

2020

New Forests Pty Limited

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

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OO 01	Mandatory	Gateway/Peering	General
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OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

OO 01.2

Additional information. [Optional]

New Forests is a forestry investment manager offering leading-edge strategies in forestry, land management, and conservation. Founded in 2005, we offer institutional investors targeted opportunities in the Asia-Pacific region and the United States and have more than AUD 5 billion in assets under management globally. Our assets include sustainable timber plantations, timber processing, rural land, and conservation investments related to climate mitigation, ecosystem restoration, and protection. New Forests focuses on managing clients' assets for a future in which landscapes will encompass both production and conservation values.

OO 02	Mandatory	Peering	General
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OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

☐ 1
☒ 2-5
☐ 6-10
☐ >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

65

OO 02.4

Additional information. [Optional]

OO 03	Mandatory	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes
☒ No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1

Indicate the year end date for your reporting year.

31/12/2019

OO 04.2

Indicate your total AUM at the end of your reporting year.

Total AUM

5,598,762,725 AUD

3792599687 USD

OO 04.4

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

☒ Not applicable as we do not have any assets under execution and/or advisory approach

OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:		
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	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	100	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06	Mandatory	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.		
<input checked="" type="radio"/> as percentage breakdown <input type="radio"/> as broad ranges			
OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].		
<input type="radio"/> Yes <input checked="" type="radio"/> No			
OO 06.5	Indicate whether your organisation uses fiduciary managers.		
<input type="radio"/> Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets. <input checked="" type="radio"/> No, we do not use fiduciary managers.			

OO 09	Mandatory	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.		
91	Developed Markets		
8	Emerging Markets		
1	Frontier Markets		
0	Other Markets		
OO 09.2	Additional information. [Optional]		
New Forests manages geographically focused investment strategies across three regional investment programs. <ul style="list-style-type: none"> Sustainable forestry investment in Australia and New Zealand (developed markets) Sustainable forestry investment in Southeast Asia (emerging and frontier markets) Carbon forestry and conservation finance in the United States (developed markets) 			

OO 11	Mandatory	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).		
	Forestry		
	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.		
OO 12	Mandatory	Gateway	General
OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.		
	Core modules		
	<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance		
	Closing module		
	<input checked="" type="checkbox"/> Closing module		
OO Checks			Checks
<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.			

SG 01	Mandatory	Core Assessed	General				
SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.						
<input checked="" type="checkbox"/> Yes							
SG 01.2	Indicate the components/types and coverage of your policy.						
<table border="1"> <thead> <tr> <th>Policy components/types</th> <th>Coverage by AUM</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) <div>Specific international standards as guidelines</div> <input type="checkbox"/> Other, specify(2) </td> <td> <input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM </td> </tr> </tbody> </table>				Policy components/types	Coverage by AUM	<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) <div>Specific international standards as guidelines</div> <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM
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SG 01.3	Indicate if the investment policy covers any of the following						
<input checked="" type="checkbox"/> Your organisation's definition of ESG and/or responsible investment and it's relation to investments <input checked="" type="checkbox"/> Your investment objectives that take ESG factors/real economy influence into account <input type="checkbox"/> Time horizon of your investment <input checked="" type="checkbox"/> Governance structure of organisational ESG responsibilities <input checked="" type="checkbox"/> ESG incorporation approaches <input checked="" type="checkbox"/> Active ownership approaches <input checked="" type="checkbox"/> Reporting <input type="checkbox"/> Climate change <input type="checkbox"/> Understanding and incorporating client / beneficiary sustainability preferences <input checked="" type="checkbox"/> Other RI considerations, specify (1)							
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Workplace health and safety							
SG 01.4	Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.						
<p>New Forests' corporate narrative encapsulates our investment beliefs and overarching strategy:</p> <p>"As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. We believe that meeting the needs of a broad range of stakeholders will provide better returns over the long term.</p> <p>"New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. This gives us a global perspective combined with local expertise that allows us to understand and manage our assets more effectively. Wherever we operate in the world, our strength lies in our people and their drive to make investments that create the best possible outcomes. By investing with integrity and transparency we aim to generate strong returns while helping tackle some of the world's great sustainability challenges."</p> <p>Through this strategy, New Forests effectively addresses a range of ESG issues across our geographies.</p>							
SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]						
<p>New Forests' RI Policy includes the policies, tools, and external standards and guidelines that the company uses to guide its RI implementation. The RI Policy is a component of New Forests' Social and Environmental Management System (SEMS), which establishes comprehensive procedures and processes for the identification, monitoring, and management of material E&S issues. The SEMS also describes the organisational governance and responsibilities for implementation. The RI Policy and SEMS apply to all New Forests' investments and focus on continual improvement.</p>							
<input type="radio"/> No							
SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General				
SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.						
<input checked="" type="checkbox"/> Yes							

