

Mindful Money

Submission on the XRB draft Climate Reporting Roadmap September 2026

Introduction

Mindful Money is a charity promoting ethical investments and positive investment outcomes. The Mindful Money website provides free transparency for investors on the ethical characteristics of investment holdings for all KiwiSaver and other retail investment funds (collectively known as Managed Investment Schemes - MIS). Climate change is a focus for our work, including publication of [annual surveys](#) on climate action by the NZ investment sector, undertaken jointly with the Centre for Sustainable Finance (CSF) and the Investor Group on Climate Change (IGCC).

Mindful Money's previous submissions on climate reporting, focused on Managed Investment Schemes (MIS) have emphasised the importance of:

- Comparability across submissions, so that investors are enabled to use climate reporting to help their decision-making on climate emissions, risks and plans
- Clear and precise guidance on reporting that would allow for consistency and comparability across Climate Reporting Entities (CREs), drawing on the recommendations in our [recent report](#)
- International alignment in reporting standards
- A clearer definition of primary users to make it clear that they include retail investors or potential investors, most of which have strong preferences for reductions in the emissions that their investments finance
- Recognition that a large majority of investors are seeking information on climate performance of CREs, not just financial performance. This should be reflected in the incorporation of climate impact materiality as well as financial materiality (ie. double materiality), as reflected in the standards adopted by major trading partners such as the EU, China, India and Taiwan.

Mindful Money welcomes this roadmap. The policy changes announced in October 2025 (under the draft Financial Markets Conduct Amendment Bill) would have been a step backwards for climate reporting, resulting in New Zealand adopting far lower standards than many other countries, particularly the 40 jurisdictions that have started using the IFRS standards. The roadmap will help bring our climate reporting into alignment with trade and investment partners globally.

Q1. Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap?

Yes. We urge the roadmap to incorporate the three issues referred to in Section 4 of the Roadmap:

- Include the emerging framework for climate impact reporting (double materiality approach), aligning with a number of our key trading partners
- Seek to harmonise reporting between the climate and other elements of sustainability, including nature

- Incorporate a differential approach for mid-tier reporting entities, recognising the need to tailor reporting requirements to the capacities of CREs
- Seek to integrate the long terms sustainability that is inherent in the He Tahira framework into New Zealand-specific provisions of IFRS2.

Q2. Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap?

Mindful Money agrees that adopting an IFRS S2-based standard would bring a series of benefits, including international alignment and harmonisation with Australia's IFRS-based [AASB S2 standard](#). This would enable reduced duplication when reporting across borders and allow users to better compare and understand disclosures.

[Research by Chapman Tripp](#) shows that more than 80% of New Zealand exports by value already going to countries with mandatory climate related disclosure regimes proposed or in force. Action to reduce climate emissions and reporting on those actions is increasingly an expectation of financial markets in New Zealand and internationally. The countries or entities that do not produce climate reports will be disadvantaged in participating in supply chains and in attracting capital. This is particularly the case for trade and investment from major trading blocs such as the EU.

The New Zealand investment sector is closely integrated into global financial markets. Potential institutional investors from countries providing most portfolio investments have climate reporting obligations and will increasingly require compatible reporting from New Zealand intermediaries. If that information is not available, they are likely to prefer investing through others, such as Australian funds with investments in New Zealand.

There are also strategic benefits at the level of the company or MIS that is reporting. Successive climate surveys undertaken by Mindful Money, CSF and IGCC have shown significant improvements in the integration of climate issues into governance, strategy, risk management and metrics.

Q3. From a primary user perspective:

(a) Would adopting IFRS S2 improve the climate information you rely on for your decision making?

(b) Which disclosures matter most to you?

For many investors, climate information has little relevance if it cannot be used unless they are specific and part of a comparison between investment options. Surveys show that most Kiwis want to invest in ways that are climate friendly but currently, as shown by [Mindful Money research](#), it has been impossible to compare between CREs, particularly MIS that have adopted differing interpretations of the standards.

The comparison undertaken by the XRB shows the IFRS S2 is generally more specific and prescriptive, including more detailed requirements in areas such as connected information, significant judgements, value chain considerations, and transition plan assumptions. IFRS S2 also requires more disclosures in metrics and targets and requires the use of the GHG Protocol to measure GHG emissions.

The greater level of detail and precision provided by IFRS2 will help CREs to report consistently, quantify risks and opportunities, and support comparisons that can be reflected in investor decision-making.

Disclosures on past emissions, medium term targets, quantified risks and quantified opportunities are of most use to most investors.

Q4. From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?

As outlined in Q3 above, we urge the roadmap to incorporate the four issues referred to in Section 4 of the Roadmap with these measures:

- Include the emerging framework for climate impact reporting (double materiality approach), aligning with a number of our key trading partners
- Seek to harmonise reporting between the climate and other elements of sustainability, including nature
- Incorporate a differential approach for mid-tier reporting entities, recognising the need to tailor reporting requirements to the capacities of CREs
- Seek to integrate the long term sustainability goals, inherent in the He Tauira framework, into New Zealand-specific provisions of IFRS2.

Q5. What are your views on the Australian harmonisation options for industry-based disclosures?

The addition of industry-based measures could enhance consistency and ensure that relevant factors are taken into account. Mindful Money suggests a variation on the options proposed to specify that CREs “shall refer to and consider” industry-based measures, but with a phase in period. This should allow an earlier implementation of other measures as noted in Q8 below.

Q6. With regard to Australian harmonisation, what are your views on how we should approach scenario analysis?

Mindful Money recommends adopting the harmonised approach of specifying only two standards, and suggests these two standards reflect the specific scenarios specified in NZ CS1 (1.5°C and ≥3°C). This approach would be consistent with the Australian approach under 296D(2B).

It is helpful that the formulation is more specific than the Australian standard and, to aid comparability, we would also recommend:

- The second scenario should be 3°C (rather than above 3°C) to aid in comparability of scenarios
- The CRE scenarios should be required to take into account a common base of climate information. The data should be provided by the government through Earth Sciences New Zealand.

Q7. Are any changes or additions needed to NZ IFRS S2 to fit with New Zealand's reporting practice and market context?

See response to Q3 above, and the recommendation for a specific temperature for scenario analysis in Q6 above.

In addition, the Australian standard differentiates between entities and schemes. In New Zealand, MIS apply these definitions in an ad hoc and inconsistent way. If reporting requirements are to be different between entities and schemes the used of these terms should be subject to clear criteria, applied to existing and new MIS.

Mindful Money does not support the weakening of IFRS2 standard by removing mandatory requirements. It is important for the credibility of New Zealand's reporting that as few changes as possible be made to internationally harmonised standards.

Q8. Do you support the proposed implementation timeline?

No. The rapidly growing economic, social and environmental damage from climate change demands urgency in response, including in climate reporting. Waiting until reporting on the 2033 information to be able to use climate information for comparative investment analysis is a luxury that New Zealand and other countries cannot afford. Further, New Zealand entities have already had experience of climate reporting. The timetable should be accelerated, with implementation brought forward, ideally to 2028, and certainly no later than 2030.

Q9. Do you have any other comments?

Thank you for the opportunity to respond to the draft.