

A man and a woman are in a kitchen. The man, wearing a dark long-sleeved shirt, is holding a bright green reusable shopping bag. The woman, wearing a colorful striped sweater, is smiling and looking at the bag. They are standing at a kitchen counter with a sink and various items. The background shows white kitchen cabinets and a doorway leading to another room.

Rest's roadmap to
net zero emissions
by 2050

The Rest logo, featuring the word "Rest" in a stylized, rounded font. The letters are primarily blue with a green-to-blue gradient, and the 't' has a green outline.

Rest

Rest's roadmap to net zero emissions by 2050

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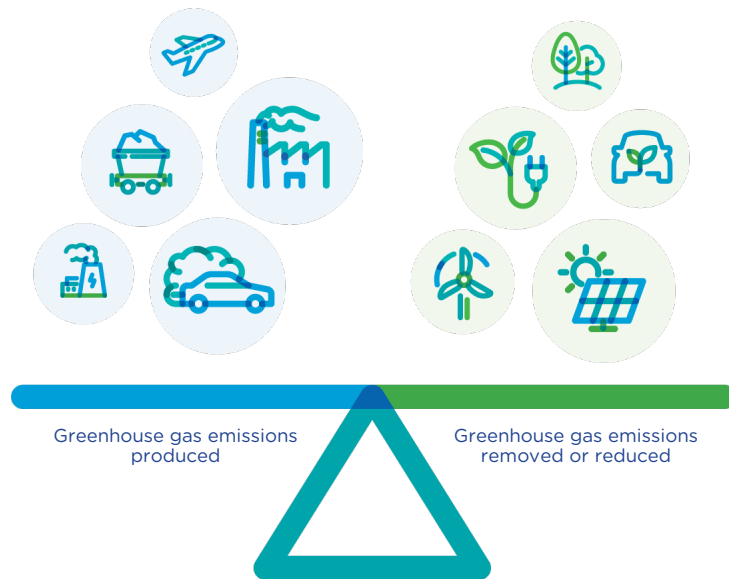
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What **net zero** means

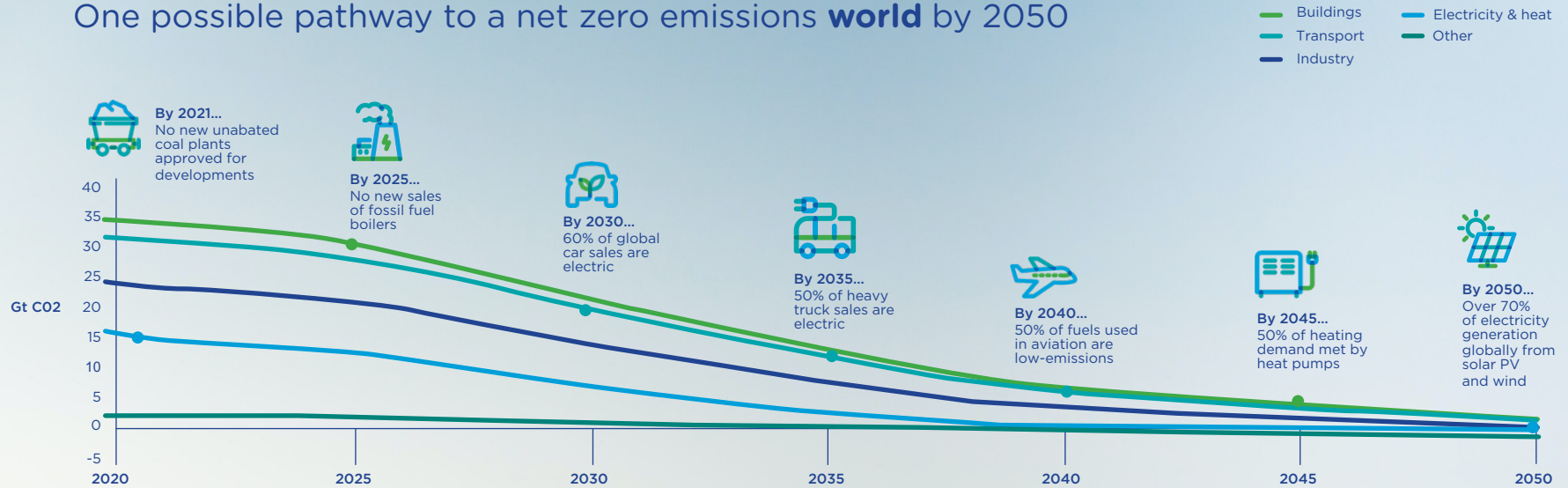
Rest has a long-term objective to achieve a net zero carbon footprint for the fund by 2050. This is consistent with the goals of the [United Nations Paris Agreement](#). The Paris Agreement seeks to keep global temperature rise this century to well below two degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

