A Media Release

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Aware Super hits $1bn in renewable investments, meets emissions target early

- Aware Super has published a 12-month progress report for its Climate Change Portfolio Transition Plan
- Aware Super has invested more than $1bn in renewable energy and low carbon technology investments
- The Fund has reduced emissions in its listed equities portfolio by 45% - a further 5% reduction since late 2020
- The Fund has achieved a 63% reduction in emissions in its listed equities portfolios across its Socially Responsible Investment options
- Its comprehensive engagement strategy has achieved significant long-term change with a number of companies committing to emissions reduction strategies and net zero by 2050

Aware Super’s investment in renewable energy and low-carbon technologies and projects has now topped $1 billion as the Fund continues to deliver strong, sustainable long-term returns for members while taking a leading role in responding to the risks and opportunities of climate change.

The Fund has also comprehensively exceeded a key target in its Climate Change Portfolio Transition Plan (CCPTP) two years ahead of schedule.

Emissions in Aware Super’s listed equities portfolio are now 45% lower than they were at 31 December 2019. This is a further 5% reduction since late 2020, and significantly exceeds the Fund’s target for a 30% reduction by 2023.

Aware Super has also achieved a 63% reduction in emissions in its listed equities portfolio across its Socially Responsible Investment (SRI) options over the past financial year. This was delivered in part by a decision to exclude the supply chain to the fossil fuel industry from these options.

These achievements come following the 2020 launch of Aware Super’s market-leading CCPTP – which sets out the Fund’s roadmap for how it will support the transition to a low-carbon economy and deliver strong, sustainable returns to members for decades to come.

Aware Super Chief Executive Officer Deanne Stewart said while the Fund had made some pleasing progress, there was still more work to do to achieve its goal to reduce emissions across its entire portfolio by 45% by 2030 in line with the Paris Agreement targets, on the way to net zero by 2050.

“We are the custodians of $150 billion in members’ retirement savings, and we take our obligation to safeguard these savings and deliver the best possible long-term returns incredibly seriously,” Ms Stewart said. “Taking decisive action now and responding to the risks of climate change makes good business sense and as an long-term investor, is critical to ensuring that we deliver for our members for decades to come.

“We know that failing to act now, could have disastrous consequences in the future. As social researcher Dr Rebecca Huntley observed earlier this year in her report commissioned by Aware Super, inaction could cost 310,000 jobs annually by 2050. However $63 billion in investment opportunities are projected to open up in the next five years if Australia strengthens its climate targets and policies to net zero by 2050.
“That’s why we have set out clear and transparent targets and goals in our CCPTP and are holding ourselves to account by regularly reporting on our progress against these.

“The achievements outlined in our 12-month progress report are great first steps, but there is more work to do to ensure that we are taking the critical actions we need to today to ensure a more prosperous and sustainable future.”

Aware Super Chief Investment Officer Damian Graham said while the Fund was pro-actively responding to the risks of climate change, it was also leveraging some new and exciting investment opportunities.

“Over the past 12 months we have divested from thermal coal mining, achieved a significant reduction in emissions in our listed equities portfolio and also, through our engagement strategy, have seen strong commitments from the companies we invest in,” Mr Graham said.

“For example, we have seen more companies sign on to provide shareholders with non-binding advisory votes on their Climate Change Reports. This is a positive step forward in providing investors with critical information about how companies are considering their long-term future.

“But while we are using our ownership to support companies we invest in to make important changes, we are also increasingly investing in renewables and new technologies, recently passing $1bn committed to these sectors both in Australia and internationally.

“We know that climate change poses the most significant long-term financial threat to our portfolio and our members’ financial security. What we have achieved over the past 12 months, and the years before that, has clearly shown that responding to the risks of climate change is not only good for our community, but delivers for our members in terms of top investment performance, as well.”

Some of the assets Aware Super has invested in over the past 12 months include:

- An investment, announced last week, in Generate Capital – a San Francisco-based company that owns, operates and finances sustainable infrastructure including solar, energy storage and waste management systems;
- A 10% stake in Terra-Gen, a US renewable energy platform with more than 1,600 megawatts (MW) of operating assets across wind, geothermal, solar, and battery storage technologies and more than 3,000 MW of projects under development;
- BNP Paribas’ $140 million equity-linked green bonds which are linked to the first forward-looking climate index in Australia, the Australian Climate Transition Index (ACT Index).
- An $80 million commitment to the Adamantem Capital Fund II, which requires the development and implementation of detailed emissions-reduction strategies for each investment;
- A stake in Perfect Power Solutions, a US-based company developing battery storage projects in New York; and,
- An investment, alongside Lendlease, in a US property portfolio that has achieved net zero emissions, in part through certified offsets generated by a renewable energy business.

Aware Super has also recently acquired a large stake in Tilt Renewables’ Australian assets through QIC’s investment in Powering Australia Renewables (PowAR).

These investments follow on from Aware Super’s significant investment in the Snowtown 2 Wind Farm in South Australian in 2019.

A copy of the full CCPTP 12-month report can be found on the Aware Super website.

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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 and WA Super last year and now manage $150 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.