

Survey of Aotearoa New Zealand Investors: Climate Policies and Actions 2026



Investor
Group on
Climate
Change



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Foreword

The Intergovernmental Panel on Climate Change Special Report in 2018 on 1.5°C was followed by an enthusiastic uptake of net zero pledges by countries, regions, and companies around the world, including many financial institutions. While such pledges signalled promising developments following the signing of the Paris Agreement in 2015, achieving them requires, robust, enduring and collective action.

About

This year's survey and report, the fifth in the series, are a collaboration of three organisations:



This report is based on a series of voluntary surveys of the investor population across Aotearoa New Zealand conducted annually since 2021. This work seeks not only to provide progress updates, but also to promote transparency and accountability.

Acknowledgements

This survey was coordinated by Marwa Curran and Duncan Paterson from IGCC and the research was undertaken by Lonergan Research as part of a comparable survey for New Zealand, Australia and the Asia-Pacific. The New Zealand analysis and report drafting was undertaken by Peter Sammut and Connor Grindal from Lonergan along with Barry Coates and Chris Leaney from Mindful Money.

The Investor Group on Climate Change

www.igcc.org.au

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand institutional investors focused on the impact of climate change on investments. IGCC represents investors with total funds under management of over \$5 trillion in Australia and New Zealand and \$35 trillion globally. IGCC members' beneficiaries include more than 14.8 million Australians and millions more New Zealanders.

The Centre for Sustainable Finance: Toitū Tahua

www.sustainablefinance.nz

The Centre for Sustainable Finance (CSF) is an independently governed charitable trust founded in 2021. It partners with the New Zealand government, philanthropies and financial institutions to accelerate progress towards a sustainable and equitable financial system in Aotearoa New Zealand.

Mindful Money

www.mindfulmoney.nz

Mindful Money is a charity that promotes ethical and impact investment in New Zealand. It provides transparency for KiwiSaver and managed fund investors on portfolio holdings, together with public education and engagement. Mindful Money provides services to the financial sector including research on the integration of climate change into investment portfolios.

Lonergan Research

www.lonerganresearch.com.au

Lonergan Research is an independent strategic research consultancy. Lonergan interprets data and research findings holistically to deliver evidence based yet creative insights and recommendations for their clients, combining a wide range of disciplines and approaches to solve complex business challenges.

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Introduction and summary

Overview of the survey

The 2026 State of Net Zero Aotearoa New Zealand report includes data from 14 investors; three asset owners, ten asset/fund managers and one wealth manager, representing global assets under management (AUM) of just over NZD200bn. We would like to extend our sincere thanks to those that took the time to complete the survey. The total AUM of respondents to this year's survey represents a little over 30% of total assets under management in New Zealand and includes representatives from a range of different investor types. In previous years we have disaggregated asset owner and manager results, but this year's report focuses on aggregated results.

Respondents completed the survey between 8 October 2025 and 17 February 2026. The survey questions remained almost identical to the previous year to facilitate trend analysis.



Operating Context

The global climate has now pushed us into uncharted territory. The year 2024 surpassed 2023 as the hottest on record,[1] while 138 countries recorded their hottest temperatures ever.[2] Temperatures in 2024 also surpassed the science-informed 1.5°C guardrail above pre-industrial levels, which risks triggering climate feedback loops that further accelerate climate change.

The impacts of climate change are being felt across the environment, societies and economies around the world. Global heating is associated with increases in the frequency and severity of extreme weather events, in chronic climate shifts that can lead to population displacement, and in reduced agricultural yields, all of which contribute to worsening poverty and health outcomes. Most of the world wants action.

One global study revealed that 89% of the world's population supports increased governmental efforts to combat climate change.[3]

A separate study found that 97% of global business leaders support a rapid shift from fossil fuels to renewables-based electricity.

Progress remains fragmented, however, despite these societal demands. Current policies and pledges are still insufficient to meet the Paris Agreement's goal of limiting global warming to well below 2°C, aiming for 1.5°C.[5] While some countries and regions continue to promote action, transparency and progress, others such as the US are actively reducing their efforts to combat climate change and instead encourage the use and extraction of fossil fuels.

This political polarisation in some markets is not helped by the modern phenomenon of online disinformation. The nature of modern social media platforms means a relatively small number of bad faith actors are able to ensure that mis- and dis-information on the topic of climate has become widespread, and is disproportionately undermining broad public trust in climate science.

Efforts to foster international collaborative action on the climate are also hampered by global conflicts and insecurity, which can distract and disrupt adaptation and mitigation efforts. The emergence of artificial intelligence is also a mixed blessing – while the technology offers tools to assist in an orderly transition, its rapid development and deployment come with significant energy demands and other environmental consequences.

A similar story is unfolding in New Zealand. The country is hotter than ever and has already seen changing landscapes, strained food production and depleted marine life as a result of chronic climate shifts. Acute events continue to increase in severity and frequency as we saw with multiple states of emergency declared throughout different parts of the country in Q1 2026.

From a policy perspective, the current government's actions continue to see New Zealand slip down the global rankings and rated as 'highly insufficient' in the latest Climate Action Tracker analysis.^[1] In recent months, the encouraging implementation of new tools such as the sustainable finance taxonomy is more than offset by significant rollbacks to the climate-related disclosures regime, and local energy policy choices that

seem to favour fossil fuels over renewables as the country looks to secure its energy future. Climate Change Commission analysis shows that current policies do not put the country on track to meet the Commission's recommended emissions budgets or 2050 targets, while the 2031-2035 Nationally Determined Contribution submission is also unambitious and inconsistent with the Paris Agreement.

To bridge the gap between long-term climate goals and financial returns, investors require policy certainty, high-quality data and commercially viable investment opportunities. While we see global and domestic progress in some of those areas at present, the absence of a stable, long-term policy environment with sufficient incentives and signals is important context for this survey.

