



Submission to the XRB on the Draft climate reporting roadmap

IAG New Zealand

30 September 2026

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IAG submission to XRB on the Draft Climate Reporting Roadmap

This submission is a response by IAG New Zealand Ltd (IAG NZ, we) to the External Reporting Board (XRB) on the request for information on the *Draft climate reporting roadmap* (“consultation document”).

IAG NZ is a wholly owned subsidiary of the ASX-listed Insurance Australia Group Limited (IAG Group), which commenced disclosure prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019.

IAG NZ is a licensed insurer and is a climate reporting entity (CRE) on this basis. IAG Group is also a CRE, however, on the basis of ‘no action’ relief announced by the Financial Markets Authority (FMA) with respect to proposed changes to the New Zealand climate-related disclosures regime, it has not prepared and lodged a Group climate statement in New Zealand in respect of the financial year ended 30 June 2026. In previous years IAG Group relied on the *Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024*.

Summary

IAG New Zealand (IAG NZ) welcomes this consultation and supports the strategic direction outlined in the draft climate reporting roadmap and the proposed move toward greater harmonisation with international frameworks.

As a CRE with an Australian parent, we recognise the benefits of increased alignment with IFRS Sustainability Disclosure Standard IFRS S2 *Climate-related Disclosures* (IFRS S2) and equivalent Australian requirements, including improved consistency of disclosures and reduced duplication, complexity and cost for entities operating across jurisdictions. Importantly, increased alignment would also enhance the comparability and usefulness of disclosures for investors and other primary users.

We support approaches that maximise consistency with IFRS S2 and equivalent Australian requirements and encourage the XRB to continue providing practical guidance in areas where New Zealand requirements differ from international standards. This will help support consistent implementation and maximise the benefits of greater international harmonisation.

Responses to the consultation questions

Questions	Section	Questions and Answer
Q.1.	See the draft roadmap	Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap?
		Yes. Based on our experience as a CRE with an Australian parent, we consider that alignment with IFRS and the Australian Accounting Standards Board (AASB) will simplify our internal processes for production of disclosures and help primary users with comparability.
Q.2.	Section 4	Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap?
		Yes. We see significant benefit in greater alignment with Australian standards. Greater alignment would deliver long-term efficiencies by allowing common content and reporting processes to be used across both disclosures. While some short-term implementation effort would be required, we expect the longer-term benefits to outweigh these costs. From a primary user perspective, having disclosures based on comparable standards will likely make New Zealand disclosures more useful to primary users. In terms of benefits, page 8 of the consultation paper identifies: ‘a reduced need for New Zealand-specific information gathering systems’. Until such time as there is mutual recognition of Australian Group disclosures for New Zealand subsidiaries such as IAG (noting the current FMA exemption does not extend to IAG NZ as we are domestically incorporated), there will still be a need to consider and present New Zealand specific information within the IAG NZ disclosure.
Q.3.	Section 5	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?
		We have nothing further to add to our comments above in response to Question 2.
Q.4.	Section 5 and 7	From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?
		IAG NZ does not support New Zealand modifications to IFRS S2 unless necessary to resolve a demonstrated New Zealand-specific legal or market issue. Where implementation challenges arise, we consider implementation guidance and transitional relief should be used in preference to altering disclosure requirements. Keeping the requirements as consistent as possible with IFRS S2 would increase comparability, reduce regulatory complexity, and provide more useful information to primary users.

Q.5.	Section 6.3.1	What are your views on the Australian harmonisation options for industry-based disclosures?
		We support alignment with Australia for the reasons highlighted in our response to Questions 2 and 4 above. To our knowledge, there are no industry-based disclosures currently being considered within the New Zealand insurance sector. As such we support Option 1: Full Deletion. This would provide the greatest level of harmonisation with Australia and should reduce unnecessary differences in reporting requirements for entities operating across both jurisdictions. If the XRB does not delete the requirements, the International Sustainability Standards Board (ISSB) guidance and any related metrics should be optional.
Q.6.	Section 6.4	With regard to Australian harmonisation, what are your views on how we should approach scenario analysis?
		IAG NZ supports retaining flexibility in the approach to scenario analysis. Although our parent IAG Group is only required to assess against two scenarios, it has completed three – which appears to be becoming standard practice across jurisdictions, especially in financial services.
Q.7.	Section 7	Are any changes or additions needed to NZ IFRS S2 to fit with New Zealand’s reporting practice and market context?
		Generally, no. However, consideration should be given to whether clarity is needed around the purpose of the CRD regime, given that it differs between XRB and IFRS. As explained in the consultation document: <i>‘IFRS S2 is narrower in that it focuses on climate-related risks and opportunities that could reasonably be expected to affect an entity’s prospects (including cash flows, access to finance and cost of capital). NZ CS includes an explicit purpose statement aimed at supporting capital allocation consistent with a transition to a low-emissions, climate-resilient future’.</i> We support the proposed modifications in the consultation document related to GHG emissions assurance as outlined in section 7.2.1, and the proposed interaction between the reporting entity requirements and the <i>Financial Markets Conduct Act 2013</i> (FMC Act) in section 7.2.2. In terms of changes that would be inconsistent with IFRS S2 (per section 7.3.2), we do not propose any, and in particular would avoid any changes from ‘shall’ to ‘may’ wording, as this will likely cause unnecessary discussion around the benefits of disclosure, especially if wording differs between XRB and AASB. It could also produce inconsistent reporting, increase judgment and legal uncertainty, enable selective omission, reduce comparability, and reduce trans-Tasman interoperability. We would however request that specific guidance be provided by XRB on how to move from the current transition planning disclosures to the climate resilience assessment as required by IFRS S2. Although these requirements point in the same direction, quite different approaches have been taken trans-Tasman, and this is likely to be one of the pain points of IFRS adoption.

Q.8.	Section 8	Do you support the proposed implementation timeline? While we are comfortable with the proposed implementation timeline from a compliance perspective, the amount of time and flexibility proposed through to 2033 would create a prolonged transition period. This will result in temporary loss of benchmarking while both standards are in use, creating additional complexity for preparers and primary users. We recognise the change requirements for New Zealand entities, however, we suggest that a three to four-year transition would better balance these competing factors. Overall, we support the option for early adoption to provide flexibility for organisations ready to move sooner.
Q.9.	All sections	Do you have any other comments? We welcome the move towards IFRS and AASB alignment and can see significant benefits for users and preparers. We encourage consideration of further areas where guidance would be beneficial (e.g. transition planning vs. climate resilience). We also welcome further targeted consultation and the proposed release of an exposure draft.