UniSuper

Climate related financial disclosure

UNISUPER SUBMISSION TO THE TREASURY

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As a Task Force on Climate-related Financial Disclosures (TCFD) aligned organisation since 2018, UniSuper welcomes the opportunity to provide feedback to the Government's consultation of climate-related financial disclosure.

UniSuper Limited (UniSuper) manages the ~$115bn UniSuper Fund, more than $12bn of these funds are held in environmental and social governance (ESG) themed strategies. As one of Australia's largest utilisers of financial data to deliver better retirement outcomes for our ~620,000 members, we support the standardisation of climate-related disclosure and see it as a required development to appropriately manage the financial risks presented by climate change.

Climate risks, and opportunities, are a key factor that investors should consider when looking at capital allocation and investment decision making. Consistent reporting facilitates more accurate understanding of the systemic risk that climate change presents across the financial system resulting in healthier financial markets and economies.

To ensure the successful introduction of climate related financial disclosure requirements UniSuper recommends the Government ensure that the following are key considerations for any disclosure regime:

- Mandatory reporting is standardised across all industries, including private and public companies
- Reporting aligns with international best practice and is amendable to ensure it includes contemporary and evolving transition risks
- An incremental roll-out strategy initially focused on scope 1 and 2 emissions including communication, assurance and burden considerations is developed
- Practical considerations around reporting dates are incorporated during the design process, as funds are reliant upon information to be fed through from underlying investments to facilitate fund level reporting.

Consideration should also be given to the dynamic nature and materiality of sustainability risks and opportunities, which can also be industry specific. For example, a particular ESG issue today may not be considered financially material but could become financially material to a company in the future and therefore warrants disclosure.

The provision of accurate and timely climate related financial data will also encourage investors to effectively target their engagement and, crucially, assist companies with their transition plans. In FY22 UniSuper held 365 meetings with companies discussing a range of environmental, social and governance issues, thirty-five per cent of those meetings included specific engagement on environmental issues. UniSuper regularly provides detailed feedback to companies on our expectations when it comes to climate reporting. An example of this feedback can be provided to the Treasury upon request.

Should you have further queries, please contact Policy and Advocacy Specialist [redacted] via email at: [redacted]

Question 1: What are the costs and benefits of Australia aligning with international practice on climate-related financial risk disclosure (including mandatory reporting for certain entities)? In particular:

1.1 What are the costs and benefits of meeting existing climate reporting expectations?

1.2 What are the costs and benefits of Australia not aligning with international practice and in particular global baseline standards for climate reporting?

As an institutional investor and employer, we support the introduction of a standardised, internationally aligned climate-related reporting requirement. This alignment is likely to be shared by the broader community, and our members many of whom have shown clear demand for ESG-aligned products.

The benefits of aligning reporting practices with best international practice include:

- Enabling investors to understand risk across portfolios resulting in greater financial stability,
- Placing a more accurate value on emissions-intensive activities and assets,
- Inform asset allocation and investment decision making and capital allocation.

Australian companies have been strong adopters of Task Force on Climate Related Disclosure (TCFD) aligned disclosure, but there are clear issues with the voluntary nature of the reporting. The voluntary nature has resulted in companies opting to either not provide information on certain areas or often providing ambiguous information of little value. This issue is particularly pronounced when it comes to assessing exposure to transition and physical risks, compiling scope 1, 2 and 3 emissions data and comparing company transition plans.

The lack of uniformity prevents investors and fund managers from providing portfolio-wide information to members/investors, which results in significant limitations on their ability to accurately assess transition plans.

Failure to facilitate this analysis could see Australia become less competitive as capital markets are undoubtedly moving towards net zero and mandatory, more detailed and comparable climate-related reporting. As such, mandatory disclosure is important for well-functioning markets and attracting investment into Australia.

Introducing an internationally aligned practice would also assist key Australian regulators, including the Australian Securities and Investment Commission (ASIC), to address pockets of underperformance and tailor their enforcement activities to address the misrepresentation of financial products through 'greenwashing'.

Question 2: Should Australia adopt a phased approach to climate disclosure, with the first report for initially covered entities being financial year 2024-25?

2.1 What considerations should apply to determining the cohorts covered in subsequent phases of mandatory disclosure, and the timing of future phases?

Question 3: To which entities should mandatory climate disclosures apply initially?

3.1 What size thresholds would be appropriate to determine a large, listed entity and a large financial institution, respectively?