[1] [Copernicus Climate Change Service, 2025.](#)

[2] [Carbon Brief, 2024.](#)

[3] [Nature Climate Change, 2024.](#)

[4] [We Mean Business Coalition, 2025.](#)

[5] [UN Environment Programme, 2024.](#)

[6] [Climate Action Tracker, 2026.](#)

Key survey insights

- Drivers for considering climate change and net zero investing increased since the last survey, led by a desire to embed climate-related risks into financial decision-making (79% of respondents);
- Respondents increasingly sought to identify and take advantage of climate-related opportunities, but managing risks remained their primary driver for climate considerations;
- Every respondent had a climate strategy, with most focused on embedding climate-related risks into investment processes (often through exclusions/negative screening);
- Energy remained the most significant investment opportunity for respondents, with an increased focus on renewables storage and transmission as well as generation;
- Most respondents measured at least some of their financed emissions, but many were unverified and did not yet include the full value chain;
- Over half of respondents set net zero targets across all or part of their portfolio, though not all of those respondents had a transition plan;
- Almost half of respondents thought barriers to climate-aligned and climate solutions investments had worsened over the prior 12 months;
- Respondents cited a lack of opportunities with appropriate risk return objectives as the most common barrier to investment in climate solutions - policy/regulatory uncertainty was another significant barrier;
- Obstacles to a higher take-up of climate stewardship practices included inadequate resources and capabilities for stewardship and an absence of well-defined net zero pathways for companies;
- Respondents wanted policy-backed and science-based 1.5°C-aligned national emissions targets, reinforced with aligned sector pathways and plans. They wanted to see a whole of economy approach to carbon pricing along with the phasing out of fossil fuel subsidies and stronger greenwashing legislation and monitoring.

Identifying and measuring climate-related risks and opportunities

For investors to effectively set net zero targets and manage their climate-related risks and opportunities, they must first understand, identify and measure them. The survey questions covered relevant topics including governance, reporting and activities to identify and measure risks and opportunities.

Governance

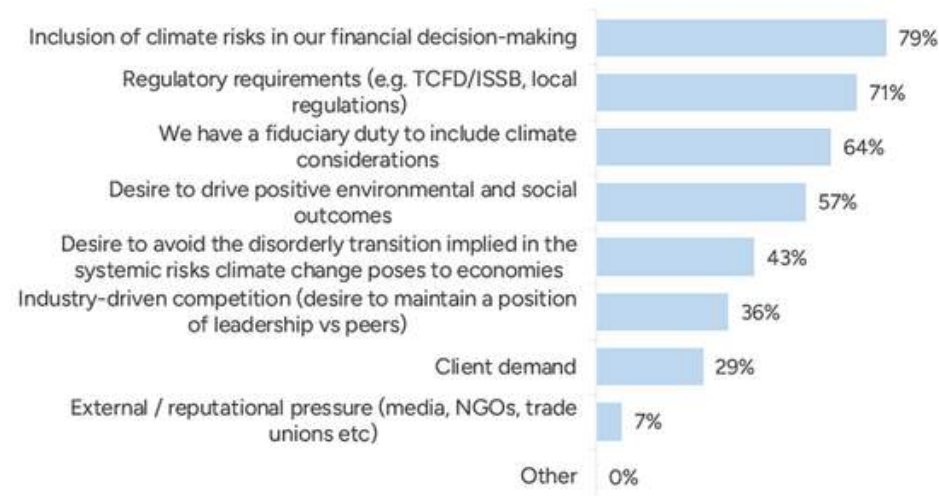
An important element in ensuring that climate-related risks and opportunities are appropriately addressed is the duty that boards of directors have for long-term stewardship of the companies they oversee. Likewise, management teams play a crucial role in assessing and managing those risks and opportunities while also providing sufficient information to directors.

The survey highlighted that almost all respondents (93%) foster awareness at the Board level of any organisational climate strategy and portfolio risks, a key foundation which remains consistent with the last survey.

Nearly three in five (57%) have formally defined climate-related roles and responsibilities in their Terms of Reference and/or role descriptions, while just under half (43%) undertake regular reporting on climate-related financial metrics. 36% of respondents regularly provide training to the Board and all staff on climate-related risks and implications for the organisation. Each of these areas demonstrate progress compared to last year's results, but there is further room for improvement.

There are many drivers for investors to foster awareness and consider climate change and net zero investments, as shown in Figure 1:

Figure 1: The top drivers of climate considerations and net zero investing



This year's data saw the top drivers for investors to take climate into account remain the same, but the number of respondents selecting them increased relative to last year's survey. Including climate-related risks in financial decision-making remained the biggest single driver, and was chosen by 22% more respondents this time, while regulatory requirements and fiduciary duty also saw respective 23% and 7% increases. The top three drivers were exactly the same in Australia, albeit in a slightly different order. Given the primary driver is inclusion within financial decision-making, and only one investor cited external / reputational pressure, we infer that respondents are primarily driven by business factors when it comes to including climate in their investment processes.

The changes to some regulatory requirements in New Zealand (namely regarding climate-related disclosure) mean its criticality as a driver is one to watch for the future.

Reporting

Climate-related disclosures aim to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future. By publicly reporting on their climate-related risks and opportunities, investors and other entities can demonstrate how they are considering them throughout their business models. This disclosure also facilitates better decision-making by users of the climate statements. The survey highlighted that 57% of respondents published annual climate statements in alignment with global/local standards, a small uptick from 52% in the last survey. However, only one of those that published did so with external and/or independent assurance provided. This may be because adoption provisions allowed for delayed introduction of assurance on Scope 3 greenhouse gas emissions. There is unlikely to be an increase in assurance for reporting given the removal of MIS from the scope of New Zealand's mandatory disclosure regime.

