

Financial Markets Conduct (Climate-related Disclosures — Fletcher Building Industries Limited) Exemption Notice 2024

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

Contents

	Page
1 Title	1
2 Commencement	1
3 Revocation	1
4 Application	1
5 Interpretation	1
6 Exemption	2
7 Conditions	2

Notice

1 Title

This notice is the Financial Markets Conduct (Climate-related Disclosures — Fletcher Building Industries Limited) Exemption Notice 2024.

2 Commencement

This notice comes into force on 24 October 2024.

3 Revocation

This notice is revoked on the close of 23 October 2029.

4 Application

An exemption granted by this notice applies to the following accounting periods of FBIL:

- (a) the accounting period ending 30 June 2024; and
- (b) subsequent accounting periods, up to and including the accounting period ending 30 June 2029.

5 Interpretation

- (1) In this notice, unless the context otherwise requires,—

Act means the Financial Markets Conduct Act 2013

FBHNZ means Fletcher Building Holdings New Zealand Limited

FBIL means Fletcher Building Industries Limited

FBL means Fletcher Building Limited, the sole shareholder of FBIL as at the date of this notice

FBL Group means FBL and every subsidiary of FBL including FBIL

primary users means existing and potential investors, lenders and other creditors including holders of FBIL capital notes listed on the NZX Debt Market

- (2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

6 Exemption

FBIL is exempted from Part 7A of the Act.

7 Conditions

- (1) The exemption in clause 6 is subject to the conditions that—
- (a) FBL and FBIL must have the same balance date for the relevant accounting period;
 - (b) group climate statements in relation to the FBL Group are prepared and lodged in accordance with Part 7A of the Act by FBL;
 - (c) within 4 months after the end of an accounting period in respect of which FBIL relies on this exemption (and by 31 October 2029 for the accounting period ending 30 June 2029), FBIL lodges with the Registrar a notice containing—
 - (i) the information referred to in subclause (2); and
 - (ii) the address of (or a link to) the Internet site where a copy of the group climate statements prepared by FBL can be accessed;
 - (d) within 4 months after the end of the accounting period in respect of which FBIL relies on this exemption, FBIL gives a notice to NZX Limited containing—
 - (i) the information referred to in subclause (2); and
 - (ii) the address of (or a link to) the Internet site where a copy of the group climate statements prepared by FBL can be accessed,for the purpose of the information being notified to the market on which FBIL's financial products are quoted;
 - (e) FBIL includes in its annual report for each accounting period in respect of which FBIL relies on this exemption after 1 July 2024—
 - (i) the information referred to in subclause (2); and
 - (ii) the address of (or a link to) the Internet site where a copy of the group climate statements prepared by FBL can be accessed;
 - (f) FBIL continues to operate principally as an intra-group funding vehicle for the FBL Group;
 - (g) FBIL continues to be a climate reporting entity only because it is a listed issuer as referred to in s 461O(1)(a) of the Act;
 - (h) FBIL and FBHNZ continue to be subsidiaries of FBL; and

- (i) FBL continues to provide a guarantee of the due payment by FBIL of all indebtedness of FBIL in respect of the FBIL capital notes listed on the NZX Debt Market, subordinated in accordance with the terms of the capital notes, and subject only to the condition that FBIL has failed to repay the guaranteed indebtedness.
- (2) For the purposes of subclauses (1)(c)(i), (d)(i) and (e)(i), the information is—
 - (a) a statement to the effect that FBIL is relying on the exemption in respect of the accounting period; and
 - (b) a brief summary of the effect of relying on the exemption.

Dated at Wellington this 18th day of October 2024.



John Horner
Director – Markets, Investors and Reporting
Financial Markets Authority

Statement of reasons

This notice comes into force on 24 October 2024 and is revoked on 23 October 2029 and applies to Fletcher Building Industries Limited (**FBIL**).

FBIL operates as an intra-group funding vehicle for Fletcher Building Limited (**FBL**) and its subsidiaries (**together, the FBL Group**). FBIL on-lends the funds it raises to FBL and other members of the FBL Group, and FBL guarantees the debt obligations of FBIL.

Each of FBIL and FBL is a climate reporting entity as a large listed issuer under section 461P(1) of the Financial Markets Conduct Act 2013 (**the Act**). Without the exemption provided in this notice, FBIL would be required to prepare climate statements under section 461Z of the Act. FBL is required to prepare climate statements in relation to the FBL Group under section 461ZA of the Act.

This notice exempts FBIL from climate reporting, assurance, and record keeping duties under Part 7A of the Act. As a subsidiary of FBL, FBIL will be included in FBL's group climate statements.

The exemption is subject to a number of conditions. These include the requirement for FBL and FBIL to have the same balance date, for group climate statements in relation to the FBL Group to be prepared and lodged in accordance with Part 7A of the Act, for FBIL to notify the Registrar that it is relying on this exemption and include this in its annual reports alongside a link to the Internet site where those group climate statements can be accessed, for FBIL to operate principally as an intra-group funding vehicle for the FBL Group, for FBIL to be a wholly owned subsidiary of FBL, and for FBL to continue to provide guarantees of FBIL's debt obligations in respect of the FBIL capital notes listed on the NZX Debt Market, subordinated in accordance with the terms of the capital notes and subject only to the condition that FBIL has failed to repay the guaranteed indebtedness.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because—

- FBIL's principal purpose is to carry out treasury functions on behalf of the FBL Group. Funds raised by FBIL are on-lent to other members of the FBL Group, and all FBIL's debt obligations are

guaranteed by FBL. FBIL's assets are intra-group loans and 20% of the shares in Fletcher Building Holdings New Zealand Limited which currently holds all the shares in the FBL Group's New Zealand operating subsidiaries. An investment in FBIL is effectively an investment in the FBL Group. Accordingly, the group climate statements of FBL will provide more meaningful disclosure to primary users of FBIL than stand-alone climate statements of FBIL.

- FBIL's primary users would need to look to FBL's group climate statements to obtain a full picture of the climate-related matters relating to their investments. Having additional standalone climate statements of FBIL would be confusing, unhelpful and artificial in these circumstances. Therefore, they are well served by FBL's group climate statements alone.

The FMA is satisfied that the granting of the exemption is necessary and desirable in order to promote the purposes of the Act, specifically—

- the confident and informed participation of businesses, investors, and consumers in the financial markets, by providing primary users of FBIL more accurate and understandable information and by promoting comparability;
- greater transparency in relation to FBIL by avoiding duplication of climate statements, thereby contributing to the development of fair, efficient, and transparent financial markets;
- by avoiding unnecessary compliance costs where the climate statements are unlikely to provide any additional benefit to primary users of FBIL and the FBL group climate statements will provide the relevant information in respect of the underlying economic activities at issue; and
- to promote innovation and flexibility in the financial markets, by recognising that corporate groups use different borrowing structures and only requiring disclosure appropriate in the circumstances.

The FMA is further satisfied the exemption is not broader than is reasonably necessary to address the matters that give rise to the exemption as—

- FBL is required to prepare group climate statements under section 461ZA of the Act, which will contain material information about FBIL;
- primary users of FBIL will have public access to all group climate statements prepared by FBL via FBIL's annual report and the Climate-related Disclosures Register; and
- the conditions to the exemption require FBIL to continue to operate principally as an intra-group funding vehicle.