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
	<p>New Forests' business strategy anticipates net positive opportunities for the forest sector from the transition to a low-carbon economy, including climate regulation and demand for sustainable materials, as part of a global response to climate change. New Forests stays aware of developing climate science and policy that inform our business. In particular, we note that the IPCC Special Report: Global Warming of 1.5 Degrees indicates significant changes are required in the forest sector to contribute to viable mitigation pathways. This will require a shift from the forest sector being a net emitter to a net source of carbon dioxide removals through sustainable forestry management and reforestation. However, despite that the forest industry, combined with agriculture, currently contributes around 24% of global GHG emissions coming from land use, only around 3% of climate finance goes to forestry and land use.</p> <p>In seeking to contribute to forest-climate solutions and the growth of a rising sustainable bioeconomy, New Forests is positioned to benefit from positive feedback cycles linked to emerging climate trends and forestry investment:</p> <ol style="list-style-type: none"> 1. Rising timber demand for traditional and new wood products as low-carbon inputs for the circular and low-carbon economy reinforces positive pricing trends and market diversification for wood fibre. 2. Increasing demand for low-carbon investments and for carbon dioxide removals from forestry provides capital flows for the expansion of the forest sector, including plantation establishment, sustainable intensification, and diversification of processing and manufacturing for low-carbon products. 3. Product innovation and investment in Natural Climate Solutions creates new low-carbon investment opportunities, creating a positive cycle of investment and return comprised both of financial returns and beneficial climate outcomes. 4. Carbon markets and offsets <p>New Forests also recognises that there are real and rising physical risks of climate change to the world's forests. These risks include exposure to changing pests and disease, as well as negative effects from changing weather patterns and extreme weather events, including drought, flood, extreme storms (erosion, windthrow), and wildfire. Forest management to mitigate these risks may call for adaptation and changed silvicultural practices, as well as financial measures such as insurance to minimize financial losses. A full description of New Forests' assessment of physical and transition risks to our business and how they factor into our investment strategies and products is available in New Forests' Climate Disclosure Report, available on our website. This report was designed to be aligned to the TCFD.</p>

☐ No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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☒ Yes

	Describe the associated timescales linked to these risks and opportunities.
	<p>The world's forests face real and rising physical risks of climate change, as well as specific opportunities arising from climate finance and the need to invest in mitigation, adaptation, and resilience. New Forests assessed the most material short-, medium-, and long-term transition and physical risks as related to our investments in the forest sector. Our assessment of time scale considers issues affecting near-term management of assets and our ability to invest capital, to add value to investments during a typical closed-end fund holding period, and to address the long-term planning extending through the higher end of the range of forest management cycles in the types of forests we manage (with tree rotations across our portfolio varying from as little as eight years in the tropics to more than 80 years in semi-natural managed forests of the US). Additional information can be found in New Forests' TCFD Climate Disclosure Report (March 2020).</p>

☐ No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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☒ Yes

☐ No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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☒ Yes

	Describe
	<p>Board and management role in oversight and assessing climate-related risks and opportunities</p> <p>New Forests' Board and Executive Committee recognise that forestry investment solutions will be critical to addressing the climate crisis. Climate change-related risks and opportunities are reviewed by the Board through the business planning and strategy review process. New Forests' Executive Committee is responsible for implementation and monitoring of the business plan and strategy development on an ongoing basis.</p> <p>Identifying and managing climate-related risks and opportunities</p> <p>As an investment manager, the principle climate-related risks and opportunities arise in the asset management function for the capital we deploy and the investments we manage for our clients. Climate-related opportunities are considered in strategic asset planning, which typically follows an annual cycle for review, budgeting, and execution. These are principally driven by wood fibre and carbon market opportunities but may also include additional climate positive activities like increasing biological growth, supply chain efficiency, operating efficiency, and engaging in environmental restoration and conservation projects that promote ecosystem resilience.</p> <p>Climate considerations feature throughout New Forests' policies and procedures that support asset management. New Forests' Social and Environmental Management System (SEMS) requires the identification of significant environmental risks and that operational management controls be in place to manage significant risks. Operational controls include applying responsible forest management practices to achieve high-quality, third-party forest management certification for all production forestry investments. Additionally, New Forests' Sustainable Landscape Investment (SLI) framework is the company's environmental, social, and governance (ESG) and impact management tool, which includes an integrated view of land use planning, ecosystem services, productivity, shared prosperity, risk management and governance. The SLI framework has climate impact reporting, as well as metrics on factors that can support climate positive asset management.</p> <p>Climate change-related risks are integrated into New Forests' enterprise risk management (ERM) framework, such that significant policy, market, and environmental risks related to climate change are monitored and discussed. The ERM is guided by the risk appetite statement endorsed by New Forests' Board of Directors and includes regular review of risks at the New Forests corporate level, as informed and supported by fund-level and asset-level risk assessment and management. Each risk is assigned a risk rating and tolerance, with stated mitigations and residual risk ratings determined. The ERM includes a workbook-based risk assessment tool that is applied as part of due diligence and investment appraisal, as well as a dedicated component focused on key risk parameters that span transition and physical risks. The assessment results are documented and considered in investment decisions. During asset management, the ERM requires that asset risk registers be developed and regularly maintained as</p>