Figure 2: The state of producing TCFD/ISSB-aligned reporting

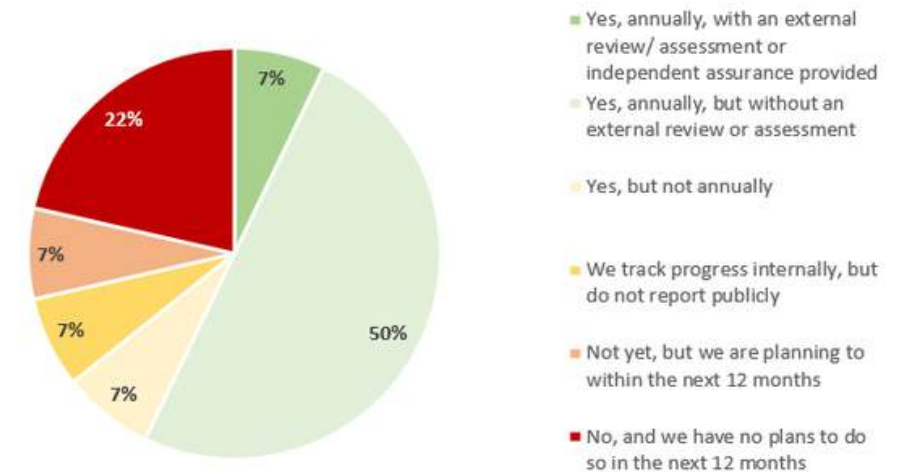


Figure 2 also shows around one in five respondents (22%) had not produced any aligned reporting nor were planning to within the following 12 months. The remainder were either publishing statements less frequently, planning to publish soon or tracking progress internally but not publishing.

Some of our survey respondents were not sufficiently large to be in scope for mandatory climate disclosure. Additionally, one respondent indicated they had previously produced mandatory climate statements but were not intending to in the future given they were no longer required to do so.

However, despite the regulatory changes, there remains sound business reasons for MIS and other entities to publish climate-related disclosures. These include that:

- disclosure acts as an effective tool for entities to identify, measure and manage their climate-related risks and opportunities and embed the transition into their strategies and business planning;
- businesses that trade internationally are increasingly required to provide robust and verified climate information by their customers and others in the value chains, both for internal policies and for their own reporting requirements;
- international investors rely on credible climate information published by investee companies. These requirements are also mirrored domestically; and
- surveys show that New Zealand retail investors want their KiwiSaver or investment funds to reduce their climate footprint and to report on their financed emissions.

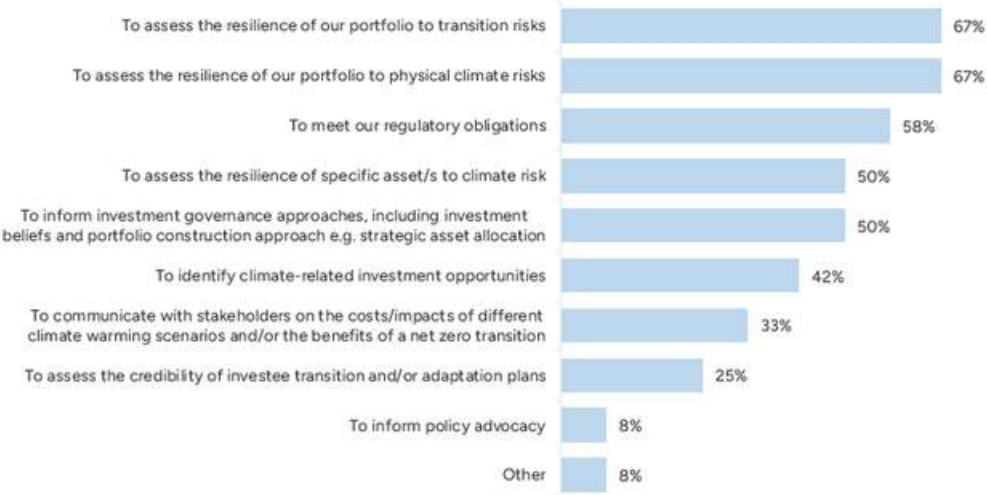
Scenario analysis

Scenario analysis is a key tool for entities to help identify their climate-related risks and opportunities and better understand the resilience of their business model and strategies. This year is the first year we have included insights on scenario analysis in the Aotearoa New Zealand State of Net Zero report.

The survey showed that the majority of respondents have engaged in some form of scenario analysis, with 71% undertaking it for their whole portfolio and a further 14% for part of their portfolio. These results are higher than the numbers publishing climate statements, indicating investors are electing to undertake scenario analysis for business and investment reasons, rather than as an obligation under disclosure regulations.

This is backed up by the data showing the drivers for undertaking scenario analysis as outlined in Figure 3, which demonstrates wide-ranging reasons across respondents:

Figure 3: Drivers for undertaking scenario analysis



The two most significant drivers relate to assessing the resilience of portfolios to transition and physical risks, which will help with subsequent financial decision-making (the key driver of climate considerations in Figure 1 above). Encouragingly, several investors also used scenario analysis to identify opportunities in addition to risks.

When undertaking scenario analysis, all respondents used warming scenarios of 1.5°C, 2°C and above 3°C; matching regulatory requirements and facilitating consideration of a wide range of physical and transition states. Three quarters of respondents that conducted scenario analysis published their results.

Physical risk assessments

Scenario analysis is only one tool entities can use to identify climate-related risks and opportunities. We also asked investors about their use of physical risk assessments, which could cover both acute (extreme weather events e.g. floods, landslides) and chronic (long-term climate shifts e.g. sea-level rise, rising temperatures) risks. The results are set out in Figure 4.

