

Cameron Brewer

Chair

Finance and Expenditure Committee

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4 February 2026

Dear Cameron,

GUARDIANS OF NZ SUPERANNUATION – 2024/25 ANNUAL REVIEW – FOLLOW UP QUESTIONS

Please find our answers to the follow-up questions received from the Committee below.

- 1. The Guardians' performance framework and measures remain relatively unchanged from previous years. What work is the Guardians considering to enhance its performance framework, information and reporting?*

Recent changes to climate reporting

We have recently made reasonably significant changes to our climate reporting. In 2025, the Board approved new GHG emissions reductions targets for the period 2025-2030. We also reviewed our carbon accounting framework and decided to shift our approach to align with the Partnership for Carbon Accounting Financials (PCAF) method. For 2024/25, we opted to report under both the pre-existing and PCAF-based methods.

The new approach entails us:

- including bonds in calculating the carbon intensity of our portfolio
- using enterprise value including cash (EVIC) rather than market capitalisation as the basis for attribution
- shifting the baseline of our carbon targets from the current Unadjusted Reference Portfolio to the 2019 Actual Portfolio.

These changes are consistent with the methods used by most comparable investment and financial services entities - including the other Crown Financial Institutions - and with the Crown RI Framework. Further information is contained within our [2024/25 Climate Change Report](#).

Future reporting plans

- We are currently reviewing the composition of the Fund's Reference Portfolio benchmark. This benchmark is key to our performance reporting. Any changes will take effect from 1 July 2026 and be reported on in our 2025/26 Annual Report.

- CEM Benchmarking, the global leader in investment benchmarking, has worked with leading institutional investors to develop a set of [reporting principles for institutional investors](#). The principles have a focus on how costs are reported. We intend to incorporate these principles into our Statement of Intent transparency performance measures and report on the NZ Super Fund's performance against them in our 2026/27 Annual Report.
- We prepare our Annual Report in accordance with the Global Reporting Initiative (GRI) Standards. During 2026 the GRI is expected to finalise a new Capital Markets Standard which will apply to asset owners such as ourselves. While we are already well-placed to meet the Standard, we will likely make some changes to our reporting as a result, such as including a reporting architecture diagram in the Annual Report, and introducing more explicit cross-linking to detailed sustainability information.

The above changes reflect our commitment to continual improvement of our public reporting, noting that we already report in line with best practice. Our Annual Reports have received 12 successive Gold Standard Awards at the Australasian Reporting Awards, including 'Report of the Year' in 2024 and 2025, and have also won a number of other international reporting awards.

2. *Why has there been no reported progress in two areas of recommendations in the WTW review: - developing complexity principles and strategies; and - maturing the insourcing of private market investment?*

We published an update on our progress in responding to the WTW Review recommendations in January 2026. This report is available on our website; we have excerpted the key points of interest below.

Complexity principles and strategies

In line with this recommendation, the core focus for the 2025/26 financial year is to simplify the organisation, setting us up to scale, take advantage of future technological changes and withstand periods of volatility. 'Business-beyond-usual' work across these workstreams has included: streamlining and simplification of frameworks and processes; the review and restructure of the Technology team; the relocation of the Change function to the Enterprise Strategy team with a broader, enterprise-wide focus (resulting in a step up in how change management is handled); development and deployment of a Technology strategy; and the review and restructure of the Investments team - aligned with asset classes (see below).

Establishing an explicit set of complexity principles is still under consideration.

Maturing the insourcing of our private market investment activities

Steps to mature the insourcing of our private market investment activities have started with the creation of dedicated Real Asset and Private Markets & Alternatives teams. We believe having asset-class focused teams is the best way forward, given the projected growth in the size of the Fund.

It will develop deeper asset class expertise and make it easier to work with our partners and counterparties.

While we have no short term plans to establish an overseas presence, we will keep this under consideration in the future.

We do not believe that not having an overseas office hinders our ability to source private market opportunities.

3. *Please provide an update on the short-term actions that needed to be addressed with New Zealand Growth Capital Partners including the appointment of a new and permanent CEO and the finalisation of an investment strategy.*

New Zealand Growth Capital Partners has now finalised its investment strategy for the additional government funding Elevate received in Budget 2025, updated its relevant policies and processes to manage the next phase of investments and appointed the incumbent CIO, James Pinner, as CEO. Recruitment of two board members including a new Chair is underway. We will be updating our annual conviction assessment of NZ Growth Capital Partners as manager of the Elevate mandate in mid-2026, which will give the new strategy, processes, board Chair/members and management team time to settle in.

Yours sincerely



John Williamson

Chair