



Climate Action Plan Member Summary

This update contains statements regarding possible future events that are uncertain. As such, please ensure you read the [Important Information](#).

Our revised Climate Goal

At NGS Super, we regularly review our climate commitments to uphold ambition, transparency and alignment with members' best financial interests.

We had previously set ourselves particular ambitions that focused on reducing emissions within our Diversified (MySuper) Investment Option by 2030 and, from that point onwards, deciding whether to offset certain remaining emissions where to do so would be in members' best financial interests.

Our ambitions have always been subject to the best financial interests of our members. With our members' best financial interests as our priority, we've developed a revised Climate Goal. The main change relates to the carbon offset component, ensuring it aligns with members' best financial interests. Rather than buying and/or retiring carbon credits to offset the remaining scope 1 and scope 2 emissions of the companies we invest in, NGS intends to invest in assets that are expected to generate verified carbon removals, with these credits sold to deliver financial returns for members. Our revised goal remains focused on the Diversified (MySuper) Investment Option.

Our Climate Goal

The revised Climate Goal consists of a two-part goal applying to the Diversified (MySuper) Investment Option, covering Scope 1 and 2 emissions of the underlying investments for in-scope asset categories:

- **Decarbonisation Goal** – Our goal is currently for our Diversified (MySuper) Investment option's estimated emission-intensity to remain less than half of what its estimated emission-intensity was on 30 June 2021, which will be measured using our estimates of the annual scope 1 and scope 2 emissions of the Diversified (MySuper) option's investments which are within particular asset categories that have been selected by us. Our decarbonisation goal excludes scope 3 emissions of the entities we invest in, some asset categories and our other investment options. Some asset categories are assumed to have no emissions. Our estimates may deviate from the estimates of others. The goal is not guaranteed to be achieved and may change in future.
- **Carbon Removal Goal** – Our goal is currently for our Diversified (MySuper) Investment Option to be invested in a portfolio which finances or creates an estimated amount of carbon credits which is equivalent to (or greater than) our estimate of the scope 1 and scope 2 emissions of the Diversified (MySuper) option's investments which are within particular asset categories that have been selected by us, over the totality of the period from the start of the financial year ending 30 June 2030 until 30 June 2050. Our carbon removal goal excludes scope 3 emissions of the entities we invest in, some asset categories and our other investment options. Some asset categories are assumed to have no emissions. Our estimates may deviate from the estimates of others. This goal does not apply to financial years individually. The calculation of financed removals over the 21-year period will focus on the original, historical quantity of financed removals at the time of removal and will not be adjusted for the release of stored carbon. The goal is not guaranteed to be achieved and may change in future.

Scope 1 emissions are emissions of the underlying investments that occur from sources owned or controlled by the reporting company. Scope 2 emissions are emissions from the underlying investments that are emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company. Scope 3 emissions are all other indirect emissions (not included in Scope 1 or 2) that occur in the value chain of the reporting company as a result of the company's operations, including both upstream and downstream emissions.

The nature of the Climate Goal, including the Decarbonisation Goal and the Carbon Removal Goal

The Carbon Removal Goal is newly introduced, with around \$350 million currently set aside, at Fund level to acquire assets that we expect will contribute to net carbon removals. This allocation has not been deployed yet and only a portion will relate to the Diversified (MySuper) investment option. This allocation represents a differentiated carbon removal investment strategy that (once deployed) will increase the exposure of the Diversified (MySuper) Investment Option to certified nature-based solutions and treats carbon as a valuable commodity. Allocations and valuations may vary from time to time. Investment allocations will be adjusted in our members' best financial interests.

Our Climate Goal has been designed to balance climate ambition with our duty to act in members' best financial interests. **The Climate Goal is not a net zero target¹.** The goal applies to the Diversified (MySuper) Investment Option, rather than for each holding individually. **Not all investments will generate carbon removals or reduce emissions intensity. Some investments will not achieve, and will not assist with achieving, either the Decarbonisation Goal or the Carbon Removal Goal.**

Our Climate Goal can be achieved even if annual absolute emissions referable to the Diversified (MySuper) Investment Option increase, if the financed removals also increase. As we will not retire or utilise carbon credits to offset our own emissions, the Diversified (MySuper) Investment Option will still have emissions even if the Climate Goal is achieved – but the carbon removals facilitated by the Diversified (MySuper) Investment Option would have assisted others to offset an equivalent amount of emissions.