3.2 Are there any other types of entities (that is, apart from large, listed entities and financial institutions) that should be included in the initial phase?

We support a phased roll out approach to mandatory climate disclosures with ASIC, APRA, the RBA and Treasury coordinating the adoption through monitoring, awareness building, provision of guidance and clear establishment of expectations. Initial entities, including large listed and unlisted non-financial companies, should be required to report in FY24 with coverage to be increased and expanded over time.

Research conducted by the Australian Council of Superannuation Investors (ACSI) suggests that the vast majority of ASX200 companies would be well placed to meet mandatory climate-disclosure requirements in FY24 with minimal additional investment. Unlisted companies should be included on a minimum annual consolidated revenue basis, such as $100m, which is already used as the threshold for Modern Slavery Reporting. Due to the growing exposure of Australian investors, either directly or via superannuation, to unlisted companies it is important reporting expectations are consistent with listed companies from the outset.

Any mandatory reporting for investors, which should include all investors with greater than $1 billion under management, should acknowledge that their ability to report on climate-related information is dependent upon underlying companies to provide reporting. For this reason, it is also important that reporting is embedded in the standard reporting cycle with a minimum expectation of annual reporting.

Question 4: Should Australia seek to align our climate reporting requirements with the global baseline envisaged by the International Sustainability Boards?

4.1 Are there particular considerations that should apply in the Australian context regarding the ISSB implementation of disclosures relating to: governance, strategy, risk management and/or metrics and targets?

4.2 Are the climate disclosure standards being issued by the ISSB the most appropriate for entities in Australia, or should alternative standards be considered?

Aligning climate reporting with the global baseline, as recommended by the International Sustainability Standards Board (ISSB), should be a priority for the Treasury. As an initial step, the Treasury should require reporting against common components in the TCFD and ISSB frameworks, which include governance, strategy, risk management, targets and metrics considerations, while ensuring flexibility for the requirements to align to ISSB overtime. While this information is not regularly publicly reported by private companies, it is a relatively standard request made by prospective investors.

Reporting entities should recognise that reporting will need to evolve over time to address potential gaps, or to meet developing international standards. UniSuper's expectation is that gaps or potential developments would be clearly communicated by the relevant regulator.

Question 5: What are the key considerations that should inform the design of a new regulatory framework, in particular when setting overarching climate disclosure obligations (strategy, governance, risk management and targets)?

To ensure the effective adoption of the new regulatory framework, priority should be placed on ensuring consistency is maintained with existing financial reporting practices to assist both preparers and users of financial statements.

Public companies are already subject to a robust disclosure regime. As S.H. Hartford Davis and K Dyan have argued to ACSI, that the ISSB Draft Standards require disclosure of material information about sustainability risks in a manner which is broadly consistent with existing requirements that apply to listed companies in Australia. The ISSB Draft Standards requires the disclosure of things which in their opinion company directors should already be considering in the proper discharge of their duties as directors.

These principles are consistent with the findings of Darren McShane when he undertook a review of the regulatory regime *of ASIC Regulatory Guide 97: Disclosing fees and costs in PDSs and periodic statement*s in 2018. Mr McShane made multiple observations pertinent to this review, namely that there is a fundamental challenge facing both consumers and the disclosure regime itself: making comparative investment decisions is very complex and fees and costs were only one of a complex set of variables that a consumer wanting to make an objective comparison would have to consider. Any information about climate related disclosures should be accessible, simple and as comprehensible as possible using the existing disclosure regime to reduce complexity and costs. Concerns were raised in respect to Mr McShane's review about the complexity of treatment, the methodology for making estimates, the consistency of approach, and the reliability of the resultant disclosures made.

To appropriately interrogate and report on underlying financial and investment data, investors, lenders and third party data providers should be provided with sufficient time to report on data provided by companies. By way of example super funds should be able to report on such information on a retrospective (12 month) basis for the preceding financial year. This staggering of reporting could be aligned with other annual fund reporting, and other regulatory reporting such as the December release of the APRA Heatmap.

Due to the dependence upon data provided by investments, where influence can be limited, provisions should be made to ensure superfunds are adequately protected from litigation due to misreporting by underlying investments, and specifically claims alleging inadequate disclosure in circumstances where the super fund has relied on the companies' reported revenues.

