

Government Superannuation Fund Authority (GSFA)

Status Report against Crown Responsible Investment Framework.

Measure
Requirement 1: Carbon footprint metrics for your investment portfolios should be reported transparently, on a consistent basis, enabling public scrutiny over progress towards carbon neutral portfolios by 2050. In the case of fossil fuel reserve owners, you should also account for emissions from the end-use of their products. Requirement 2: Reporting should align with the Taskforce for Climate-related Financial Disclosure recommendations, until the External Reporting Board's (XRB) climate related disclosure framework has been issued, at which point it should apply, and should continue to evolve in line with global best practice standards. Requirement 3: You should strive for consistency of measurement standards across the CFI¹s so that relative performance on carbon emissions reduction can easily be interpreted.
Status: The carbon footprint of the Fund has been reported annually since 2022. The 2024 footprint is available at: Climate-Related Disclosures - GSFA. We will publish the carbon footprint as at 30 June 2025 on the website. In her February 2025 Letter of Expectations to the GSFA Board, the Minister of Finance advised that GSFA is no longer required to report against the Climate Reporting Standards issued by the XRB. In lieu of this, GSFA must report, annually, to the Minister's office progress against the CRIF. This report fulfils that requirement. We worked with the Guardians of New Zealand Superannuation (GNZS) and ACC to achieve as much consistency as possible when determining carbon targets and metrics. Policy decisions driven by differing investment objectives have led to some divergence in the rate of decarbonisation of portfolios and the metrics used. GSFA will measure several relevant metrics to ensure comparability with other CFIs for the 2030 target.
Reduce
Requirement 1: CFI investment portfolios must be carbon neutral by 2050. Requirement 2: You should set challenging minimum carbon reduction targets at interim periods to provide assurance that investment portfolios are on track to be carbon neutral by 2050. In the case of fossil fuel reserve owners, reduction targets should also address emissions from the end-use of their products. Requirement 3: Interim targets should be aligned with global best practice standards to maintain a 1.5-degree global warming outcome. Requirement 4: Your first interim target should be for 2025 and should be refreshed prior to the start of that year for 2030. This process is to be repeated every five years thereafter.

¹ The CFIs (Crown Financial Institutions), for the purpose of the CRIF, consist of the Accident Compensation Corporation, Government Superannuation Fund Authority, New Zealand Superannuation Fund and the National Provident Fund.

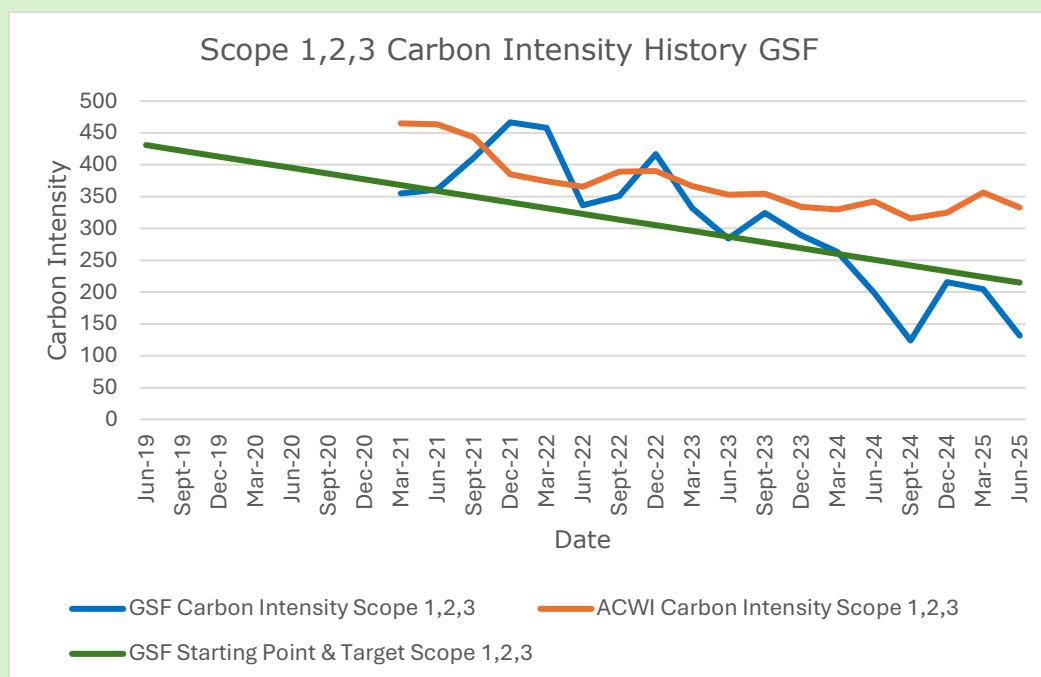
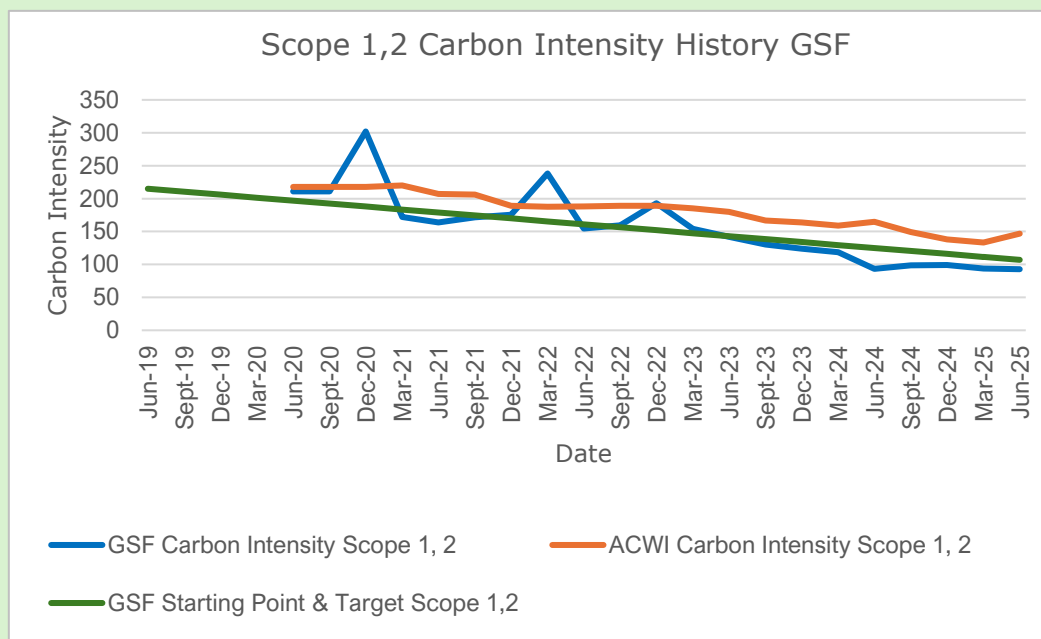
Requirement 5: Where investment strategies allow, you should take a leadership position ahead of minimum reduction expectations to demonstrate how return on investments can be achieved through low carbon strategies.

