



Zero Carbon Bill Submission

We would like to take advantage of the opportunity to submit our thoughts and recommendations on the process for introducing the Zero Carbon Bill.

Firstly, as a Fund Manager in New Zealand, we have a fiduciary duty to our clients to include all relevant and material information in the investment process including environmental, social and governance considerations. We believe the introduction of this Bill will make great strides in improving the environmental profile for New Zealand listed companies and New Zealanders more generally.

Our key point that we would like to emphasise is our recommendation for an independent commissioner to head the Climate Change Commission. In accordance with best practice governance, we believe independence is important to ensure the objectives of the Commission are achieved without any biases or conflicts of interest.

We have collective experience in the establishment of the Independent Reserve Bank of New Zealand Act 1989 and the respect of various parliaments for the independence of the RBNZ in our view accelerated the progress in establishing a stable inflation environment in New Zealand which assisted New Zealand companies in their planning and investment.

Similarly, the confidence that NZ companies would have in a fully independent commissioner, potentially held accountable by an independent board, would provide a long-term framework for companies to invest to assist in achieving the 2050 target.

We believe that the Government should set a 2050 target in legislation now to hold all relevant parties accountable and commit to a target given the legislative lag that can occur and the sense of urgency in addressing climate change.

We think that the **best target for the Government to set for 2050 is net zero carbon dioxide.** In an ideal world, the most environmentally friendly scenario would be net zero emissions however given the constraints this would place on our agricultural sector and economic performance, we believe a compromised target that would still improve the environment while mitigating the potential loss to GDP is the better option.

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