



CLIMATE TRANSPARENCY REPORT 2020

AMP Capital Investors

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-3B59F9FD-388E-4897-8FF1-76EED060D426/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	AMP Capital Investors
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

AMP Capital Investors

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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AMP Capital acknowledges the transition to a low carbon economy is underway and meeting the Paris Climate Change commitments of < 2 degrees C will require significant decarbonisation over the coming decades across all major sectors of the economy.

AMP Capital has a fiduciary duty to act in the best interests of investors and clients when making investment decisions, including considering climate risks and opportunities. The risks and opportunities related to climate change and a low carbon transition may manifest, over various time horizons, as potential risks to the returns of the listed and unlisted companies, real estate, infrastructure and fixed income instruments in which AMP Capital invests. AMP Capital's focus also involves understanding how the complexities of climate change and low carbon transition may impact our corporate reputation in the marketplace, the demand for our investment products, and how we respond to emerging regulatory, policy and disclosure requirements affecting our own industry.

Our analysis of climate risks and opportunities includes consideration of carbon regulation, direct and indirect costs, geographic exposure to climate policy, capacity of businesses and assets to adapt and manage risks, and any transitional governmental assistance programs. This information enhances our investment teams understanding of:

- Potential impact to company valuations arising from governmental policies aimed at reducing greenhouse gas emissions, which can impact companies and their value chains within a portfolio;
- Impact on company valuations in emissions intensive sectors (e.g. fossil-fuel producers and distributors) from policies to reduce greenhouse gas emissions or which may lead to reduced market demand for products as new low carbon alternatives become available;
- Impact upon company and asset valuations from long term physical climate change risks.

Where a degree of certainty exists on the nature of climate change related risks and opportunities, asset classes potentially most affected have undertaken various scenario analyses to assess materiality of financial impacts (e.g. carbon price impact on earnings, value at risk or asset valuations).

We are providing low-carbon investment options for clients with a flagship property fund recently establishing a long-term net zero carbon strategy by 2030. AMP Capital's Ethical Leaders (EL) range of funds were among the first major Australian diversified funds to adopt a fossil fuel divestment policy and green bond mandate. Through fixed income we are providing clients investment opportunities in the growing market for green bonds, funding projects in renewable energy, energy efficiency, transport, sustainable forestry and climate resilience.

Climate change is also considered through ESG performance benchmarking of our flagship property and infrastructure funds, informing fund and asset management strategies relating to energy efficiency, carbon reductions, resilience, and fostering investment opportunities in low carbon technologies and renewable energy assets.

* AMP Capital Funds Management Limited ABN 15159557721, AFSL 426455 is the responsible entity of the AMP Capital Ethical Leaders Funds and issuer of the Product Disclosure Statements (PDS) for the Funds. To invest, investors will need to obtain the current PDS from AMP Capital before making a decision to acquire, continue to hold or dispose of units in the Funds.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

In terms of timeframes considered for the purposes of strategic business planning, risk management and investment horizon we generally consider short-term risks as those which may materialise over a 1-year time horizon. Medium term is generally considered a 3 - 5-year horizon while long-term risks are generally 5-years and beyond (5-10 years). Examples of climate-related issues we may typically consider include:

- **Short term (1 year):** Policy risks arising from governmental measures to reduce greenhouse gas emissions. Examples include carbon pricing regimes / taxes which may have an impact on emissions intensive sectors and companies and their value chains within a portfolio. New investment opportunities in energy efficient and low carbon technologies (e.g. energy efficiency, renewable energy).
- **Medium term (3-5 years):** Changing demand for certain commodities as a result of further technological disruption and changing consumer preferences toward low carbon alternative investments. Potential impact upon company valuations of fossil-fuel producers and distributors as a result of policies to reduce greenhouse gas emissions.
- **Long term (5-10+ years)** Acute / chronic physical risks. Impact on company and asset valuations arising from physical climate change impacts.

Over the past 15 years AMP Capital's ESG team has published investment research covering topics such as the impact of a carbon price on Australia's aluminium sector, regulatory design considerations for a national emissions trading scheme and how to consider climate change risk in equity portfolios.