Focus should also be placed upon third-party data providers who will play a key role in interpreting and providing data to market participants. We recommend that reporting and methodology guidelines for third-party data providers should be created as a priority. These guidelines and agreed methodology should be centred on how data is estimated, calculated or analysed to provide bespoke ESG metrics.

We recommend relevant policy makers review the case of *McVeigh v. Retail Employees Superannuation Trust 2018* which alleged that a superfund failed to provide information related to climate change business risks or any plans to address those risks which represented non-compliance with section 52 of the *Superannuation Industry (Supervision) Act a*nd a failure to provide adequate information under *section 1017C of the Corporations Act 2001*. Compliance with the desired climate related financial reporting should serve to protect funds through the assumption that the trustee has fulfilled its duty to provide members with the information reasonably required to understand their interest in the fund.

Question 6: Where should new climate reporting requirements be situated in relation to other periodic reporting requirements? For instance, should they continue to be included in an operating and financial review, or in an alternative separate report included as part of the annual report?

To ensure potential reporting costs and burden is minimised, UniSuper recommends that reporting is situated in either existing climate reporting or is left to the company to decide. Crucially, climate reporting should be disclosed at the same time as general-purpose financial reports. Ensuring consistent reporting timing will act to better embed the practice, and efficiently highlight potential non-compliance.

It is our expectation that the requirement to publish climate related data will result in companies providing greater commentary and focus on their climate priorities allowing potential investors to garner better understanding of the current and future state. For this to be realised, we recommend that domestically relevant scenarios are developed to facilitate more effective comparisons and analysis.

Providing a set of Australian specific scenarios could drive the harmonisation of reporting and transparency of assumptions, signposts, inputs, as well as specific insights on the resilience of businesses and the Australian economy to orderly and disorderly transitions. This cannot be achieved through the currently available global emissions reduction scenarios.

Question 7: What considerations should apply to materiality judgements when undertaking climate reporting, and what should be the reference point for materiality (for instance, should it align with ISSB guidance on materiality and is enterprise value a useful consideration)?

UniSuper supports the reference point for the materiality of disclosures being aligned with ISSB guidance on materiality which intends to use the same definition of materiality as IFRS accounting standards, alongside additional sustainability-related guidance.

Consideration should also be given to the fact that the materiality of sustainability risks and opportunities are dynamic and industry specific. For example, a particular ESG issue today may not be considered financially material but could become financially material to a company in the future and therefore warrants disclosure. UniSuper agrees with AASB/IASB that the definition of materiality should consider financial materiality, as well as qualitative external factors,

including investor expectations, that may elevate some risks to be 'material' and appropriate for inclusion in financial statements, regardless of their numerical impacts[1].

Additionally, UniSuper supports the ISSB approach that materiality should be broader than just enterprise value and should consider the entire value creation process in addition to where impacts, risks and opportunities that can affect a company's performance and prospects should be explicitly communicated[2].

Whilst enterprise value is a useful reference point for describing financial impact, materiality as described above, should not be limited to only positively or adversely impacting enterprise value.

Question 8: What level of assurance should be required for climate disclosures, who should provide assurance (for instance, auditor of the financial report or other expert), and should assurance providers be subject to independence and quality management standards?

Consideration should be given to reporting entities providing auditing and assurance of results. This is a recommendation consistent with the expectations of the Climate Change Authority[3].

Independent assurance should be implemented as a part of a later phase, as seen in New Zealand's regime which prioritises it in phase three.

Regardless of assurance requirements, companies will need to demonstrate how effective their processes and controls in place to produce robust and timely information.

Question 9: What considerations should apply to requirements to report emissions (Scope 1, 2 and 3) including use of any relevant Australian emissions reporting frameworks?

In line with TCFD expectations, UniSuper supports the disclosure of Scope 1 and 2 emissions regardless of materiality. Investors require this disclosure at a minimum to calculate portfolio emissions.

UniSuper supports the concept of a periodically updated emissions repository/database which could include the National Greenhouse & Energy Reporting (NGER) framework, Corporate Emission Reporting Transparency Initiative (CERT) and Climate Active's Carbon Neutral Standards. Such a repository will ensure consistency and minimise duplication for affected entities that also report emissions through these frameworks.

Scope 3 emissions should also be a mandatory disclosure and captured in this repository if the emissions are material to the company using pre-existing standards such as the Greenhouse Gas Protocols[4]. Material Scope 3 emissions are considered by the Science-based Targets Initiative (SBTi) when it accounts for greater than 40% of total emissions.

