Boston Trust Walden
Principled Investing.

September 16, 2026

Chair Michele Embling
New Zealand External Reporting Board (XRB)
Level 6/154 Featherston Street
Central Wellington 6011
New Zealand

Dear Ms. Embling,

Boston Trust Walden is an independent and employee-owned organization that provides asset management products and services to individuals and institutional investors. Our organization manages $16.0 billion in client assets.[1] We specialize in actively managed multi-asset and equity portfolios for individual and institutional investors. We seek to invest in enterprises with strong financial underpinnings, sustainable business models, prudent management practices, and a governance structure that supports these objectives. Consideration of all relevant factors is part of our fiduciary duty to ensure client assets are invested in a set of securities well situated to produce attractive risk-adjusted returns over full market cycles.

Since 2017, Boston Trust Walden has served as a member of the Sustainable Accounting Standards Board (SASB) Investor Advisory Group, now the ISSB Investor Advisory Group, to support the development of a globally recognized framework for consistent, comparable, and reliable disclosure of financially material, decision-useful sustainability-related information. We appreciated the prior opportunity to provide feedback on the XRB's post-implementation review of the Aotearoa New Zealand Climate Standards and are pleased to offer additional comments on the proposed climate reporting roadmap.

We support jurisdictional efforts to adopt disclosure requirements in full alignment with the IFRS Sustainability Disclosure Standards (IFRS S1 & S2) and welcome the opportunity to comment on the ongoing consultation. As the XRB considers market feedback, we encourage full adoption of the IFRS Sustainability Disclosure Standards to drive efficiencies in the global market for investors and issuers alike and offer the following points for consideration:

Question 1: Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap? We welcome the strategic direction set out in the draft roadmap proposing to align corporate climate-related disclosure requirements with the ISSB Standards through NZ IFRS S2. Aligning New Zealand's climate reporting requirements with IFRS S2 (together with the climate-relevant requirements of IFRS S1) has the potential to promote greater consistency of climate-related information across capital markets. This could benefit investors and other primary users by improving comparability, as well as reporting entities by reducing jurisdictional fragmentation.

Question 2: From a primary user perspective: Would adopting IFRS S2 improve the climate information you rely on for your decision making? Which disclosures matter most to you? Access to consistent, comparable, and reliable information is critical to our ability to comprehensively incorporate climate information into investment decisions. While the global growth in the absolute number of companies producing some form of climate risk and opportunity reporting has been noteworthy, the quality of disclosure remains inconsistent and generally lacks decision-useful context that investors need to

[1] AUM as of June 30. 2026, is combined AUM of Boston Trust Walden NA and Boston Trust Walden Inc.

accurately price securities. By aligning NZ IFRS S2 with IFRS S2, the XRB will support the provision of critical climate information with improved comparability for international investors.

These aims will only be fulfilled if individual jurisdictions adopt the requirements of the IFRS Standards in full, prioritizing any use of temporary reliefs over the omission of certain disclosure requirements. Permanent deviations from IFRS S2 risk creating unnecessary fragmentation in global climate disclosures, increased costs for multinational companies, and reduced comparability for investors.

We recognize that one of the key principles in the XRB's decision making is to ensure climate reporting in New Zealand is both internationally aligned and locally relevant. We view full alignment with IFRS S2 as consistent with these aims, promoting international alignment through use of the global baseline, while allowing for the provision of any additional information the XRB deems necessary to fulfill the aims of section 19B of the Financial Reporting Act of 2013. IFRS S1 expressly allows for additional jurisdiction-specific disclosure requirements provided they are not presented in a manner that obscures material information prompted by IFRS S2.

Question 5: What are your views on the Australian harmonization options for industry-based disclosures? An industry-based approach is important as it rightly reflects the fact that sustainability-related risks and opportunities vary between and within sectors. For example, the sustainability-related risks and opportunities for the financial sector are generally distinct from those within the consumer staples or healthcare sectors. In addition, an industry-based approach to sustainability-related financial information is consistent with the approach taken by investment professionals when analyzing the quality and business model strength of issuers by evaluating companies relative to sector peers, often utilizing distinct financial markets and metrics. As a result, we strongly oppose Option 1 and Option 3 as presented within the consultation document.

Of the remaining options under consideration, we would support Option 2 as it would retain reference to the ISSB's industry-based guidance despite making consideration of the guidance optional. However, given the extended timeline the XRB is proposing for mandatory compliance, we disagree with the XRB's conclusion that it is not feasible to retain the IFRS S2 requirements to "refer to and consider" the industry-based guidance. As such, we strongly encourage the XRB to reconsider the feasibility of requiring more complete alignment with IFRS S2.

Question 6: With regard to Australian harmonization, what are your views on how we should approach scenario analysis? Maintaining faithfulness to IFRS S2 fulfils the promise of a global baseline for material sustainability disclosures and reduces the reporting burden for issuers with cross-jurisdictional reporting requirements. Full adoption of the climate-related requirements in the ISSB Standards would make it easier for global investors to understand and compare climate disclosures from New Zealand entities with reporting from other ISSB-aligned markets. It would also support more efficient capital allocation and reduce unnecessary barriers to cross-border investment.

Given the existing inclusion of key climate-related requirements from IFRS S2 within AASB S2, prioritizing alignment of NZ IFRS S2 with the ISSB requirements serves to promote harmonization with the Australian market, as well as with the wider range of global jurisdictions adopting the ISSB Standards.

Question 8: Do you support the proposed implementation timeline? While we agree with the introduction of a transition period before required application of NZ IFRS S2, the proposed mandatory implementation date of 2033 is excessive and does not appropriately balance the existing overlap between the New Zealand Climate Standard and NZ IFRS S2, the sophistication of climate reporting tools and guidance currently available to reporting entities to fill any gaps, and the information needs of global investors.

We support the option for reporting entities to voluntarily pursue early adoption of NZ IFRS S2 in advance of mandatory reporting requirements. This approach rightly balances the need to ensure reporters produce high-quality disclosures with the benefits of comparability on a global scale.

Question 9: Do you have any other comments? We recognize that the XRB does not have the statutory authority to issue a mandatory standard aligned with IFRS S1, and therefore the proposed draft roadmap is exclusively focused on climate reporting. Regardless, we encourage the XRB to explicitly permit reporting entities to use full IFRS S1 in their reporting on a voluntary basis, supporting the global comparability of broader sustainability-related financial disclosures. This broader scope reflects the reality that non-climate sustainability-related risks and opportunities can affect long-term corporate value creation.

As a growing number of markets actively consider the adoption of sustainability disclosure standards based on IFRS S1 & S2, it is critical that all jurisdictions maintain faithfulness to achieve the market efficiencies cited above. These benefits will only be realized if individual jurisdictions adopt the requirements of the IFRS Standards in full, prioritizing any use of temporary reliefs over the omission of certain disclosure requirements.

We appreciate the XRB's consideration of our feedback and are available to discuss further. We can be reached at aaugustine@bostontrustwalden.com and jfernandez@bostontrustwalden.com.

Sincerely,

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