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External Reporting Board (XRB) Via Email
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Response to Climate Reporting Roadmap Consultation

Context

ACC is not a climate reporting entity under the Financial Markets Conduct Act 2013 but reports in alignment with the New Zealand Climate Standards in response to a Ministerial Letter of Expectations. We are responding as a public sector preparer, for which public value, proportionality and efficiency are important considerations in external reporting. Although public sector and not-for-profit entities are not generally within New Zealand's regulatory climate reporting framework, some public sector entities use the standards.

Our responses reflect our experience as a preparer and are not intended to represent ACC's investment activities or an investor-user perspective.

Response to consultation questions

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

We support the proposed strategic direction and consider it would strengthen international comparability while providing greater certainty about the future direction of climate reporting in New Zealand.

Adopting an IFRS S2-based framework would also broadly align New Zealand climate reporting with IPSASB SRS 1 Climate-related Disclosures. Although IPSASB SRS 1 includes additional public sector accountability considerations, greater alignment would support consistency and comparability between New Zealand public sector reporting and international climate reporting by public sector entities.



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

Although not specific to the public sector, the proportionality mechanisms available under IFRS S2 provide flexibility that is consistent with public value and efficient reporting by entities such as ACC.

3. From a primary user perspective: (a) Would adopting IFRS S2 improve the climate information you rely on for your decision making? (b) Section 5 Which disclosures matter most to you?

ACC does not have a specific view on this matter. Our feedback is based solely on our experience as a preparer.

4. From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?

We do not consider significant changes are required. We support retaining flexibility and proportionality in NZ IFRS S2, particularly for the assessment of climate resilience, scenario analysis and the assessment of financial effects where uncertainty remains high. These provisions would support proportionate and efficient application by public sector entities, including where public value, stewardship and accountability considerations are relevant.

5. What are your views on the Australian harmonisation options for industry-based disclosures?

From ACC's perspective, Option 2 provides a workable and proportionate approach. It would support international comparability while retaining flexibility where industry-based guidance is not well suited to an entity's circumstances.

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

- a) We recognise the value of comparable climate information across New Zealand and Australia, including potential regional economic benefits. However, we support retaining IFRS S2's flexible approach rather than prescribing a fixed number of scenarios. This would enable entities to harmonise with Australia where useful, while ensuring scenario analysis



remains focused on decision-useful insights, climate resilience, and each entity's context and maturity. In ACC's experience, the value of scenario analysis lies in the strategic insight it provides, and the most meaningful analytical approach may vary by entity.

- b) While we support flexibility, we have found the process of completing robust scenario analysis valuable. In our experience, where two scenarios are already being developed, the additional cost of preparing a third is relatively limited. A third scenario can add value by highlighting differences across adaptation pathways that may not be so fully appreciated with just two scenarios. This might be particularly useful in the first round of scenario analysis completed by an entity. For ACC, the third scenario helped identify unexpected nuances in the timing of impacts under orderly, disorderly and hot house pathways. This was linked to the pace of global adaptation in each scenario. Retaining a permissive approach under IFRS S2 would allow entities to complete additional scenarios where this is useful.

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

ACC does not have a specific view on this matter.

8. Do you support the proposed implementation timeline?

Yes. The proposed transition period provides a clear direction while giving entities time to update their systems and processes. Allowing early adoption also provides useful flexibility.

9. Do you have any other comments?

None.