



CLIMATE TRANSPARENCY REPORT 2020

VicSuper

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/-2CA5DBCB-351D-40C6-9F4E-862682B6CBF0/79894dbc337a40828d895f9402aa63de/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	VicSuper
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

VicSuper

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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The financial risk due to climate change and its impact on the Fund's investment portfolio is identified in VicSuper's overall risk management framework. We regularly conduct stress testing of the portfolio against a range of climate change scenarios. This process considers physical (impact and resource availability) as well as transition (technology and policy) risks. A summary of the identified risks and our responses are as follows:

Technology Risk

Risk: That invested asset classes or sectors adjust more slowly to the low-carbon economy. This risk is particularly relevant to coal, oil and electric utilities.

Response: We engage with exposed companies to understand their strategy to transition to a low-carbon economy.

Resource Availability Risk

Risk: Portfolio assets may be negatively impacted by resource availability as a consequence of chronic weather patterns. This risk is particularly relevant to timber and agriculture assets and to the energy and utilities sectors in equities.

Response: We seek to work with investment managers who consider the impacts of climate change as part of investment decisions. We engage with companies exposed to climate risk to confirm that they are adequately managing their risk.

Impact Risk

Risk: Portfolio assets may be susceptible to extreme weather events resulting in reduced investment returns due to lost revenue and/or increased costs. This risk is particularly relevant to property, infrastructure, timber and agricultural assets, and in equities to emerging markets and the energy, utilities and industrials sectors.

Response: We seek to work with investment managers who consider the impacts of climate change as part of investment decisions. We engage with companies exposed to climate risk to confirm that they are adequately managing their risk. This year, we plan to undertake a further detailed assessment of the resilience of our real assets.

Policy Risk

Risk: Carbon pricing policies may be introduced resulting in increased operating costs. This risk is particularly relevant to carbon-intensive sectors including energy, utilities and materials.

Response: We invest a significant portion of our passive international equities in a low-carbon mandate. We measure the carbon intensity of our equities portfolio on an annual basis. We engage with companies exposed to climate risk to confirm that they are adequately managing their risk.

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.

These risks were modelled out to 2100, with likelihood and impact specifically assessed over 10 years and 35 years.

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

We recognise that climate change has the potential to have a material negative impact on society and the environment and that this will provide both opportunities and potential risks for the investment portfolio. We therefore have a responsibility to manage the financial risk in our portfolio resulting from climate change, on behalf of our members. To manage this risk, and contribute to achieving the objectives of the Paris Climate Agreement to keep global warming well below 2 degrees Celsius, we aim to align our investments with a pathway towards a low-carbon economy.

We review the likelihood and impact of the financial risk due to climate change on an annual basis through the Fund's standard risk management processes.

Our approach to the management of the financial risk due to climate change is explained in VicSuper's Climate Change and Investments Strategy. Our strategy clearly defines our climate change beliefs and commitments, and addresses risks across three key areas - Governance, Investments and Engagement. The implementation of the strategy has been staged over three years to assist with managing resourcing and implementation risks. This strategy was developed based on an analysis of the implications of climate change for our portfolio and a review of best practice publications including those from the Principles for Responsible Investment (PRI) and Investor Group on Climate Change (IGCC).

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

Separate Climate Change Report, published with the Fund's Annual Report, available at <https://vicsuper.com.au/-/media/VicSuper/Files/annual-reports/2019/VicSuper-Climate-Change-Report-2019>

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

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

Other role, specify (1)

Manager Corporate Responsibility & Responsible Investment

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

Other role, specify (2)

Senior Corporate Responsibility & ESG Specialist

- 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 VicSuper Board has ultimate responsibility for oversight of all aspects of VicSuper's operational and investment decisions, including oversight of the management of the financial risk due to climate change.

The Board executes its climate-related oversight/accountability objectives through:

- Detailed review of investment beliefs including responsible investment and climate change beliefs every 3 years. These beliefs are incorporated into VicSuper's Investment Governance Framework, and set out in more detail in our Responsible Investment Policy.
- Review of the result of annual portfolio stress testing for a range of climate change scenarios.
- Review of quarterly responsible investment reporting which includes reporting against climate change objectives.
- Review of reporting on engagement and proxy voting, for which climate change is a Board-approved priority objective.