part of active management. New Forests' management of climate-related risks spans from financial risk mitigations such as insurance for tree crops, to ensuring local property management strategies include operational risk mitigation, through to stakeholder engagement in industry and policy forums.

☐ No

SG 1.10 CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- ☒ Public PRI Climate Transparency Report
- ☐ Annual financial filings
- ☐ Regular client reporting
- ☐ Member communications
- ☒ Other

specify

New Forests published a TCFD-aligned Climate Disclosure Report (as of March 2020). This report is publicly available on our website. Future integration anticipated.

- ☐ We currently do not publish TCFD disclosures

SG 02

Mandatory

Core Assessed

PRI 6

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- ☒ Policy setting out your overall approach

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on environmental factors

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on social factors

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on corporate governance factors

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☒ Asset class-specific RI guidelines

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☒ Sector specific RI guidelines

URL/Attachment

- ☒ URL
<http://www.newforests.com.au/wp-content/uploads/2015/03/RIPolicy.pdf>
- ☐ Attachment (will be made public)

- ☐ Other, specify (1)

- ☐ We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment			
<input checked="" type="checkbox"/> URL https://newforests.com.au/sustainability-archive/			
<input type="checkbox"/> Attachment			
<input checked="" type="checkbox"/> Your investment objectives that take ESG factors/real economy influence into account			
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<input type="checkbox"/> Attachment			
<input type="checkbox"/> Other RI considerations, specify (1)			
<input type="checkbox"/> Other RI considerations, specify (2)			
<input type="checkbox"/> We do not publicly disclose any investment policy components			

SG 02.3	Additional information [Optional].
	<p>More detailed asset class and sector-based guidelines are included within New Forest's Social and Environmental Management System (SEMS). Screening and exclusions are included within fund policies, where relevant, to support compliance with the investment exclusions of LPAs and Management Agreements.</p> <p>Our SEMS and Sustainable Landscape Investment framework are proprietary systems that enable our proactive management of social and environmental issues associated with our investment activities. As such, we believe they are an important competitive advantage. Clients and other interested stakeholders can request a copy of the SEMS and related documentation.</p>

SG 03	Mandatory	Core Assessed	General
SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.		
<input checked="" type="checkbox"/> Yes			
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.		
<p>New Forests' Managing Conflicts of Interest (COI) policy supports identification and management of COIs that may arise. Identifying actual, potential, and perceived COIs is the responsibility of all New Forests' board members, committee members, and employees, and in particular, each individual is responsible for:</p> <ul style="list-style-type: none"> • Being aware of and complying with the obligations of the policy. • Formally disclosing all personal interests, regardless of materiality, in accordance with the policy. • Assessing whether personal and business interests conflict or have the potential to conflict with their duties. • Avoiding a COI, where possible. • Providing a quarterly compliance attestation that they have reported all COI's that they are aware of, and that they have complied with the requirements of the COI Policy. <p>To ensure COIs are managed, New Forests' approach is to implement an appropriate response in each instance by either controlling, disclosing, or avoiding actual, perceived, or potential COIs, where appropriate. In addition, New Forests maintains a COI Register that includes all COIs identified,</p>			

and the steps taken to manage each COI such that the quality of New Forests' decision-making is not compromised as a result of managing the conflict.

