

# Equip Super Climate Change Plan

2022-2025

At Equip Super we believe climate change is a material foreseeable and actionable financial risk, yet also provides investment opportunities. As part of our approach to the management of climate change we have adopted a target of net zero emissions by 2050 (Net Zero by 2050).\*

\*'Net zero emissions' is used through this document to refer to the progressive reduction in carbon dioxide (CO<sub>2</sub>) emissions, attributed to our investment portfolio reaching net zero by 2050 (Net Zero by 2050). Net Zero means that the overall amount of carbon dioxide emitted is equal to the amount sequestered and avoided. Emissions are attributed on an ownership basis, meaning that Equip Super is responsible for the scope 1 and scope 2 emissions (or reduction) equivalent to the value of its investment compared to the overall asset or enterprise value, and/or debt issuance.



# Equip Super climate principles

Our Board has agreed on five climate principles to form the foundation of beliefs and guide the approach to climate change taken by Equip Super with respect to investments and related activities.

1



Achieving the transition to net zero carbon emissions globally by 2050 is in the best financial interest of our members.

2



Climate change will impact all elements of the economy and of our lives. While we can reduce our exposure to contributors to climate change through divestment, we can not eliminate its impact on our investment portfolio.

3



Actions to address climate change will provide both risks and opportunities for investment. This will impact our investment strategy and asset allocation.

4



A 'just transition' is critical to ensuring an equitable economic outcome for communities impacted by the transition away from carbon intensive industries.

5



Collaboration is critical to effective action. Changes made by the companies and assets we invest in should be supported by effective policy and regulation.



“In the coming decades, Australia is expected to see ongoing changes to its weather and climate, including decreased winter rainfall in southern and eastern agricultural regions, more periods of extreme heat, longer fire seasons and fewer but higher intensity tropical cyclones. These changes, and the actions taken in response, introduce opportunities (e.g. in the development of green technologies) but also risks for Australia’s economy and financial system.” – **RBA June 2023**.\*

Our climate goals are areas of focus and seek to ensure that Equip Super is addressing climate risk across our portfolio while also being well positioned to benefit from opportunities.



# Our goals ...



## Net Zero by 2050

We seek to align our portfolio with the global reduction in carbon emissions, reaching Net Zero by 2050, and in alignment with this pathway to net zero, will implement investment processes to address climate risk and reduce the emissions intensity of our portfolio over time.



## Just transition

We remain strong advocates for communities impacted by the transition away from carbon intensive energy and industry and will seek opportunities to support these regions through our investments and other fund activities.



## Climate solutions

We seek investment opportunities in technologies and assets that will contribute to or benefit from the transition to Net Zero by 2050.



## Climate analysis

We will continue to incorporate the analysis of climate scenarios into our stress testing and asset allocation decisions, to ensure we can respond to emerging climate risk and opportunities.



## Engagement, voting and advocacy

We seek to drive change through engagement with our investment managers and the companies, assets and issuers we invest in, and will participate in public policy advocacy, directly and via our collaborative memberships.

# ... and what they aim to achieve

- Reduce carbon exposure (and associated risk) in our portfolio, and align portfolio with goals of the Paris climate agreement over time.
- Positively influence how workers in regions are currently impacted, or are anticipated to be impacted, by energy transition, for example through financial literacy, advice, policy or investment.
- Position the Equip Super portfolio to benefit from investment opportunities created by the transition to net zero.
- Improve our understanding of how climate change may impact our portfolios over time, and include consideration of information in investment strategy where relevant.
- Encourage changes that will both support the transition away from carbon intensive processes and protect the long-term best financial interest of our members.

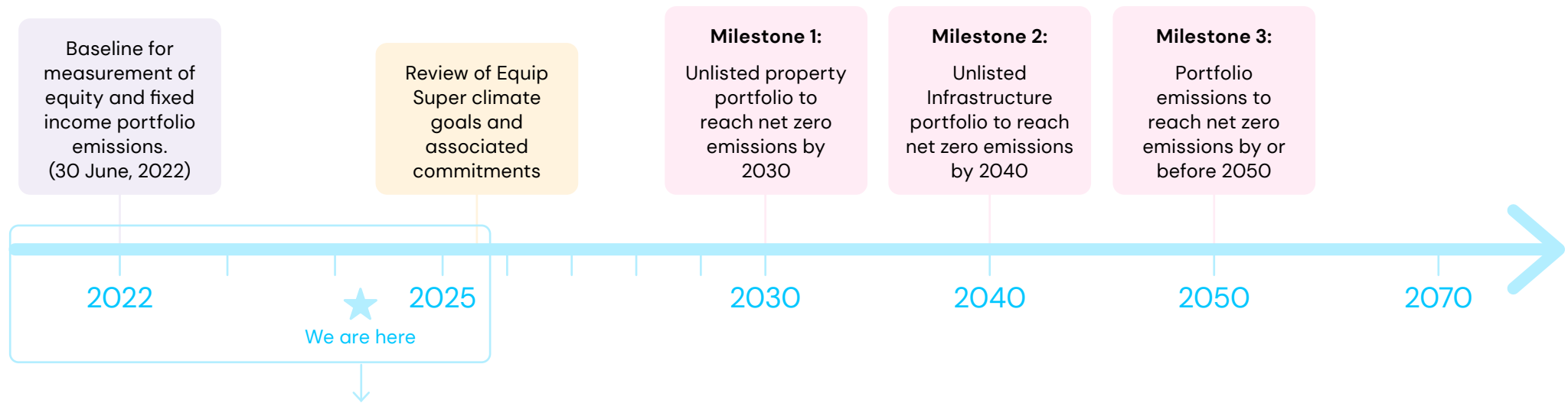


The Equip Super pathway to Net Zero by 2050 is our best estimate of how our portfolio will progress towards net zero emissions and outlines the actions we're taking to get there.

