

Media Release

16 September 2020

Time to grasp the opportunities to shift the dial on climate change: Aware Super

We need to act decisively and urgently as investors and as a community to prepare for a more sustainable and prosperous future, Dr Rosemary Kelly, Chair of Aware Super's Investment Committee, said ahead of AIST's Investment Conference today.

'Aware Super's position on climate change is not based on ideology but on data and research that tells us we need to act, and to act now,' Dr Kelly said.

'As long-term investors we can support the industries of the future to develop and grow, but it is critically important that we consider their long-term sustainability by asking "will this sector or organisation still be a good investment for our members in 10 or 20 years' time?"'

Technology and community expectations are rapidly evolving, and as a major investor, Aware Super draws on research and analysis to anticipate future trends and their likely impacts on its portfolio.

For example, renewable technologies are beginning to shift our reliance on carbon-intensive energy sources such as thermal coal.

'Aware Super recently announced its divestment from assets that derive more than 10% of their revenue from thermal coal mining and we will support businesses that have sufficient diversification to transition to a low-carbon economy,' Dr Kelly said.

'As one of the largest super funds, we have the long-term capital that can support industries to grow and develop through investment via equity or debt. Sustainable investments are a real opportunity as the transition to a low-carbon economy has already begun, even in the absence of a truly coherent national policy. We see growing opportunities in technologies that can perform well as the economy moves towards that lower carbon position.

'Last year, Aware Super made its first significant investment in renewable energy in Australia - the Snowtown 2.0 windfarm in South Australia. We are ready and committed to do more such investments, but to grow our footprint in this area we would welcome some important changes, including a clearer policy direction from all sectors of government to increase confidence and drive opportunities within the renewable energy sector.

'We would also welcome more advanced transmission networks and longer-term contracts to assist to provide more certainty in terms of power prices and potential investment returns, to help make Australian renewables a better long-term investment proposition.

'Government and industry all have a key role to play by working collaboratively to remove some of these barriers.

'To really shift the dial on climate change and prepare our portfolio and economy for a low-carbon future our focus is on looking to support the energy resources of the future, rather than increasing our exposure to fossil fuel assets including coal and gas.

'We're not sitting back, and we don't have time to wait. As a leading investor, Aware Super is engaging directly with the companies it invests in and we're using our influence as a shareholder to incentivise companies to make the transition to a low-carbon economy,' Dr Kelly said.

'As a shareholder, we expect the development of clear plans and metrics, as well as effective reporting on activity to demonstrate how companies are preparing for the future and decarbonising their businesses.

'As fiduciaries, we know we need to act to protect Aware Super members' long-term retirement savings and to generate risk-adjusted returns.

'We also have to consider both the physical and transition risks associated with climate change. While we face challenges, there are also many opportunities for us to take meaningful action now.'

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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 \$127 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.