



CLIMATE TRANSPARENCY REPORT 2019

New Forests 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 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-04A1EE49-9157-4FA8-8AC8-BC0997F5E70A/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). 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 2019 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 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
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 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	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 14.4	-	Public				
SG 14.5	✓	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	New Forests Pty Limited
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Forestry Internally Managed
Signed PRI Initiative	2010
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	92% from 38 Voluntary indicators

New Forests 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

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.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Specific international standards as guidelines <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

community engagement and stakeholder relations

Other RI considerations, specify (2)

Other description (2)

workplace health and safety

SG 01.4 Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

New Forests' corporate narrative encapsulates our investment beliefs and overarching strategy:

As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. We believe that meeting the needs of a broad range of stakeholders will provide better returns over the long term.

New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. This gives us a global perspective combined with local expertise that allows us to understand and manage our assets more effectively. Wherever we operate in the world, our strength lies in our people and their drive to make investments that create the best possible outcomes. By investing with integrity and transparency we aim to generate strong returns while helping tackle some of the world's great sustainability challenges

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

New Forests' RI Policy includes the policies, tools, and external standards and guidelines that the company uses to guide its RI implementation. The RI Policy is itself a component of New Forests' Social and Environmental Management System (SEMS), which establishes comprehensive procedures and processes for the identification, monitoring, and management of material E&S issues. The SEMS also describes the organisational governance and responsibilities for implementation. The RI Policy and SEMS apply to all New Forests' investments and focus on continual improvement.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6
CC

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

New Forests' business strategy anticipates net positive opportunities for the forest sector from the transition to a low-carbon economy, including climate regulation and demand for sustainable materials, as part of a global response to climate change. New Forests stays aware of developing climate science and policy that inform our business. In particular, we note that the IPCC Special Report: Global Warming of 1.5 Degrees indicates significant changes are required in the forest sector to contribute to viable mitigation pathways. This will require a shift from the forest sector being a net emitter to a net source of carbon dioxide removals through sustainable forestry management and reforestation. Yet today the forest industry currently contributes alongside agriculture to around 24% of global GHG emissions coming from land use, and only around 3% of climate finance goes to forestry and land use.

In seeking to contribute to forest-climate solutions and the growth of a rising sustainable bio-economy, New Forests is positioned to benefit from positive feedback cycles linked to emerging climate trends and forestry investment:

1. Rising timber demand for traditional and new wood products as low-carbon inputs for the circular and low-carbon economy reinforces positive pricing trends and market diversification for wood fibre.
2. Increasing demand for low-carbon investments and for carbon dioxide removals from forestry provides capital flows for the expansion of the forest sector, including plantation establishment, sustainable intensification, and diversification of processing and manufacturing for low-carbon products.
3. Product innovation and investment in Natural Climate Solutions creates new low-carbon investment opportunities, creating a positive cycle of investment and return comprised both of financial returns and beneficial climate outcomes.

New Forests also recognises that there are real and rising physical risks of climate change to the world's forests. These risks include exposure to changing pests and disease as well as negative effects from changing weather patterns and extreme weather events, including drought, flood, extreme storms (erosion, windthrow), and wildfire. Forest management to mitigate these risks may call for adaptation and changed silvicultural practices as well as financial measures such as insurance to minimise financial losses.

SG 01.7
CC

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

Yes

SG 01.8
CC

Indicate the associated timescales linked to these risks and opportunities.

Climate scenarios and resilience are important to New Forests' view of the forward-looking opportunities for the forest sector in a low-carbon economy. However, New Forests has not undertaken portfolio-level quantitative climate scenario analysis, and we anticipate that further work will be required to better understand the long-term implications, particularly as New Forests considers implementing longer fund terms and evergreen fund structures. New Forests does not anticipate negative exposure to transition risk from climate policy, given that sustainable forest management can result in positive cycles of carbon sequestration and storage, with a net carbon benefit accumulating over time. Instead, New Forests integrates scenarios for carbon pricing information where relevant to the investment return in asset and portfolio models, considers the evolving local, national, and international frameworks for climate policy, and actively promotes investments that align with meaningful climate action and carbon dioxide removals. Understanding our role as forestry investors in a carbon-constrained world means that we are better able to anticipate and manage for the likely impacts of climate change and capture net benefits for our business and investments.

