Voluntary Climate Change Supplement

1 July 2024 – 30 June 2025

14 November 2025

Contents

We acknowledge the Traditional Owners of Country throughout Australia. We also pay our respects to Elders past and present.

We acknowledge the ongoing connection that Aboriginal and Torres Strait Islander peoples have to this land and recognise them as the original custodians of this land.

What is this report?

This report represents a set of voluntary climate-related disclosures for Retail Employees Superannuation Pty Limited, as trustee of Retail Employees Superannuation Trust (ABN 62 653 671 394) ('the Trust' or 'Rest').

Rest has produced voluntary reports related to sustainability, responsible investment, and climate change since FY21.

Following the passage of new laws by the Australian Government in September 2024, many large Australian businesses and financial institutions will need to prepare annual sustainability reports containing mandatory climate-related financial disclosures, from 1 January 2025. Rest is a Group 2 entity in this new regime and will be required to make climate-related financial disclosures commencing in FY27.

Publication of this document and the Voluntary Sustainability and Responsible Investment Supplement is voluntary and not required by law.

By publishing this document, Rest intends to demonstrate its commitment to:

- transparent and responsible disclosure
- facilitate a transition to mandatory climate reporting in the future, and
- familiarise users with the kind of information that Rest might be required to provide in subsequent years.

This document and Rest's Voluntary Sustainability and Responsible Investment Supplement are not, and do not purport to be, mandatory climate or sustainability statements of the kind that Rest will be required to prepare for climate-related financial disclosures commencing in FY27. The report has not been subject to external assurance review or audit.

The Trust operates as a superannuation fund domiciled in Australia. The Trust was established by a Trust Deed dated on 2 December 1987 and was registered with the Australian Prudential Regulation Authority on 22 December 2004. The license number (RSE) is R1000016. The Trust is a public-offer fund. The Trust is a defined contribution plan providing superannuation benefits for the members of the Trust. The Trust is a profit-to-member entity, and its purpose is to provide benefits for its members.

About Rest

Rest is one of Australia's largest profit-to-member superannuation funds. Our purpose is to create super our members love, and our mission is to make the experience of super simple. Rest's strategy aims to support members with strong long-term investment returns, insurance that's flexible and affordable, and leading digital service and advice. This will ultimately help members achieve their best possible retirement.

Rest has a long-term objective to achieve a net zero carbon footprint by 2050 ("NZE2050"). This objective reflects our duty to act in members' best financial interests by managing risks and opportunities, including those related to climate change and the transition to a lower-carbon economy.

Reporting scope

This report, Rest's FY25 Voluntary Climate Change Supplement to the Annual Report, outlines our approach to the management of climate-related risks. Consistent with the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD),[1] it is organised into four sections: governance, strategy, risk management, and metrics and targets. Please refer to **Appendix II: TCFD Signposting** for a mapping of recommended disclosures in this report.

This report covers Rest's business activities of the financial year 1 July 2024 to 30 June 2025 (FY25), unless otherwise stated.

There are limitations to the quality of data we use to calculate our financed emissions[2] for several reasons:

- we rely on third parties (data providers, investment managers, and investee companies themselves) for our financed emissions data
- some companies in our portfolio provide data in respect of periods that do not align with our financial years
- some data takes longer to prepare and report
- some data is not reported at all through our investment portfolio and must be estimated
- we may enlist other third parties to verify some of our emissions data inputs.

[1] The G20 Financial Stability Board created the TCFD in 2015 to develop climate-related financial disclosure recommendations and promote their adoption. The TCFD completed its work in July 2023 and transferred the responsibility of monitoring to the International Sustainability Standards Board, whose standards incorporate its recommendations.

[2] The portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

This document discusses climate-related matters, climate-related considerations, and climate-related risks and opportunities.

Climate-related matters, which may include identified climate-related risks and opportunities, are those climate-related issues that have been considered across current governance, strategy, and risk management practices. They are matters that could affect Rest's business over time positively, negatively, or not at all, or they may become material in the future.

Climate-related considerations are when climate-related factors or issues have been considered in a process or in a decision, particularly within the investment process.

Climate-related risks refer to the potential negative effects of climate change on Rest. The risks are generally categorised as climate-related physical risks[3] and climate-related transition risks.[4]

Climate-related opportunities are the potential positive effects related to climate change for Rest. Efforts to mitigate or adapt to climate change can produce opportunities.

These are collectively referred to as climate-related risks and opportunities (CRROs).

Enterprise and investment functions

Rest is an asset owner, investing on behalf of Rest members. Our investment portfolio bears the potential climate-related risks to which our investments are exposed.

It is therefore within the investment portfolio where Rest has focussed most in the management of climate-related matters.

Throughout this report, some sections disclose information about Rest as an enterprise, which generally considers our full value chain. Where the full value chain is not considered, this is disclosed. More detail is in **Rest's value chain**.

[3] Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns, including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity.

[4] Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment from new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

01
Governance

The Board's role in climate-related governance processes

In carrying out its role, Rest's Board acts in the best financial interests of Rest's members.

The Board has regard to the interests of other relevant stakeholders including employers, regulators and the broader community in which Rest operates.

The Rest Constitution, Trust Deed, Board Charter, relevant policies, and applicable legal and regulatory obligations guide how the Board operates.

The Rest Board approves the Rest Strategic Plan, including the organisation's strategic objectives and the measures of success, and it oversees the Risk Management Framework (RMF), Risk Management Strategy (RMS), and Investment Governance Framework (IGF). The consideration of climate-related matters is integrated into the RMF, RMS and IGF, in accordance with either regulatory requirements or industry-accepted guidance.

In this context, Rest's Board oversees climate-related matters, including climate-related risks and adherence to the Rest **Climate Change Policy**.

The Board approves and oversees material changes to the Climate Change Policy. This Policy sets out the principles and practices that Rest will follow when assessing the impact of climate change on member assets and deals with addressing, assessing, managing, mitigating and monitoring the material risk of climate change.

The Board also approves material changes to the **Responsible Investment Policy**, which outlines the Trustee's approach to responsible investment and how environmental, social and governance-related (ESG) risks and opportunities are considered and managed.

Board strategy, training, and education covering climate-related matters during FY25 included:

- a deep dive into climate-related disclosures and incoming mandatory climate-related reporting in Australia
- Rest's progress in achieving NZE2050, including a spotlight on energy transition investment and the implications for Rest and for Rest members.

Board committees

The Board has established a set of committees to assist it in carrying out its responsibilities, including for climate-related matters. The Board committees are:

- Risk Committee (RC)
- Board Investment Committee (BIC)
- Audit and Finance Committee (AFC)
- Member and Employer Services Committee (MESC)
- People, Culture and Remuneration Committee (PCRC).

The **RC** assists the Board in its oversight of the implementation and operation of Rest's RMF, which articulates the risk management accountabilities across the 'Three Lines of Defence' (described further in **Accountability and risk governance**).

The RMF is designed to encourage and support strong risk leadership and a risk-aware culture and includes the RMS and the Board Risk Appetite Statement (RAS). The RC's responsibilities include the review and monitoring of the impact of environmental factors on operational, regulatory and reputational risk, and consulting with the Board to provide insights and guidance with respect to Rest's identification and management of such risks and impacts.

The RAS includes an ESG material risk category, which provides that Rest seeks to manage climate-related risks, including physical risks and transition risks. The RAS includes five Board-approved metrics and key risk indicators (KRIs) that cover climate-related risks.

The RC receives reporting on a quarterly basis.

