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Corporate Governance and Intellectual Property Policy
Business, Resources and Markets
Ministry of Business, Innovation & Employment (**MBIE**)
PO Box 1473
WELLINGTON 6140

Vector Limited
110 Carlton Gore Road
PO Box 99882
Newmarket
Auckland 1149
+64 9 978 7788 / vector.co.nz

By email: climaterelateddisclosures@mbie.govt.nz

MBIE consultation on adjustments to the climate-related disclosures regime

1. We welcome the opportunity to respond to the MBIE discussion document on adjustments to the climate-related disclosures regime (December 2024).
2. Vector has focussed in this submission on the question of director liability as set out in *Chapter 3: Climate reporting entity and director liability settings*. Vector supports Option 3, whereby section 534 of the Financial Markets Conducts Act 2013 (**FMCA**) is no longer applied to climate related disclosures (i.e., no deemed liability).
3. Vector suggests that section 23 (unsubstantiated representations) is also disapplied for key forward-looking statements with inherent uncertainty, including scenario analysis and transition planning.
4. While backward looking statements, such as those written in an annual financial report, or greenhouse gas inventory report can be adequately substantiated, the process of preparing the CRD in order that directors can access statutory defences due to director liability becomes highly resource intensive. Liability is particularly challenging in relation to disclosure of long-term anticipated financial impact modelling with added benefit for the end user not yet clear.
5. Vector considers the existing liability settings are misaligned and are undermining the efficacy of the regime so supports the above amendments. Vector also notes that removing deemed director liability would be consistent with the Australian CRD regime, legislated in September 2024, which does not have deemed director liability.

Yours sincerely



Mark Toner
Chief Public Policy and Regulatory Officer