☐ No

SG 04	Voluntary	Descriptive	General
SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.		
<input checked="" type="checkbox"/> Yes <input type="radio"/> No			
SG 04.2	Describe your process on managing incidents		
<p>Incident reporting is required in monthly and/or quarterly reporting to portfolio company boards, in management reports to shareholders/New Forests, and to New Forests investment operations staff. Portfolio companies and third-party managers are also responsible for immediate and ad hoc reporting on major incidents. Where possible, requirements for incident reporting are contractual obligations for investees. Incidents reported to New Forests may be entered into New Forests' compliance software, either via regular compliance checks or entered as an ad hoc incident report. The New Forests' Legal, Risk, and Compliance team monitors incidents that are reported and may action follow up management as appropriate. Incidents are also reported and reviewed within the relevant regional Management Committee. Incidents may also trigger client reporting obligations.</p>			
SG 05	Mandatory	Gateway/Core Assessed	General
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.		
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc basis <input type="radio"/> It is not set/reviewed			
SG 05.2	Additional information. [Optional]		
<p>New Forests sets responsible investment goals as part of corporate business planning, with regular internal reporting against business plans and objectives. At the level of each investment fund, ESG targets and projects are included within the annual strategic planning process, which occurs asset by asset. Key ESG progress and issues are reported each quarter for all funds, and annual ESG and impact metrics are collected as part of New Forests' Sustainable Landscape Investment framework. Finally, each staff member has a key performance indicator related to responsible investment that is reviewed biannually as part of performance reviews and evaluation.</p>			
SG 06	Voluntary	Descriptive	General
SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.		
Responsible investment processes			
<input checked="" type="checkbox"/> Provide training on ESG incorporation			
		Key performance indicator	
All new staff trained on RI Policy, SEMS, and corporate sustainability programs.			
		Progress achieved	
Completed. In addition, all staff consultation and training were undertaken with the new ESG and impact metrics of our Sustainable Landscape Investment framework.			
<input checked="" type="checkbox"/> Provide training on ESG engagement			
		Key performance indicator	
All new property managers trained on the SEMS and how we ensure compliance through asset management.			
		Progress achieved	
Achieved. All new property managers undergo a SEMS induction process as new contracts are awarded.			
In addition, internally, information sharing on ongoing engagements reinforces company-wide understanding of our RI engagement activities.			
<input checked="" type="checkbox"/> Improved communication of ESG activities within the organisation			
		Key performance indicator	
Develop ESG case studies and communicate sustainability initiatives and issues.			
		Progress achieved	
More regular communication of engagement activities, achievements, and issues management is occurring. Internally, there is regular sharing of ESG-related activities through informal update emails, sharing in team meetings, and more formal means (memos and reports). New Forests will continually seek opportunities to improve internal and external communication of our ESG activities.			
<input checked="" type="checkbox"/> Improved engagement to encourage change with regards to management of ESG issues			
		Key performance indicator	
Increase ESG engagement activities with our clients and demonstrate compliance with ESG-related investor requirements			

	Progress achieved
	Ongoing. During the year we engaged with clients on specific ESG management issues, including ESG reporting, carbon accounting, the use of IFC Performance Standards, wildlife management, and the use of third-party standards. These activities help ensure our management of ESG issues not only meets client expectations but also provides an opportunity for two-way sharing and continual improvement in ESG management.
<input checked="" type="checkbox"/>	Improved ESG incorporation into investment decision making processes
	Key performance indicator
	Support Investments and Operations teams in continual improvement of ESG management. Collaborate to embed ESG management in corporate services functions that support funds management.
	Progress achieved
	Ongoing. New Forests' staff in governance, risk and compliance, and sustainability regularly provide support to Investments staff to contribute to investment analysis, due diligence, and development of plans for post-investment ESG-related management. We focus on integrating ESG as part of the decision-making process by incorporating sustainability in the whole investment process. A sign-off on Investment Committee recommendations provides a formal check that indicates ESG factors were considered in compliance with New Forests' RI processes.
<input checked="" type="checkbox"/>	Other, specify (1)
	Climate Risk and Strategy
	Key performance indicator
	Undertake climate risk and strategy review and seek to align with TCFD Recommendations
	Progress achieved
	Developed Climate Risk and Strategy Work Plan. Trained staff on climate risk and TCFD. Developed TCFD-aligned disclosure statement. Developed plan for TCFD integration in asset management.
<input type="checkbox"/>	Other, specify (2)
<input type="checkbox"/>	Other, specify (3)
<input type="checkbox"/>	None of the above
	Financial performance of investments
<input checked="" type="checkbox"/>	Increase portfolio performance by consideration of ESG factors
	Key performance indicator
	Implement ESG and impact metrics from our Sustainable Landscape Investment framework to monitor combined financial and ESG performance.
	Progress achieved
	New Forests continues to use the SLI metrics and in 2019 began integrating them into a new corporate data warehouse, which seeks to align financial, operational, and ESG/impact reporting into a central data repository, supporting management and reporting.
<input type="checkbox"/>	Other, specify (1)
<input type="checkbox"/>	Other, specify (2)
<input type="checkbox"/>	Other, specify (3)
<input type="checkbox"/>	None of the above
	ESG characteristics of investments
<input type="checkbox"/>	Over or underweight companies based on ESG characteristics
<input type="checkbox"/>	Improve ESG ratings of portfolio
<input type="checkbox"/>	Setting carbon reduction targets for portfolio
<input checked="" type="checkbox"/>	Other, specify (1)
	Other description (1)
	ESG and impact metrics
	Key performance indicator
	As above, implemented measurable indicators to monitor our performance against the Sustainable Landscape Investment (SLI) framework.
	Progress achieved
	New Forests continues to use the SLI metrics and in 2019 began integrating them into a new corporate data warehouse, which seeks to align financial, operational, and ESG/impact reporting into a central data repository, supporting management and reporting.
<input type="checkbox"/>	Other, specify (2)
<input type="checkbox"/>	Other, specify (3)
<input type="checkbox"/>	None of the above
	Other activities
<input checked="" type="checkbox"/>	Joining and/or participation in RI initiatives
	Key performance indicator