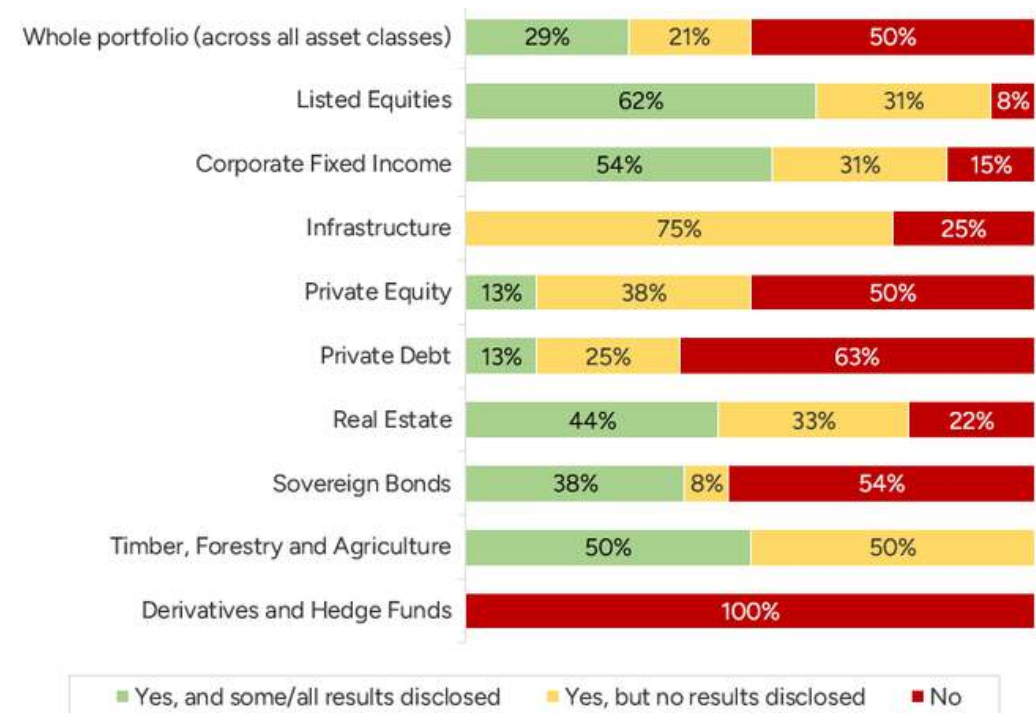
Figure 4 shows two things:

- a significant improvement in the number of assessments compared with the last survey; and
- considerable variation of assessments by asset class.

The proportion of respondents assessing their whole portfolio increased from 33% to 50%, with every single asset class seeing improvements aside from derivatives and hedge funds which remains at no assessment.

The survey suggests that investors are prioritising assessing physical risks in their timber, forestry and agriculture, listed equities, corporate fixed income, real estate and infrastructure assets. Investors are frequently publishing at least some of their results, which ties in with the proportion producing climate statements and publishing scenario analysis.

Figure 4: Climate-related physical risk and resilience assessments across asset classes



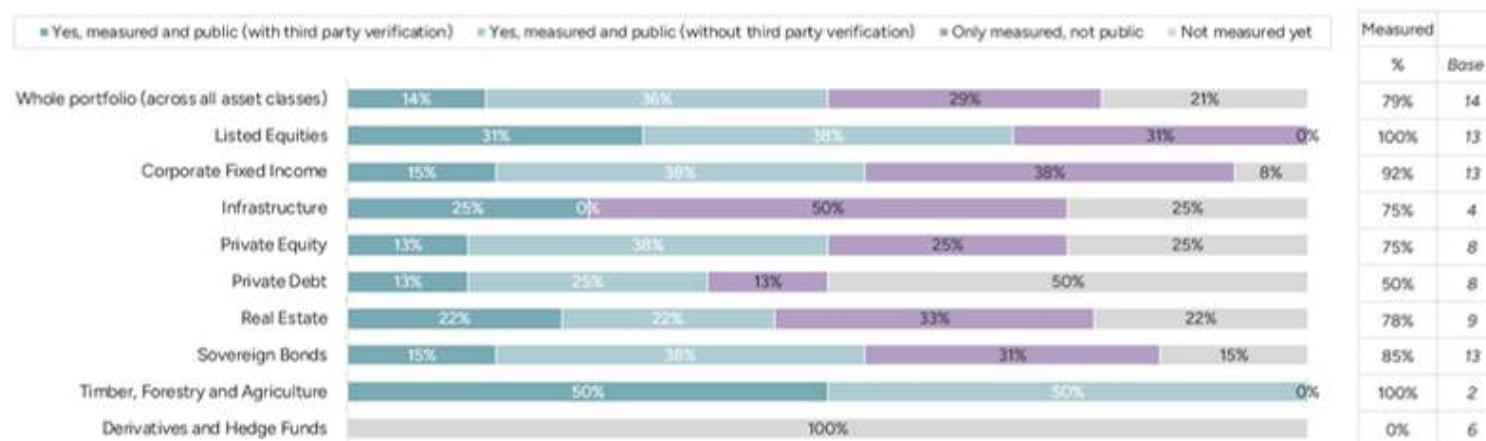
Emissions measurement

Measuring greenhouse gas emissions (GHG) across asset classes and portfolios is crucial in helping investors understand their exposure to transition risks, and assists in the setting and achievement of net zero targets. GHG emissions are split into three Scopes:

- **Scope 1 (Direct emissions):** These are emissions from sources that an organisation directly owns or controls. For a manufacturing company, this might be emissions from their factory. For a transport company, it is emissions from their trucks. For KiwiSaver and investment funds, Scope 1 emissions are typically minimal or zero – funds do not operate factories or vehicle fleets.
- **Scope 2 (Indirect emissions from energy):** These are emissions from the electricity and heating that an organisation buys and uses. Again, for investment funds, these are usually negligible – perhaps emissions from running their office buildings, but this is tiny compared to other sources.
- **Scope 3 (all other indirect emissions)** includes emissions from an organisation's entire value chain – everything they are connected to but do not directly control. For MIS managers, there are two layers to Scope 3 – emissions from investments (Scope 1 and 2 of those investments) and the entire value chain of those investments (Scope 3 of those investments). The emissions of the companies they invest in are commonly called "financed emissions" and generally make up most of a MIS' GHG profile.

The survey focused on an investor's financed emissions. The results in Figure 5 show respondents continue to make progress in measuring the more straightforward financed emissions in their portfolio, with improvements across all asset classes relative to the last survey, excluding derivatives and hedge funds.