The scope of the Climate Goal

The Climate Goal focuses on our estimates of the Scope 1 and 2 emissions from the underlying investments of the Diversified (MySuper) Investment Option within the in-scope asset categories selected by us. As at 30 June 2025, the in-scope asset categories together make up over 90% of the assets of the Diversified (MySuper) investment option. Scope 3 financed emissions of the underlying investments are not part of our Climate Goal. For example, there are current data implications in relation to Scope 3 emissions of the entities we invest in.

The following asset categories are in scope for the purposes of the Climate Goal for the Diversified (MySuper) investment option (including derivatives in relation to the following, but excluding those which we classify as an out-of-scope derivative overlay):

- Australian shares
- International shares
- Property (listed and unlisted)
- Infrastructure (listed and unlisted)
- Private equity
- Bond alternatives
- Real asset debt
- Corporate fixed income (Australian and international).

The following assets are also in scope but are assumed to have zero emissions (including derivatives relating to the following):

¹ The Climate Goal is not a Net Zero target, which is typically characterised by aligning selected in-scope emissions to a 1.5°C reduction pathway outcome.

- Cash including term deposits
- Commodities
- Government bonds.

Derivative overlays including foreign exchange hedging are out of scope. For example, derivative overlays that are out-of-scope include derivative positions that relate to an entire asset class or sector (rather than to a particular company) which are entered into by persons who are responsible for managing NGS Super's exposures to multiple asset classes or sectors (and not just for managing exposure to the particular asset class or sector that the derivative relates to).

How will we get there?

So far, strong progress has been made toward the Decarbonisation Goal through benchmark decarbonisation and fossil-fuel investment restrictions. The emissions intensity reductions targeted by the Decarbonisation Goal had been achieved as at 30 June 2025 so the Decarbonisation Goal is to maintain the reductions that have already been achieved compared to the relevant baseline.

The Carbon Removal Goal is expected to be assisted through the Fund's \$350 million allocation towards future natural capital investments, a portion of which will be invested in investments for the Diversified (MySuper) Investment Option (once deployed).

There are three primary contributing factors that will help us achieve the Climate Goal: benchmark decarbonisation, investment restrictions, and assets that generate carbon removals.

Benchmark decarbonisation

The emission-related reductions that have been achieved by companies included within the investment benchmark has been the main driver of progress toward the Decarbonisation Goal. This reflects the real-world actions that many underlying companies are taking to lower their emissions as part of the global transition to a low-carbon economy. Progress is expected to continue as more companies act on climate commitments and respond to growing community expectations. Benchmark decarbonisation also assists the Decarbonisation Goal to the extent it mitigates the volume of financed removals needed to achieve the Decarbonisation Goal.

Restrictions

The Fund applies particular fossil-fuel investment restrictions to the Diversified (MySuper) investment option, that are applied in line with our Responsible Investment Policy (noting that these restrictions are not applied in relation to derivatives, currency, commodities, cash, government bonds or other asset categories specified in our policy). These restrictions apply to companies that we believe to have significant degrees of activity (as defined by us) in high-emission or extractive fossil-fuel industries based on the criteria applied by us. **Different funds apply different criteria. Contact us if you require information about the criteria currently applied in connection with these investment restrictions.**

As a result of these investment restrictions, we estimate that investments equivalent to approximately 1.7% of the value of the Diversified (MySuper) Investment Option as at 30 June 2025 have been excluded from its portfolio, contributing to a reduction in its emissions intensity and absolute emissions. More detail on how these restrictions are applied across asset classes is available in our Responsible Investment Policy available on the [Policies and Principles](#) page of the Fund's website.

Investment in assets generating carbon removals

As at November 2025, the Fund has approved a total Fund allocation of around \$350 million to the Natural Capital sector.² This allocation will be funded over time, subject to sourcing appropriate investment opportunities and market or portfolio considerations not impacting the allocation. A portion of that allocation will be investments held for the Diversified (MySuper) investment option (once deployed). These allocations are subject to change over time.