The **BIC** assists the Board in discharging its responsibilities for maintaining the sound and prudent management of the investments of Rest by providing objective review and oversight of Rest's IGF. The BIC's responsibilities as they relate to climate-related matters include:

- Risk management: to monitor and oversee the risks that may impact investment matters and the quality of controls to maintain risk within appetite, including the review and consideration of the results of the comprehensive stress-testing program, including climate-related scenario analysis stress-testing.
- Oversight: to oversee the framework, processes and criteria for selecting investments to give effect to the investment strategy. This means ensuring effective due diligence is being conducted for investments that is commensurate with the nature and characteristics of the investments being undertaken before the investment is made. This due diligence includes consideration of these climate-related matters.

The **BIC** receives quarterly reporting on climate-related matters.

The **AFC** assists the Board by providing oversight of the effectiveness of the financial reporting process, investment operations, audit process and Rest's system of internal controls and compliance. The committee's role in respect of climate-related matters may cover, as required:

- the integrity of Rest's financial statements and regulatory and external reporting
- how identified and assessed CRROs are included in private asset valuations, and members' best financial interest duties
- how climate-related considerations are included in due diligence and assurance reports provided by our material service providers
- the appointment, remuneration and performance of the internal auditor and the effectiveness of the internal audit process
- the performance and independence of the external auditor, including the effectiveness of the external audit process.

The **AFC** receives information on climate-related matters as required.

The **MESC**'s role is to promote the voice of Rest's members. It oversees the products and services, individually and as a portfolio, that are designed to meet member and employer needs, as well as the risk and compliance management in relation to member and employer matters. The MESC approves the Public Disclosure Due Diligence Policy, which aims to ensure all materials published by Rest meet the standards approved by Rest's Board.

The **PCRC**'s role is to assist the Rest Board in discharging its responsibilities by providing oversight of the people, values, culture, remuneration policies, frameworks and practices of Rest. As related to the management of climate-related matters at Rest, it reviews and oversees the workforce plan, the capability and adequacy of resources to deliver the Rest Strategy, the design, operation and monitoring of the remuneration framework, and the process of assessing, nominating, and renewing Directors.

The PCRC also reviews and recommends to the Board, as relevant to climate-related matters:

- any changes to the remuneration policy
- the annual remuneration budget for all employees
- the terms of any employee benefit program
- the remuneration structure for Rest Executives, staff and all other persons covered under the remuneration framework
- the remuneration arrangements, variable remuneration outcomes, and deferral application and vesting for the CEO, Rest Executive direct reports to the CEO and Executive Directors, and key investments persons who are direct reports to the CIO and whose roles directly and materially relate to investment matters and directly make or influence investment decisions.

Over FY25, the CIO's performance scorecard included climate-related performance metrics. The PCRC receives comprehensive reporting from management that enables the committee to determine whether remuneration outcomes are aligned with the remuneration framework.

Management's role in climate-related governance processes

The Board delegates the day-to-day management of Rest to the Chief Executive Officer (CEO), subject to the matters reserved to the Board and its Committees. The CEO may delegate aspects of his or her authority and power but remains accountable to the Board for Rest's performance and is required to report to the Board on the progress being made by Rest's business units.

The CEO and direct reports play a key role in implementing and monitoring the effectiveness of governance processes, controls and procedures used to monitor, manage, and oversee climate-related matters.

In the context of the management of climate-related matters, the CEO has responsibility for:

- recommending Rest's strategy and business plan for approval by the Board and in leading the delivery of that strategy and business plan within the Board risk appetite
- endorsing Rest's investment strategy and IGF, philosophy, asset allocation, and major investments and divestments for approval by the Board
- proposing Rest's organisation structure at an organisational level for approval by the Board
- determining the delegated responsibilities of the CEO's direct reports and supervising and evaluating the performance of those direct reports
- monitoring and reviewing direct reports performance management and recommending performance management / remuneration outcomes for Board approval
- endorsing to the PCRC the remuneration framework
- directing and reporting on the identification, assessment and reporting of reputational risks and issues, including ESG risks, and the development of strategies to mitigate potential or actual reputation damage to Rest.

Specific roles that are delegated to executives in the management of climate-related matters include:

- **Chief Investment Officer (CIO):** alongside the broader integration of climate-related considerations into the functional aspects of investment strategy, investment governance, investment risk, and investment enablement functions, the CIO has a specific responsibility for building, implementing and maintaining a responsible investment framework to meet Rest's net zero objectives and pathways and investment processes, including integrating ESG and climate data into investment decision-making as endorsed by the CEO and determined by the Board.
- **Chief Financial Officer (CFO):** as well as holding broader responsibilities that include investment performance reporting and the valuation of Rest's private markets assets, the CFO is the executive project sponsor of the regulatory change project supporting this voluntary climate change supplement. Under the responsibility for financial strategy and financial statutory and regulatory reporting, the CFO is expected to become responsible for the mandatory climate-related financial disclosure from FY27 onwards.
- **Chief Strategy and Corporate Affairs Officer (CSCAO):** alongside responsibilities for strategy development, public policy and advocacy, communication and legal, the CSCAO is responsible for including the integration of sustainability strategy, which covers climate-related matters, into the Rest Strategy for CEO endorsement and Board approval. From 1 Jan 2025, the CSCAO became the executive sponsor of the Rest Sustainability Forum, which guides and shapes the strategic direction of sustainability, including climate change, across the organisation.
- **Chief Risk Officer (CRO):** the CRO is responsible for the management of Rest's overall risk controls or overall risk management arrangements. Integrated into responsibilities related to Risk Appetite and Risk Management Framework development, the CRO is responsible for developing, implementing, and maintaining a system that identifies, measures, evaluates, assesses, treats, monitors, and reports on risks, including climate-related risks.
- **Chief People Officer (CPO):** as the senior executive responsible for management of Rest's human resource function, the CPO defines Rest's people strategy and develops and maintains Rest's organisational capability and remuneration frameworks and/or policies for remuneration, including where climate-related skills and capabilities can be factored into broader organisational workforce planning.
- **Chief Member Officer (CMO):** as the senior executive responsible for product design and member engagement, the CMO integrates climate-related disclosure content into marketing and product disclosure statements, including compliance with relevant legal and policy requirements.