Examples of this research can be found at www.ampcapital.com.au/esg or via the links below:

- <https://www.ampcapital.com/content/dam/capital/02-global-files-only/02-esg-resources/201602-insight-paper-esg-climate-change.pdf>
- https://www.ampcapital.com/content/dam/capital/02-global-files-only/02-esg-resources/201702-Carbon-Footprinting_FAQ.pdf

In 2019 AMP Capital's Real Estate division has undertaken further climate change adaptation assessments for its managed Australian property assets and is using this information to inform further asset specific climate change risk management plans as well as developing climate change due diligence assessments for future transactions.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

AMP Capital undertakes ongoing research and analysis of climate change risks and opportunities related to its managed investments through its existing Environmental, Social and Governance (ESG) frameworks. Dedicated ESG and Sustainability specialists undertake investment research and analysis of risks and opportunities associated with climate change, which may occur at an asset class, company, portfolio or individual asset level. Information is captured in investment insights and sector reports and used for example in company ESG scores and in the development of fund and asset level management plans. This facilitates integration into our investment decision-making and active ownership processes, enhancing our decision-making and longer term portfolio and asset management strategies.

Such analyses allow AMP Capital to assess which material climate related issues may impact our managed investments and portfolio exposures over a range of time horizons and to assess potential risks such as stranded assets. AMP Capital is also promoting greater transparency and has commenced disclosing the carbon footprints of our main equity funds and corporate fixed income funds via www.ampcapital.com.au.

These assessments also inform our active engagement strategies with companies and policymakers on climate change and through our support of a range of investor collaborations and initiatives. This includes as co-founder of the Investor Group on Climate Change (IGCC), an early investor signatory to the CDP, and joining the Climate Action 100+ investor engagement initiative, which aims to engage with leading corporate greenhouse gas emitters to curb emissions and strengthen climate-related financial disclosures.

AMP Capital's Investment Committee (IC) has overall responsibility for ESG-related strategies and initiatives including oversight of climate change investment risks. The IC is chaired by the CEO and includes the Chief Investment Officer(s) and Division Heads of each major asset class. The IC reports through to board of AMP Capital Investors Limited and through to the board of AMP Capital Holdings Limited via the CEO. Both the IC and board of AMP Capital Holdings Limited receive updates from dedicated ESG specialists who carry day to day management responsibility for integrating ESG considerations including climate change across the business and also work closely with investment analysts, portfolio and asset management teams.

ESG specialists also provide updates on climate change to other executive committees and boards across AMP Limited (AMP Capital's parent company). This has included recent updates on national and international climate policy developments, investment industry collaborative initiatives, risks related to fossil fuels, and progress updates of AMP Capital's main climate change related initiatives which may occur at an individual asset, company (stock specific), portfolio or firmwide level.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Refer AMP Limited - Carbon Disclosure Project submission; AMP Sustainability Report www.amp.com.au; insights on climate risk available at www.ampcapital.com.au/esg.

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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As an investment manager, AMP Capital will consider climate change risks and opportunities when making investment decisions on behalf of our clients.

AMP Capital's Investment Committee (IC) has overall responsibility for ESG-related strategies and initiatives including oversight of climate change investment risks. The IC is chaired by the CEO and includes the Chief Investment Officer(s) and Division Heads of each major asset class. The IC reports through to the board of AMP

Capital Investors Limited and the board of AMP Capital Holdings Limited via the CEO. Both the IC and Board of AMP Capital Holdings Limited receive updates from dedicated ESG specialists who carry day to day management responsibility for integrating ESG considerations including climate change across the business and also work closely with investment analysts, portfolio and asset management teams. Updates are also provided to Responsible Entity (RE) and Trustee Boards for the relevant funds.

ESG specialists also provide updates on climate change to other executive committees and boards of AMP Limited (AMP Capital's parent company). This includes the AMP Group Risk and Compliance Committee.

Recent Board updates include the Paris Climate Change Agreement commitments, directors duties and climate risk, national and international climate policy developments and investment industry initiatives (including TCFD, CA 100+) and progress updates of AMP Capital's main climate change related initiatives which may occur at an individual asset, company (stock specific) or portfolio level.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

Includes reporting for Ethical Leaders funds on climate change. Approximately 80% of all AMP Capital EFMs are PRI signatories and required to report climate indicators

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

Assessments have included projected carbon pricing (e.g \$100t/CO₂e) on equity portfolios and preliminary scenario analyses of value at risk from phasing out fossil fuels for major equity benchmarks. AMP Capital's Real Estate division completed portfolio-wide climate risk and resilience assessments using IPCC extreme RCP8.5 projections.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

Refer additional information in SG13.3.

- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

As an example AMP Capital may appoint managers in our Ethical Leaders (EL) range of funds that demonstrate they consider climate change within their investment processes, including securities that may be exposed to climate change risk following scenario analysis of affected securities.

The EL funds asset allocation is tailored for ethical/ESG related exclusions and exclude some asset classes due to ethical and/or ESG concerns, including infrastructure, high yield credit, private equity and hedge funds. This affects asset allocation with fewer asset classes yet the same investment objectives.