Figure 5: Measurement of Scope 1 and 2 financed emissions across asset classes



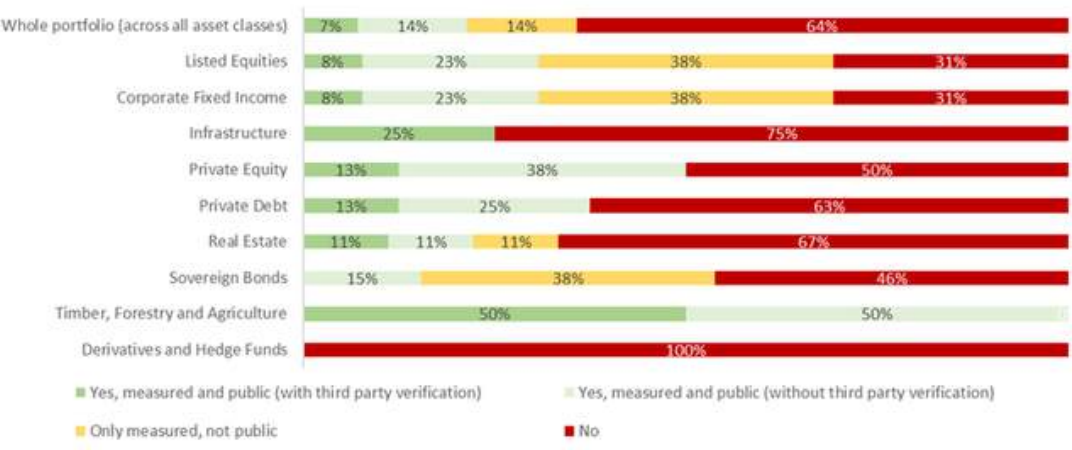
Q10. Have you measured the greenhouse gas (GHG) emissions of your portfolio?

There remains a large number of measurements that are not verified and/or public. While this might relate to the scope of New Zealand disclosure requirements and adoption provisions, it could also be due to barriers in measuring financed emissions (discussed later in this report).

The results shown in Figure 6 demonstrate there is still opportunity to measure (and publish) emissions across an investor’s entire value chain. Whereas 79% of respondents were measuring Scope 1 and 2 financed emissions across their whole portfolio, that more than halves to 36% for Scope 3 financed emissions. This reduction in measurement is observed across all asset classes for Scope 3, except for timber, forestry and agriculture.

It is challenging for entities to set and monitor net zero targets without a comprehensive picture of their emissions profile. Investors are encouraged to continue making progress in this area, even in the absence of mandatory domestic regulatory requirements.

Figure 6: Measurement of Scope 3 financed emissions across asset classes



Managing climate-related risks and opportunities

There are many courses of action that investors can take once they begin identifying, measuring and monitoring their climate-related risks and opportunities. The survey included high-level questions about investors’ overall management strategies, alongside more detailed questions regarding specific policies and engagement.

Overarching strategies

Investors must decide how they will position themselves within the transition to a low-emissions, climate-resilient economy.

The survey showed that every respondent had some form of climate strategy. A high proportion of respondents had an investment policy regarding climate change. 64% had a public policy while a further 21% had an internal-only policy.

The proportion of respondents with transition plans was lower, however – more than half (57%) did not have one and had no plans to produce one within the following 12 months. This will be referenced further below in the context of target setting and decarbonisation.

Within their climate strategies, respondents identified a range of actions they are taking in response to the intelligence coming from their measurement of climate metrics. ESG integration (evaluating risks and opportunities posed to investment portfolios from increased carbon emissions) was prioritised, as was sector/activity screening or exclusions.

Figure 7: Actions forming climate strategies



Sector/activity screening or exclusions grew in popularity by 23% since the last survey. Another part of the survey identified that every respondent applies exclusions/negative screens on fossil fuels across either all (43%) or part (57%) of their portfolios, and several investors have time-bound commitments to phase out fossil fuels investments.

Thematic investing in climate-related assets jumped by 9%, an encouraging development as investors seek to exploit opportunities rather than solely mitigate risks (which remains the primary motivation as identified in Figures 1 and 3 above).

The most common actions were broadly the same across New Zealand and Australia, though a higher proportion of Australian respondents used thematic investing in climate-related assets (69% vs 50% in NZ) and building net zero considerations into client/provider relationships (64% vs 29% in NZ).

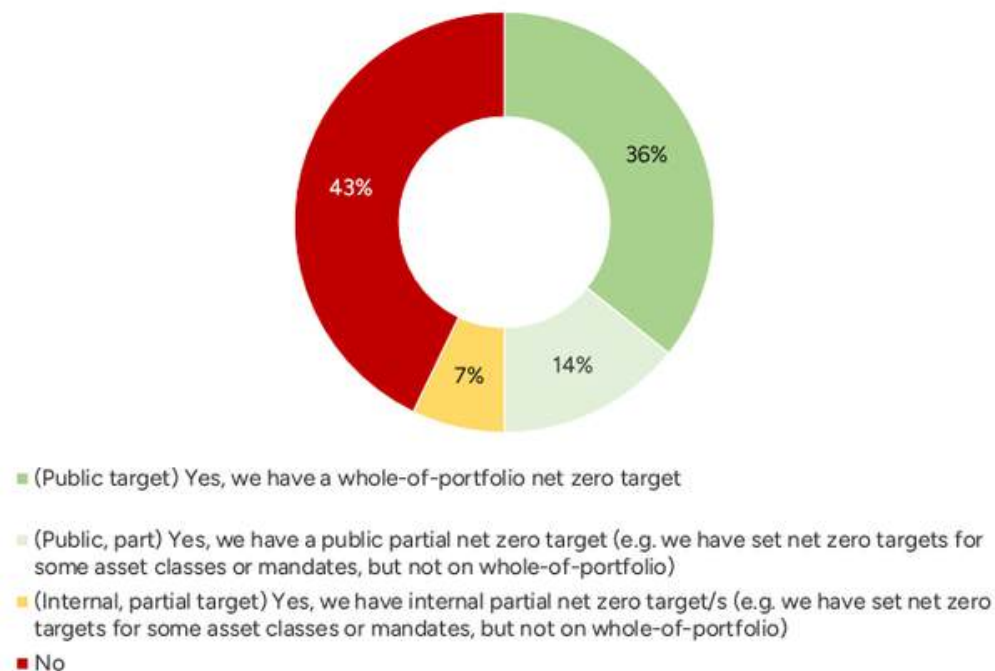
The survey identified that while investors are focused on climate change in the context of environmental-related risks and opportunities, more than half of respondents were yet to take any action on integrating biodiversity and nature into their investment process. Of the handful of investors that had work underway, actions were split across setting high-level commitments, assessing portfolio exposure and developing relevant policies. No respondent had undertaken any nature-related scenario analysis, nor set specific targets.

