**Media Release**

**EMBARGOED** until 0.01am on Thursday 29th June.

Mindful Money’s new report “*Fossil Fuel Investment in Transition or in Denial?*” analyses the global oil and gas industry to understand the role that they are playing in transitioning towards a safe climate. It reveals extensive New Zealand investment in the most damaging oil and gas companies.

The report shows that two thirds of the fossil fuel industry remain in denial. Their promises to transition towards net zero climate emissions have been exposed as greenwash. Instead of investing in clean energy, the major oil and gas producers are doubling down on their core business, investing massively to expand their exploration and field development. This reckless drive for short term profits is putting the world on a pathway for climate chaos.

The expansion plans by major oil and gas companies put fossil fuel production far above the targets from the 2015 Paris Agreement. By contrast, there are only a handful of electricity generators internationally that are on track for a pathway consistent with a 1.5°C global temperature rise.

The report shows that New Zealand KiwiSaver and retail investment funds are increasing their investment in the oil and gas companies that are expanding rather than companies that are transitioning. Over the year to end September 2022, investment in the companies expanding increased by 80% compared with 25% for the companies in transition.

Individuals who invest in those funds need to understand that the majority of their investments are in companies that are contributing to the climate crisis, rather than investing in the climate solutions. These investments have also created financial risk for investors. Past returns from oil and gas companies have been far lower than the overall market, and the risks of further losses are growing.

Barry Coates, Mindful Money CEO commented: “*It is over thirty years since the signing of the Convention on Climate Change, with clear evidence that the world needs to transition away from fossil fuels. This analysis shows that the major oil and gas companies have made empty promises that they would lead the renewable energy revolution. Instead, they have tried to deny the evidence, undermined government policies and put plans in place to expand their oil and gas production. They are adding fuel to the fire of climate change*.”

“*It is hard to understand why New Zealand fund managers have continued to invest in these companies, despite their greenwashing, past financial losses and growing financial risks. Fund managers should front up to the New Zealanders who trust them with their hard-earned savings and justify why they are still investing almost $3 billion in the fossil fools*.”

A common reason cited by fund managers for continuing to invest in fossil fuels is their belief that they can influence the major oil and gas companies to lead the transition to renewable energy. This analysis shows this is not happening for most of the oil and gas sector. Instead, profiteering during high oil and gas prices as a result of Russia’s invasion of Ukraine has been used to attract shareholders and expand production.

Barry Coates added: “*If fund managers make claims they are investing in order to influence companies to reduce their emissions, they should provide evidence – otherwise they become part of the industry greenwashing.*”

The report calls for a massive shift in investment away from fossil fuels. This echoes the recent comment from UN Secretary-General, António Guterres: *“Investing in new fossil fuels infrastructure is moral and economic madness. Such investments will soon be stranded assets – a blot on the landscape, and a blight on investment portfolios.”* The UN and climate scientists have called for a massive scale up in renewable energy, pointing out that it is already cheaper than fossil fuels for many applications.

Barry Coates explained: “*Mindful Money’s website will include this analysis. It will allow all retail investors to find out, easily and for free, what fossil fuel companies they are invested in – whether those in transition or those in denial. Investors should use this information to take action. They should divest from the climate wreckers and support the renewable energy transition*.”

Barry Coates concluded: “*New Zealand individual investors and financial institutions have a crucial role to play. We have already seen the devastation for whānau, communities, our environment and our economy from climate extremes. This is happening when the global temperature rise is only 1.1°C. The reckless plans of fossil fuel companies and fund managers would create a temperature rise of around three times that level. We all have a responsibility to act to prevent massive suffering, loss of biodiversity and financial risk.*”

ENDS

**Notes for Editors**

The report includes the methodology used to categorise companies as those expanding their exploration and field development, and those reducing their emissions consistent with a 1.5°C transition pathway. The report includes case studies of the companies in both categories. Two other New Zealand electricity generators, Mercury and Meridian, are classified as renewable energy companies, with over 95% of their revenues from renewables. Genesis Energy is classified as a fossil fuel company, - it produces oil and gas from the Kupe field and 58% of its electricty generating capacity is from coal and gas.

The report will be featured at Mindful Money’s conference on Mobilising Climate Investment, to be held at the Maritime Room, in Auckland CBD at 2pm on Thursday 29th June. Tickets are still available for the conference [here](https://mindfulmoney.nz/learn/mindful-money-conference-awards-2023/).

The conference will be followed by the annual Ethical and Impact Investment Awards at the same venue, starting at 5.10pm.

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