

21 September 2022

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By email: [REDACTED]

Dear [REDACTED]

Official information request regarding carbon exposure and derivatives

I refer to your official information request dated 16 September 2022:

“NZSF’s emissions measurement policy as outlined in its Carbon Footprint 2021 paper is:

‘Our equity derivative exposures were treated as equivalent in emissions intensity and fossil fuel reserves as their underlying physical equities equivalents, even though there is not necessarily any underlying holding of physical equities.’

For transparency in portfolio reporting a recent EU directive excludes the use of notional exposure via derivatives in the calculation of carbon emissions. Given this what are the restated emissions numbers of the NZ Super Fund in Table 1 of the Carbon Footprint paper?”

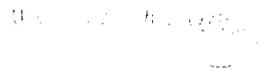
On 19 September you spoke with a Senior Investment Strategist from our Responsible Investment team who provided further context regarding our treatment of derivatives in measuring the carbon exposure of our portfolio. As discussed, we currently include derivatives in our emissions measurements and do not make a separate measurement comprising only physical exposures. We are aware of the growing interest in derivatives in relation to carbon accounting and, as part of our ongoing efforts to refine and improve our carbon footprint methodology, intend to undertake work on this issue in the future.

We therefore refuse your request under sections 18(e) and/or 18(g) of the Official Information Act, because the information you have requested is not held and/or does not exist.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that it is our policy to proactively release our responses to official information requests where we consider the request to be a material one. Our response to your request will be published shortly at <https://www.nzsuperfund.nz/publications/disclosures/oia/>, with your personal information removed.

Yours sincerely



Catherine Etheredge

Head of Communications