Scope 3 disclosure is currently a significant data gap requiring investors to rely on Scope 3 estimations provided by data providers. This estimation creates the potential for over and under reporting. Clear regulatory expectations in

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[1] AASB/IASB Practice Statement 2 Making Materiality Judgements (APS/PS 2): https://www.aasb.gov.au/admin/file/content102/c3/AASB_AUASB_Joint_Bulletin_Finished.pdf

[2] IFRS - ISSB descr bes the concept of sustainability and its articulation with financial value creation, and announces plans to advance work on natural ecosystems and just transition

[3] Climate Change Authority, Prospering in a low-emissions world: An updated policy toolkit for Australia (2020): https://www.climatechangeauthority.gov.au/sites/default/files/2020-09/Prospering%20in%20a%20low-emissions%20world.pdf

[4] Scope 3 Calculation Guidance | Greenhouse Gas Protocol (ghgprotocol.org)

relation to measurement, reporting and management of Scope 3 emissions should align with global standards over time and therefore UniSuper supports extending the reporting to Scope 3 where appropriate.

Given the above, and UniSuper's own experience in calculating its Scope 3 emissions, companies will require time to measure Scope 3 emissions, as such this requirement should be phased into reporting requirements. This is particularly necessary for smaller companies.

Question 10: Should a common baseline of metrics be defined so that there is a degree of consistency between disclosures, including industry-specific metrics?

UniSuper supports the development of a common baseline of metrics, in addition to absolute emissions, that are industry specific to ensure consistency and comparability. These metrics leverage and utilise existing best practice standards where they have already been developed. For example, investor metrics such as carbon intensity using the Partnership for Carbon Accounting Financials (PCAF) method compared to a market benchmark, weighted average carbon intensity (WACI), look-through fossil fuel revenue exposure are established and used in the investment industry.

Consultation with industry where there are not existing accepted metrics should be undertaken and implemented over time. These metrics should reflect that certain sectors will have differing levels of exposure to climate-risks and the disclosure requirements of non-financial high exposure sectors will likely need to be more detailed.

Some examples of the need for industry specific baseline metrics and reporting guidance include:

- As a user of financial reporting, we would expect to see a decarbonisation plan disclosed by emissions intensive companies (such as the decarbonisation plans that have been put up for shareholder approval by Origin Energy, Santos, APA to name a few). In comparison we would not expect this from other sectors where climate change is less material.
- Beyond just accounting for emissions, there are industry specific metrics that investors find useful, for an emissions intensive industry such as cement and steel which are highly reliant on technology development, investment in R&D and marginal abatement curves is useful information, whereas the electricity sector is more focused on the proportion of revenue from clean or green generation versus fossil fuels.

We also encourage Treasury to consider the development of climate-related terminology that provides certainty to industry and clarity around concepts such as "Paris-aligned", "sustainable", "environmental" and "net zero" in connection with marketing their products. We support the Treasurers intention to create a taxonomy to label the climate impact of different investments, as outlined in his Capitalism after the crises essay, and look forward to being consulted in due course.

Question 11: What considerations should apply to ensure covered entities provide transparent information about how they are managing climate related risks, including what transition plans they have in place and any use of greenhouse gas emissions offsets to meet their published targets?

Entities covered should disclose information that enables users of general-purpose financial reporting to understand:

- The impact of significant climate-related risks and opportunities on management's strategy and decision making,
- How they are managing climate risks including transition plans they have in place – which is consistent with early guidance from ISSB in their Climate prototype. This information should cover:
    - short-, medium- and long-term targets,
    - how they plan to achieve these targets and the percentage of the target that is achieved through structural abatement versus carbon offsets,
    - any material assumptions that are used to form the pathway,
    - where there is material reliance on emerging technology to achieve the pathway.

This should be presented through a combination of qualitative and quantitative information for investors to be able to understand potential financial impacts.

Whilst there are a number of initiatives that provide views on what must be demonstrated to make claims about being aligned with, for example, the Paris Agreement or net zero emissions by 2050 (such as SBTi and CA100 Benchmark). UniSuper assesses a companies Paris Alignment and net zero 2050 statements by understanding their transition plans with a minimum expectation around emissions reduction targets and an action plan for achieving these. We also take the view that companies can delineate net zero alignment for scope 1 and 2 emissions independently of scope 3 emissions, as long it is clear what the targets cover.