Similarly, some respondents demonstrated they are integrating considerations around 'a just transition' into their investment processes through investment research, engagement, and exclusionary screening. 71% of respondents indicated they had not yet integrated just transition considerations into any part of their investment cycle, however.

Target setting and decarbonisation

As part of their climate strategies, investors may set emissions reduction targets for all or part of their investment processes, and take different pathways to achieving those targets. The survey found that over half of respondents had set some form of net zero target aligned with global net zero emissions pathways, a marginal increase on the previous survey. The majority of those targets were publicly available and covered the whole portfolio.

Figure 8: Setting net zero targets across the portfolio



Respondents without targets provided different reasons for not setting them, including:

- incompatibility with their index approaches;
- that actions to achieve any such targets were outside of their control; and
- that setting a target was not in the best interest of their investors.

For those that did set targets, investors used a range of methodologies and providers as noted in previous surveys. The survey identified that most respondents with long-term net zero targets also had interim decarbonisation targets across their portfolio and in individual asset classes, many of which were public.

According to the survey, there are more respondents with net zero targets than transition plans – this highlights the importance of investors making feasible plans and taking effective action to achieve their targets.

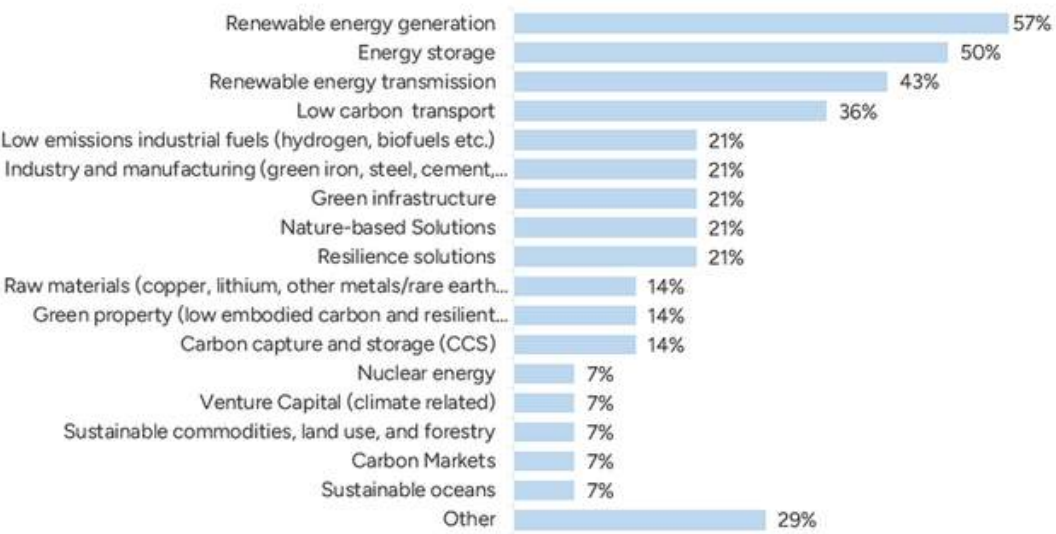
Investment in climate solutions

Investing in climate solutions is one potential component of investors achieving their net zero targets. It is also an important factor in helping them manage risks and seize opportunities.

Figure 7 above highlighted that half of respondents undertook thematic investments in climate-related assets, while other parts of the survey identified that respondents’ approaches to investment in climate solutions included offering discrete products but also extended to target setting and tracking investment levels.

The survey found that investors have identified widespread opportunities to increase their exposures as part of their near-term climate solutions investment strategy.

Figure 9: Primary opportunities to gain exposure as part of near-term climate solutions investment



The most popular opportunity remains renewable energy generation, though its popularity fell slightly from 71% in the previous survey. This reduction was offset by increased demand for other climate solutions related to renewable energy; appetite for investment in energy storage increased by 8% while renewable energy transmission investment increased by 10%. Planned investment in resilience solutions also increased from 8% to 21%, in accordance with an increased investor focus on scenario analysis and physical risk assessments (see Figures 3 and 4 above) and with a heightened national focus on adaptation and resilience as we experience more frequent and severe weather events. This survey revealed that 64% of respondents already undertook actions to increase resilience to physical risk, namely through integration into investment processes, asset allocation and asset engagement.

Despite these increases, the popularity of most climate solutions investment opportunity types fell compared to last year. This drop can be associated with the challenging operating context for climate investment discussed in the introduction to this report and with the barriers outlined later.

Engagement

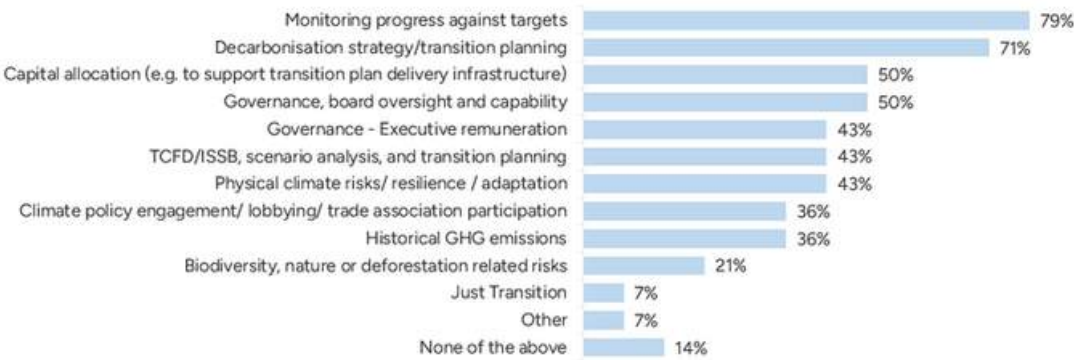
Investors have a responsibility to engage with the companies in their portfolios, not least due to the established importance of good corporate governance and environmental and social practices to long term returns. Their voting on resolutions and engagement with company management or the Board provide an opportunity to strengthen climate action.