Management committees and forums

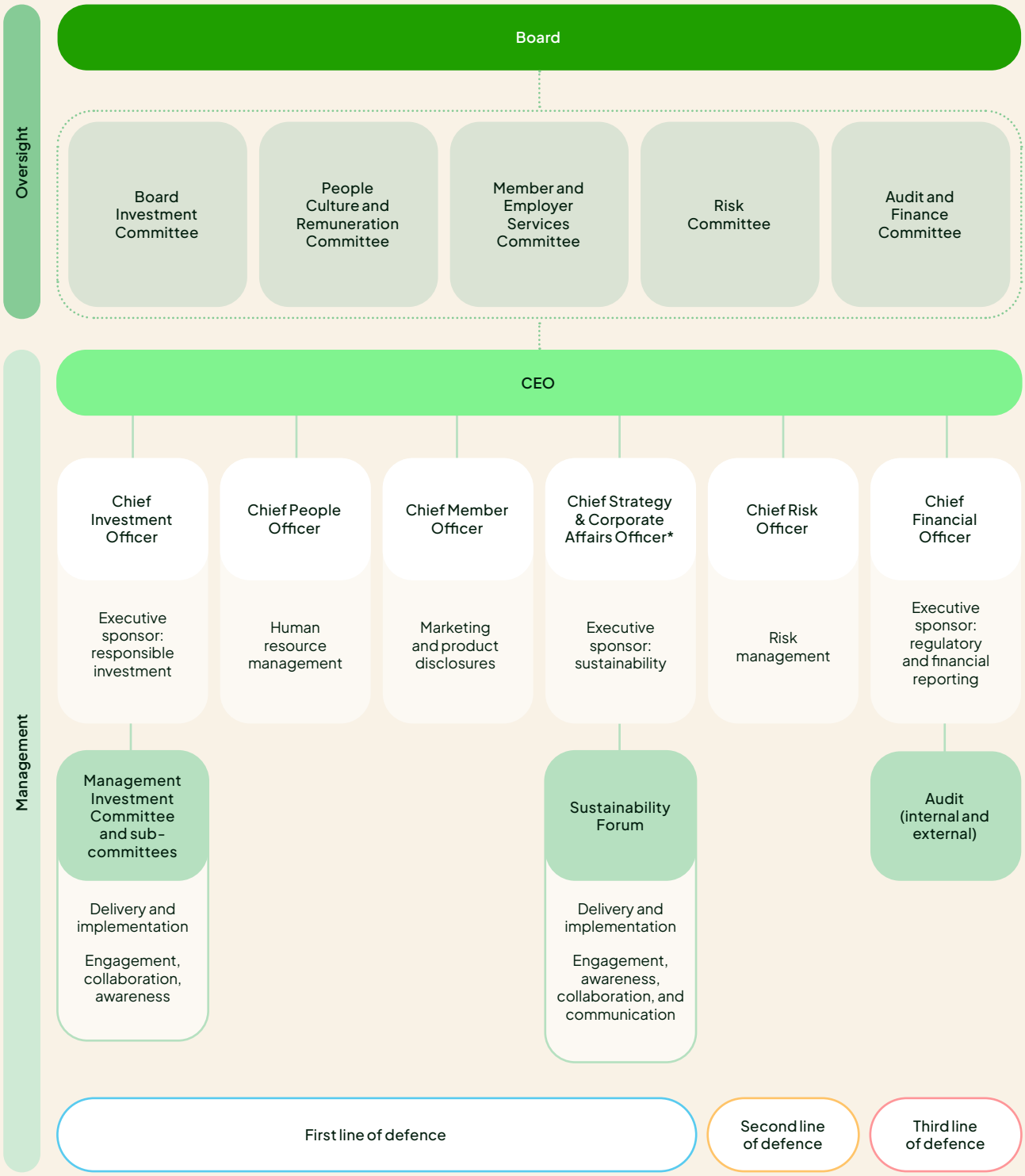
A number of management committees and forums support the integration and management of climate-related matters across Rest.

Rest enterprise forum

- **Sustainability Forum:** this Forum brings together a cross-functional group of senior leaders across Rest from Responsible Investment and Sustainability, Strategy, Corporate Affairs, Public Policy, People and Culture, Strategic Procurement and Workplace, and Risk to help guide and shape Rest's sustainability approach and monitor progress on the activities we take to support our five priority United Nations Sustainable Development Goals (SDGs). More detail is in the **FY25 Voluntary Sustainability and Responsible Investment Supplement**.

Investment function forums

- **Management Investment Committee (MIC):** the MIC assists the CIO in making the investment decisions that the BIC has delegated to the CIO, including on the integration of ESG into the investment portfolio in accordance with the Climate Change Policy and Responsible Investment Policy. This includes reporting to the BIC on the extent to which ESG-related factors may affect the investment portfolio, including climate-related risk exposures and how these risks are being managed.
- **Management Investment Risk Committee (MIRC):** this committee assists the CIO in identifying, assessing, and managing operational and investment risks in the portfolios and the investment business to ensure there are sufficient and effective risk mitigation activities and strategies in place. This Committee receives the quarterly Investment and Operational Risk Report where ESG requirements, including the monitoring of climate-related metrics, are presented against the KRIs and in consideration of the controls that are in place.



* The Chief Risk Officer was executive sponsor for sustainability until 31 December 2024

Figure 1: Rest's climate change governance

02
Strategy

Rest's value chain

As at 30 June 2025, Rest delivered investment and insurance products and services to more than 2 million members. We are committed to providing a leading digital experience and accessible advice services. Our value chain encompasses our workplace operations, investment portfolio, and broader supply chain.

For the purposes of this disclosure, Rest's value chain can be viewed through the lens of its direct and indirect greenhouse gas emissions,[5] as illustrated by the **Greenhouse Gas Protocol**.

Direct emissions (known as scope 1[6]) are those generated directly by an organisation, such as through fuel combustion in its own vehicles or stationary equipment, or through industrial processes.

Indirect emissions (scopes 2[7] and 3[8]) come from both upstream and downstream business activities within the organisation's value chain. Upstream activities comprise those of the wider workplace: electricity consumption, employee commuting and working from home, business travel, waste generated in operations, and purchased goods and services.

We detail our direct (scope 1) and indirect upstream emissions (scopes 2 and 3) in the chapter on **Workplace greenhouse gas emissions**.

Emissions from downstream activities (scope 3) are those from the investments we make as a superannuation fund, known as financed emissions, which are detailed in the chapter on **Investment portfolio financed emissions**.

[5] Greenhouse gases (GHG) include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6).

[6] Direct GHG emissions that occur from sources that are owned or controlled by an entity.

[7] Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 GHG emissions physically occur at the facility where electricity is generated.

[8] Indirect GHG emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 GHG emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