Modelling of risk/return and setting of asset allocation is crucial within these funds which may have higher weightings to equities or fixed income. The EL funds' dynamic asset allocation involves tilting in sectors, sub-sectors or markets away from strategic asset allocation because of the ESG and ethical position within the Fund Charter.

*AMP Capital Funds Management Limited (AMP Capital) ABN 15159557721 AFSL 426455 is the responsible entity of the Ethical Leaders (EL) range of funds and issuer of the Product Disclosure Statement for these funds. To invest, investors will need to obtain the current PDS before making a decision to acquire, continue to hold or dispose of units in the relevant Fund.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

In our Real Estate division, AMP Capital is taking a proactive approach to managing climate risk. A portfolio-wide evaluation of climate risk and resilience by market and sector and for each asset in Australia has been undertaken using the IPCC's extreme Representative Concentration Pathway (RCP 8.5 scenario). The study considered over various time scales a number of physical stressors including: impacts of extreme heat; bushfire risk; drought; extreme rainfall; cyclones and severe storm events; impacts of inland and coastal flooding; and sea level rise for major Australian cities and managed real estate assets. This preliminary analysis is being used to develop long term asset specific management plans as well as developing climate related due diligence assessments for use in future real estate transactions.

Within our Infrastructure Equity and Real Estate division our flagship funds are also beginning to report annually against the GRESB Resilience Module. The GRESB Resilience Module has been developed in response to organisations that are developing a capacity to assess, manage and adapt in the face of a range of social and environmental shocks and stressors. The purpose is to meet growing investor demand for information on resilience; and to increase access to information about strategies used by property and infrastructure companies to assess and manage risks including the impact of climate change.

Within our public markets (equity and fixed income) division, AMP Capital has been undertaking carbon footprinting analysis for several years gradually expanding our assessment methodologies and disclosing this information via the AMP Capital website: <https://www.ampcapital.com/au/en/capabilities/responsible-investment/esg-resources>. Such assessments are an important step in developing a better understanding of climate risk on portfolios and to inform further scenario analyses as described below.

- Incorporation into investment analysis

Describe

AMP Capital undertakes regular ongoing investment research and assessments of climate change risks to its managed investments through its existing ESG frameworks. This typically includes consideration of a range of factors such as carbon regulation, direct and indirect costs, geographic exposure to climate policy, capacity to adapt and manage transitional and physical risks and any transitional government assistance programs. In 2019 AMP Capital continued to expand its carbon footprinting analyses for listed equity and corporate fixed income portfolios. This information is available via www.ampcapital.com.au/esg

In recent years AMP Capital has undertaken a range of preliminary scenario analyses including value at risk (VAR) of a gradual phasing out of fossil fuels for major equity benchmarks (e.g. ASX200, MSCI World). Additional assessments include projected carbon price scenarios of \$25, \$50 and \$100/tonne (CO₂e) on internally and externally managed equity portfolios.

Details of the results of such analysis are provided in **ESG Investment Insights** papers and available on the AMP Capital website www.ampcapital.com.au/esg (refer the example below):

<https://www.ampcapital.com/content/dam/capital/02-global-files-only/02-esg-resources/201602-insight-paper-esg-climate-change.pdf>

- Inform active ownership

Describe

Analyses such as those outlined above are also used to inform AMP Capital's ongoing active ownership and engagement activities with investee companies and assets. Investors are increasingly paying attention to the recommendations of the Taskforce on Climate-Related Financial Disclosures ("TCFD") and how to engage with companies on improving such disclosures as well as incorporation of this information into portfolio risk considerations.

Climate Action 100+ (CA 100+) is a global investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition. To date, 450 investors with more than US\$40 trillion in assets under management have signed on to this initiative. AMP Capital is a member of the initiative and is leading the engagement with two large Australian companies. Through CA100+ as well as our own engagement activities we are advocating for greater disclosure by companies on risks related to climate change including adoption of TCFD recommendations.

- Other

SG 13.5 CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

AMP Capital continues to undertake various assessments and is increasing our analysis of climate change risks across a range of asset classes and portfolios. We recognise we have more to do at an enterprise-wide level and we are looking to continue to expand upon our preliminary scenario analysis work to cover a broader range of investment strategies, particularly in the complex area of diversified funds. We are in active discussion with our external consultants about suitable approaches for undertaking this work and also engaging with and monitoring new industry developments and approaches, including the PRI's Inevitable Policy Response (IPR) scenario.