Status:

The Authority has two targets for **2025**, both apply to listed equities (NZ and Global):

- A 50% reduction in scope 1 and 2 Carbon Intensity from a 2019 baseline
- A 50% reduction in scope 1, 2, and 3 (Fossil Fuel Upstream) Carbon intensity from a 2019 baseline

As of 30 June, the Authority has achieved both targets:



We consider that we are on track towards the net zero by 2050 goal.

We have successfully achieved the above reductions in greenhouse gas (GHG) emissions, achieving our 2025 carbon targets, while continuing to deliver strong investment returns in listed equities.

The Authority has recently set two targets for **2030**, both apply to the listed equity and credit asset classes:

- A 65% reduction in scope 1 and 2 Carbon Footprint from a 2019 baseline.
- A 65% reduction in scope 1, 2, and 3 (Fossil Fuel Upstream) Carbon Footprint from a 2019 baseline.

We are a member of the [Paris Aligned Asset Owners](#) organisation and have committed to its [Net Zero Investment Framework](#). This is the most widely used guide by investors to set targets and produce related net zero strategies and transition plans.

Influence

Requirement 1: You should utilise your long-term risk and return strategies to actively identify positive investments that generate additionality to the transition to a low carbon economy.

Requirement 2: Recognising that success in reducing carbon exposure for investment portfolios relies on investee companies to transition to low carbon solutions, you should utilise your position as significant investors to engage with New Zealand and global companies on developing transition strategies.

Status:

Strategies targeting carbon solutions are most prevalent in private equity and venture capital; both types of unlisted investments require a long time horizon. We have made an initial investment in Stepstone's Climate Solutions Fund.

As of 30 June 2025, our listed equity and credit portfolio held an inherent 12.3% exposure to carbon solutions.²

Through our external managers and third-party agents, we engage both globally and in New Zealand. We employ Columbia Threadneedle to engage on our behalf with global companies.

In May 2023 the CFIs launched a collaborative engagement with NZX50 listed companies on climate change. Investee company alignment with net zero pathways is integral to our ability to reach net zero goals.

While our company engagements are confidential, we undertook to report aggregated information to Ministers about the engagement. We set a target to engage with 10 companies in calendar 2024, focusing on companies without have emissions reductions targets. By the end of December 2024, all 10 engagements had been completed.

The engagement meetings gave the CFIs insight into company climate strategies and their willingness to address climate issues. These meetings allowed the organisations to show their commitment to net zero and support for transparency on climate risks and opportunities.

For GSFA, this initiative is led by GNZS and ACC. The CFIs are currently reviewing progress and deciding on future engagement work.

² Source: MSCI Climate Risk Dashboard, from MSCI ESG Research LLC.

The Crown RI Framework does not require GSFA to report against corporate emissions. Nevertheless, we do so here for completeness. While the vast majority of GSFA's emissions are Financed Emissions from the Fund's investments, GSFA also generates some corporate emissions. For FY2025, those gross emissions were 23.26 tCo2e. GSFA's net corporate emissions after carbon credit offsets for FY2025 were 12.92 tCo2e.