



# CLIMATE TRANSPARENCY REPORT 2020

Australian Catholic Superannuation and Retirement Fund

# 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/-296DFD08-6422-482A-BAED-FDB93B5182FA/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                   | ✓        | Private    |                     |          |                 |                   |
| SG 01.7 CC                   | -        | Private    |                     |          |                 |                   |
| SG 01.8 CC                   | -        | Private    |                     |          |                 |                   |
| SG 01.9 CC                   | ✓        | Private    |                     |          |                 |                   |
| SG 01.10 CC                  | ✓        | Private    |                     |          |                 |                   |
| 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                   | -        |            |                     |          |                 |                   |
| SG 13.5 CC                   | -        |            |                     |          |                 |                   |
| SG 13.6 CC                   | -        |            |                     |          |                 |                   |
| SG 13.7 CC                   | -        |            |                     |          |                 |                   |
| SG 13.8 CC                   | -        |            |                     |          |                 |                   |
| 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                      |   |
|---|---|
| <b>Name</b>                               | Australian Catholic Superannuation and Retirement Fund                          |
| <b>Signatory Category</b>                 | Non-corporate pension or superannuation or retirement or provident fund or plan |
| <b>Signatory Type</b>                     | Asset Owner   |
| <b>Size</b>                               | US\$ 5 - 9.99 billion AUM   |
| <b>Main Asset Class</b>                   | Multi-Asset   |
| <b>Signed PRI Initiative</b>              | 2009  |
| <b>Region</b>                             | Oceania   |
| <b>Country</b>                            | Australia   |
| <b>Disclosure of Voluntary Indicators</b> | 89% from 38 Voluntary indicators  |

# Australian Catholic Superannuation and Retirement Fund

## 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 |
|-------|-----------|--------|---------------|---------|

**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.

## Governance and human resources

|          |   |        |             |         |
|----------|---|--------|-------------|---------|
| SG 07 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|

**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

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.

The Board is in the early stages of its climate related oversight in its ESG journey. It is planned it will undertake further ESG beliefs work, retaining external service providers, to further define priorities and the ESG focus for the Fund. Currently, the ESG Officer is reporting and providing updates to the Investment Committee and Board on work performance and priorities, with Board input and for approval.

In addition, ACSI, on behalf of the members, monitor climate related priority companies and provides updates. Progress is reported on climate related objectives for specific companies and updates on trends in the market.

**SG 07.7  
CC**

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

The Fund has retained a provider to measure the carbon footprint of its equity portfolio. Management will be informed on its results and team will work with Asset Consultant to assess the risks and opportunities these exposures may highlight.

Our service provider, ACSI monitors climate related company issues and gives updates and member briefings. They track progress on climate related issues for companies and map trends.

It is anticipated that in 2020, the Fund will become more informed on climate related issues and attend events and meetings via its future membership of the ACSI Member Council

**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

Whilst we do not currently engage with managers and/or providers, we are starting to raise in discussion this subject and promote the adoption.

- 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

Describe

As part of our investment strategy review, various scenarios are incorporated such as thematic analysis

(e.g. pandemics, fossil fuels, renewables...) Modelling is done by our primary investment consultant. We are also in receipt of data/services by other providers in relation to ESG potentialities (e.g SSGA fossil fuels)

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

We have retained Trucost to commence measuring the carbon footprint of our portfolios with the aim going forward to introduce climate related scenario analysis.

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

**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     |           |          | 289      | 000       | 001      |
| Currency      | USD       |          |          |           |          |
| Assets in USD |           |          | 289      | 000       | 001      |

Specify the framework or taxonomy used.

renewable energy generation

- 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 14.8  
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
- Processes for climate-related risks are not integrated into overall risk management

Please describe

The Fund has recently retained the services of a provider to measure our climate related exposures and will be measuring these to identify the risks for the portfolio. From here the Framework will be enhanced toward the aim for further integration and 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 are participatory members of the IGCC, ACSI, RIAA and PRI - all organisations who actively encourage and advocate the use of TCFD. Many of our Managers are also members of said relevant organisations.

No, we do not undertake active ownership activities.

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

|              |  |               |                    |              |
|--------------|--|---------------|--------------------|--------------|
| <b>SG 15</b> | <b>Mandatory to Report Voluntary to Disclose</b> | <b>Public</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|--------------|--|---------------|--------------------|--------------|

**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.

%

12

**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

5

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

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

20

- Infrastructure

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

15

- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

Generation Climate Solutions Fund; private equity, (un) & restricted public equity. Focused exclusively on deploying capital into companies that are part of a high-carbon to a low-carbon transition economy. Prioritizes four initial areas of focus for the Climate Solutions product: Renewable Energy Generation and Distribution, Energy Efficiency and Demand Destruction, Carbon Markets and Climate-Related Financial Services Solutions for the Biomass Economy.

ACSRF also invests in the Energy Infrastructure Trust which invests in wind farms (38%) among other energy assets and a cornerstone investor in Australian Renewable Infrastructure Trust, which currently holds three wind farms with the intention to diversify this with further renewable investments (e.g. solar).

Robeco manage an Emerging Markets Sustainable Active fund allocation which incorporates ESG research, impact investing focus and a restricted universe via exclusions in weapons, harmful habits, thermal coal and Global Compact breaches.

Australian Ethical manages the Balanced SRI option investing in equities, fixed interest, property and alternatives. Investment aims to make positive investments in various sustainable areas, whilst also avoiding coal, oil, weapons, tobacco, sin stocks and human rights abuses.

<https://www.australianethical.com.au/personal/ethical-investing/companies-we-invest-in/>

Our property portfolio continues to focus on the managers' GRESB scores via improved energy efficiency programs e.g. solar

- Renewable energy

Asset class invested

- Listed equity

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

5

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

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

10

- Infrastructure

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

20

- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

Renewable infrastructure, wind farms, alternative power generation, 9% pa yield

ACSRF also invests in the Energy Infrastructure Trust which invests in wind farms (38%) among other energy assets and a cornerstone investor in Australian Renewable Infrastructure Trust, which currently holds three wind farms with the intention to diversify this with further renewable investments (e.g. solar).

- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested

- Listed equity

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

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Hedge funds
- Cash
- Other (1)

The Fund holds a <1% allocation within its listed equity portfolio to a pre-IPO investment which involves a closed system sustainable agricultural business.

- Microfinance
  - SME financing
  - Social enterprise / community investing
  - Affordable housing
  - Education
  - Global health
  - Water
  - Other area, specify
- No