



28 September 2026

*By email*

*Re: Response to a draft consultation on the Climate Reporting Roadmap published by New Zealand External Reporting Board (XRB)*

T. Rowe Price<sup>1</sup> welcomes the opportunity to comment on the XRB's consultation in support of New Zealand adopting climate reporting for in-scope companies based on IFRS S2 developed by the International Sustainability Standards Board (ISSB).

Our continued support for the ISSB standards reflects their focus on financial materiality for environmental and social topics through an industry-specific lens, as well as their role in providing a global baseline that supports comparability across jurisdictions. High-quality, decision-useful sustainability disclosures benefit our clients by enabling us to better identify, assess, and quantify financially material environmental and social risks and opportunities. In addition, robust qualitative disclosures support our assessment of management teams' governance, risk management, and strategic approach to these issues.

**Relevance of Greenhouse Gas (GHG) emissions reporting to our investment process.** As a global investment management organization, we generally support regulation that facilitates disclosure of Scope 1, 2, and 3 GHG emissions data, as we believe climate change is a financially material factor impacting many of the sectors in which we invest. For several years, T. Rowe Price advocated that our investee companies adopt Sustainability Accounting Standards Board (SASB) and Taskforce on Climate-related Financial Disclosures (TCFD) reporting standards. Given the ISSB's incorporation of these two standards in the IFRS standards, we encourage our investee companies to follow the ISSB standards when disclosing on sustainability topics financially material to their business.

As XRB considers its Roadmap and IFRS S2 adoption, we would like to highlight the following three considerations for making the New Zealand climate reporting internationally comparable: (1) proposed divergence from IFRS S2 to prioritize alignment with the Australian standards, (2) timing of GHG disclosures, and (3) reporting of Scope 3 GHG emissions.

**Proposed divergence from IFRS S2 in order to align with Australian Climate-related Disclosures (AASB S2).** While we appreciate the XRB's rationale for the proposed approach, we strongly encourage jurisdictions to adopt the ISSB standards, including IFRS S2, without substantive modifications. From

---

<sup>1</sup> T. Rowe Price is a global investment management organization, serving a broad array of clients, from individual savers to large institutions and funds. Headquartered in the United States, T. Rowe Price has offices in 17 jurisdictions around the world, with global assets under management of \$1.86 trillion as of 31 July 2026.

the perspective of a global investor, substantive deviations from the IFRS standards can reduce comparability and usefulness of disclosures across markets.

**Timing of the GHG reporting.** We recommend that publicly listed corporate issuers should disclose Scope 1 and 2 GHG emissions at the same time as, or relatively close to, their financial results. In our experience, publicly listed company disclosure of Scope 1 and 2 GHG emissions data is fairly good; however, it is not ideal that reporting of GHG emissions often occurs much later than financial reporting. We believe that our assessment of environmental and social factors affecting our investments would strongly benefit from publicly listed corporate issuers disclosing this data, either at the same time as or relatively close to their financial results.

**Scope 3 GHG emissions reporting.** We encourage issuers to report Scope 3 GHG emissions that are material to their business. We recognize that reporting Scope 3 GHG emissions adds much more complication than reporting Scope 1 and 2 GHG emissions, with dependencies on third-party data. For some industries, estimating methodologies are still evolving. Given these challenges, we do not believe it is appropriate for us to unilaterally expect all issuers to report a full suite of Scope 3 GHG emissions categories. However, we encourage issuers to report the Scope 3 GHG emissions categories material to their business.

We believe that regulatory support, including through appropriate safe-harbor protections, is needed to help companies provide estimates for their financially material Scope 3 GHG emissions. In our view, the key problem sits with Scope 3 GHG emissions where only a minority of the investment universe reports the Scope 3 GHG emissions categories that are financially material to their business. In the absence of company-reported data, investors have become reliant on estimated Scope 3 GHG emissions provided by third-party vendors. While these estimates are done on a best-efforts basis, in almost all instances, the vendors do not have access to key inputs from the companies, which can be meaningful determinants of a company's emissions profile. This means we have less confidence in this estimated data. Thus, we look to regulators to facilitate the disclosure of financially material Scope 3 GHG emissions in their respective jurisdictions, which would significantly close the "information gap" on measuring Scope 3 GHG emissions at the portfolio level.

\*\*\*

We appreciate the opportunity to provide our views and would be pleased to engage further with the Board, if it may be helpful.