'Net zero emissions' refers to achieving an overall balance between greenhouse gas emissions* produced and greenhouse gas emissions taken out of the atmosphere.



*also sometimes referred to as carbon emissions, or simply emissions

One possible pathway to a net zero emissions world by 2050



Also by 2021...

- No new oil and gas fields approved for development; no new coal mines or mine extensions

Also by 2030...

- Universal energy access
- All new buildings are zero-carbon-ready
- Most new clean technologies in heavy industry demonstrated at scale
- 1 020 GW annual solar and wind additions
- Phase-out of unabated coal in advanced economies

Also by 2035...

- Most appliances and cooling systems sold are best in class
- No new ICE car sales
- All industrial electric motor sales are best in class
- Overall net zero emissions electricity in advanced economies

Also by 2040...

- 50% of existing buildings retrofitted to zero-carbon-ready levels
- Around 90% of existing capacity in heavy industries reaches end of investment cycle
- Net zero emissions electricity globally
- Phase-out of all unabated coal and oil power plants

Also by 2050...

- More than 85% of buildings are zero-carbon ready
- More than 90% of heavy industrial production is low-emissions

Why is Rest's roadmap to net zero emissions important to **members**?

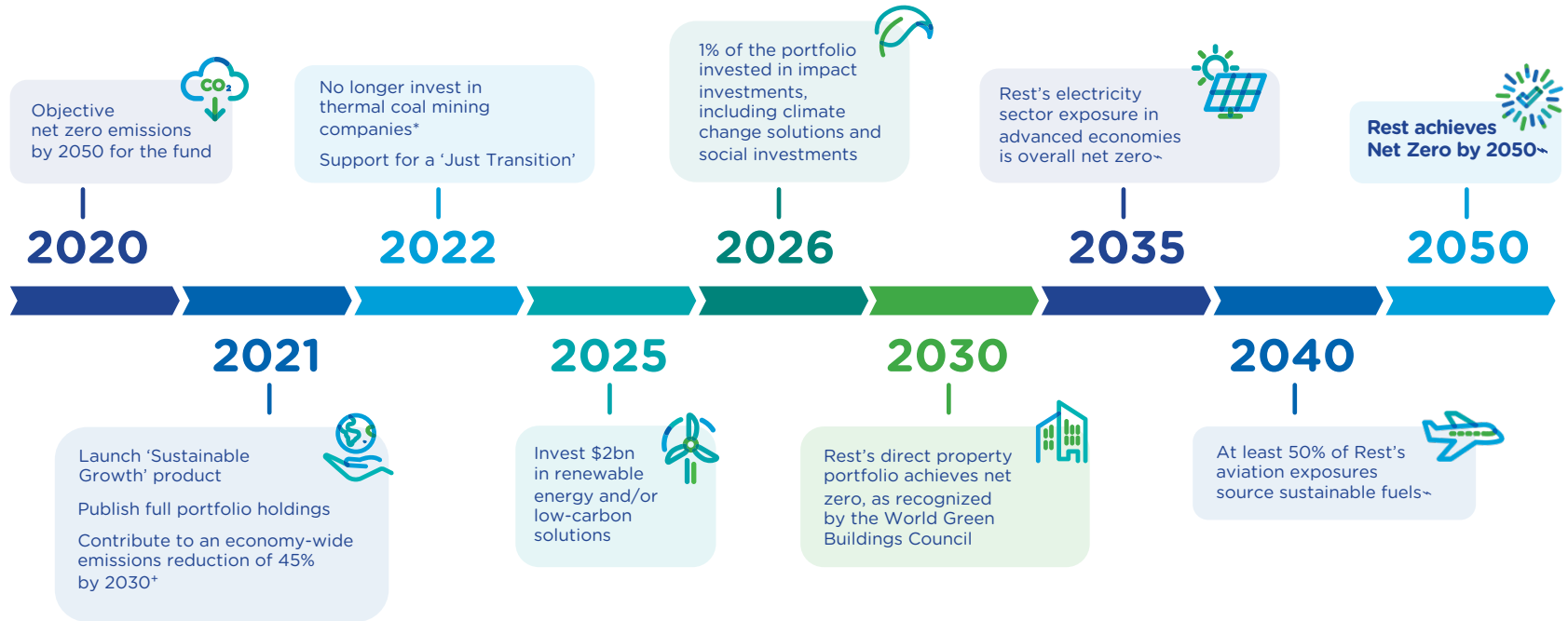
We surveyed our members to understand what was important to them about responsible investment.