There are real and rising physical risks of climate change to the world's forests, as well as specific opportunities arising from climate finance and the need to invest in mitigation, resilience, and adaptation. New Forests' assessment of time scale considers issues affecting near-term management of assets and our ability to invest capital, our ability to add value to investments during a typical closed-end fund holding period, and the long-term implications extending through the higher end of the range of forest management cycles in the types of forests we manage (with tree rotations across our portfolio varying from as little as eight years in the tropics to more than 70 years in semi-natural managed forests of the US). Considering these scales, New Forests sees transition risks centred around changing climate policy, which in turn can

present significant market implications relating to land use and greenhouse gas emissions (GHGs), and the impacts of climate change on the economies and communities of areas in timber producing regions. Physical risks are anticipated to increase from more localised exposure to extreme weather events and forest health impacts through to larger vulnerabilities of ecosystems to changing climate and weather in the long-term. Examples of these risks include changing occurrence of pests and disease, drought, flood, extreme storms (erosion, windthrow), and wildfire. New Forests accounts for such risks in the formulation of investment products and in risk assessment for investment appraisal. Forest management to mitigate climate-related risks may call for adaptation and changed silvicultural practices as well as financial measures such as insurance to minimise financial losses.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe

Board and management role in oversight and assessing climate-related risks and opportunities

New Forests' Board and Executive Committee recognise that forestry investment solutions will be critical to addressing the climate crisis. Climate change-related risks and opportunities are reviewed by the Board through the business planning and strategy review process. New Forests' Executive Committee is responsible for implementation and monitoring of the business plan and strategy development on an ongoing basis.

Identifying and managing climate-related risks and opportunities

Climate change-related risks and opportunities are also integrated into the company's enterprise risk management (ERM) framework, such that significant policy, market, and physical risks related to climate change are monitored and discussed. The ERM is guided by the risk appetite statement endorsed by the New Forests Board of Directors and includes regular review of risks at the New Forests corporate level, which is informed and supported by fund-level and asset-level risk assessment and management. Each risk is assigned a risk rating and tolerance, with stated mitigations and residual risk ratings determined. New Forests' management of climate-related risks spans from financial risk mitigations such as insurance for tree crops, to ensuring local property management strategies include operational risk mitigation, through to stakeholder engagement in industry and policy forums, seeking to ensure forests are considered a vital part of the response to climate change. In Australia, New Forests' funds contributed to the creation of an assessment tool, supported by forest industry funding, which provides modelled projections of environmental changes based on the latest forest-climate sciences and the needs of the country's forest sector. This tool provides some guidance that can be integrated into asset management and the development of climate-resilient strategies.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

	specify
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New Forests will be publishing a brief statement in its 2018 Sustainability Report and releasing a TCFD-aligned disclosure document in 2019.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

	URL
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{hyperlink:<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>}

- Attachment (will be made public)

- Formalised guidelines on social factors

	URL/Attachment
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- URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment (will be made public)

Other, specify (1)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment

Governance structure of organisational ESG responsibilities

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf}

Attachment

Other RI considerations, specify (1)

Other RI considerations, specify (2)

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

More detailed asset class and sector-based guidelines are included within New Forest's Social and Environmental Management System (SEMS). Screening and exclusions are included within fund policies, where relevant, to support compliance with the investment exclusions of LPAs and Management Agreements.

Our SEMS is a proprietary system that enables our proactive management of social and environmental issues associated with our investment activities. As such, we believe it is an important competitive advantage. Therefore, we do not make this information public. Clients and other interested stakeholders can request a copy of the SEMS, and clients are welcome to review associated internal documentation and audit reports.

Governance and human resources

SG 07 CC	Voluntary	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 head of department

- 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

Investor relations

- 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)

Other description (1)

Other role, specify (1)

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

Other role, specify (2)

Other description (2)

Other role, specify (2)

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

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

	Describe
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New Forests addresses key sustainability risks and opportunities and accounts for macro drivers, e.g. climate change, population growth, and resource depletion. We focus on the forestry asset class in large part due to its ESG profile.

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

	Describe
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New Forests integrates scenarios for carbon pricing where relevant to the investment return in asset and portfolio models, considers the evolving local, national, and international frameworks for climate policy, and actively promotes investments that align with meaningful climate action, supporting alignment with the Paris Agreement.

- No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- 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]
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To date, New Forests' scenario analysis is largely qualitative, and we acknowledge further analysis is required to assess ESG and climate scenarios for long-term asset management. In our Australia and New Zealand funds, we have investment exclusions for native forests (motivated by ESG factors), and funds are dedicated to sustainable plantation forestry. We also set asset allocation targets based on the ESG considerations by country. For example, our Asian strategy considers how ESG factors may influence investments (e.g. rule of law, investment readiness, scale, clear land tenure) while still enabling ESG improvements (e.g. environmental management improvements, enhanced stakeholder engagement, improved corporate governance). Some of the target countries offer more challenging investment conditions, generally speaking, due to ESG factors and the scale and quality of assets. In the US, New Forests' has developed a proprietary approach to originations that targets high-climate-impact timberland investment opportunities. This strategy seeks to provide investors exposure to higher risk-adjusted returns while sequestering and storing more carbon in sustainably managed forests in the US. This is a direct climate solutions investment strategy meeting emerging investor demand for low-carbon investments.

