



26 May 2025

External Reporting Board

By email: sustainability@xrb.govt.nz

FREIGHTWAYS' SUBMISSION ON THE EXTERNAL REPORTING BOARD'S REQUEST FOR INFORMATION: THE INTERNATIONAL ALIGNMENT OF CLIMATE REPORTING – CONSULTATION DOCUMENT

1. Freightways welcomes the opportunity to submit on the External Reporting Board's (**XRB**) *Request for Information: The international alignment of climate reporting – Consultation document*.
2. Freightways Group Limited (**FRW**) is a dual-listed company, trading on both the New Zealand Stock Exchange (**NZX**) since 2003, and on the Australian Securities Exchange (**ASX**) since 2023. On the ASX, it holds a Foreign Exempt Listing status, which allows it to comply primarily with NZX listing rules while providing Australian investors access to its shares.
3. FRW is a Climate Reporting Entity (**CRE**) in New Zealand under the Financial Reporting Act 2013. This requires FRW (as the parent company, together with its subsidiaries) to prepare, lodge, and publicly disclose a Climate Statement in accordance with the Aotearoa New Zealand Climate Standards (**NZCS**).
4. FRW includes subsidiaries that are incorporated in Australia. FRW expects its Australian consolidated group (being a component part of the FRW entity) to be either a Group 1 or Group 2 entity under Australia's mandatory climate reporting regime, established under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024.

Current climate-related reporting requirements

5. As the New Zealand and Australian regimes currently stand, FRW will be required to prepare two separate sets of climate-related disclosures on an annual basis:
 - a. The first set will need to be prepared by FRW at the group level to meet the New Zealand requirements. This will include the Australian entities alongside the New Zealand entities.

- b. The second set of disclosures will be set with reference to the Australian consolidated group to meet the requirements of the Australian standards. The Australian group is a component part of FRW. As such, materiality thresholds for disclosures and for greenhouse gas emissions calculations will be set at a different, lower level to the FRW entity resulting in significant additional effort beyond the New Zealand standards.

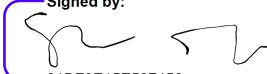
Support for mandatory climate-related disclosures

6. FRW supports mandatory climate-related disclosures and transparent reporting about risks and opportunities that climate change poses to an organisation's operations, strategy, and financial performance. These disclosures enable investors, lenders, regulators, and other stakeholders to make informed decisions, support the transition to a low-emissions economy, and help businesses build resilience in the face of climate-related risks and impacts.
7. Based on FRW's experience under the New Zealand climate-related disclosure regime, preparing climate-related disclosures provides internal benefit to the FRW group and external value to stakeholders. However, there is also significant expense associated with the preparation of materials as well as significant internal resource utilised to prepare content. External expenses include mandatory assurance fees and legal fees. Preparation of reporting content is often undertaken by the same teams responsible for implementing climate-related mitigation and adaptation activities.
8. Balancing the value created from mandatory climate-related reporting with the substantive work required to deploy climate-related mitigation and adaptation activities must be carefully managed. It would be a perverse outcome for mandatory climate-reporting obligations to divert resource and investment from climate-related mitigation and adaptation activities.

Support for mutual recognition

9. Preparing and reporting against two climate-related disclosure regimes with the same underlying purpose is likely to lead to unnecessary duplication, consuming time and resources that would be better directed toward implementing internal climate-related mitigation and adaptation efforts.
10. Allowing entities to report once, through a single high-quality process aligned to their home jurisdiction, would reduce complexity, avoid inefficient use of resources, and ultimately support more effective climate action.
11. FRW strongly supports mutual recognition for mandatory climate-related disclosures, based on the home jurisdiction of the entity (so long as a suitable reporting regime is in place).

12. Specifically, FRW's supports Trans-Tasman mutual recognition. Given FRW's dual obligations under both New Zealand and Australian climate reporting regimes, there is a significant opportunity to streamline compliance through Trans-Tasman mutual recognition. Allowing entities like FRW's to report once, with disclosures recognised by both jurisdictions, would reduce duplication, lower compliance costs, and enhance the efficiency of climate-related financial reporting.
13. Trans-Tasman mutual recognition for climate-related disclosures could be operationalised by updating ASX and NZX listing rule frameworks for foreign exempt issuers, by granting an exemption from duplicative climate-related disclosures if the entity is already reporting under similar jurisdictional standards in its host jurisdiction. This would allow dual listed entities like FRW to disclose under the New Zealand regime and relieve FRW from having to prepare an additional Sustainability Report under the Australian regime for the Australian incorporated members of its group. This could be similar to the treatment of financial statements, whereby NZX listed entities like FRW with Foreign Exempt Listing status on the ASX, prepare one set of financial statements aligned with New Zealand law.
14. We welcome constructive discussion on the content of this submission. Please contact Jenny Sullivan, Head of Sustainability and Climate (jenny.sullivan@freightways.co.nz) if you require further information.

Signed by:

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Stephan Deschamps
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Freightways