	Maintain/increase participation in RI and impact investing networks		
	<table border="1"> <tr> <th>Progress achieved</th> </tr> <tr> <td>New Forests uses industry memberships and associations as key elements of our external engagement strategies by participating in strong networks that are driving forward best RI practices, advancing sustainable forest management, advocating for effective public policy, and growing the markets for sustainable investment. In 2019, New Forests sought to be active in its participation in Ceres, IGCC, and AIGCC, as well as major sustainable business associations, such as the WBCSD and BCSD Australia. We contributed significantly to development of impact metrics for sustainable forestry via the GIIN.</td> </tr> </table>	Progress achieved	New Forests uses industry memberships and associations as key elements of our external engagement strategies by participating in strong networks that are driving forward best RI practices, advancing sustainable forest management, advocating for effective public policy, and growing the markets for sustainable investment. In 2019, New Forests sought to be active in its participation in Ceres, IGCC, and AIGCC, as well as major sustainable business associations, such as the WBCSD and BCSD Australia. We contributed significantly to development of impact metrics for sustainable forestry via the GIIN.
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<input type="checkbox"/>	Encouraging others to join a RI initiative		
<input checked="" type="checkbox"/>	Documentation of best practice case studies		
	<table border="1"> <tr> <th>Key performance indicator</th> </tr> <tr> <td>Engaged in networks to disseminate case studies</td> </tr> </table>	Key performance indicator	Engaged in networks to disseminate case studies
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<input checked="" type="checkbox"/>	Using case studies to demonstrate engagement and ESG incorporation to clients		
	<table border="1"> <tr> <th>Key performance indicator</th> </tr> <tr> <td>Increase ESG engagement activities with our clients and demonstrate compliance with ESG-related investor requirements.</td> </tr> </table>	Key performance indicator	Increase ESG engagement activities with our clients and demonstrate compliance with ESG-related investor requirements.
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<input type="checkbox"/>	Other, specify (1)		
<input type="checkbox"/>	Other, specify (2)		
<input type="checkbox"/>	Other, specify (3)		
<input type="checkbox"/>	None of the above		
SG 06.2	Additional information.		
	New Forests sets RI objectives under corporate sustainability initiatives in the annual business planning process and annual objectives for staff responsible for responsible investment activities.		

SG 07	Mandatory	Core Assessed	General							
SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.									
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- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investor relations
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify (1)

	Other description (1)
	Governance Team & Risk & Compliance Team

 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify (2)

	Other description (2)
	Company Secretary

 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Board of Directors --> Oversight of sustainability programs

- Approve RI Policy
- Approve SEMS Management Review
- Provide strategic direction for sustainability and ESG programs

Executive Committee --> Oversight of sustainability programs and set sustainability goals and strategy

- Approve SEMS guidance documents and key procedures
- Inclusion of sustainability within business strategy and management

Risk & Compliance Committee --> Oversight of ESG risks and compliance

- Review SEMS audit reports and Management Review
- Approve variances to SEMS compliance or processes if related to an ESG risk

