

September 30, 2026

New Zealand External Reporting Board – Te Kāwai Ārahi Pūrongo Mōwaho (XRB)
Level 6, 154 Featherston Street
Wellington Central, Wellington 6011

RE: Support for the Draft Climate Reporting Roadmap and Adoption of NZ IFRS S2

We write on behalf of the California State Teachers' Retirement System (CalSTRS). CalSTRS strongly supports global adoption of the IFRS Foundation's International Sustainability Standards Board (ISSB) S1 and S2 sustainability-related financial disclosures for all publicly accountable entities. Sustainability-related issues present real financial risks to the value of our plan assets. However, available methods to size and forecast that risk have been constrained by a lack of reliable, company generated data. Implementing the ISSB's disclosure framework will greatly enhance our ability to account for sustainability risk when selecting partners, indexes, funds, securities, companies for investment, engagement, and proxy action.

Established in 1913, CalSTRS is the largest educator-only pension fund in the world with a global investment portfolio valued at approximately \$421.5 billion as of August 31, 2026. As administrators of both a defined benefit plan and a defined contribution plan, our mission is to secure the financial future and sustain the trust of more than one million Californian educators and their families.

We support the External Reporting Board's (XRB) proposed climate reporting roadmap and its decision to align New Zealand's climate reporting requirements with the IFRS S2.

We have been urgently calling for such disclosures for many years as a means of enhancing our ability to meet our mission to protect the retirement futures of California's educators. As an owner of nearly 10,000 public securities, we welcome measures that advance the adoption of universal global standards. Aligning New Zealand's climate reporting requirements with IFRS S2 has the potential to promote greater consistency of climate-related information across capital markets, lessen the reporting burden on companies operating across jurisdictions, and facilitate comparability and coherence for investors.

We support alignment with minimal changes to the reporting standards. The benefits of alignment are maximized when jurisdictions adopt the global baseline with minimal divergence. We encourage the XRB to adopt the climate-related requirements in the ISSB Standards without significant modifications. The full adoption of NZ IFRS S2, together with the climate-relevant requirements of IFRS S1 and covering all material risks, is crucial to providing transparency to

institutional investors like CalSTRS. We advise against permitting entities discretion over which requirements or risks to disclose, or against adopting only a subset of the standards.

We support efforts to balance preparedness with the timely realization of benefits. We recognize that sustainability reporting requires entities to adapt, so we support the XRB's proposal to permit early application of NZ IFRS S2. In setting the mandatory application date, we encourage the XRB to find a middle ground between the level of preparedness of entities and the benefit of timely reporting.

As prudent investors, we recognize that decision-useful sustainability reporting requires adaptation to changing knowledge and circumstances. The ISSB S1 and S2 standards development process takes this into account, and ensures that issuers disclose the most relevant information to investors. The ISSB has also conducted significant work to create a clear global baseline, reduce fragmentation and ensure interoperability within reporting.

Regulators and policy-makers have an important opportunity to shape and enhance disclosures available to investors to support effective risk analysis and prudent investment decisions. We wish to thank you for your leadership in working towards high-quality, standardized sustainability disclosure and addressing the issue of insufficient, irregular, and unreliable sustainability data. We appreciate the opportunity to provide our perspective and can be contacted at CorporateGovernance@calstrs.com should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Paquin'.

Lynn Paquin
Senior Portfolio Manager