**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

Annually request additional information including greenhouse gas emissions data (for VicSuper annual Climate Change report) and asset information (to support real assets resilience assessment)

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

VicSuper uses the work of our asset consultant Frontier supplemented by modelling conducted by Mercer including:
 2 degree warming
 Paris Pledges
 No coordinated action
 Resilience assessment on real assets
 Analysis of emissions and carbon risk data on equities

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

Describe

VicSuper uses the work of our asset consultant Frontier supplemented by modelling conducted by Mercer including:
 2 degree warming
 Paris Pledges
 No coordinated action
 Resilience assessment on real assets
 Analysis of emissions and carbon risk data on equities

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]

VicSuper considers environment, social and governance factors as part of its strategic asset allocation process. These factors are particularly relevant when considering allocation of assets between geographic markets, asset classes and sector weightings.

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.
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- Initial assessment

	Describe
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VicSuper has used both the scenario analysis performed by Mercer, as well as the International Energy Agency (IEA) 2oC Energy Technology Roadmaps to inform initial assessments of investments, particularly infrastructure investments. Work also commenced to further embed the financial risk to climate change into strategic asset allocation, by formally including climate change scenario analysis as a part of annual strategic review. Previously this was conducted as a stand-alone process.

- Incorporation into investment analysis

	Describe
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VicSuper has used both the scenario analysis performed by Mercer, as well as the International Energy Agency (IEA) 2oC Energy Technology Roadmaps to inform initial assessments of investments, particularly infrastructure investments. Work also commenced to further embed the financial risk to climate change into strategic asset allocation, by formally including climate change scenario analysis as a part of annual strategic review. Previously this was conducted as a stand-alone process.

- Inform active ownership
- Other

SG 13.5 CC	Indicate who uses this analysis.
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- 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.
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- Yes

	Describe
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VicSuper has evaluated the impacts of climate-related risks out to 2100, which is beyond the long term (10+ year) investment horizon. The risks considered included physical (impact and resource availability) as well as transition (technology and policy) risks.

- 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 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 type="checkbox"/> BNEF reference scenario	
IPCC	<input 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> Mercer Transformation (2oC)
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> Mercer Combination (2.8oC)
Other	<input checked="" type="checkbox"/> Other (3)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (3) please specify:</div> Mercer Fragmentation - Higher Damages (4oC)

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 description (1)

Global action on Sustainable Development Goals

- 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		3	879	003	038
Currency	AUD				
Assets in USD		2	627	635	145

Specify the framework or taxonomy used.

VicSuper is in the process of testing the investments it categorises as "Investing in Sustainable Outcomes" to determine whether they meet the requirements of Sustainable Development Investments (SDI), as developed by PGGM and APG.

- 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

Our service provider EOS Hermes engages companies specifically with a view to enhance disclosure, integrate actions and policies around climate-related risks and investments

- 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

other description

Our engagement service providers have been encouraging further climate change related disclosure from large domestic listed companies in the energy, resources, materials and banking sectors.

- None of the above

SG 14.5

Additional information [Optional]

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.

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	Helps contribute to a high level understanding of where carbon risks or opportunities sit within our portfolio at a company and sector level.	CO2e/A\$M revenue	VicSuper outsources the analysis to Trucost. The weighted average carbon intensity is calculated by allocating emissions intensity on a revenue basis from each constituent company held in the portfolio in proportion to VicSuper's equity ownership of that company.

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
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The financial risk due to climate change is identified within VicSuper's overall risk management framework, together with relevant controls. All risks and controls are reviewed on at least an annual basis. The impact and likelihood of this risk are assessed based on guidance in VicSuper's Risk Management Procedure and can therefore be compared to other risks.

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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VicSuper undertakes active ownership activities to encourage TCFD adoption as a signatory to the Climate Action 100+ initiative and as a supporting investor for a number of priority companies in Australia.

