



NZSA expands company assessments to include Environmental Sustainability

November 11th 2022

The NZ Shareholders' Association (NZSA) is pleased to release a new policy focused on investor expectations relating to *Environmental Sustainability* practices and disclosures.

The new policy takes its place amongst the suite of existing NZSA policies used to assess corporate disclosures and practices. NZSA undertakes assessments of nearly all NZX-listed issuers as well as some issuers on both the Unlisted (USX) and Australian (ASX) exchanges. These assessments support investors in their decision-making and also inform NZSA proxy votes at shareholder meetings.

NZSA has chosen to adopt a broad approach towards environmental sustainability, reflecting the concerns of investors that extend well beyond climate change to other environmental factors that may impact corporate performance in the long-term.

“The role of environmental impacts on corporate strategies, whether through risk or opportunity, has been an increasing factor for many investors in their investment decisions over the last few years” says Oliver Mander, NZSA Chief Executive. “This policy gives voice to investor concerns and offers principles to companies that sets out the expectations of their shareholders.”

NZSA has also made thorough submissions to the External Reporting Board (XRB) as part of the development of the Climate-Related Disclosure (CRD) framework, due to come into force for the 2023 reporting period.

Ongoing advocacy

NZSA is also advocating for the scope of the CRD framework to be expanded to cover unlisted companies, with a threshold based on total assets, to ensure a level playing field with listed issuers and preserve the vitality of New Zealand's capital markets.

“We're concerned about the unintended consequence of the current 'climate reporting entity' definition on the health of New Zealand's capital markets.”

Unlisted companies, except for large financial services providers, are not subject to any climate-related disclosures under the new legislation.

“There's no reason why the listed sector should bear sole corporate responsibility for creating climate improvement in New Zealand – and the issue is too important for New Zealand's future for NZSA to advocate for any reduction in the scope of climate reporting.”

As part of its advocacy to support New Zealand retail investors, we have reached out to both government and opposition MP's. We're looking forward to discussing this, and other issues that are of concern to investors, with politicians and lawmakers over the coming weeks and months.

Further material

[NZSA Environmental Sustainability :Policy](#)

About NZ Shareholders' Association

Since its formation in 2001, the NZSA mission is to represent, promote and protect the interests of investors in shares and other investment products. We aim to promote and encourage an active, efficient, fair, and transparent market for raising capital, trading shares and other investment products.

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