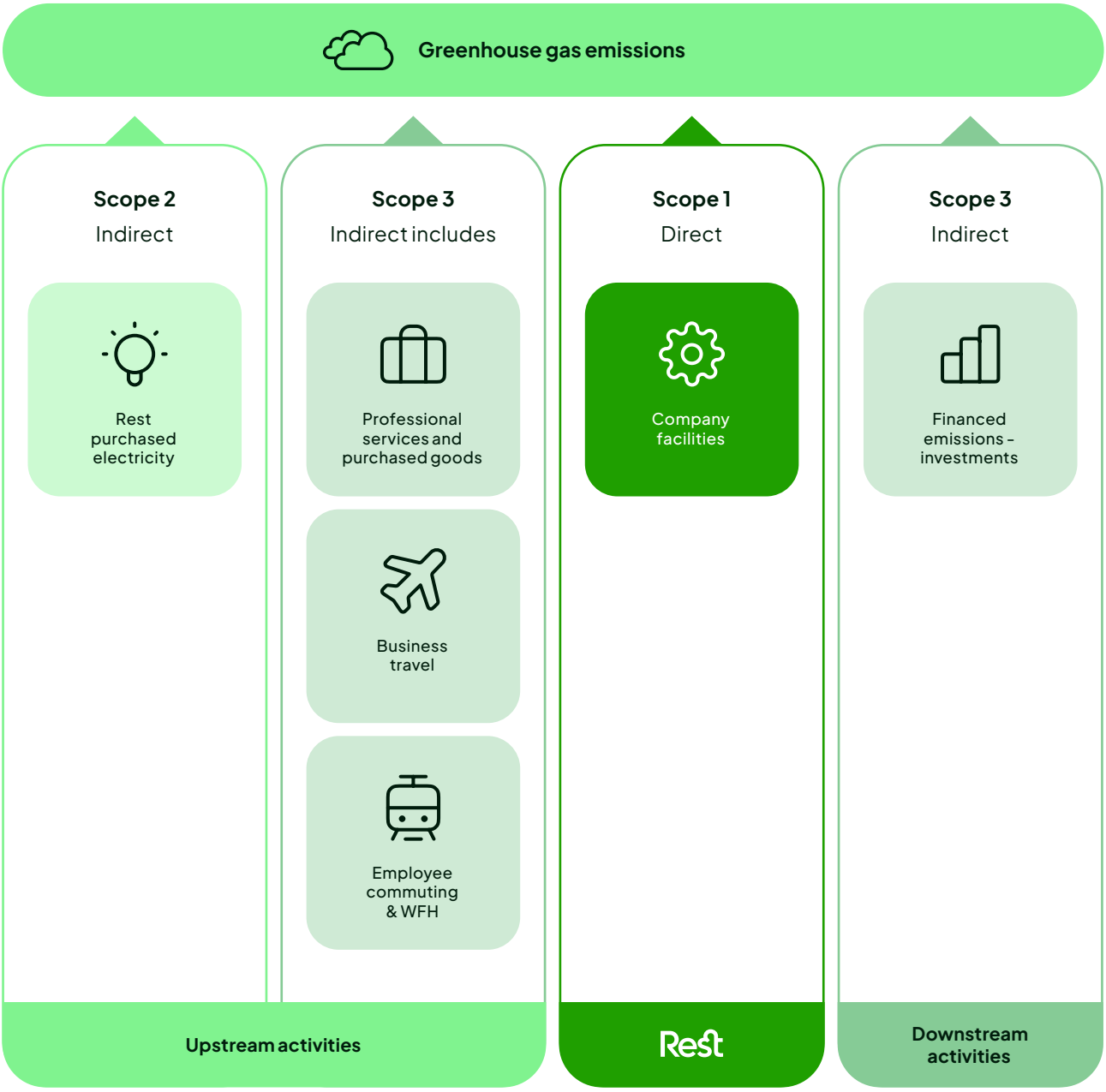


Figure 2: Rest's greenhouse gas emissions by scope

Climate change and Rest's enterprise strategy

Rest has an organisation-level strategy that includes alignment to five prioritised SDGs. Our progress on initiatives supporting these actions is outlined in the FY25 Voluntary Sustainability and Responsible Investment Supplement.

Enterprise scenario analysis

As part of Rest's broader future-focussed strategy-setting, in FY25, Rest undertook a project, supported by an expert external consultancy, that helped identify the enterprise CRROs (excluding the investment portfolio) Rest could consider as having the greatest potential to affect Rest's strategy-setting in the future. As part of that process, Rest considered two possible future scenarios:

1. **Low-emissions:** this scenario (adapted from the International Energy Agency's NZ2050 and the Intergovernmental Panel on Climate Change's (IPCC) SSP 1–1.9 scenario) is one of the most ambitious pathways aimed at limiting global warming to 1.5°C above pre-industrial levels. It assumes:
    - Global population is lower in 2100 than in 2050
    - Significant changes in government policy to further sustainable development, including carbon pricing and additional policies to incentivise green infrastructure and penalise companies that do not meet Net Zero by 2050
    - Demand for renewable energy grows and there is a greater focus on energy efficiency
    - Consumer behaviour and investor preferences shift to low-carbon infrastructure and products or services
    - Rapid technological developments in carbon capture and storage (CCS) and other technologies.
2. **High-emissions:** this scenario is the business-as-usual scenario with little to no action to curb emissions (adapted from the IPCC's SSP5–8.5 very high emissions scenario). Greenhouse gas concentration continues to rapidly rise, resulting in over 4°C of warming by the year 2100. It assumes:
    - Extreme changes in physical climate lead to higher costs of repair, maintenance, and adaptation
    - No carbon pricing emerges
    - Demand for energy services is unrestrained by further efforts to improve efficiency and may cause strains on energy security
    - There is no constructive action to push through policies supporting increased domestic recycling
    - There is little shift in consumer behaviour and investor preferences to low-carbon infrastructure and products or services
    - Few technological developments emerge, and it is uneconomic to deploy CCS at a commercial scale.

The time horizons chosen – 2030, 2050, and 2070 – in this context, correspond to short, medium, and long term, respectively, and align with national and international net-zero goals and the consideration of long-term climate change impacts.

The following climate-related physical and transition risks and opportunities were identified as having the greatest potential to affect Rest's strategy-setting in the future. These are yet to be integrated and fully considered within Rest's broader strategy and risk frameworks, and their materiality to Rest's prospects has not been assessed:

Physical risks

- **High insurance premiums:**
  Increased frequency and severity of climate-related extreme weather events could result in higher insurance premiums, such as for Rest's property and trustee insurance, leading to higher operational costs.
- **Early access to super by members:**
  Increased frequency of extreme weather events and unplanned climate-related costs could cause unplanned financial hardship for members. This could result in legislative changes allowing early access to superannuation, which could affect Rest's ability to manage liquidity.
- **Operational disruptions:**
  Increased frequency and intensity of extreme weather events could disrupt operations. This may trigger more frequent use of Rest's Business Continuity Plan.
- **Member contributions:**
  Changes in climate patterns and increased extreme weather events may disrupt regional industries and towns, which could cause financial hardship for members living in those areas, leading to lower super contributions.

Transition risks

- **Third-party costs:**
  Low-quality climate risk assessments among service providers could lead to unmitigated risks, litigation, and reputational damage, increasing Rest's operational costs.
- **Compliance costs:**
  Increased climate-related regulatory oversight, coupled with changing societal demands, could increase service delivery costs.
- **Member contributions:**
  A substantial shift in member preferences relating to investing intended to contribute to mitigating climate change could lead to reduced member contributions.
- **Litigation costs:**
  Increasing scrutiny from stakeholders over climate-related commitments and disclosures could increase legal and reputational risks. If not effectively managed, this could increase litigation costs.
- **Carbon price:**
  The introduction of a carbon price or equivalent policy could increase operational costs and/or pass-through costs from suppliers.

Opportunities

- **Operational resilience and reduced recovery costs:**
  By investing in climate-related operational and supply chain management and in-house climate training and expertise, Rest could improve efficiency, reduce costs, and increase resilience, resulting in financial savings and increased productivity.
- **Member trust:**
  Increasing regulatory requirements and member expectations demand greater transparency and accountability, offering Rest an opportunity to continue to improve its climate-related processes. By exceeding regulatory standards and proactively aligning with evolving norms, Rest could position itself as a climate leader, which could help support external trust.

Climate change and Rest's investment portfolio strategy

One of Rest's four investment beliefs is to be a responsible investor. This means we support actions for a more sustainable future, and we consider climate-related factors and other ESG factors in our investment decisions. Our approach to responsible investment varies between investment options, as outlined within our **Investment Guide**.

Rest holds investments in over 60 countries and has thousands of underlying individual company and government exposures across sectors and asset classes. Risks we face are therefore likely to be systemic, because our investment portfolio is broadly, although not precisely, aligned to a range of broader economic and financial system risks.

The climate-related risks we experience are generally the same types of risks present across the broader economy, although their concentration and location within our portfolio may depend on our specific investments.

In this context, Rest has a long-term objective to achieve NZE2050, which supports the management of climate-related risks and opportunities, including the energy transition.

Rest has taken steps over several years to progress this objective:

1. FY24–26 Climate Change Transition Plan

For FY25, our FY24–26 Climate Change Transition Plan (CCTP) relating to the investment portfolio is the tool by which we planned and measured progress.

Achieving our NZE2050 objective relies on companies and the assets in which we invest to implement and achieve their own climate change transition plans. Their progress should enable our financed emissions to decline over time, consistent with Rest's NZE2050 objective. The four climate-related key objectives for the FY24–26 CCTP are to:

- measure and monitor greenhouse gas emissions
- advance the assessment of climate-related risks across the portfolio and further integrate climate-related considerations into investment decision-making
- be active owners by engaging listed companies and assets to support decarbonisation and the management of climate-related risks, and by participating in collective advocacy to support the goals of the Paris Agreement and a just and orderly transition. (Further detail on our approach to active ownership and engagement may be found in our **FY25 Voluntary Sustainability and Responsible Investment Supplement**.)
- increase our investments in climate-related solutions.