Question 12: Should disclosure requirements and/or assurance of those requirements commence in different phases, and why?

We support an approach where disclosure requirements are implemented and increased over time to ensure successful adoption. Initial disclosure should focus on common metrics such as scope 1 and 2 emissions and other industry standards and disclosure requirements that have more complexity, such as scope 3, phased in shortly after.

We believe that the initial focus should be on disclosure with independent assurance implemented in a later phase, as done in New Zealand's regime which prioritises assurance in phase three, giving adequate time to both reporters and assurance professionals to prepare for the change.

Question 13: Are there any specific capability or data challenges in the Australian context that should be considered when implementing new requirements?

13.1 How and by whom might any data gaps be addressed?

13.2 Are there any specific initiatives in comparable jurisdictions that may assist users and preparers of this information in addressing these challenges?

Data challenges are a significant issue globally for reporting on climate change, particularly as a superannuation fund which relies upon the underlying data of each investee company which have differing levels of reliability. In many cases UniSuper must rely on estimates for emissions and/or manually seek data due to infrequent updates from data providers. This results in a 'best effort' approach to reporting and caveats, which is not in the interest of UniSuper as an investor, or its ~620,000 members.

In addition to the data challenge, we do not necessarily have common and useful tools across the industry to calculate key metrics easily and efficiently, such as carbon intensity, this adds to the capability challenge of users and preparers to collect, interpret and report data required to make climate disclosures.

We encourage the Australian standard setters to leverage initiatives in comparable jurisdictions, such as the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), and that data gaps should be addressed through engaging with companies on baseline disclosure expectations as well as sector specific data, and data providers, which are critical for investors ability to collect and report portfolio-wide data.

Question 14: Regarding any supporting information necessary to meet required disclosures (for instance, climate scenarios), is there a case for a particular entity or entities to provide that information and the governance of such information?

UniSuper supports tasking an authority with monitoring disclosure against a set of agreed metrics and scenarios, including referencing already existing standards such as the GHG protocol for scope 1, 2 and 3 emissions.

Regarding scenarios, we support the requirement for companies to provide disclosure against Paris-aligned scenarios (including a 1.5°C scenario), a base case (most likely trajectory) and high warming scenario (3°C +). UniSuper supports the use of any of the Intergovernmental Panel on Climate Change (IPCC) or other well-established scenarios. We encourage the development of domestically relevant scenarios that companies can utilise. Having an authority responsible for providing information for use in climate-related financial disclosures in Australia would be crucial for driving consistency and comparability through such guidance.

Question 15: How suitable are the ‘reasonable grounds’ requirements and disclosures of uncertainties or assumptions in the context of climate reporting? Are there other tests or measures that could be considered to ensure liability is proportionate to inherent uncertainty within some required climate disclosures?

Question 16: Are there particular considerations for how other reporting obligations (including continuous disclosure and fundraising documents) would interact with new climate reporting requirements and how should these interactions be addressed?

As an investor that may need to report climate disclosures under mandatory reporting requirements, detailed guidance needs to be formed through consultation with industry. Clear guidelines should be established on the minimum areas of disclosure deemed necessary to provide consumers with sufficient information for a reasonable superannuation fund member to make an informed decision.

Importantly, we encourage Treasury to consider the following areas of revision for superannuation fund disclosures:

- If super funds will be subject to a specific climate-related disclosure regime, this should cover the field. There should be a sufficient protection for trustees from the risk of claims like those in McVeigh v REST from members asserting their general right to information reasonably required to understand their interest in the fund.
- There should be protection for superannuation funds which rely (as they inevitably must) upon the information given to them by the organisations in which they invest, and also in circumstances where the organisations in which they invest (which in many circumstances will not be bound by Australian legislation) do not provide the information needed to comply with the Australian disclosure obligations. Consideration for this recognises that an investor disclosing their portfolio emission is a Scope 3 disclosure and is reliant on underlying investments accurately reporting which is outside of our operational control.
- This should be extended to other third-party sourced or derived climate-related data which superfunds are reliant upon for understanding the carbon foot printing of their investments and their approach to climate change. There are material challenges we face in producing disclosures that rely on estimates or data from

third-party data providers. For those reasons, protections should be extended to apply to data obtained by a third-party provider.

We believe these revisions will promote transparency of reporting across the financial services industry and remove any disincentives that may impede the disclosure of financed (Scope 3) emissions.