Our members were clear when asked what companies they would prefer to avoid or opposed investments in.

76%

Preferred to avoid or opposed investing in companies with a recent record of **environmental damage**

Rest roadmap to net zero



* relative to a 2005 base year

* listed equities which derive 10% or more revenues from thermal coal mining

~ Assuming the world transitions to the International Energy Agencies Net Zero by 2050 Roadmap.

Rest's key climate change **measures**



Thermal coal exposure

By 31 December 2021, exclude listed companies with more than 10% of revenues derived from thermal coal mining, unless the company has a credible net zero by 2050 target or is signed up to the science-based targets. Advocate for a 'Just Transition' for those affected by the transition to a lower carbon economy.



Carbon emissions

Advocate for economy wide reduction of emissions of 45% by 2030, on 2005 levels, aiming to reduce the Weighted Average Carbon Intensity of the equities portfolio year on year.



Renewable solutions

Rest has a target to increase investment in renewable energy and low carbon solutions assets to \$2bn at whole of portfolio level by 2025.



Property portfolio

Rest has set a target to achieve net zero carbon emissions in operation by 2030 for the direct property portfolio.



Impact Investment

Rest has set a 5-year target to introduce impact investment with a view to allocating 1% of funds under management (aggregated across each of the asset classes).



Scenario analysis

Stress testing of the Rest strategic asset allocation, including using a net zero emissions by 2050 climate scenario.



Rest's **five year** plan

Rest's **Responsible Investment Pillars** – Climate change is fully integrated



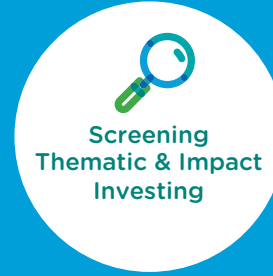
Board oversight and management's role



Reduce risks and achieve strong financial returns



Using our rights and positions of ownership to maximise returns and have a positive impact on society and the environment



Implementing a range of responsible investment approaches



Part of a common voice on environmental, social and governance factors



Informing you about what matters



Governance

- Action completed
- Commencement
- Ongoing
- Measure

Initiatives

Governance

FY19 FY20 FY21 FY22 FY23+

1. Quarterly climate-related reporting to management investment committee (MIC), board investment committee (BIC) and board audit risk and compliance committee (ARCC)		.....		
2. Climate-related risk included in risk appetite statement					
3. Sustainability forum established		.....		
4. Net zero working group established					
5. Material enhancements to climate change policy					
6. Set objective to achieve net zero carbon emissions for the fund by 2050				.....
7. Remuneration structures aligned to include responsible investment principles					
8. Conduct gap analysis on APRA draft guidance on climate change financial risks					



