

Financial Markets Conduct (Climate-related Disclosures – Works Finance (NZ) 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.

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Notice

1 Title

This notice is the Financial Markets Conduct (Climate-related Disclosures – Works Finance (NZ) Limited) Exemption Notice 2024.

2 Commencement

This notice comes into force on 2 September 2024.

3 Revocation

This notice is revoked on the close of 1 September 2029.

4 Application

The exemption granted by this notice applies to the following accounting periods of Works Finance:

- (a) the accounting period commencing on 1 July 2023 and ending 30 June 2024; and
- (b) subsequent accounting periods up to and including the accounting period ending 30 June 2028.

5 Interpretation

- (1) In this notice, unless the context otherwise requires—
Act means the Financial Markets Conduct Act 2013

annual report means the annual report that Works Finance is required by NZX Limited to send or make available to the holders of its quoted financial products

Downer EDI means Downer EDI Limited (ACN 003 872 848)

Downer NZ means Downer New Zealand Limited (company number 478804, NZBN 9429039194114)

primary users means holders of Redeemable Optionally Adjustable Distributing Securities issued by Works Finance and offered under a Prospectus and Investment Statement dated 9 March 2007

Works Finance means Works Finance (NZ) Limited (company number 1909583; NZBN 9429033605623)

- (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

Works Finance is exempted from Part 7A of the Act.

7 Conditions

- (1) The exemption in clause 6 is subject to the conditions that—
- (a) Works Finance and Downer EDI have the same balance date for the relevant accounting period;
 - (b) Works Finance will ensure that Downer EDI will prepare and lodge group climate statements for its global business (including Works Finance) in accordance with Part 7A of the Act as if the Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024 does not apply;
 - (c) group climate statements prepared by Downer EDI will be available on the section of the Downer EDI website maintained by, or on behalf of, Works Finance;
 - (d) Works Finance includes in its annual report for each accounting period in respect of which it relies on this exemption:
 - (i) the information referred to in subclause (2); and
 - (ii) the address of (or a link to) the website where a copy of the group climate statements prepared by Downer EDI can be accessed;
 - (e) within 4 months after the end of an accounting period in respect of which Works Finance relies on the exemption, Works Finance 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 website where a copy of the group climate statements prepared by Downer EDI can be accessed;
 - (f) within 4 months after the end of an accounting period in respect of which Works Finance relies on the exemption, Works Finance gives a notice containing the information referred to in subclause (2) to NZX Limited for the purpose of the information being notified to the market on which Works Finance's financial products are quoted;
 - (g) Works Finance continues to operate as a sole purpose intra-group funding vehicle lending solely to Downer NZ, the principal New Zealand operating company in the group;

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- (h) Works Finance continues to be a climate reporting entity only because it is a large listed issuer as referred to in s 461O(1)(a) of the Act;
- (i) Works Finance continues to be a subsidiary of Downer EDI.
- (2) For the purposes of subclauses (1)(d)(i), (1)(e)(i), and (1)(f) the information is—
- (a) a statement to the effect that Works Finance 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 20th day of August 2024



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

Statement of Reasons

This notice comes into force on 2 September 2024 and is revoked on 1 September 2029.

Works Finance (NZ) Limited (**Works Finance**) operates as a sole purpose intra-group funding vehicle. It lends to Downer New Zealand Limited (**Downer NZ**), the principal New Zealand operating company in the group. Its ultimate parent is Downer EDI Limited (**Downer EDI**).

Each of Works Finance and Downer EDI is a climate reporting entity as a large listed issuer pursuant to section 461P(1) of the Financial Markets Conduct Act 2013 (**Act**). Without the exemption provided in this notice, Works Finance would be required to prepare climate statements under section 461Z of the Act. Downer EDI is obligated to prepare climate statements for itself and its subsidiaries (including Works Finance) pursuant to section 461ZA of the Act.

This notice exempts Works Finance from climate reporting, assurance, and record keeping duties under Part 7A of the Act.

The exemption is subject to a number of conditions. These conditions include the requirement for Works Finance and Downer EDI to have the same balance date, for Downer EDI to prepare and lodge group climate statements for its global business in accordance with Part 7A of the Act, for Works Finance to notify the Registrar and NZX Limited 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 Works Finance to continue to operate as a sole purpose intra-group funding vehicle, and for Works Finance to continue to be a climate reporting entity only because it is a large listed issuer, and continue to be a subsidiary of Downer EDI.

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—

- the group climate statements of Downer EDI will provide more meaningful disclosure to primary users than stand-alone climate statements of Works Finance and separate climate statements prepared for Works Finance would not add any further value or information for primary users;
- the exemption removes the unnecessary compliance costs associated with the duplication of the preparation and lodgement of climate statements for Works Finance in both individual and group climate statements.

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As such the FMA is satisfied that the granting of the exemption is 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 Works Finance more accurate and understandable information;
- by avoiding unnecessary compliance costs where the climate statements are unlikely to provide any additional benefit to primary users; and
- by promoting innovation and flexibility in 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—

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