In 2019 AMP Capital's ESG specialists presented further analyses to AMP Capital's Investment Committee regarding climate risk initiatives underway in the business including additional assessments of certain types of fossil fuels (e.g. thermal coal). This work continues during 2020 to inform our ongoing investment strategy. In 2019 our Real Estate division announced an ambitious portfolio-wide Net Zero Carbon commitment as part of its new 2030 Real Estate Sustainability Strategy. Responding to increasing client demand for low carbon investment opportunities, our public markets division also relaunched our Ethical Leaders (EL) range of funds, evolving the investment strategy with a tightening of the fossil fuel exclusion for this ESG themed fund range.

AMP Capital Board(s) are also kept abreast of these developments and initiatives through reporting via the Audit and Risk Committees (ARCs).

No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Carbon pricing scenarios including \$100tCO2e
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> VAR phasing out fossil fuels
Other	<input checked="" type="checkbox"/> Other (3)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (3) please specify:</div> Reviewing Inevitable Policy Response scenario

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC**Voluntary****Public****General****SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	As part of a portfolio-wide Real Estate Sustainability Strategy in 2019 AMP Capital committed all real estate funds to becoming zero net carbon by 2030 in line with a long term science based carbon reduction target (based on 2 degree C scenario).	KgCO ₂ e / m ² - As part of this strategy a range of other metrics/units will also be implemented across the real estate portfolio to measure progress e.g. % onsite renewable energy generation; \$/m ² energy costs etc.	Annual emissions profile (carbon footprint) of portfolio to be tracked through GRESB, NGER Act and NABERS ratings. Aims to establish a low carbon transition pathway for the whole portfolio (all real estate assets). Strategy also includes driving increased energy efficiency, allowance for improvement over time in grid electricity carbon intensity as a result of renewable energy penetration, development of renewable energy PPAs and offsetting of remaining emissions.
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Annual reporting of Scope 1 and 2 emissions for all managed real estate assets under direct operational control. Regulatory reporting under National Greenhouse and Energy Reporting (NGER) Act. GRESB reporting is also undertaken at a Fund level to benchmark ESG performance.	Total energy used. Total Scope 1 and 2 emissions (T/CO ₂ e)	As per methodology requirements under NGER Act
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess exposure and risks to global and Australian equity and fixed income portfolios of GHG emissions. Measure the exposure of a portfolio of companies to GHG emissions. Examining the carbon footprint across a portfolio is an important step toward understanding investment risks associated with climate change.	(T/CO ₂ e/\$m FUM)	AMP Capital believes when investing into an equity fund measuring the amount of CO ₂ e required to produce an amount of equity (FUM) is the most appropriate measure. The methodology has also been adapted for fixed income portfolios.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To support the portfolio carbon footprinting of equity and fixed income portfolios above we also calculate the emissions intensity of the investment index against which the fund performance is typically assessed (e.g. ASX 200; MSCI World). Comparing the two numbers (portfolio vs. index) gives an indication of whether the fund is less or more exposed to GHG emissions.	(T/CO ₂ e/\$m FUM)	Analysis of GHG emissions risk of MSCI World was undertaken. This enables direct comparisons with individual funds in terms of exposure relative to the index. A similar analysis has been undertaken for ASX200. Emissions data obtained from various sources including Bloomberg, CDP, regulatory and company websites.

Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	A first task in assessing exposure to GHG emissions risk for any portfolio or fund is to understand the greenhouse gas exposure (e.g. fossil fuels exposure through direct and indirect sources). To better understand a company's scope 1,2 and 3 emissions and to gain helpful insights into the nature of company specific risks.	(T/CO2e/\$m FUM)	A metric of tonnes CO2e/yr per \$ million of invested funds, based on equity-based emissions of companies, is considered the most appropriate metric to assess the exposure of an equity portfolio and for meaningfully communicating to investors the greenhouse gas exposure of the fund.
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SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2030	Achieve Zero Net Carbon by 2030 (Scope 1 &2) and material Scope 3 emissions by 2040, for Real Estate portfolio.	File 1:AMP-Capital-2030-Real-Estate-Sustainability-Strategy-Brochure.pdf
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2030	Achieve 100% of electricity to be sourced from renewables by 2030 for Real Estate portfolio.	File 1:AMP-Capital-2030-Real-Estate-Sustainability-Strategy-Brochure.pdf
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	2030	Minimum efficiency of 5.5 Star NABERS Energy ratings for Offices and 5 Star NABERS for Shopping Centres by 2030 for Real Estate portfolio.	File 1:AMP-Capital-2030-Real-Estate-Sustainability-Strategy-Brochure.pdf
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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☉ Processes for climate-related risks are integrated into overall risk management

	Please describe
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As an investment management business AMP Capital's focus involves understanding how the complexities of climate change may impact upon our company operations, corporate reputation, the marketplace (product demand), how we respond to emerging regulatory, policy and disclosure requirements and most importantly how we manage economic transition and physical risks relating to our client's investments and portfolios.

