

XRB position statement: International alignment of climate reporting

November 2023

The External Reporting Board (XRB) was enabled by the Financial Sector (Climate Related Matters and Other Matters) Amendment Act 2021 (the Act) to issue a climate-related disclosure framework. In response, the XRB issued Aotearoa New Zealand Climate Standards (NZ CS) in December 2022. NZ CS apply to climate reporting entities as identified in the Act.

We are aware that other jurisdiction-level climate-related disclosure requirements are of interest to New Zealand entities, including existing and forthcoming requirements in Australia, Europe, Asia and North America. International alignment of reporting standards is an important consideration for the XRB. It ensures we keep pace with international practice, enables access to international capital and reduces unnecessary regulatory burden for entities operating in multiple jurisdictions.

We are also aware that other, voluntary, international climate-related disclosure frameworks and standards are of interest, including the:

1. recommendations of the Task Force on Climate-related Financial Disclosures;
2. climate-relevant standards of the Global Reporting Initiative (GRI); and
3. climate-relevant aspects of the International Sustainability Standards Board (ISSB)'s standards.

Based on our analysis, we consider there is a high degree of interoperability between NZ CS and the TCFD recommendations and the ISSB standards.¹ The GRI is currently reviewing its climate change topic standard.²

The XRB is committed to providing regulatory certainty to New Zealand entities. NZ CS, as issued in December 2022, are the mandatory climate-related disclosure standards for Aotearoa New Zealand and will remain so.

We are paying close attention to the work of other jurisdictions as they each approach establishing their own mandatory climate-related disclosure requirements in line with their own unique climate policy settings. In the short term, we will keep the issue of international interoperability under review by continuing to monitor these jurisdictions and issuing further comparison documents as necessary. We have committed to beginning a post-implementation review of NZ CS by December 2025. One aspect of that review will be to determine whether there is any need to modify NZ CS to further align with any existing or forthcoming requirements adopted by other relevant jurisdictions.

¹ For example, see the comparison issued between NZ CS and IFRS S1/S2 which identifies the climate-relevant aspects, [link](#)

² The GRI issued its exposure draft in November 2023, [link](#)