VicSuper also encourages TCFD adoption as a member of the Australian Council of Superannuation Investors (ACSI) and through ACSI's role as a specialist engagement provider to the Fund. ACSI has been engaging with ASX companies for years on the disclosure and integration of climate-related risks and opportunities. ACSI engages with a broad range of companies on climate risk and also prioritises particular companies given their materiality and exposure. For 2019, there were 20 companies which ACSI focused on TCFD adoption as a primary concern. ACSI is also actively supporting members' efforts in the Climate Action 100+ initiative, directly engaging companies alongside members who are lead investors and providing other insights like briefing members on discussions to date. ACSI also uses proxy voting advice as a mechanism to create engagement on climate-related resolutions and as a tool for signalling where improvement on climate-related issues can be made.

In 2019, VicSuper also supported a significant number of shareholder resolutions, including all Australian resolutions that requested companies set targets and strategies in relation to climate change.

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.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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15.41

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.
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	Area
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Energy efficiency / Clean technology

Asset class invested

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

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

0.03

- Property
- Infrastructure

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

0.37

- Forestry
- Farmland
- Cash
- Other (1)

Brief description and measures of investment

VicSuper holds private equity investments in the following:

Emerald Cleantech
Climate Solutions Private Equity Fund

VicSuper is also invested in the Ross River Solar Farm, Finerge wind farms and Powering Australian Renewables Fund amongst others.

- Renewable energy

Asset class invested

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

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

0.03

- Property
- Infrastructure

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

0.37

- Forestry
- Farmland
- Cash
- Other (1)

Brief description and measures of investment

VicSuper holds private equity investments in the following:

- Emerald Cleantech
- Climate Solutions Private Equity Fund

VicSuper is also invested in the Ross River Solar Farm, Finerge wind farms and Powering Australian Renewables Fund.

- Green buildings

Asset class invested

- Listed equity
- 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

3.74

- Infrastructure
- Forestry
- Farmland
- Cash
- Other (1)

Brief description and measures of investment

VicSuper holds property investments that have been designed, constructed, operated, maintained or renovated using environmentally-friendly and resource-efficient processes and/or formal green building ratings according to the Australian GreenStar or NABERS accreditation programs.

In calculating this figure, we have only included investment managers that have made significant sustainability commitments: Invesco, TH Real Estate, GPT, Investa and AMP.

- Sustainable forestry

Asset class invested

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

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

1.22

- Farmland
- Cash
- Other (1)

Brief description and measures of investment

VicSuper holds a number of sustainable forestry investments. These include assets managed for the production of pulp, chip, sawn timber and higher-value wood products.

- Sustainable agriculture

Asset class invested

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

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

1.49

- Cash
- Other (1)

Brief description and measures of investment

In 2006 VicSuper resolved to invest in a landscape redevelopment project called 'Future Farming Landscapes' (FFL). FFL aims to hold a portfolio of land and water assets for the purpose of generating returns from a combination of agricultural activities and innovative water leasing products. The FFL project lies between Kerang and Swan Hill in the southern part of the Murray Darling Basin (MDB), a vital food-producing region of Australia.

This investment is delivered by Kilter Pty Ltd through its FFL model which involves earning income and building capital value through investment in farmland redevelopment, improved yield productivity and the delivery of water use solutions for agriculture and the environment.

FFL aims to generate more food and fibre utilising less land, less water and less management effort. Farmlands held by VicSuper are managed to create a resilient landscape - one which can cope with variable and constantly changing conditions and climate, while enhancing productivity, providing employment opportunities and improved environmental outcomes, delivering investment returns.

The objective is a large-scale investment that improves the productivity of farmland and maintains and enhances water use efficiency and ecosystems while delivering VicSuper long-term, stable, non-correlated, inflation-protected returns.

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

International Equity Customised Carbon Strategy and Socially Conscious equities and fixed income investments

Asset class invested

- Listed equity

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

8.43

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

The International Equity Customised Carbon Strategy is a listed equity investment developed specifically for VicSuper that aims to deliver a 70% reduction in greenhouse gas emissions intensity and 50% reduction in fossil fuel reserves against its benchmark. We are currently in the process of amending the mandate to increase the fossil fuels reserves reduction to 90% in addition to a 90% reduction in brown revenue and a 200% increase in green revenue.

The Socially Conscious investment option allows members to align investment of their superannuation savings with their social and environment values. Among other exclusions, this option's equity and fixed income investments exclude investment in companies that hold fossil fuel reserves used for energy purposes as well as those that have been involved in severe environmental incidents.

No