As an investment manager AMP Capital will consider climate risks when managing investments on behalf of underlying investors. For AMP Capital's investment activities risks and opportunities related to climate change are manifested as a risk to returns of the listed and unlisted companies, property, infrastructure and fixed income instruments in which AMP Capital invests on behalf of its clients. Where a degree of certainty exists on the nature of climate change related opportunities, regulatory and other risks (e.g. pricing, physical impacts) asset classes potentially most affected have undertaken scenario analysis to assess the materiality of financial impacts (e.g. carbon price impact on earnings, value at risk or asset valuations).

AMP Capital undertakes extensive investment research and assessments of climate change risks to its managed investments through its existing Environmental, Social and Governance (ESG) frameworks. Our analysis is undertaken by in-house ESG specialists who have been analysing climate change risks for well over a decade. This analysis typically includes consideration of carbon regulation, direct and indirect costs, geographic exposure to climate policy, capacity of businesses and assets to adapt and manage risks, and transitional governmental assistance programs. This enables assessments of company and portfolio exposures to climate change, including potential risk of stranded assets. This is shared with investment teams to enhance decision-making as well as longer term asset management strategies. Updates may also be provided as required to AMP Capital's Investment Committee who has overall responsibility of management of investment risks as well as various AMP Capital Boards.

Where such impacts are considered material, AMP Capital may adjust its investment in a particular sector, company or asset or, for example, vary the weightings of the stock within a particular portfolio. Potential impacts (rising electricity prices, price on carbon) and longer-term risks (e.g. physical, weather related impacts and stranded assets) have also been considered in relation to property and infrastructure investments. Equally, there are new and growing opportunities to cater for increasing demand for low carbon investment products and profiles from individual and institutional investors.

Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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Yes

	Please describe
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The analyses such as those outlined above are used to inform AMP Capital's active ownership and engagement activities with investee companies. Investors are increasingly paying attention to the recommendations of the Taskforce on Climate-Related Financial Disclosures ("TCFD") and how to engage with companies on improving such disclosures as well as incorporation of this information into portfolio risk considerations.

Climate Action 100+ (CA 100+) is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition. To date, 450 investors with more than US\$40 trillion in assets under management have signed on to this initiative. AMP Capital is a member of the initiative and is leading the engagement with two large Australian companies. Through CA100+ as well as our own engagement activities we are advocating for greater disclosure by companies on risks related to climate change including adoption of TCFD recommendations.

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

9

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

7

- Cash
- Other (1)

Percentage of AUM (+/-5%) per asset class invested in the area

2

Brief description and measures of investment

Includes:

- approx. 7% of total Infrastructure Equity AUM in clean energy technologies and renewable energy.
- 1% of total internally managed Fixed Income AUM currently invested in green bonds.
- Other - approximately 2% of total externally managed AUM invested in diversified funds with a specific 'ESG overlay'

Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

27

- Cash
- Other (1)

Brief description and measures of investment

Includes proportion of Infrastructure Debt AUM currently invested in renewable energy assets.

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

36

- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

Includes commercial property assets within AMP Capital managed Real Estate portfolios referencing the Investor Group on Climate Change (IGCC) Low Carbon Registry 'Green Building' Definition. **New and Existing Commercial and retail buildings** must be in top 25% of buildings when compared against the market (city) average as demonstrated by the local GHGe certification system; or deemed by estimate of its performance on the basis of kgCO₂e/m² of income area including scopes 1, 2 & 3 emissions (landlord/base building only) e.g. Sydney, Australia - include NABERS 5, 6 stars buildings. If including NABERS 4.5 stars asset, provide rationale supporting its eligibility in top 25%.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

2

- Cash
- Other (1)

Brief description and measures of investment

Includes investments in affordable student housing and accommodation.

- Education

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

2

- Cash
- Other (1)

Brief description and measures of investment

Includes direct investment in schools (including South Australia, NSW, SE Queensland and Victoria).

- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

11

- Cash
- Other (1)

Brief description and measures of investment

Includes direct investments in hospitals, aged care, health care and disability care facilities in Australia, New Zealand, Ireland UK.

- Water

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

2

- Cash
- Other (1)

Percentage of AUM (+/-5%) per asset class invested in the area

19

Brief description and measures of investment

Includes:

- 2% of total Infrastructure Equity AUM invested in water treatment including desalination.
- Other - includes 19% of Infrastructure Debt AUM invested in water treatment and drinking water infrastructure.

Other area, specify

No