The 2026 State of Stewardship report found that New Zealand’s institutional investors are now more active in how they exercise their ownership rights, including through deeper engagement, more deliberate voting and more specific and transparent expectations.[1] The survey identified that respondents conducted corporate engagement through several different channels. Many engage directly with companies, at the sector level and/or through domestic and global initiatives. Almost all respondents outsourced part of their engagement to increase reach, either through external providers or managers.

When engaging with investees on climate, respondents identified a wide range of topics as outlined in Figure 10 below. This is not surprising given the different strategies investors are employing, as illustrated in other parts of this report.

[1] Aotearoa New Zealand State of Stewardship 2026 report.

Figure 10: Focus areas for engagement with investees



Q19. With regards to your climate-related corporate engagement with investees, which of the following focus areas do you engage on?

Engagement related to the monitoring of progress against climate targets was the most chosen topic, closely followed by decarbonisation strategies/transition planning. The other scores also reflect themes we observe throughout the survey including the increased popularity of resilience and scenario analysis, taking action on fossil fuels, and lower prioritisation of nature and just transition.

Alongside corporate engagement, 71% of respondents undertook policy advocacy within the prior 12 months. The most popular activity was responding to climate-related public consultations, though other common choices included supporting investor organisations and private roundtables with relevant policymakers and regulators (identified policy priorities are discussed more in the next section). Only a couple of respondents engaged in direct public communications or discussions.

Barriers and policy priorities

Barriers to action

Barriers exist in many forms and for many types of action, often with fluctuations depending on the operating context, policy priorities and competing priorities and strategies within the private sector.

The survey showed only 21% of investors saw barriers to climate investing improve over the prior 12 months, a marked reduction relative to the 48% in the last survey. On this occasion, 43% of respondents thought barriers had worsened compared to only 4% in the last survey. The low number of investors citing improvements was similar to the result for Australia, implying that these numbers are reflective of the current challenging global context as well as domestic obstacles to actions on climate.

Digging deeper into the specific barriers to investing in climate solution investments and climate-aligned investments, the survey highlighted a wide range of barriers as outlined in Figure 11.

Figure 11: Barriers to climate solution investments and climate-aligned investments

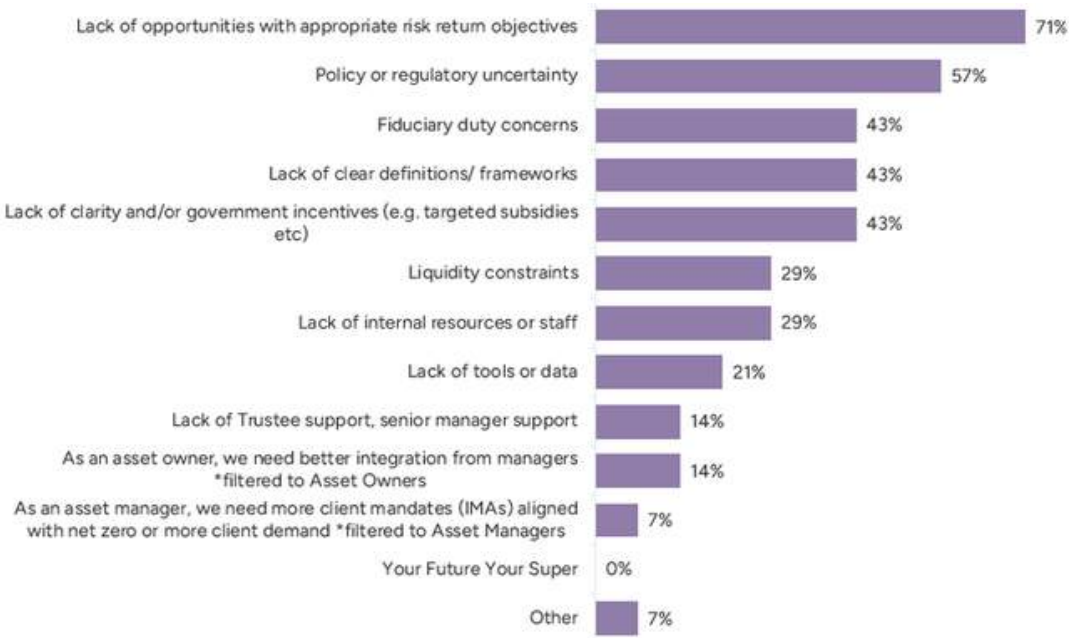


Figure 12: Barriers to climate-related stewardship practices

Most respondents identified a lack of opportunities with appropriate risk/return objectives, which continues the report’s narrative of a greater focus on mitigating risk vs taking opportunities. Other oft-cited barriers include policy or regulatory uncertainty, fiduciary duty concerns, and a lack of clarity and/or government incentives. As discussed earlier in this report, New Zealand has experienced considerable policy uncertainty in terms of domestic policy settings when it comes to the topic of climate, and this could continue for the foreseeable future. While a lack of clear definitions/frameworks was also identified as a common barrier (43%), implementing tools such as the ongoing rollout of the sustainable finance taxonomy could help promote a common playing field.

Overall, this year’s survey saw an increased proportion of investors identifying barriers across the board, with the main exception being a ‘lack of tools or data’ which improved from 39% to 21%. When taken alongside the other results, this suggests more climate data is now available for investors in the New Zealand market (perhaps with the exception of some Scope 3 challenges per Figure 6), but challenges remain in using the data as desired.

The survey also identified several barriers to climate-related stewardship practices, though these were not quite as severe or widespread as for climate investing.