Planned or under way are initiatives that support the achievement of the four objectives (detailed in **Appendix I: FY24–26 Climate Change Transition Plan**). Both the CCTP and these initiatives are subject to annual review.

2. Integration of climate-related considerations into the investment process

Rest integrates climate-related considerations into the investments process in two important ways.

Firstly, ESG factors (including climate-related matters) are considered at a number of different levels, including whole-of-fund, asset class, and individual asset, and such consideration may occur when the investment is being made and on an ongoing basis during the ownership process. More detail on our overall approach to ESG integration is in our **FY25 Voluntary Sustainability and Responsible Investment Supplement**.

Secondly, climate-related scenario analysis is integrated into the annual setting of its strategic asset allocation (SAA). Detail on this process can be found in **Climate resilience: investments stress-testing**.

3. Measurement of financed emissions

Rest is measuring financed emissions across the investment portfolio, where applicable, in accordance with the **Partnership for Carbon Accounting Financials** (PCAF) Global GHG Standard.

Rest has published its financed emissions from its listed shares asset class since FY21. In FY24, a new project provided seed funding for discovery and design of a system that captures the emissions data of unlisted (private market) assets, maps it to Rest's investment records, and reports via a data visualisation platform.

This project continued through FY25 and is expected to enable Rest to:

- measure and monitor financed emissions across more asset classes, including property, infrastructure, and some of the alternatives asset class
- assess the coverage and quality of emissions data
- help monitor progress toward our NZE2050 objective
- identify the key drivers of the largest contributors to Rest's financed emissions
- improve how we engage investment managers
- support climate-related target-setting.

4. Climate-related active ownership

Rest has continued its approach to engaging identified listed companies and assets on their climate change transition plans.

More detail on our overall approach to active ownership in listed shares is in our **FY25 Voluntary Sustainability and Responsible Investment Supplement**.

5. Climate-related implementation in Rest's direct office property portfolio

Rest has continued its approach to climate-related activities in its directly owned direct office property portfolio.

More detail is in our **FY25 Voluntary Sustainability and Responsible Investment Supplement**.

Climate resilience: investments stress-testing

The Investment Strategy and Asset Allocation team (ISAA)[9] works with the Responsible Investment team to overlay three scenarios from the **Network of Central Banks and Supervisors for Greening the Financial System** (NGFS) across baseline economic forecasts from Oxford Economics and model the macroeconomic impacts of transition risk, acute physical risk, and chronic physical risk on the drivers of asset class returns.

These scenarios are:

- **Current policies (baseline):** Often called the business-as-usual scenario, this scenario is based on currently enacted, agreed, or announced government policies and energy settings. Emissions will keep growing until 2080, causing the average global temperature to rise by 3°C+ by 2100 (compared to pre-industrial levels), which will lead to severe physical risks. This scenario does not align with the goals of the Paris Agreement.
- **Delayed transition:** This scenario represents a disorderly transition, predicting new climate policies are not introduced until 2030. Emissions would peak by 2030 and then decrease, keeping global temperature rise below 2°C by 2100 (compared to pre-industrial levels), but it is unlikely net zero emissions is achieved by 2050. This scenario has higher associated transition and physical risks, with the delay in action likely to result in increased investment risks, fewer investment opportunities and limited availability of carbon reduction technologies. This scenario is broadly aligned with the goals of the Paris Agreement.
- **Net zero 2050:** This scenario assumes that ambitious climate policies are introduced immediately, and emissions start decreasing as a result. Net zero emissions are reached around 2050, with global warming limited to 1.5°C by 2100 (compared to pre-industrial levels). Physical risks are relatively low, but transition risks are high. This scenario is aligned with the goals of the Paris Agreement.

Climate-related scenario analysis of our investment strategy uses two time periods:

- **2025 – 2035:** the ten-year period aligns with the minimum investment horizon of our default investment option, Growth
- **2035 – 2050** enables us to look at the longer-term portfolio effects of climate scenarios, in consideration of Rest members who are expected to retire beyond 2050.

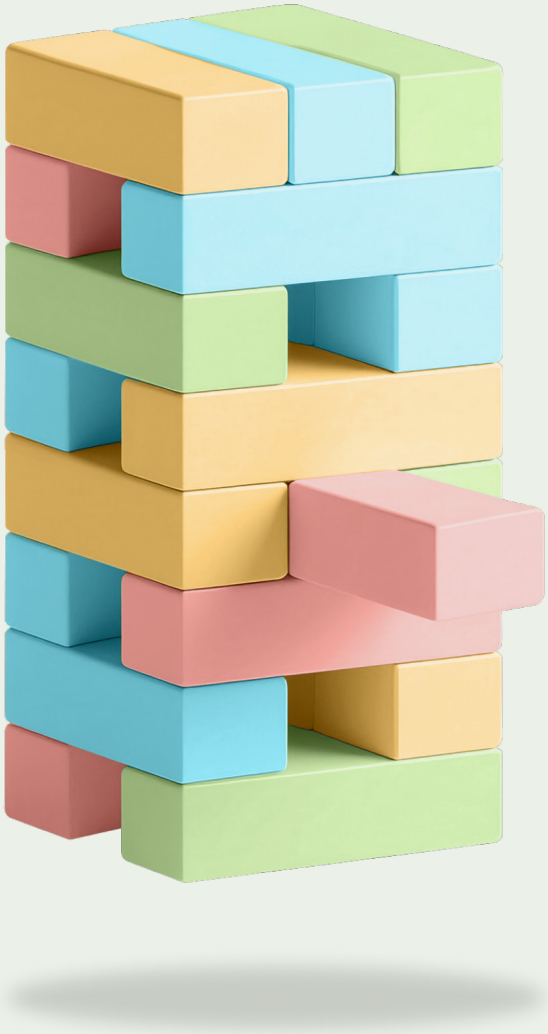
The effects of climate change and associated transitions on expected asset class returns (portfolio impacts), again relative to the baseline scenario, are built into our capital market assumptions (CMAs). This provides expected returns for all asset classes and sub-asset classes. Then the CMAs are stress-tested against all the investment options, which are expected to have more than a 50% probability of meeting their respective investment objectives under all three scenarios.

This scenario analysis, which takes place in conjunction with our annual SAA review, helps us identify and manage CRROs at a macro level within the investment portfolio, including:

- highlighting the portfolio's potential vulnerabilities to climate-related financial risks
- identifying potential asset class risks, such as stranded assets resulting from policy changes, which asset classes could face higher operating costs due to carbon pricing, and which investments may be exposed to increased physical risks
- informing SAA decisions, by providing insights about risks, and about emerging opportunities that enable a lower-carbon transition.

[9] The ISAA team is responsible for economic analysis, portfolio construction, exposure and liquidity management, and strategic and tactical asset allocation in Rest's investment portfolio.

03
Risk Management



To protect and promote the best financial interests of our members, we actively seek to identify, assess, prioritise and monitor climate-related matters, including identified climate-related risks and opportunities and how they are integrated into overall risk management processes. This is across the enterprise and includes the investment portfolio.

Accountability and risk governance

Rest has clearly defined roles and accountability for the management of climate-related risks and uses the Three Lines of Defence model. This model is based on the principle that risk management capabilities are most effective when they are embedded within the business.

The First Line of Defence (1LoD), or Rest's business leaders and employees, is ultimately accountable for the management of risk and is supported to identify, assess, and manage risk within risk appetite. Among a range of responsibilities, the relevant leaders and employees implement and apply the RMF by identifying and managing climate-related risks, recording climate-related risk issues, escalating climate-related risks, owning the climate-related risks and risk management activities, identifying and reporting on emerging risks, and ensuring climate-related risks and incidents are identified, escalated and managed in a timely manner.

