



CLIMATE TRANSPARENCY REPORT 2020

UniSuper Management Pty Limited

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/-56FA9672-1529-4CFB-A816-5A19ADBD9C9E/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	UniSuper Management Pty Limited
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	38% from 38 Voluntary indicators

UniSuper Management Pty Limited

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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Portfolio Analysis/ Risk assessment in current holdings - published for each option in our TCFD report to members:

- Transition - exposure to fossil fuels- exploration, production, transportation and use
- Transition - exposure to supporting infrastructure and industrials reliant on fossil fuels - eg Airports, steel manufacturing
- Transition - exposure to financial services sector - Insurance and banking
- Transition - exposure to green products and services
- Carbon Footprint - Relative to MSCI benchmark
- Physical Risks - exposure to severe weather events
- Physical risks - exposure to rising tides for large asset exposure (property and infrastructure)
- Company response - measuring how companies are responding - with Carbon targets, renewable energy and energy efficiency

Due Diligence:

- Considering threats/opportunities from physical risks - such as rising tides, severe weather, changing operations and customer trends as a result of climate change
- Considering costs associated with "greening" existing infrastructure, what has been done, what are plans for the future etc

Investment product development:

- 7 of UniSuper's 16 options are fossil fuel free.3 as a result of specific exclusions/screens - Sustainable High Growth, Sustainable Balanced, Global Environmental Opportunities
- 4 as a result of the investment universe - Global Companies in Asia, Listed Property, Australian Bonds and Cash
-

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.

Risk exposures were considered a stress test (i.e. our total exposure to thermal coal is 0.5% - no further analysis was carried out). If the exposure to a particular risk was greater than 5%, then we have considered a range of scenarios. For example, our exposure to gas is >5%, and in our latest TCFD report we detailed some of the factors we are monitoring with respect to gas and the shift to renewable energy.

With respect to physical risks, UniSuper used publically available data and scenarios:

- Rising tides - 4 degree temperature rise in ~80 years.
- Severe weather - current experience/findings, which did not lead to further analysis as the exposure was less than 5%.

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

As a regulated Superannuation (pension) fund, the key risks and opportunities associated with climate are in our investments.

Our Climate related risk report details our approach that we take in our investment portfolio.

We have 3 options available to members that specifically target climate related themes - 2 Sustainable Options - which screen out fossil fuel companies (as well as gaming, alcohol and weapons + fund wide tobacco), and Global Environmental Opportunities, which invests in companies that receive more than 50% of their revenues by addressing environmental themes - renewable energy, water and waste management, pollution control, energy efficiency and green buildings.

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

Our TCFD disclosures are published on our website:
<https://www.unisuper.com.au/investments/responsible-investing/climate-risk-disclosure>

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report	Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

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

Other Chief-level staff or heads of departments

- 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

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

External managers or service providers

- 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.

We view climate related issues as being no different to other investment risks that we need to manage. UniSuper's investment team has been focused on climate risk management since 2007, and year on year this focus has escalated and intensified. While the ESG team provides data and reports to the Board and relevant sub-committees (Investment Committee or Risk and Audit committee) - these responsibilities are no different to their regular duties with respect to Investments and ESG more broadly.

However, it is important to note that climate risk management is viewed as a key focus area for Management to address and report on to members. It is part of UniSuper's day to day investment management activities.

SG 07.7 CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

As mentioned above, climate risks are viewed as investment risks, and are a responsibility of the CIO. RI staff help identify and compile portfolio and option level exposure reports to identify the level of exposure to climate risks - transition and physical.

Portfolio and asset managers are responsible for the identification and consideration of climate related risks in portfolio construction, in both the due diligence and ongoing investment in the asset/company.

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

Following our own Climate risk analysis, we engage with managers on specific issues/holdings that we view as facing material risk

- 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
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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

We have considered a range of risk factors and exposure in scenario analysis on our investments. The outcome of this analysis found that our portfolios are not overly exposed to climate risks, but that continual monitoring is required

- 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
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

The primary SAA decision (debt/equity split) does not consider ESG - however ESG is considered (in particular with respect to the quality of governance and rule of law in particular countries) when establishing SAA's - which has resulted in a home and developed market focus.

We also offer 3 sustainable/ESG focused options to members which consider ESG factors as central aspects of their portfolio construction process.

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

Please refer to our public climate risk disclosures report. UniSuper has been focused on the investment related risks of climate change since 2007

UniSuper has prioritised exposure analysis, to stress test the portfolio. If this analysis brings to light material risks, then further scenarios are run. This analysis is performed annually and published to

members.