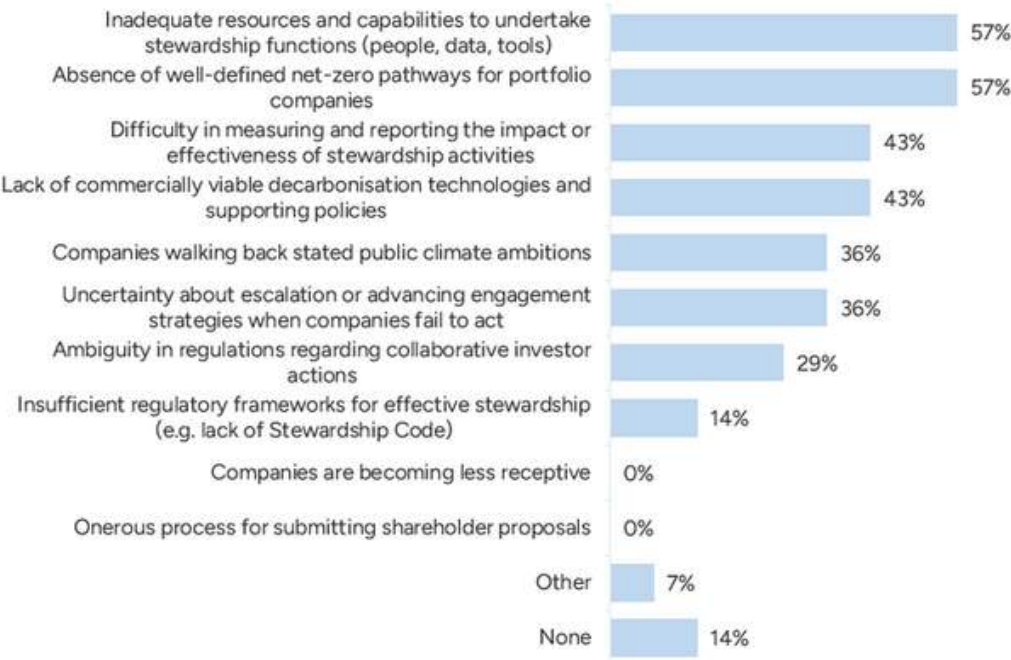


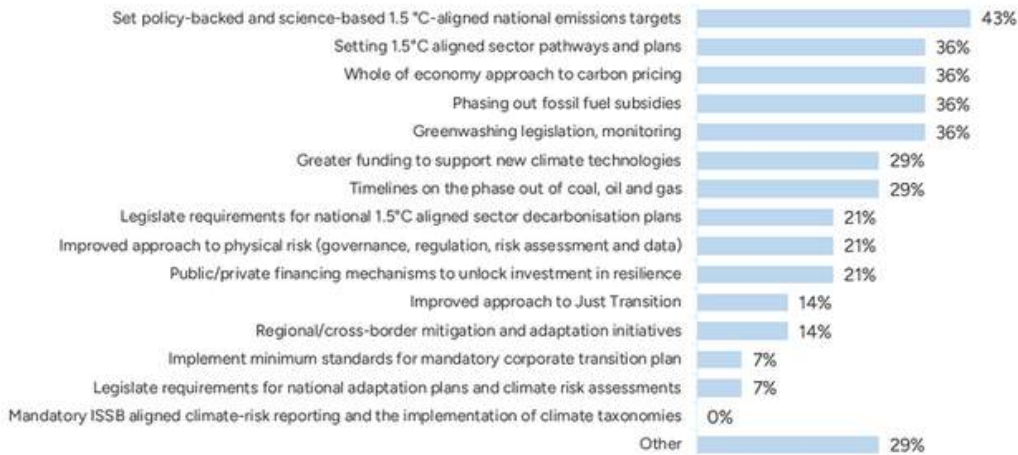
Figure 13: Suggested key climate-related policies of the national government

Respondents cited a lack of internal resources and capabilities as a major challenge for climate-related stewardship practices (e.g. corporate engagement and proxy voting), alongside an identified absence of well-defined net zero pathways for investee companies, which remains a challenge for many organisations. That lack of net zero pathways may also be a factor in the 36% of respondents that are concerned about companies walking back their stated public climate ambitions. The finding that no respondents were concerned about companies becoming less receptive suggests the barrier relates more to challenges in achieving targets rather than a reduced desire to work towards them.

Key priorities for climate policy

The politicisation of climate science and the polarisation of climate policy continue to delay global progress in effecting the transition towards a low-emissions, climate-resilient global economy. This also holds true within New Zealand, and survey respondents frequently cited policy and regulatory uncertainty as a barrier to their action. Governments have a key role to play in designing and implementing effective, long-term policies and incentives to enable individuals, regions and businesses to mitigate and adapt to climate change.

Respondents outlined a range of suggested climate-related policies for the New Zealand government, as shown in Figure 13.





When asked to select from a menu of potential government policy responses to the threats posed by climate change, the most popular option among survey respondents was for government to set policy-backed and science-based 1.5°C-aligned national emissions targets. There was a four-way tie for the second most popular policy approach, including:

- the setting of national 1.5°C-aligned sector pathways and plans;
- a whole of economy approach to carbon pricing;
- the phasing out of fossil fuel subsidies; and
- stronger greenwashing legislation and monitoring.

Other policy priorities that received support from several respondents included greater funding to support new climate technologies, and a timed phase out of coal, oil and gas.

Policies in those areas will make it easier for investors to set, measure and achieve their net zero aspirations and reduce the amount of climate-related risk within their portfolios, while also enabling them to maximise the opportunities that result from the necessary transition.

Conclusions

As the world continues to warm and both global and domestic progress towards a low-emissions, climate-resilient economy remains fragmented, this year's survey shows that investors in New Zealand are increasingly considering climate change in their financial decision-making.

While managing risks remains their primary motivation, more investors are also seeking to identify and seize climate-related opportunities. Every survey respondent had a climate strategy and more than half had set net zero targets across all or part of their portfolio, though further progress is needed to measure financed emissions throughout the value chain and to develop transition plans.

In undertaking climate-aligned and climate solutions investments, investors are encountering numerous barriers. One of the more prominent barriers was policy and regulatory uncertainty, with survey respondents keen to see a whole of economy approach to carbon pricing, policy-backed and science-based 1.5°C-aligned national emissions targets reinforced with aligned sector pathways and plans, and the phasing out of fossil fuel subsidies.



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