As a user of financial information, UniSuper notes the level of concern raised by preparers in regard to forward-looking statements. In relation to company disclosures:

We believe these concerns are addressed in Australia within existing regulatory guidance – this makes it clear that preparers are unlikely to be found liable for misleading or deceptive forward-looking statements provided the statements are properly framed, they have a reasonable basis (which includes good governance at board level to sign off the statements) and there is ongoing compliance with disclosure obligations when circumstances change.

Current requirements require appropriate framing of forward-looking statements alongside relevant and clear qualifications and methodologies, so as to fully inform the reader of material information, significantly reduce the risk of being found misleading.

Current requirements are fit for purpose in balancing investors' needs for appropriate disclosure of material sustainability risks (for which preparers should remain accountable), with the inherent uncertainty of forward-looking information. There are also sufficient protections where disclosures are appropriately framed and have a reasonable basis. Investors need comfort that there is appropriate accountability for disclosures that are made.

UniSuper note many Australian listed companies are already making and managing such forward-looking statements in disclosures such as TCFD reports and other climate change-related reporting, however, consideration should be considered for company Scope 3 emissions given it sits outside of the operational control of each company.

Question 17: While the focus of this reform is on climate reporting, how much should flexibility to incorporate the growth of other sustainability reporting be considered in the practical design of these reforms?

UniSuper agrees that over time, ISSB's baseline as well as Australia's approach should include other environmental, social and governance disclosures and support an overarching standard for sustainability-related financial disclosures.

To ensure consistency with global standards the design should be flexible and practical to extend towards other existing and emerging sustainability areas.

As noted in our response to question 5, the publication and snapshot dates need to be appropriately staggered, reflecting the reality that superannuation funds have to aggregate the data given to them by the entities in which they invest. If Australian listed entities have until 30 June to publish data as at (say) the prior 31 December, super funds should have until (say) the following 31 December to aggregate the data they might only receive on 30 June for the prior 31 December.

However, we recommend relevant policy makers review the case of *McVeigh v. Retail Employees Superannuation Trust 2018* which alleged that a superfund failed to provide information related to climate change business risks or any plans to address those risks which represented non-compliance with section 52 of the *Superannuation Industry (Supervision) Act*. Due to the dependence upon data provided by investments, where influence can be limited, provisions should be made to ensure superfunds are adequately protected from litigation due to misreporting by underlying investments.

Question 18: Should digital reporting be mandated for sustainability risk reporting? What are the barriers and costs for implementing digital reporting?

Any practices that support investors' ability to readily and easily use sustainability information and data is welcomed.

However, given companies already have the ability to digitally report and, for the most part, do not use it, the costs and benefits would likely only be worthwhile if companies were required to lodge information in a digital reporting system.

Question 19: Which of the potential structures presented (or any other) would best improve the effectiveness and efficiency of the financial reporting system, including to support introduction of climate related risk reporting?

UniSuper supports approaches that ensure there is adequate resourcing and expertise to facilitate an efficient, effective and fit-for-purpose governance and oversight arrangement for climate-related reporting. Any approach taken needs to ensure flexibility and capability to see the mandate broadened as other existing and emerging sustainability reporting requires coverage.

We also support approaches that harmonise sustainability reporting with other financial reporting and therefore structures that avoid fragmentation, inefficiencies or resourcing constraints., For this reason proposal 1 appears best placed to meet this need with the addition of a separate sustainable reporting division of AASB to house that additional resource and expertise. Regardless of which proposal is adopted, there needs to be a significant increase in resourcing, expertise and deep consultation.

Further to the welcomed developments in the disclosure of climate related financial information, focus should be placed on how the information should be interpreted and disclosed to the average fund member. As a superfund, we have noted the lack of a definition or guidance around the use of certain subjective words including, but not limited to, 'climate', 'Paris-aligned' or 'sustainable'. This lack of certainty has the potential to limit the value of the data as funds may struggle to utilise it in marketing or member communications, which are key tools for incentivising greater climate considerations. Given ASIC's current focus on Greenwashing, agreed terminology that can be used to market climate related products should be clearly defined to prevent both deliberate and unintentional greenwashing.

About UniSuper

UniSuper is one of Australia's largest superannuation funds and is run solely for the benefit of its members. For forty years, UniSuper has been managing super for people employed in the higher education and research sector, and as of 2021 opened the fund to all Australians. UniSuper currently invests over $115 billion on behalf of more than 620,000 members.