NEUBERGER

23 September 2026

External Reporting Board (XRB)
Level 7, 50 Manners Street
Wellington 6011
New Zealand
(submitted via email to sustainability@xrb.govt.nz)

Re: Draft Climate Reporting Roadmap – Public Consultation

Dear Sir or Madam,

We appreciate the opportunity to comment on the External Reporting Board's (XRB) Draft Climate Reporting Roadmap, published in June 2026, which proposes to replace the Aotearoa New Zealand Climate Standards (NZ CS) with a New Zealand equivalent of IFRS S2 (climate-related disclosures), together with the climate-relevant requirements of IFRS S1 (general requirements for disclosure of sustainability-related financial information). Neuberger strongly supports this direction. We are an active participant in the development of global sustainability reporting standards, including through our Global Head of Stewardship and Sustainable Investing's role as Chair of the International Sustainability Standards Board's (ISSB) Investor Advisory Group.

Neuberger, founded in 1939, is a global, independent, employee-owned investment manager. The firm manages $613 billion in assets across equity, fixed income, private equity, real estate and hedge fund strategies on behalf of institutions, advisors and individual investors worldwide. Our investment teams operate out of 26 countries, and the firm has more than 700 investment professionals and, together with all other employees, approximately 2,900 employees globally.

We believe that financially material environmental, social and governance factors, including climate-related risks and opportunities, can have a meaningful effect on the long-term investment returns of the companies in which we invest, both as sources of opportunity and as risks to be managed. Consistent with this view, we support the ISSB's focus on financial materiality as the basis for its disclosure requirements, as this ensures that the resulting information is decision-useful for investors.

Creating a truly global baseline

A global baseline for sustainability-related financial disclosures improves capital allocation and price discovery, and reduces the reporting fragmentation and burden faced by multinational groups operating across multiple jurisdictions. While voluntary implementation of the ISSB Standards has value, it has practical limits; achieving the full benefits of a global baseline requires ISSB-aligned mandatory requirements at the national level. We therefore welcome the XRB's proposal to move to a New Zealand equivalent of IFRS S2 and the climate-relevant requirements of IFRS S1, which we believe will position New Zealand companies as leaders in sustainability reporting and improve their access to international capital markets.

We also support the concept of the ISSB Standards operating as a "global reporting passport" across jurisdictions, reducing duplicative reporting burdens for multinational groups. This is particularly relevant for New Zealand and Australia, given that the Australian Accounting Standards Board's AASB S2 is also based on IFRS S2. Maintaining close alignment with the ISSB Standards represents the most efficient path to trans-Tasman harmonization, benefiting both New Zealand and Australian markets and the entities that operate across both.

The case for full adoption of IFRS S1 and S2 without substantive modification

We urge the XRB to adopt the ISSB requirements as issued, without substantive modification, as this approach best preserves global comparability and supports efficient capital allocation decisions by investors. We also note that environmental and social topics beyond climate can be financially material to New Zealand entities, and would encourage the XRB to consider encouraging the voluntary use of full IFRS S1 — and eventually, its mandatory implementation — by New Zealand entities that wish to report on a broader set of sustainability-related risks and opportunities.

We would also highlight the critical importance of industry-based disclosure requirements remaining aligned with the industry-based climate guidance embedded in IFRS S2, as well as the Sustainability Accounting Standards Board (SASB) framework underpinning the broader sustainability disclosures in IFRS S1. Because sustainability risks manifest differently across industries, this granularity is essential: it allows investors to compare disclosures made by peer companies within the same sector on a like-for-like basis, supporting more robust benchmarking and relative risk assessment. We would encourage the XRB to retain ISSB-based industry alignment rather than introducing New Zealand-specific divergences, which risk undermining comparability for both domestic and international investors assessing New Zealand issuers.

We also note the value to investors of entities being able to assert explicit compliance with the ISSB Standards, as such compliance statements enhance investor confidence in the comparability and quality of disclosures. Accordingly, we encourage the XRB to approach any modifications that would prevent New Zealand entities from making such compliance statements with caution. Where genuine implementation issues arise, we would recommend that the XRB consider temporary transition relief rather than permanent modification of the standards, noting that New Zealand entities already have relevant experience in this area, given that the NZ CS share a common TCFD-based architecture with the ISSB Standards.

Timeline and implementation

We support the proposed option for early adoption for reporting periods beginning on or after 1 October 2026, for entities that are ready to apply the new requirements. We also support balancing this flexibility against the transition needs of less-prepared entities through the proposed mandatory application date for reporting periods beginning on or after 1 January 2033.

In addition, we support the inclusion of safe harbor protections for companies acting in good faith during the transition period.

We reiterate our strong belief in the importance of transparency between companies and investors, and we commend the XRB for its efforts to improve, and bring greater international consistency to, climate-related and broader sustainability disclosures in New Zealand. We remain open to further dialogue on these matters and would welcome the opportunity to discuss our views in more detail.

We appreciate the opportunity to share our views and welcome further dialogue on this important matter.

Sincerely,

Jonathan Bailey

Global Head of Stewardship and Sustainable Investing