- Transition - exposure to fossil fuels- exploration, production, transportation and use
- Transition - exposure to supporting infrastructure and industrials reliant on fossil fuels - eg Airports, steel manufacturing
- Transition - exposure to financial services sector - Insurance and banking
- Transition - exposure to green products and services
- Carbon Footprint - Relative to MSCI benchmark
- Physical Risks - exposure to severe weather events
- Physical risks - exposure to rising tides for large asset exposure (property and infrastructure) - using a 4 degree scenario
- Company response - measuring how companies are responding - with carbon targets, renewable energy and energy efficiency

Incorporation into investment analysis

Describe

Please refer to our public climate risk disclosures report. We consider climate risk as part of our investment decision making process.

Inform active ownership

Describe

We have been very active in engaging on climate risk for over 6 years.

We assess our portfolio holdings and identify specific companies that we will raise climate risk with, in a detailed and targeted manner. However, more broadly, we also raise climate risk in almost all company engagement meetings. As a direct consequence of UniSuper's active ownership practices we have seen companies increase their focus on and disclosures regarding climate risk management.

We also measure and track company commitments and actions as part of our climate risk analysis

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
- No

Please explain the rationale

We do not think that UniSuper's strategic asset allocation (Listed Equity/Infrastructure/Property/Fixed Income) will be impacted by climate change. However, underlying investments and decisions within these categories do consider the risks of climate change on the business model and earnings sustainability.

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 checked="" 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 checked="" type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input checked="" 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> Multiple scenarios - see below
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

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

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		7	135	747	634
Currency	AUD				
Assets in USD		4	833	752	665

Specify the framework or taxonomy used.

Option for members:

- 2 screened Fossil Fuel Free options - Sustainable High Growth and Sustainable Balanced (which has an allocation to green bonds)
- 1 environmental thematic option on offer (Global Environmental Opportunities)
- 4 additional fossil fuel free options (as a result of investment universe - not counted in AUM above) - Global Companies in Asia, Listed Property, Australian Bonds and Cash

Investments

- 2 investments in water infrastructure - Prospect Water and the Aquasure - Desalination water plant
- Timber 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

other description

- Offer fossil fuel free options to our members
- Invest in green bonds
- Portfolio level risk assessment

None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- 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 14.5	Additional information [Optional]
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Consideration of these risks, and a broad range of other risks are an essential part of conducting rigorous and detailed investment analysis.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand and identify carbon risks in our portfolio	CO2 Tonnes/Revenue/%ownership	Thomson Reuters data
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand and identify carbon risks in our portfolio	CO2 Tonnes	Thomson Reuters data
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand how carbon intensive our equities portfolios are vs the benchmark	CO2 Tonnes/Revenue	Thomson Reuters data
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand and identify carbon risks in our portfolio	NA	Subjective assessment

**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.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Please refer to our detailed public climate risk disclosure report.

- 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.

- Yes

Please describe

We commit a significant amount of time and resources to engaging with investee companies to encourage reporting in accordance with the TCFD recommendations. Further, prior to the TCFD coming into existence, we had for a number of years engaged with investee companies to encourage them to report on what climate risks (physical and transition) their businesses face, how they are managing such risks and why their businesses will remain resilient into the future.

As a direct consequence of our engagement activities we have seen companies that we have engaged with increase their transparency (and also take action to better manage climate risk).

- 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.

%

6

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

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

2

Fixed income - SSA

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

6

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

Brief description and measures of investment

We provide our members the choice to invest in a specific Global Environmental Opportunities Option which excludes fossil fuels and focuses on alternative energy, clean technology, clean water, waste and pollution control and green buildings. This is an equity only portfolio

The sustainable balanced option, as part of the fixed income component, now also has exposure to World Bank green bonds and also green bonds issued by ANZ and NAB.

- Renewable energy
- Green buildings
- Sustainable forestry

Asset class invested

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

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

100

- Cash

Brief description and measures of investment

All of UniSuper's investments in forestry are in sustainably managed softwood timber plantations

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

4

- Forestry
- Cash

Brief description and measures of investment

UniSuper invests in the Victorian Comprehensive Cancer Center. This is a cancer research and treatment facility.

- 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

26

- Forestry
- Cash

Brief description and measures of investment

We provide our members the choice to invest in a specific Global Environmental Opportunities Option which excludes fossil fuels and focuses on alternative energy, clean technology, clean water, waste and pollution control and green buildings. This is an equity only portfolio - these investments have been counted in the energy efficiency/clean tech category.

UniSuper also invests in an Australian water treatment plant and desalination plant in its infrastructure portfolio.

Other area, specify

No