These are investments that are expected to generate carbon removals and assist with achieving the Carbon Removal Goal. These investments focus on projects that remove carbon from the atmosphere and generate financial returns for members. All carbon-removal investments are intended to be verified for credibility, though the verification frameworks used may evolve over time as global standards develop.

Not all investments will generate carbon removals. Our Climate Goals are focused on the Diversified (MySuper) Investment Option not individual investments. Some investments will not achieve, and will not assist with achieving, either the Decarbonisation Goal or the Carbon Removal Goal.

Other supporting actions

While not expected to be the main driver of the Climate Goal, the Fund will continue to strengthen implementation and engagement through its existing policy framework, including:

- Responsible Investment Policy
- Asset Ownership and Engagement Policy
- Due Diligence Policy.

Extracts of these policies are available on the Policies and Principles page on the Fund's website.

Tracking our progress

Decarbonisation Goal

The Fund has internal analysis that tracks progress towards the decarbonisation goal and models the expected decline of the emissions intensity of the Diversified (MySuper) investment option over time – from a baseline of approximately 43.2 tonnes CO₂e per million invested in AUD in 2021 to 21.6 (or less) tonnes CO₂e per million invested in AUD by 2030. Progress so far reflects both the real-world decarbonisation of certain companies in the portfolio and portfolio adjustments aligned with the Fund's Responsible Investment Policy and overarching investment strategy.

It is accepted that the world's transition to a low-carbon economy, and the Diversified (MySuper) option's pathway, will not be linear. Some variation is expected along the way, as industries and companies may experience short-term increases in carbon intensity while developing more sustainable, low-carbon operating models.

Carbon Removal Goal

The Fund has internal modelling on the planned allocation to investments that are expected to generate carbon removals. These investments would aim to support projects that are expected to remove carbon from the atmosphere, such as nature-based solutions, while delivering financial returns for members. We will continue to monitor this, with updated data and assumptions as they become available as a way to track our progress.

A note on the analysis and modelling

² The Natural Capital sector is a sub sector of the Alternatives asset class within the Product Disclosure Statement(s).

Our analysis and modelling is based on current information and is sensitive to numerous assumptions and contingencies, such as the following:

- The companies in which we invest will need to decarbonise and reduce their emissions and emissions intensity at the rates we have assumed they will.
- We will need to source sufficient appropriate investments to generate sufficient financed removals with respect to the Diversified (MySuper) Investment Option while meeting our risk and return requirements and those investments will need to generate sufficient financed removals.
- Our modelling assumes that there would be no factors that lead to a change in our investment strategy, actual asset allocations or the Climate Goal that adversely affects the trajectory of the modelled reductions in emissions intensity or balancing of financed emissions with financed removals. Such factors could include a change in laws, regulatory factors, adverse investment return conditions or outcomes, liquidity constraints leading to sales of assets that were integral to the Climate Goal, or significant changes in portfolio composition due to significant increases or reduction in portfolio size which adversely affects emissions intensity, financed removals or financed emissions.

If actual experience deviates from these assumptions or these contingencies occur, actual experience will deviate from the modelling and the Climate Goal may not be achieved.

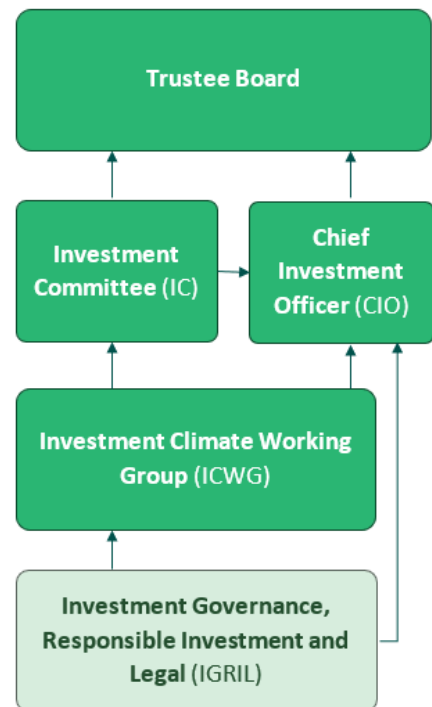
The Fund will continue to monitor and report progress each year, and will review and refine its Climate Goal if appropriate, while maintaining a focus on strong, long-term returns for members.

