

Media Release

Wednesday 21 October 2020

Aware Super re-launches its SRI options, tightening screening on fossil fuels and ethical practices

Aware Super today announced it had updated the Fund's Socially Responsible Investment (SRI) options to further strengthen a range of environmental and ethical screens including to exclude businesses earning 5% or more of revenue from fossil fuels and their supply chains, as well as provide scope to remove organisations that do not meet expected ESG standards.

Aware Super's Head of Responsible Investments, Liza McDonald, said the updated SRI options provided members with the opportunity to invest in ways that were aligned with their values and interests, while still receiving all of the benefits of being part of a large fund.

She said the SRI options had three specific screens: climate change, ethical and convention and controversy-based screens; as well as discretionary exclusions, where a company may be excluded for factors outside of these criteria.

'Our members are increasingly telling us that environmental, social and governance issues are extremely important to them. Nearly 80 per cent of our members have told us that responsible investing is important to them,' Ms McDonald said.

'We have responded to this by providing members with updated SRI options that exclude fossil fuels and their supply chain services and, businesses that do not meet strongly defined ESG criteria.

'Our Diversified option includes all of our investment sectors to support our members to invest in line with their values while still having access to all of the benefits and services of a large super fund.

'This means members in our Diversified option have exposure to our direct investments such as property with six-star energy ratings, essential worker affordable housing, as well as our private equity initiatives such as our recent investments in battery storage businesses.'

Earlier this year Aware Super also announced ambitious targets in response to the risks of climate change, including divesting from businesses that derived more than 10% of their revenue from thermal coal mining.

The Fund also committed to reducing emissions in its listed equities portfolio by at least 30% by 2023, supporting an economy-wide 45% reduction in greenhouse gas emissions by 2030 and a net zero emission position by 2050.

The new SRI options are aligned to these goals, but go further, particularly in relation to fossil fuels.

The previous options excluded fossil fuel producers with a greater than 20% market capitalisation; the new options exclude those that earn 5% or more of revenue from coal and coal-fired power generation; oil and gas (conventional and unconventional) as well as transportation.

This new criterion also removes businesses that earn more than 5% of their revenue from the fossil fuel supply chain and significantly reduces tolerance thresholds on many other industries, including gambling, alcohol, and nuclear power. The new SRI options also have a new screen on live animal exports.

'While these options do have greater risk due to the reduced diversification of the portfolio, we do not believe that members who wish to invest in line with their values should have to sacrifice their long-term financial future as a result.

'We are still committed to providing our members in these options with the best possible long-term sustainable returns.

'Just like our members interests and values change, our products and services need to change with them, and that is why we felt the time was right to update these investment options.

'We have also committed to reviewing the criteria every 12 months to ensure that they continue to meet our members needs and expectations.'

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Note to Editors:

Previously known as First State Super we changed our name to **Aware Super** in September 2020.

Aware Super is a name that reflects our members and what we stand for. It echoes the strengths of our past, aligning to our purpose to be a force for good in superannuation, retirement and advice, driving better outcomes for our members, their families and communities.

First State Super's been the fund for people who value community since 1992, we're now one of Australia's largest funds and we're continuing to grow. We merged with VicSuper this year and together we manage nearly \$130 billion in savings for more than 1 million members located across the country.

Our members work in roles that breathe life into their communities and they expect us to do the same. So, we invest in assets that we believe will make a positive difference today - improving our communities, building a more a sustainable economy and supporting employment both locally and globally at the same time as providing strong long-term returns.

Discover how we're helping members do well financially while doing good in the world: Visit aware.com.au.