



**Media Release**  
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## **Statement from Rest**

The parties have agreed to settle litigation brought by one of its members, Mark McVeigh, in respect of its handling of climate change risk.

Consistent with the Task Force on Climate-related Financial Disclosures (**TCFD**), Rest acknowledges that climate change could lead to catastrophic economic and social consequences and is an important concern of Rest's members. The superannuation industry is a cornerstone of the Australian economy—an economy that is exposed to the financial, physical and transition impacts associated with climate change.

Climate change is a material, direct and current financial risk to the superannuation fund across many risk categories, including investment, market, reputational, strategic, governance and third-party risks. Accordingly, Rest, as a superannuation trustee, considers that it is important to actively identify and manage these issues, and continue to develop the systems, policies and processes to ensure that the financial risks of climate change are:

- identified and, to the extent possible, quantified in respect of both individual assets and the fund's portfolio as a whole;
- considered in the context of the fund's investment strategy and asset allocation mix (including in respect of Australian and international shares, cash securities, bonds, alternatives, infrastructure and property); and
- otherwise appropriately mitigated and managed, having regard to the goals of the Paris Agreement and other international efforts to limit climate change.

As part of this, Rest will take further steps to ensure that investment managers take active steps to consider, measure and manage financial risks posed by climate change and other relevant ESG risks. As the trustee, Rest requires that compliance with these efforts be reported back to it and will use a variety of mechanisms to assess and, if necessary, take steps to improve, the compliance of its investment managers.

Rest's policy requires that the management of climate change risks also involves the disclosure to members of those risks, as well as the systems, policies and procedures maintained by the trustee to address those risks.

Rest agrees with Mr McVeigh to continue to develop its management processes for dealing with the financial risks of climate change on behalf of its members.

Mr McVeigh acknowledges and supports Rest's initiatives to:

1. implement a long-term objective to achieve a net zero carbon footprint for the fund by 2050;
2. measure, monitoring and reporting outcomes on its climate related progress and actions in line with the recommendations of the TCFD;
3. encourage its investee companies to disclose in line with the TCFD recommendations;

4. publicly disclose the fund's portfolio holdings;
5. enhance its consideration of climate change risks when setting its investment strategy and asset allocation positions, including by undertaking scenario analysis in respect of at least two climate change scenarios (including one scenario consistent with a lower-carbon economy well below 2°C this century);
6. actively consider all climate change related shareholder resolutions of investee companies and otherwise continue to engage with investee companies and industry associations to promote business plans and government policies to be effective and reflect the climate goals of the Paris Agreement;
7. conduct due diligence and monitoring of investment managers and their approach to climate risk;
8. continue to develop its management processes and implementing changes to its climate change policy and internal risk framework, which apply to all of the fund's investments, to reflect the above; and
9. seek to require that its investment managers and advisers comply with the above.

**-ENDS-**

For further information, please contact:

**Pauline Hayes**

Head of Corporate Communications

Pauline.hayes@rest.com.au

m: 0458 815 252