The Second Line of Defence (2LoD) owns the RMF and is responsible for the design and implementation of the RMF and associated policies, including the RAS and the RMS. The 2LoD provides independent oversight, constructive challenge, and insights on how to identify, assess and manage climate-related risks.

The Third Line of Defence (3LoD) is responsible for the independent review of the RMF and associated activities undertaken by the business. It also undertakes scheduled audits as part of a three-year rolling internal audit plan with a focus on high-risk and emerging risk areas.

Identifying and assessing climate-related risks

Rest identifies and manages climate-related risks in accordance with our Risk Management Framework (RMF), which outlines:

- accountabilities across Three Lines of Defence
- a Risk Management Strategy (RMS) and Risk Appetite Statement (RAS) that set the criteria for how risk is managed at Rest
- consistent and scalable risk assessment processes that support business decision-making
- our strong risk governance, and
- our active monitoring and management of risk culture.

Climate-related risks are integrated into our RMF, which is reviewed on an annual basis. A comprehensive review is conducted by an operationally independent party every three years. Material changes to the RMF must be approved by the Board.

Risk Management Strategy and Risk Appetite Statement

Rest's RMS sets out the strategy for managing risks that are material to the achievement of Rest's business objectives. It does this through the risk management process, which outlines how Rest can identify, assess, mitigate, monitor and review risks, including those resulting from climate change.

Rest recognises the material risk that climate change presents to our investment portfolio in particular.

Climate change is included in Rest's material risk category, ESG risk, and it is considered within the Investment Governance risk category.

For each material risk category in the RAS, Rest has a defined a set of risk exposures accompanied by KRIs and the obligations associated with the material risk categories.

The risk exposures within Investment Governance and ESG risk categories include climate-related risk, disclosures, governance and practices, reputational exposure, and climate insurance risk.

The supporting policies for this climate-related risk exposure are the Responsible Investment Policy, the Climate Change Policy, the Investment Governance Framework, and the Investment Policy.

Rest recognises the significant financial, operational and legal consequences of inadequate management of climate-related risks, including transition and physical risks. Climate-related KRIs have been developed to assess whether ESG Risk remains within tolerance of the Board' s risk appetite:

1. The ESG performance of our investment managers, which includes an assessment on their approach to climate-related risks
2. Progress on the Investments FY24–FY26 CCTP (expressed as the number of items behind schedule)
3. Weighted average carbon intensity (WACI) of the Investments listed shares portfolio compared to the benchmark over a rolling two-year period
4. The number of high or medium incidents relating to Rest's sustainability commitments
5. The number of community action or risk events that are not incidents.

The category owners of Rest's ESG material risk are the Chief Investment Officer and the Chief Strategy & Corporate Affairs Officer. The Risk Committee provides oversight.

Within the Investment Governance Framework, climate change is considered in setting and reviewing the investment strategy and primarily though climate risk stress-testing scenarios.

Managing climate-related risks in the investment portfolio

From an investment risk perspective and as set out in the Investment Risk Management Framework, climate-related risk is a subset of ESG and investment governance risk. Rest integrates climate-related risks and opportunities in the following aspects of the investment process:

- **Investment strategy and asset allocation:** scenario analysis is incorporated into the modelling of the effects of transition risk, acute physical risk, and chronic physical risk on the drivers of asset class returns.
- **Selection and oversight of external investment managers:** based on our internal assessment of each investment strategy, we evaluate each investment manager's firmwide commitment to responsible investment and how well it incorporates ESG, including climate-related matters, into investment analysis, decision-making processes, and ownership policies and practices. More detail on our approach to investment manager due diligence is in our **FY25 Voluntary Sustainability and Responsible Investment Supplement**.
- **Asset-level climate risk assessment:** climate risk is incorporated into the selection and evaluation of individual investments. At the asset or company level, investment managers and Rest's internal investment team are expected to analyse whether each investment is subject to CRROs, consider emissions and other relevant data to assess potential climate-related financial impacts, and consider whether climate risks may be under- or over-priced in the valuation of that investment.

Rest's Investment Risk Management Framework seeks to monitor, assess, and challenge on ESG risks, including climate-related risks in the investment portfolio.

The Risk team monitors KRIs to ensure that ESG-related risks, including climate risks, are within the Board's Risk Appetite Statement. Climate change represents both a strategic risk (in terms of Rest's portfolio integration) and an external risk (as a systemic issue affecting economic and social dimensions).

04
Metrics and Targets

This section outlines how we measured progress towards our net zero by 2050 objective for the fund over FY25 using a range of metrics. To support transparency and accountability, we:

- used industry-accepted guidance on climate metrics for both workplace greenhouse gas emissions and financed emissions
- participated in investment industry initiatives that promote consistent and comparable climate metrics in investment portfolios
- tracked investment-related listed shares' emissions using weighted average carbon intensity (WACI) on a quarterly basis, and we measured listed shares' absolute emissions and economic emissions intensity on an annual basis
- measured and monitored annual workplace emissions, guided by the GHG protocol, and
- are committed to continual improvement, recognising that our data – sourced from external providers – relies on certain assumptions.[10] As such, some reported figures are indicative, and we strive to enhance data quality and methodology over time.

Our approach is also informed by globally recognised frameworks such as the **UN-convened Net-Zero Asset Owner Alliance**, the **IIGCC Net Zero Investment Framework 2.0**, **The Investor Agenda's Investor Climate Action Plans Expectations Ladder**, the **Greenhouse Gas Protocol**, and the **Partnership for Carbon Accounting Financials**.

Greenhouse gas emissions are expressed in tonnes of carbon dioxide-equivalent (tCO_2e).[11]

[10] We rely on third parties (data providers, investment managers, and companies themselves) for our financed emissions data. Some companies in our portfolio provide data in respect of periods that do not align with our financial years. Some data takes longer to prepare and report, and some data is not reported at all through our investment portfolio and must be estimated. We may enlist other third parties to verify some of our emissions data.

[11] The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Workplace greenhouse gas emissions

Approach, reporting period, measurement

Workplace emissions at Rest refer to those resulting from our direct operations. These are the emissions associated with the third-party generation of electricity consumed through activities under Rest's organisational control.

Rest engaged a third party to produce the FY25 workplace greenhouse gas (GHG) emissions inventory based on the GHG Protocol.

Workplace emissions: scopes 1 and 2

Rest has applied an operational control approach to this emissions inventory for the FY25 period (estimates):

- **scope 1:** 0 tCO_2e
- **scope 2:** 176.2 tCO_2e (location-based[12]), and 7.0 tCO_2e (market-based[13]).

Based on its FY25 workplace emissions inventory, Rest has **no identified scope 1 workplace emissions**, and its **scope 2 emissions are attributed only to purchased electricity in our workplace operations.**

FY25 scope 1 and 2 workplace emissions estimates

Scope 1 and 2 workplace emissions estimates are based on electricity invoices for the five primary office locations for the period 1 July 2024 to 30 June 2025. Emissions calculations for the Brisbane office do not include an allocation for purchased large-scale generation certificates (LGCs) , as at the time of reporting this information was not available.

The FY25 scope 1 and 2 estimated workplace emissions calculations are supported by a Basis of Preparation document.

We have not received assurance by a registered auditor in respect of the FY25 workplace scope 1 and 2 emissions.

Rest continues to progress towards procurement of 100% renewables for our operations and to review opportunities to reduce emissions in our operational workplaces.