How we oversee the Climate Goal

Oversight of the Climate Goal sits within the Fund’s existing governance framework, ensuring that decisions remain transparent, evidence-based, and aligned with members’ best financial interests.

The **Trustee Board** holds ultimate accountability for the Climate Goal, supported by the **Investment Committee (IC)**. Together they review progress and approve key decisions through regular reporting, ensuring actions remain aligned with members’ best financial interests. For example, the Trustee Board approved the Climate Goal on the recommendation of the IC. Climate oversight is embedded in the Fund’s broader governance, risk and investment frameworks, with regular training provided to maintain expertise. The Trustee Board and IC will monitor progress towards the Climate Goal, in conjunction with monitoring the performance of the Diversified (MySuper) Investment Option, and will periodically review and refine the Climate Goal if considered appropriate.

The **Chief Investment Officer (CIO)** is responsible for delivering the internal plan that supports the Climate Goal across investment strategy and risk management. The **Investment Climate Working Group (ICWG)** provides technical oversight of methodologies and assumptions, while the **Investment Governance, Responsible Investment and Legal (IGRIL)** team manages day-to-day delivery, reporting progress to the IC and Trustee Board.



Delivering long-term value for members

We have published academic research, *Why Decarbonise Now, Not Later*, which found that investors who decarbonise earlier than others can capture additional returns (“alpha”) before

markets fully price in the effects of the climate transition. This advantage can arise through two channels:

- investing in the growing opportunities of climate solutions, and
- avoiding exposure to assets with high climate risks.

For members, this research reinforces that the Climate Goal isn't only about reducing emissions intensity or balancing financed emissions with financed removals, it's about positioning the portfolio to manage risk and capture long-term growth opportunities, for the purposes of supporting stronger and more maintainable returns over time.

Important Information

Key assumptions and external factors

The below assumptions and external factors may affect achievement of the Climate Goal or, trigger a review of the Climate Goal, if the assumptions need to change or if these factors materialise:

- Assumption that major sectors and geographies continue progressing toward climate targets in line with global benchmarks.
- Progress assumes that Australian federal government net zero commitments and regulatory regime (AASB S2, IFRS S2, carbon pricing) remain stable and supporting the Climate Goal. Material changes in these settings could alter the ability to pursue the Climate Goal and may trigger a review to the Climate Goal.
- Market dynamics such as asset liquidity, valuation shifts, or the availability of transition and natural capital assets within the Fund's investment universe may constrain or enable progress. Broader macroeconomic conditions - including inflation, interest rate settings, and global demand for low-carbon assets - also influence feasibility.
- The Climate Goal is subject to uncertainties outside the Fund's control, including geopolitical disruptions, supply chain instability, and physical climate risks such as extreme weather events. Rapid changes in global transition pathways or temperature trajectories could also affect the achievability of near-term targets.
- Circumstances may arise in which investment decisions are required to de-prioritise the Climate Goal having regard to regulatory obligations or the APRA performance test or the promotion of members' best financial interests. In such cases, portfolio adjustments may be made without reference to the Climate Goal.
- Delivery of the Climate Goal is contingent on the stability of member expectations and preferences. A significant shift in members' views on climate ambition, fiduciary duty, or financial materiality of climate risks could prompt reassessment of the Fund's approach or pacing.
- Achievement of the Climate Goal assumes continued alignment between the Fund's overarching investment strategy and its Decarbonisation Goal and Carbon Removal Goal. A change in corporate or investment strategy (e.g. asset allocation, risk appetite, or focus areas) may require recalibration of the Climate Goal.
- Effective delivery assumes sufficient internal capability, governance, and resources to monitor progress, manage data, and integrate climate goals into decision-making. Resource constraints, turnover, or competing priorities could impact implementation.
- The Fund remains benchmark aware in implementing its Climate Goal, using market benchmarks as a point of reference to assess portfolio performance and emissions trajectories, while retaining discretion to diverge where this better aligns with members' long-term interests or the Fund's decarbonisation and carbon removal objectives.

