

24 September 2025

External Reporting Board (**XRB**)
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By email: climate@xrb.govt.nz

Vector Limited submission on Proposed Amendments to Climate and Assurance Standards

1. Vector Limited (**Vector**) welcomes the opportunity to respond to the XRB consultation on proposed amendments to New Zealand's Climate Standards and Assurance Standards.
2. We support the extension of Adoption Provision 2 by two additional reporting periods. In our view, reporting on anticipated financial impacts in a climate-related disclosure (**CRD**) report is undermined by the extent of director personal liability under the current mandatory regime, including deemed no fault liability over compliance with the climate standards.
3. By comparison the Australian climate-related disclosure regime is centered on company only liability. This is not just a risk for our directors. The process of preparing a CRD report in order that the 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.
4. We note the existing MBIE consultation on adjustments to the climate-related disclosure regime that closed on 14 February 2025. If section 534 of the Financial Markets Conducts Act 2013 continues to apply to climate related disclosures (i.e., deemed liability remains) within the additional two reporting periods, Vector recommends extending Adoption Provision 2 for further periods, or at least until a decision is made.
5. Fundamentally, the quantification of anticipated financial impacts is particularly challenging. There are many factors that could cause Vector's predictions to differ materially from that described, including economic and technological viability, climatic, government, consumer and market factors outside of Vector's control.
6. For example, in the past two years the sudden change of gas supply has materially changed the outlook on the gas industry in Aotearoa, and all associated businesses that are connected to gas. The circumstances relating to both gas supply and its regulation remain uncertain.
7. Likewise, the influx of data centers in New Zealand has also materially changed the electricity ecosystem.
8. If the XRB has any questions regarding this submission, we would be happy to provide further information.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Mark Toner', with a stylized, cursive script.

Mark Toner

Chief Public Policy and Regulatory Officer