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)

Environmental change, including forest fires, windstorms, pests, and disease

- 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		5	175	000	000
Currency	AUD				
Assets in USD		3	816	548	403

Specify the framework or taxonomy used.

All New Forests' investments align with the Forestry Activities listed in the Low Carbon Investment Registry Taxonomy, including sustainable forest management, plantation establishment, and carbon-sequestration related improved forest management and related processing of timber products. These investments are offered through dedicated sustainable forestry funds and separate accounts.

- 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

Investing in GHG offset projects for regulated carbon markets

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

Investment strategy dedicated to investing in GHG offset projects for regulated carbon markets and inclusion of carbon offset projects in sustainable forestry funds

None of the above

SG 14.5 Additional information [Optional]

As the global population and economic output rises, our ability to produce the food, fibre, and fuel that are necessary for future generations is increasingly difficult. Compounding this is the challenge that much of intensified production of these goods has often come at the cost of environmental services that are vital for life. This combination of factors creates a specific opportunity for forward-looking investors to allocate capital to investments that target the sustainable production of goods like timber, natural rubber, and other commodities, while also ensuring their investments do not adversely affect environmental services, which are likely to be increasingly valuable in a nature-constrained world. More forward-looking investors are now increasingly seeking conservation investments, which promote the maintenance and enhancement of ecosystem services.

Ultimately, given the challenges outlined above, New Forests believes capital should flow toward land management systems that value both production and conservation functions. Through our investment strategies we address key sustainability opportunities and risks across both sustainable forestry and conservation investments. These investment strategies are supported by our own responsible investment approach that includes ESG at every step of investment management and that benefit from a growing global movement of responsible investment that enables collaboration with other investors and practitioners.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To inform clients and stakeholders about the overall climate-related impact of sustainable forestry investments	million tonnes CO2e	Total carbon stock and flow analysis based on live biomass in productive areas of forestry estates is calculated using growth and yield tables and forestry estate models. Processing facilities in Australia report on GHG emissions according to regulatory requirements.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

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

Please describe

Board and management role in oversight and assessing climate-related risks and opportunities

New Forests' Board and Executive Committee recognise that forestry investment solutions will be critical to addressing the climate crisis. Climate change-related risks and opportunities for New Forests' are reviewed by the Board through the business planning and strategy review process. New Forests' Executive Committee is responsible for implementation and monitoring of the business plan and strategy development on an ongoing basis.

Identifying and managing climate-related risks and opportunities

Climate change-related risks and opportunities are also integrated into the company's enterprise risk management (ERM) framework, such that significant policy, market, and physical risks related to climate change are monitored and discussed. The ERM is guided by the risk appetite statement endorsed by the New Forests Board of Directors and includes regular review of risks at the New Forests corporate level, which is informed and supported by fund-level and asset-level risk assessment and management. Each risk is assigned a risk rating and tolerance, with stated mitigations and residual risk ratings determined. New Forests' management of climate-related risks spans from financial risk mitigations such as insurance for tree crops, to ensuring local property management strategies include operational risk mitigation, through to stakeholder engagement in industry and policy forums, seeking to ensure forests are considered a vital part of the response to climate change.

New Forests is also active in investor groups on climate changes, including membership in CERES, IGCC, and AIGCC. Through engagement in the policy working groups of these investor organisations, New Forests aims to stay informed of policy changes and potential regulatory issues that may affect our investments. In addition, a member of New Forests' US investment team leads US public policy engagement on climate and forest policy, and the company is part of a multi-stakeholder coalition that promotes the role of forestry in climate mitigation from a policy perspective. This active engagement is an important risk mitigant, and moreover aims to enhance New Forests' ability to capture opportunities from supporting the transition to a low-carbon economy.

Process for climate-related risks is not integrated into our overall risk management

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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100

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
--	------

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry

	Asset class invested
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- Forestry

	% of AUM
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100

	Brief description and measures of investment
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Sustainable timberland investment in Australia and New Zealand. Timberland investment in Australia and New Zealand offers access to mature timber markets, well-established forestry management systems, and new opportunities from increasing Asian demand for wood products. Investors can be exposed to Asian growth while investing in a stable, low-risk business environment.

Sustainable forestry in emerging markets of Southeast Asia. Tropical Southeast Asia is an emerging market for sustainable plantation forestry investment by institutional investors. Our Southeast Asian investment strategy focuses on certified plantation forestry with an emphasis on technological and silvicultural improvements and a rigorous approach to environmental and social values and good governance.

Carbon forestry and conservation finance in the United States. Forestry investment in the United States has evolved beyond traditional timber management to also encompass returns driven by conservation management strategies and the valuation of ecosystem services in growing environmental markets. New Forests' US investment strategies seek to provide higher returns by

combining timberland investment, carbon management, and conservation finance. Carbon forestry enables investors to realize returns from combining revenue streams above and beyond traditional sustainable forest management.

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

No