- There is a requirement to apply proxies to assets and holdings that do not publish or provide emissions data. In doing this, assumptions must be made to estimate their carbon intensity. This is outlined in the Fund's Carbon Calculation Methodology.
- Significant asset transfers into the fund (such as through a successor fund transfer or merger) may alter the emissions profile of the portfolio in ways that adversely affect progress toward the Climate Goal.
- Substantial outflows from the MySuper option (whether due to member switching, rollouts, or other transfers) or a major liquidity event requiring the sell-down of low-emissions or climate-aligned assets could impact the Fund's emissions intensity and achievement of the Climate Goal.
- Carbon removal projects are assumed to deliver sequestration outcomes broadly consistent with current expectations and prevailing permanence and verification standards, recognising that these standards may evolve over time. We have assumed that high-quality projects will continue to generate tradeable, verifiable carbon credits that hold or appreciate in value as global demand rises.
- Technological advances and regulatory standards for removals (e.g. certification, registries) continue to mature, supporting liquidity and price discovery.

GHG metrics and targets

This section covers the metrics and targets that underpin the Climate Goal. All calculations are undertaken substantially in accordance with the Greenhouse Gas Protocol (2004), and are informed primarily by third-party data.

Goal	Component	Progress
Decarbonisation Goal	<i>Baseline</i>	Financial year ended 30 June 2021
	<i>Target Year</i>	Financial year ending 30 June 2030
	<i>Target Type</i>	Intensity
	<i>Baseline Emissions Intensity</i>	Estimated at 43.2 tonnes CO ₂ e per million invested in AUD, based on scope 1 and scope 2 emissions for in-scope asset categories. ³
	<i>Target Emissions Intensity</i>	Set at 21.6 tonnes CO ₂ e per million invested in AUD, for scope 1 and scope 2 emissions for in-scope asset categories (i.e. 50% of baseline emissions intensity).
	<i>Metric</i>	Portfolio carbon intensity (tCO ₂ e/\$m invested).
	<i>Current Progress as at 30 June 2025</i>	Estimated emissions intensity is approximately 21.56 tonnes CO ₂ e per million invested in AUD to date, having regard to estimated scope 1 and scope 2 emissions for in-scope asset categories.
	<i>Data Quality</i>	The estimated PCAF data quality score for the 30 June 2025 calculation was 2.78.
Carbon Removal Goal	<i>Target Period</i>	The period from the start of the financial year ending 30 June 2030 until the end of the financial year ending 30 June 2050.

³ Historical emission intensity has been calculated using our current emission intensity methodology.

Goal	Component	Progress
	<i>Target Type</i>	Absolute
	<i>Anticipated Financed Removals Ambition</i>	<p>Approximately 235,088 tonnes CO₂e for the financial year ending 30 June 2030. Different amounts are forecast for each subsequent financial year through to 30 June 2050.</p> <p>No progress has been calculated to date. The Fund is preparing to pursue this ambition through future investments in high-quality carbon removal initiatives, subject to availability. Actuals will deviate from estimations.</p>
	<i>Metric</i>	Estimated volume of financed removals (tCO ₂ e sequestered) relative to residual financed emissions (absolute) over the 21 year period. The metric does not apply to individual years.
	<i>Data Quality</i>	<p>We will rely on data regarding financed removals reported by Investment Managers.</p> <p>Anticipated quality of carbon removals assessed by internal investment team at the time of investment due diligence.</p> <p>We will estimate financed scope 1 and scope 2 emissions for in-scope asset categories using third party data providers selected by us and may use benchmark data and other proxies chosen by us to estimate these emissions.</p>

Climate Goal development methodology

The Climate Goal is underpinned by three distinct sets of calculations:

- **Emissions Intensity (GHG Emissions):** Estimates the carbon intensity of the Diversified (MySuper) Investment Option with regard only to scope 1 and scope 2 emissions in respect of in-scope asset categories chosen by us.
- **Carbon Intensity Reduction Forecast:** Applies decarbonisation pathways to determine the Climate Goal trajectory.
- **Carbon Removal Modelling:** Models the estimated volume of removals required to achieve the Carbon Removal Goal, alongside details of the funds invested to meet these requirements.



Talk to us – we're here to help

You can contact us at ngssuper.com.au/contactus

Call us on **1300 133 177**, Monday to Friday, 8am–8pm (AEST/AEDT)

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