

Climate Change Position Statement

Our position

The Verve logo is positioned in the top right corner of the header. It features the word "Verve" in a white, serif font, set against a background of a dense green forest. The logo is partially overlaid by a white curved line that separates the header from the main content area.

Climate change isn't a debate. Renewable energy isn't a fantasy. The climate crisis is already underway, and the solutions are already in the market.

Where you invest your super is a vote for the future you want to retire into, and the world you will pass on to the next generation. It is your legacy and at Verve[^] we consider it our legacy too.

The next 30 years of global warming are happening whether we like it or not. Thanks to the historical inaction of the world's leaders, even with strong action now it could take 20–30 years for temperatures to stabilize. At Verve, preventing the planet's temperature from rising above a permanently irreversible 1.5 degrees is a key focus. Above that level, humans and many other species will struggle to survive and thrive. If the current rate of global warming continues, our climate will reach between 2.7 and 3.1 degrees warmer by 2100.

At Verve, we strongly believe that it's possible to build our members' wealth over the long term without needing to sacrifice our members' values and their desire to support a safe climate future. By investing in ethical companies and climate solutions we can help build a better and more equal world for women, our family members and future generations to enjoy, while also supporting members to build wealth over the long term.

By 2030 super funds could own over 40% of the companies on the Australian Stock Exchange (ASX). That means that those of us with super, which is most Australians, will have a tremendous amount of power to influence a transition to a safer climate future. Verve Super is one of the only super funds in Australia not investing in fossil fuels, and we consider our role is to have a direct impact via our market leading approach.

How Verve is supporting a safe climate future

- **PURPOSE:** To support a safe climate transition to build a world free from climate change and inequality.
- **MISSION:** To harness the power of our members to invest, advocate and campaign for a fair and safe climate transition.
- **VISION:** That all Australians can be part of investing in a safe climate future and that our superannuation investments contribute towards a safe and just climate transition.

The superannuation regulator – the Australian Prudential Regulation Authority (APRA) – has recently tasked all superannuation funds with considering how climate-related financial risks impact on investment decisions and the ability of funds to act in members' best financial interests.

Climate-related risks are typically categorised as:

- **Transition risks** – arising from the transition to a low carbon economy, such as increased costs associated with meeting new policy or regulatory changes;
- **Physical risks** – such as supply chain disruption and increased insurance premiums arising from damage caused by changing climate conditions or increased extreme weather events; and
- **Liability risks** – such as the potential for increases in stakeholder litigation and regulatory enforcement related to a failure to appropriately respond to the impacts of climate change.

Verve will continue to assess and manage these risks as part of our risk management framework, noting that climate-related opportunities, such as increased investment flows into low carbon, energy efficient and climate resilient financial products and partnerships, often occur when solutions are being sought to mitigate the effects of, and adaptation to, climate change.


How Verve Super invests

The role of Verve Super is to invest money on behalf of our members. All super funds think about the financial implications of each investment decision. We also think about the real-world implications of our investment decisions.

Verve Super has never invested in coal, oil or gas. A range of negative screens are applied to the total investment portfolio, in order to avoid investment in fossil fuels, old growth forest logging, intensive agriculture, environmental destruction, polluting and carbon intensive activities and the funding of harmful environmental activities.

A positive screening process is also applied to actively seek investments in companies involved in sustainable products, renewable and efficient energy products, recycling and re-use of waste, water and resource conservation, green buildings, sustainable timber production and the protection of natural environments.

Within this framework, Verve Super members are given the opportunity to invest in a more sustainable and equitable future that takes action on climate change now.





Verve Super's negative screening process actively seeks to avoid investment in companies involved in the following activities:

- exclusion of women from the most senior levels of leadership
- slave labour, or women's rights/labour rights abuses in the supply chain
- fossil fuels
- gambling
- tobacco
- armaments and militarism, support for regressive regimes or operations in countries of concern
- nuclear and uranium
- old growth forest logging
- live animal export and animal cruelty
- intensive agriculture
- environmental destruction (including the destroying or wasting of resources)
- polluting and carbon intensive activities
- social harm
- harmful financing (the financing or support of activities that cause environmental or social harm)
- poor corporate governance



Verve Super's positive screening process actively seeks out investment in companies involved in the following activities:

- strong labour standards and corporate governance
- ethical treatment of people and animals
- sustainable products, ethical procurement and fair trade
- production of healthy foods and support for healthy lifestyles
- community finance, local enterprise or social enterprise, including women-led entrepreneurs
- renewable and efficient energy production
- recycling and re-use of waste
- water and resource conservation, and protection of natural environments
- green buildings, social infrastructure
- sustainable timber production
- healthcare and wellbeing
- education
- efficient transport

Verve Super also makes a number of impact investments in alternative assets that specifically support a transition to a safe and fair climate future. Examples of some of the investments that are contributing to a safe climate future are:

- **PLENTI:** Plenti offers people an alternative to obtaining a bank loan in order to install solar. Through this investment, Verve Super invests directly into the National Clean Energy lending market, providing finance that can be accessed by every-day Australians to buy solar and batteries for their homes at a fair interest rate.
- **VISIONFUND INTERNATIONAL:** Verve Super invested in a microfinance bond issue from VisionFund International. The focus of the bond is on supporting women entrepreneurs, rural clients and farmers, and other vulnerable people seeking greater financial inclusion.

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