In FY25, Rest's Sydney offices relocated to Quay Quarter Tower (QQT), a premium-grade building with state-of-the-art innovative and sustainable design. QQT has achieved several sustainability ratings, including the Green Building Council of Australia's 6-star "Green Star as Built" rating, the 5-star NABERS Energy Rating (including fully powered by renewable energy), and the 6-star NABERS Waste Base Building.

In FY25, Rest had five primary office locations in Australia, including the relocation of the Sydney office from two locations in Kent Street to QQT in FY25 Q4.

Other satellite offices in third-space accommodation in Perth and Adelaide, as well as our overseas office in the UK, have immaterial emissions and are therefore not included.

[12] Location-based reporting reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

[13] Market-based reporting reflects emissions from the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own.

Scope	Description	Estimated FY25 location-based emissions	Estimated FY25 market-based emissions	FY24 location-based emissions	FY24 market-based emissions
Scope 1	Direct emissions, such as those resulting from fuel use or refrigerant leakage.	0	n/a	0.00	n/a
Scope 2	Indirect energy import, such as purchased electricity.	176.2	7.0	126.3	38.9

Table 1: Rest's FY24 and estimated FY25 location-based and market-based workplace emissions, tCO_2e

We have received limited assurance by a registered auditor for FY24 workplace scope 1 and scope 2 emissions.

Restatement of data

If new information emerges that necessitates restating data, revised figures will be reflected in the FY26 voluntary Climate Change Supplement.

Workplace emissions: supply chain, scope 3

Over FY25, Rest reevaluated the FY24 scope 3 workplace emissions boundary in alignment with the GHG Protocol and other industry guidance, to ensure alignment with industry best practice.

We evaluated opportunities to enhance data coverage, review category applicability, and improve the mapping of upstream emissions. Prior years' scope 3 workplace emissions were published in the **FY24 Sustainability, Responsible Investment, and Climate Change Supplement**.

Investment portfolio financed emissions

Approach and limitations

Financed emissions are those greenhouse gas emissions attributed to financial institutions through their lending and/or investment activities. A reporting company's scope 3 emissions from investments are the scope 1 and scope 2 emissions of investees. As a super fund charged with investing on its members' behalf, Rest has financed emissions in its emissions inventory. Of the emissions we have identified and measured, the majority are in this category.

The weighted average carbon intensity (WACI) is a key metric recommended by the TCFD that asset owners use to disclose, primarily, listed assets' exposure to greenhouse gas emissions. We calculate it for our listed Australian and overseas share asset classes, excluding private equity.

In addition to WACI, **Table 2** outlines other industry recommended carbon-related metrics, including the absolute emissions and economic emissions intensity of Rest's listed Australian and overseas shares portfolio, excluding private equity.[14]

Consistent with broader superannuation industry progress, Rest is still building confidence in the emissions data that is available for our unlisted assets, specifically in private equity, alternatives, property, and infrastructure. Over FY25, work continued at Rest on a project dedicated to capturing more representative and accurate emissions data from these other asset classes; refer to **Climate change and Rest's investment portfolio strategy** for detail.

Absolute emissions

Absolute emissions provide the total scope 1 and 2 greenhouse gas emissions associated with Rest's listed shares portfolio (investees). This metric is calculated using an attribution factor that represents our proportional ownership of investees' scope 1 and 2 greenhouse gas emissions.

For listed shares, absolute emissions are calculated using PCAF's (2022)[15] approach. First, an attribution factor is calculated by dividing the market value of each holding by the investee company's enterprise value including cash (EVIC). This attribution factor is then multiplied by the investee company's reported or estimated scope 1 and 2 emissions to determine the amount to allocate to Rest. Total absolute emissions for the portfolio are the sum of the absolute emissions allocated for all investee companies for which data coverage is available.

Although absolute emissions tracks changes in emissions associated with our listed shares portfolio, this metric is not normalised, so it may be less useful for comparing portfolios of different sizes and the progress of a portfolio over time where the amount invested in listed shares changes over time. Additionally, this metric can be subject to volatility from movements in the attribution factor that can arise from changes in EVIC and market value.

However, total absolute emissions remains a key metric for tracking Rest's progress to NZE2050.

[14] Third-party research is used to calculate the financed emissions metrics outlined in this section. Temporary data quality issues, availability, and subsequent data updates may occur from time to time and result in fluctuations in these carbon metrics. As a result, these figures may change and be restated in future periods. All metrics measure scope 1 and 2 emissions of the investee entity. Not all companies disclose their emissions data. Where actual emissions data is not available, third-party research providers may use an estimate as part of their methodology, but this is not always possible. Data coverage reflects the available actual and estimated data (if used) to calculate these metrics in respect of the portfolio. The actual metrics calculated may be different if complete data was available. Some companies in our portfolio provide data in respect of periods that do not align with our financial years. Some data takes longer to prepare and report, and some data is not reported at all through our investment portfolio and must be estimated. We may enlist other third parties to verify some of our emissions data.

[15] PCAF (2022). **The Global GHG Accounting and Reporting Standard for the Financial Industry** Part A: Financed Emissions. Second Edition

Economic emissions intensity

The economic emissions intensity is calculated using the absolute emissions for a portfolio, normalised by the total market value of the portfolio, and expressed in tonnes of CO_2e per million invested in Australian dollars. This conversion of absolute emissions into an intensity metric enables greater comparability and benchmarking against different portfolios.

Weighted average climate intensity (WACI)

We currently use WACI as a metric for measuring the carbon intensity of our combined listed Australian shares and overseas shares portfolio, relative to a baseline calculation from FY19.

Our WACI takes into consideration only the scope 1 and 2 emissions related to a company's operations. WACI is expressed in tonnes of carbon dioxide-equivalent gases per USD million in revenue. While the volatility in portfolio WACI is not unexpected on an annual basis, we expect there to be a downward trend in the medium to longer term as companies pursue decarbonisation efforts, and as Rest manages the portfolio in line with its NZE2050 objective.

PCAF data quality score

Financed emissions metrics rely on both reported and estimated scope 1 and 2 emissions for investee companies. We calculate the portfolio average PCAF data quality score on a scale of 1 to 5 to reflect the extent of estimations used in the calculation, where 1 represents the highest quality of data using verified reported emissions and 5 represents the lowest quality of data using estimates.

Our approach to calculating Rest's financed emissions for the Australian and overseas shares portfolios prioritises using the highest quality of data that is available from our third-party research provider. A weighted average PCAF data quality score for the portfolio is used to monitor the quality of emissions data that has been used in the preparation of these metrics.

Restatement of prior period comparative information

Financed emissions metrics are reviewed annually and may be restated to reflect improved data availability, changes in reporting scope, correction of errors, and alignment with evolving standards and guidance.

We have restated our June 2024 comparative information for both absolute emissions and economic emissions intensity metrics. This correction reflects the incorporation of more accurate financial data within the EVIC component used to calculate the attribution factor that determines Rest's share of investee total greenhouse gas emissions.

Asset class[16]	Amount invested (AUD bn)		Emissions coverage (%)		PCAF data quality score		Absolute emissions (tCO_2e)		Economic emissions intensity(tCO_2e/ AUD m invested)		WACI (tCO_2e/USD m revenue)	
	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Australian listed shares	21.5	19.1	98%	97%	2.2	2.1	999,011	1,067,584	47	57	149	177
Overseas listed shares	31.0	27.8	99%	98%	2.2	2.1	441,973	715,157	14	26	59	94
Total shares	52.6	46.9	99%	98%	2.2	2.1	1,440,985	1,782,742	28	39	96	128

Table 2: Breakdown of Rest's financed emissions for listed Australian and overseas shares for FY25 (including investee scope 1 and 2 greenhouse gas emissions)

Although Rest has not received external assurance of its financed emissions data, we have followed our Three Lines of Defence model for 2LoD oversight of the emissions monitoring and reporting process.