Integrating ESG into our investment decisions

- Action completed
- Commencement
- Ongoing
- Measure

Initiatives

ESG Integration

	FY19	FY20	FY21	FY22	FY23+
9. Commence inhouse ESG* and climate related investment manager assessments				
10. Use climate-related tools to monitor listed assets				
11. Climate change as a structural theme included in Rest investment strategy and annual asset allocation				
12. Investment team climate-related capability development underway				
13. Whole-of-fund analysis conducted for a well below 2°C by 2100 scenario (IEA SDS)				
14. Whole-of-fund analysis conducted for a 3-4°C by 2100 scenario (IEA STEPS)				
15. Whole-of-fund scenario analysis conducted for a net zero by 2050 scenario (IEA NZE 2050)				
16. Climate-related physical risk analysis for current infrastructure and property investments			●	
17. Climate-related risk analysis for all new infrastructure and property investments				
18. Commence to collate and quantify the carbon footprint for infrastructure and property		●		
19. Collaborate with stakeholders to resolve gaps and inconsistencies in carbon metrics in remaining asset classes				

*environmental, social, governance



Actively managing our investments

- Action completed
- Commencement
- Ongoing
- Measure

Initiatives

Active Ownership

FY19 FY20 FY21 FY22 FY23+








20. Contribute to collective engagement influencing listed companies to adopt TCFD* reporting			.....		
21. Contribute to influencing investee companies to commit to net zero					.....
22. Climate-related risks and opportunities included in all investment manager mandates				●	
23. Promote the goals of the Paris Agreement					.....
24. Monitor investment managers who support and disclose TCFD* and net zero					.....
25. Consider all climate-related shareholder resolutions of Australian investee companies					.....
26. Consider all climate-related shareholder resolutions of Australian and international investee companies					
27. Develop engagement strategy as relevant to listed equity exposures						

*Task Force on Climate-related Financial Disclosures



Screening, thematic and impact investing





-  Action completed
-  Commencement
-  Ongoing
-  Measure

Initiatives	FY19	FY20	FY21	FY22	FY23+
Investments Approach					
28. Monitor exposures to high-carbon assets					
29. Monitor exposures to renewables, low-carbon solutions and impact investments					
30. Launch of Sustainable Growth – Rest’s socially responsible investment option					
31. Target \$2 billion AUD in renewable energy and low carbon solutions assets by 2025					
32. Increase impact investment exposures to 1% of Rest FUM* by 2026					
33. Exclude listed equities which derive greater than 10% of revenues from thermal coal mining (unless the company has a credible net zero by 2050 objective or has signed up to science-based targets)					
34. Achieve net zero in operation for the directly owned property portfolio by 2030					

*funds under management








Advocating for positive change

-  Action completed
-  Commencement
-  Ongoing
-  Measure

Initiatives

Collective Responsibility

FY19 FY20 FY21 FY22 FY23+

35. Signatory to the UN Principles of Responsible Investment					
36. Full membership of ACSI with seats on the board and member council					
37. Identification of relevant collective advocacy opportunities			.....	
38. Encourage government policies and investment practices that address climate change risks through the IGCC*			.....	
39. Advocate for economy-wide reduction of emissions of 45% by 2030 on 2005 levels				.....
40. Advocate for a “just transition” for Australian communities affected by the shift to a lower-carbon economy				.....



Sharing our progress

- Action completed
- Commencement
- Ongoing
- Measure

Initiatives

Disclosure & Transparency

FY19 FY20 FY21 FY22 FY23+

41. Rest participates in its first UN PRI disclosure					
42. Rest publishes full portfolio holdings for all investment options				.....
43. Uplift in online climate disclosure, including 3-year trend analysis of Rest's weighted average carbon intensity for Australian and International equities					
44. Report in line with the recommendations of the TCFD* (for FY21 reporting year)					.....
45. Rest publishes first UN PRI public disclosure					
46. Quantification and disclosure of Rest's operational carbon footprint					.....
47. Explore Climate Active certification, or equivalent, for Rest carbon-neutral operations					

*Task Force on Climate-related Financial Disclosures

Thank you