This involves balancing how we reduce climate-related risk with investment in opportunities, in alignment with the long-term best financial interests of our members.



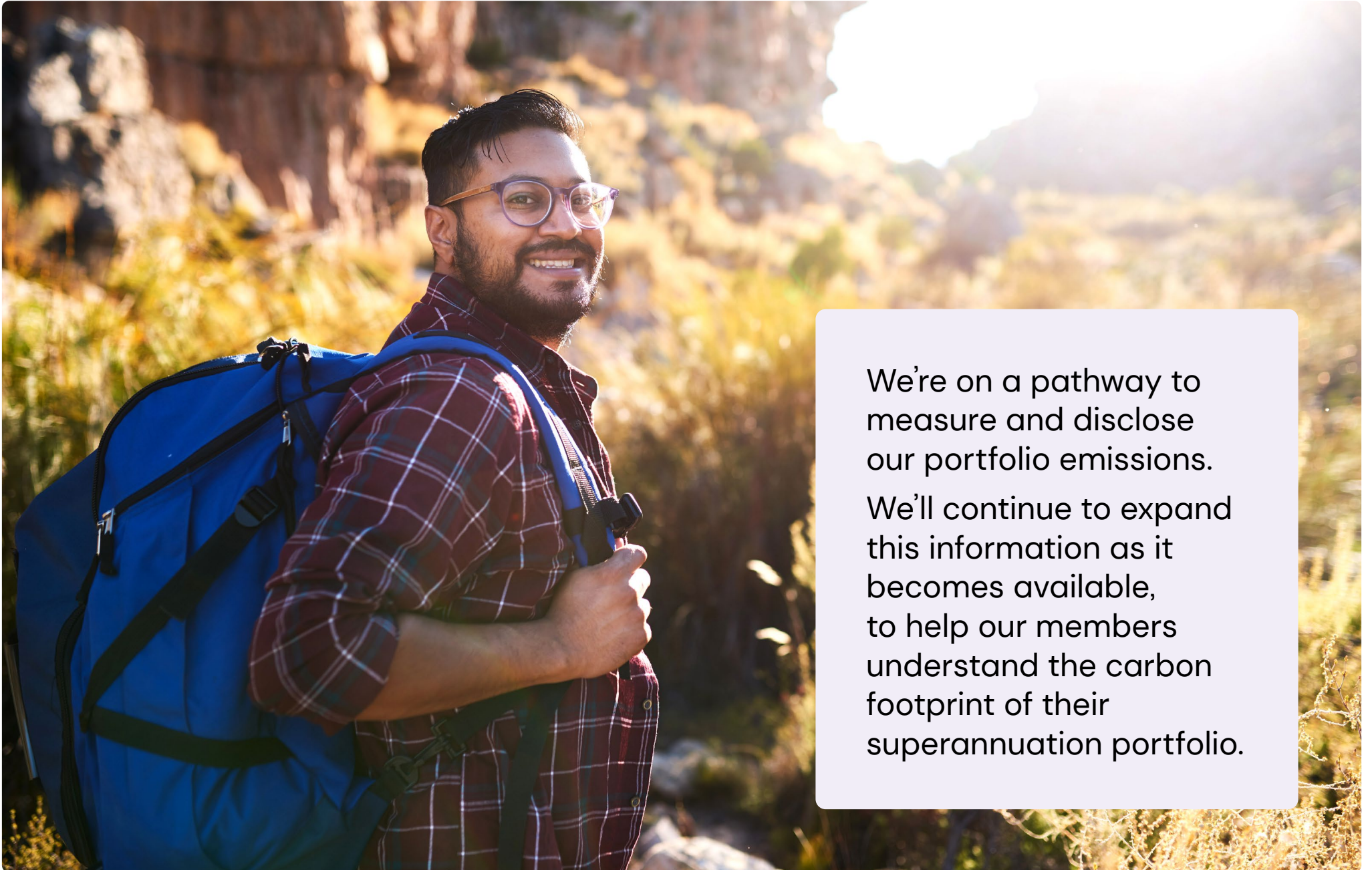
# Equip Super pathway to net zero



## Over the short term we will:

- ◇ Maintain or increase allocation to low carbon technologies and assets as % of total unlisted Funds Under Management from 2022 to 2025 (note this may not be linear and we expect that we may see variation in this portfolio between this period).
  - ◇ Establish or support at least 1 initiative to assist regions or workers impacted by the energy transition.
  - ◇ Establish baselines and commence measuring emissions for key asset classes:
    - ✓ Listed equity mandates.
    - ◇ Publicly traded corporate fixed income mandates (from 2022 baseline).
    - ◇ Unlisted property and unlisted infrastructure investments, and investigate methodologies for other asset classes including private credit, government issued fixed income and cash.
  - ◇ Publicly report on carbon emissions per \$ invested:
    - ✓ From reporting year 2023 for listed equities mandates.
    - ◇ From reporting year 2024 for publicly traded corporate fixed income mandates.
    - ◇ By financial year 2026 for unlisted property and infrastructure investments.
  - ✓ Undertake engagement and advocacy activities and support policy to increase climate ambition inline with net zero by 2050 transition.
    - ◇ Report on the number of engagement undertaken by or on behalf of Equip Super and their effectiveness from 2024.
- ✓ Initiative underway
  - ◇ Initiative on track to commence





We're on a pathway to measure and disclose our portfolio emissions. We'll continue to expand this information as it becomes available, to help our members understand the carbon footprint of their superannuation portfolio.

# Dashboard

## Carbon footprint of Australian and Overseas Shares as at June 30

Australian Shares Overseas Shares