[16] Listed shares include only the shares held in the shares asset class and do not include private equity. Investments in listed infrastructure or listed property in other asset classes, derivatives, and collective investment vehicles (including exchange-traded funds) are not included. This may result in a difference between the amount invested reported in Table 2 and the values reported for listed shares in other Rest disclosures.

Climate-related strategic goals

There are two climate-related goals for the investments portfolio. One of these, WACI, was fully integrated into Rest's FY25 Business Performance metrics, and the other was managed within the investment portfolio.

WACI

This annual performance measure aims to reduce, over the long term, the weighted average carbon intensity (WACI) of the combined listed Australian shares and overseas shares portfolio relative to the baseline FY19.

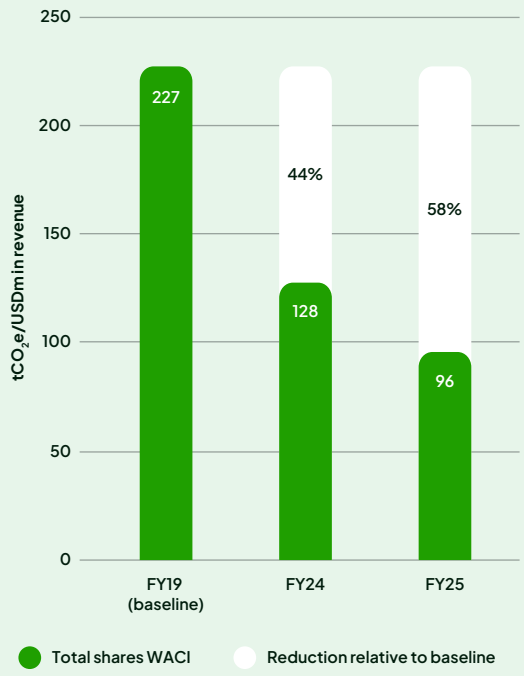
The WACI of the combined listed Australian shares and overseas shares portfolio fell by 58% relative to the baseline.

Renewable energy and low-carbon solutions

Rest had a goal to increase investment in renewable energy, low-carbon solutions assets (excluding listed shares), and green bonds to $2 billion at the whole-of-portfolio level by 30 June 2025, which it achieved.

Rest made the following cumulative commitments to this goal:

Total shares WACI, relative to baseline FY19



Total cumulative commitments to renewable energy, low-carbon solutions assets (excluding listed shares), and green bonds

Appendix I: FY24–26 Climate Change Transition Plan (summary)

The climate change transition plan for the investment portfolio aims to lay out our objectives and initiatives for our transition towards a lower-emission economy, including actions that support our progress to net zero by 2050. The CCTP is subject to annual review.

The Australian Government released a Sustainable Finance Roadmap in June 2024 and noted it will develop and publish guidance on best-practice transition plan disclosures before the end of 2025.

Objective	Initiative	Status
Measure and monitor portfolio emissions	Measure scope 1 and 2 financed emissions from listed shares, property, and infrastructure, consistent with the PCAF Global GHG Standard	In progress; due end FY26
	Consider options for establishing appropriate portfolio and asset class-level goals that focus on driving real-world emissions reductions and supporting the organisation's transition to net zero	In progress; due end FY26
Advance portfolio assessment and integration	Integrate climate change into capital market assumptions to support SAA	Complete for FY25
	Consider approach for assessing net zero alignment of material investments	Complete for FY25
	Continue to progress climate risk assessment of investment managers as part of selection, appointment, and ongoing monitoring	Ongoing
Invest in climate solutions	Consider a consistent framework for identifying listed shares that are aligned with relevant priority SDGs	Complete
Be active owners	Engage our prioritised listed companies on their climate transition plans in support of their decarbonisation efforts and management of nature and climate-related risks and opportunities	Ongoing
	Vote all climate-related resolutions at investee companies	Ongoing
	Engage issuers alongside our internal fixed income team	Ongoing
Participate in collective advocacy	Actively support key peak bodies, including IGCC, RIAA, PRI, and ASFI, and participate in select advocacy initiatives	Ongoing
	Participate in policy advocacy to support an equitable transition for communities and workers	Ongoing
Broader climate-related initiatives	Understand where we have heightened exposure to nature-related dependencies, impacts, risks, and opportunities, while continuing to build capacity by participating in collaborative initiatives and engaging with investment managers	Complete for FY25
	Undertake annual review of Rest's Climate Change Policy, in the context of the Responsible Investment Policy	Ongoing
	Enhance Rest's sustainability disclosures regarding governance, strategy, risk management, and metrics and targets in line with regulatory and industry-accepted guidance	In progress

Appendix II: TCFD Signposting

The Taskforce on Climate-related Financial Disclosures (TCFD) recommendations are structured around four thematic areas, which are the core elements of how an organisation operates: governance, strategy, risk management, and metrics and targets. These recommendations are accompanied by a set of supporting recommended disclosures. This table shows where this supplement addresses each thematic area.

TCFD thematic area	Section
Governance: disclose the organisation's governance of climate-related risks and opportunities	
a. Describe the Board's oversight of climate-related risks and opportunities	The Board's role in climate-related governance processes
b. Describe management's role in assessing and managing climate-related risks and opportunities	Management's role in climate-related governance processes
Strategy: disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Climate change and Rest's enterprise strategy Climate change and Rest's investment portfolio strategy
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Climate change and Rest's enterprise strategy: enterprise scenario analysis Climate change and Rest's investment portfolio strategy
c. Describe the resilience of the organisation's strategy,[17] taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate change and Rest's enterprise strategy Climate resilience: investments stress-testing
Risk Management: disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organisation's processes for identifying and assessing climate-related risks	Identifying and assessing climate-related risks Accountability and risk governance
b. Describe the organisation's processes for managing climate-related risks	Risk Management Strategy and Risk Appetite Statement Managing climate-related risks in the investment portfolio
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk Management Strategy and Risk Appetite Statement Managing climate-related risks in the investment portfolio
Metrics and Targets: disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Workplace greenhouse gas emissions Investment portfolio financed emissions
b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	Workplace greenhouse gas emissions Investment portfolio financed emissions
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Climate-related strategic goals

[17] Given the significance of Rest's investment portfolio, the focus on the resilience of the organisation's strategy has been on the investment portfolio, consistent with the TCFD Asset Owner guidance.

Appendix III: Terms

Term	Description
CO_2e	CO_2e stands for carbon dioxide equivalent, a way of expressing the total impact of greenhouse gases (GHGs) in terms of the amount of CO_2 that would have an equivalent warming effect.
Climate-related risks and opportunities	Climate-related risks refer to the potential negative effects of climate change on Rest. The risks are generally categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities are the potential positive effects related to climate change for Rest. Efforts to mitigate or adapt to climate change can produce opportunities.
Financed emissions	The portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of scope 3 category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
GHGs	Greenhouse gases are gases that trap heat in the Earth's atmosphere and contribute to global warming. The GHG Protocol identifies six main greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluouride (NF_3). Greenhouse gases are often referred to as 'emission' or 'carbon emissions' and are generally measured in CO_2e (see above).
Physical risk	Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity.
Scope 1, Scope 2, Scope 3 GHG emissions	
Scope 1 GHGs	Direct GHG emissions (including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3)) that occur from sources owned or controlled by the reporting company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles.
Scope 2 GHGs	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated.
Scope 3 GHGs	All other indirect GHG emissions (not included in scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the life cycle of a material/ product/ service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur as a consequence of the distribution, storage, use, and end-of-life treatment of the organisation's products or services.
Transition risk	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment from new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

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