

Marsden Maritime Holdings Ltd - Submission on discussion document: Adjustments to the climate-related disclosures regime

Your name and organisation

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Date	14/02/2025
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N/A

Responses to discussion document questions

Please enter your responses in the space provided below each question.

Chapter 2: Reporting Thresholds	
1	Do you have any information about the cost of reporting for listed issuers?
	Yes
2	Do you consider that the listed issuer thresholds (and director liability settings) are a barrier to listing in New Zealand?
	Yes
3	When considering the listed issuer reporting threshold, which of the three options do you prefer, and why?
	Option 2. Given the significant financial and staffing demands of the climate-related disclosures, it is both practical and fair to exempt companies with market capitalisations under \$550 million from this requirement. The reporting burden imposes disproportionate costs for businesses of this size, potentially hindering our growth and competitiveness.
4	If the XRB introduced differential reporting, would this impact on your choice of preferred option?
	No
5	Do you think that a different reporting threshold for listed issuers should be considered (i.e., not one of the options above) and, if so, why?
	No
6	If Option 2 or 3 was preferred do you think that some listed issuers would still choose to voluntarily report (even if not required to do so by law)? And, if so, why?
	Yes. By early 2026, most entities will have published around two CRDs under the current threshold. This may give Companies some momentum to continue updating the components already reported on voluntarily, (as the Companies would have already invested material level of resources and capital to the process) without the pressure of a legal mandate or added requirements.
7	What are the advantages and disadvantages of a listed issuer being in a regulated climate reporting regime?

	Advantages: • MMH recognises the importance and timeliness of CRDs, and the opportunity they provide to identify risks, share best practice in mitigating climate change and review how we do business to ensure a sustainable future. • Standardised reporting guidelines enhance comparability and benchmarking among companies, providing investors with clearer insights for decision-making. • Clear reporting guidelines offer companies included in the regime greater certainty and consistency, as well as a higher degree of accountability. Disadvantages: • The current reporting requirements are not fit for purpose. They are highly detailed and resource-intensive, placing a significant burden on smaller companies. There is an imbalance between the complexity of the requirements and the capacity of many smaller companies included in the regime to meet them. • The financial and staffing demands of the current requirements have the potential to divert resources from our core business, potentially impacting companies' growth and long-term planning.
8	Do you have information about the cost of reporting for investment scheme managers? N/A
9	Do you have information about consumers being charged increased fees due to the cost of climate reporting? N/A
10	When considering the reporting threshold for investment scheme managers, which of the three options do you prefer, and why? N/A
11	If the XRB introduced differential reporting, would this impact on your choice of preferred option? N/A
12	Do you think that a different reporting threshold for investment scheme managers should be considered (i.e., not one of the options above) and, if so, why? N/A
13	When considering the location of the thresholds, which Option do you prefer and why? Option 2. MMH believes that at this stage of the CRD regime, where there is continuous feedback and proposed changes (e.g. this consultation, and the NXZ amendment in late 2024), it would be favourable to have the threshold in secondary legislation to allow for quicker incorporation of feedback.
14	For Option 2 (move thresholds to secondary legislation) what statutory criteria do you think should be met before a change may be made, e.g., a statutory obligation to consult. What should the Minister consider or do before making a change?

	MMH believes there should be a consultation, with an opportunity to provide written submissions like this one, before any change may be made to secondary legislation. This would allow companies to read the consultation document, discuss internally, and draft a helpful and tailored response. We suggest the Minister should only be able to make amendments if more than 50% of submissions are in favour of the proposed change.
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Chapter 3: Climate reporting entity and director liability settings

	When considering the director liability settings, which of the four options do you prefer, and why?
15	Option 2. MMH believes that FMCA's liability provisions would hold true for corporate financial reporting and auditing but would be punitive for directors looking to endorse climate reporting regardless of their involvement in the process, given the uncertainty and infancy of climate reporting.
16	Do you have another proposal to amend the director liability settings? If so, please provide details. No.
17	If the director liability settings are amended do you think that will impact on investor trust in the climate statements? Yes.
18	If you support Option 3, should this be extended so that section 23 is disapplied for both climate reporting entities and directors? If so, why? Yes. Because CRDs, and particularly the required climate scenario analysis, are not forecasts but rather exploring multiple plausible realities. Moreover, it is difficult to ascertain the percentage of each scenario being the likely one. Given this characteristic of climate scenarios, it will be difficult to comply with section 23.
19	If you support Option 4 (introduce a modified liability framework, similar to Australia) what representations should be covered by the modified liability, i.e., should it cover statements about scope 3 emissions, scenario analysis or a transition plan, and/or other things? N/A
20	If you support the introduction of a modified liability framework, how long should the modified liability last for? And who should be covered, ie., should it prevent actions by just private litigants, or should the framework cover the FMA as well? (Criminal actions would be excluded) N/A

Chapter 4: Encouraging reporting by subsidiaries of multinational companies

21	Do you think that there would be value in encouraging New Zealand subsidiaries of multinational companies to file their parent company climate statements in New Zealand? Yes
22	Do you think that, alternatively, there would be value in MBIE creating a webpage where subsidiaries of multinational companies could provide links to their parent company climate statements? No

Final comments

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Please use this question to provide any further information you would like that has not been covered in the other questions.

N/A