting roadmap (**Draft Roadmap**) proposed by the External Reporting Board (**XRB**) which would see New Zealand adopt a tailored version of IFRS S2 Climate-related Disclosures (**IFRS S2**).
2. NZX is a licensed market operator and New Zealand's exchange. NZX, along with many other listed issuers on NZX's markets, is a climate reporting entity (**CRE**) required under Part 7A of the Financial Markets Conduct Act 2013 (**FMC Act**) to prepare climate statements in accordance with Aotearoa New Zealand Climate Standards (**NZ CS**).
3. NZX is a member of the Sustainable Stock Exchange Initiative (a United Nations partnership programme organised by UNCTAD, the UN Global Compact, UNEP FI and the PRI), a member of the World Federation of Exchanges' Sustainability Working Group, and a member of the Sustainable Business Council. Although NZX's market capitalisation is under $1 billion and will not meet the definition of a CRE under the proposed Financial Markets Conduct Amendment Bill No.135-2 (**FMC Amendment Bill**), NZX, like some other entities, will continue to voluntarily prepare and publish climate statements. NZX is committed to the development of capital markets in a manner that contributes to a climate resilient future for New Zealand.
4. NZX supports the Draft Roadmap gradually implementing the new NZ IFRS S2 Climate-related Disclosure (**NZ IFRS S2**) as a new climate standard over a long transition period. New Zealand's adoption of IFRS S2 will ensure international alignment as these standards become more widely used, and the long transition period will provide ample time and flexibility for CREs to transition to NZ IFRS S2 at their own pace. Our view is that NZ IFRS S2 should be as closely aligned with Australian Accounting Standards (**AASB**) S2 as possible, to reflect the close business ties between Australia and New Zealand and the feedback received by the XRB in its 2025 request for information (**RFI**).
5. Nothing in this submission is confidential.

NZX
NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Response to consultation questions

Q1. Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap? See the draft roadmap

6. NZX broadly supports the strategic direction and the three underpinning principles set out in the Draft Roadmap. New Zealand's adoption of IFRS S2 tailored for New Zealand conditions, will bring benefits such as access to the expertise and services of international providers who are familiar with these standards, and increased efficiency for CREs operating internationally by reducing the need to produce multiple reports. Reducing duplicative climate reporting will also reduce barriers for more large overseas issuers to list in New Zealand and potentially improve the range of financial products readily available to New Zealand investors.
7. Adopting IFRS S2 and harmonising with Australian standards will better enable New Zealand CREs to compete for capital in the Australasian market as well as internationally.

Q2. Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap? Section 4

8. NZX does not have any further information to provide in relation to XRB's assessment of the benefits and costs of implementing the Draft Roadmap. While adopting IFRS S2 will likely result in CREs incurring some transition costs as they alter their reporting processes to align with the new regime, we consider this is preferable to retaining NZ CS as a bespoke standard framework. We support the transition being commenced rather than waiting until international standards have been further developed and imposing a shorter transition period. The existing strong alignment between IFRS S2, AASB S2 and NZ CS should assist in offsetting some of these transition costs.

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?

9. No comment.

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

10. The XRB should ensure NZ IFRS S2 is as closely aligned to IFRS S2 and AASB S2 as possible to ensure that NZ IFRS S2 is comparable internationally to enable New Zealand entities efficient access to foreign capital. Local modifications for NZ IFRS S2 should be limited to avoid undermining the international harmonisation benefits of adopting IFRS S2.

Q5. What are your views on the Australian harmonisation options for industry-based disclosures? Section 5 and 7 Section 6.3.1

11. Based on the information provided by XRB at section 6.3 of the consultation paper, our preferred approach to industry-based disclosures for NZ IFRS S2 is option 1: full

deletion of all text in IFRS S2 relating to industry-based metrics and guidance. This will ensure NZ IFRS S2 remains consistent with AASB S2 and give CREs greater long-term certainty.

12. We agree retaining the IFRS S2 industry-based disclosure requirements would result in too much change for CREs and may jeopardise the ability to adopt NZ IFRS S2 early due to the potentially lengthy consultation process XRB may be required to undertake under section 22(1) of the Financial Report Act 2013. We consider proceeding with either option 2, 3 or 4 risks NZ IFRS S2 becoming out of step with AASB S2, particularly once the AASB introduces its mandatory industry-based disclosure requirements.
13. Should option 1 be adopted, we consider any mandatory industry-based disclosure under NZ IFRS S2 should not be proposed until after the AASB has finalised its mandatory requirements for industry-based disclosure under AASB S2.

Q6. With regard to Australian harmonisation, what are your views on how we should approach scenario analysis? Section 6.4

14. NZX supports harmonisation with the Australian approach to scenario analysis. This would improve consistency and comparability without imposing significant additional compliance costs. Given that NZ CREs have now completed several years of scenario analysis using a minimum of three scenarios, a two-scenario approach would represent a reduction in reporting complexity.

Q7. Are any changes or additions needed to NZ IFRS S2 to fit with New Zealand's reporting practice and market context? Section 7

15. We agree with the proposed locally relevant modifications to NZ IFRS S2 to fit with New Zealand's existing legislative and regulatory settings identified in section 7.2 of the consultation paper. We do not consider any further locally relevant modifications are needed.

Q8. Do you support the proposed implementation timeline?

16. NZX supports the proposed implementation timeline allowing CREs up to seven years to report against NZ IFRS S2. This appropriately balances the need for New Zealand's climate standards to be comparable internationally with the certainty and stability required by CREs, provided that no further amendments are made soon after the transition to NZ IFRS S2 is completed.
17. However, we do question whether it is appropriate to allow issuers to adopt NZ IFRS S2 for reporting periods beginning on or after 1 October 2026. While we recognise this would provide optimal flexibility for CREs, entities would likely require sufficient certainty that NZ IFRS S2 would be finalised well before they are required to lodge their financial statements. XRB would need to finalise the drafting of the locally relevant modifications, along with any other amendments to NZ IFRS S2, well before 31 January 2028. This is the final date for CREs with a reporting period beginning on 1 October 2026 to lodge their climate statements.[1]

[1] Section 461ZI, FMC Act. This would also be final date for lodgement for listed issuers and registered banks who are CREs that rely on the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2025.

Q9. Do you have any other comments?

18. As noted above, there will be many entities who will soon no longer meet the definition of a CRE, assuming the FMC Bill is passed. We would support the XRB developing guidance on how entities could voluntarily report against NZ IFRS S2.

Yours faithfully,

Kristin Brandon
Head of Policy
NZX Limited

Simon Beattie
GM Corporate Affairs & Sustainability
NZX Limited