Management Committee(s) --> Oversight of ESG management

- Approve variances to SEMS compliance or processes for assets under management

Investor Services team (via Director, Sustainability & Communications) --> Oversight and implementation of ESG management

- Administer the SEMS and RI Policy and associated activities
- Provide guidance to Board, committees, and staff on ESG issues
- Monitor ESG performance and report on ESG performance to senior management and stakeholders at least annually
- Internal sign-off on investments from ESG perspective
- Recommend variances to SEMS compliance to committees as needed
- Issue SEMS documents for approval to committees

Portfolio managers, E&S manager, sustainability analyst, and investment analysts --> Implement ESG management

- Comply with SEMS and Declaration Documents
- ESG assessments in due diligence and asset management
- ESG implementation support to third parties
- Delegate to third parties with control over ESG related activities
- Manage investment team staff responsible for ESG impacts and management

The Risk and Compliance team and the Company Secretary team contribute to ESG implementation through risk management and governance support, both at the New Forests' corporate and fund levels, as well as supporting portfolio companies and investments to implement best practices in risk management and good corporate governance.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
3	
SG 07.4	Additional information. [Optional]
<p>New Forests is committed to conducting business in a responsible and ethical manner.</p> <p>Code of Conduct</p> <p>Our Code of Conduct is at the core of realising this commitment; employees are trained on the Code as well as the broader range of New Forests' policies and procedures through a structured online training program and ad hoc internal trainings. We are proud to work in an organisation that promotes professionalism, courtesy, excellence, diversity, and respect.</p> <p>Governance and Legal, Risk, and Compliance Frameworks</p> <p>Our governance and compliance framework is driven by good practice and regulatory compliance, including the company's Australian Financial Services Licence and responsibilities as a Registered Investment Advisor in the United States. Alongside financial compliance, New Forests' systems and procedures encompass funds management governance, administration, and operational control systems.</p> <p>New Forests' Governance Objectives</p> <ul style="list-style-type: none"> • Promote ethical and responsible decision making • Recognize and manage risks • Maintain fiscal responsibility • Enable solid foundation for management and oversight • Make timely and balanced disclosures. <p>For more information, see New Forests' 2019 Sustainability Report.</p>	

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.		
	Board members or trustees		
	<div><input checked="" type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee		
	<div><input checked="" type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Other Chief-level staff or heads of departments		
	<div><input checked="" type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Portfolio managers		
	<div><input type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Investment analysts		
	<div><input type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Dedicated responsible investment staff		
	<div><input checked="" type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	Investor relations		
	<div><input type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div> <div><input type="checkbox"/> No responsibility for climate-related issues</div>		
	External managers or service providers		
	<div><input type="checkbox"/> Oversight/accountability for climate-related issues</div> <div><input checked="" type="checkbox"/> Assessment and management of climate-related issues</div>		

	<input type="checkbox"/> No responsibility for climate-related issues		
	<table border="1"> <tr> <th>Other role, specify (1)</th> </tr> <tr> <td> Governance Team & Risk & Compliance Team <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues </td> </tr> </table>	Other role, specify (1)	Governance Team & Risk & Compliance Team <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Other role, specify (1)			
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Company Secretary <input type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues			
SG 07.6 CC	<p>For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.</p> <p>New Forests' Board supported the company to undertake its Climate Risk & Strategy Work Plan, which includes alignment with the TCFD Recommendations. The Board reviews and approves the Climate Disclosure Report and will have oversight for New Forests' Climate Neutrality Commitment, which comes into force in 2020.</p> <p>Board members have oversight of sustainability initiatives and approve changes to guiding documents such as the Social & Environmental Management System (SEMS), the Sustainable Landscape Indicators (SLI), and the Responsible Investment Policy. All of these systems have climate-related guidance, primarily through the identification and management of physical and transition risks.</p>		
SG 07.7 CC	<p>For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.</p> <p>Jointly, the Executive Committee has oversight for integration of climate-related issues throughout the business, including in funds management as part of fiduciary duty.</p> <p>The Managing Directors of each New Forests region (Australia-New Zealand, Southeast Asia, and the United States) is responsible for ensuring compliance with New Forests' policies and fiduciary duty as an investment manager for their given geography. This includes managing climate-related risks and opportunities.</p> <p>Operations Directors are responsible for ensuring climate-risk management and opportunities are considered and managed for all assets for which they are responsible. Operations Directors work with their internal teams, third-party managers, and investees to ensure compliance with New Forests' ESG and RI policies, including for climate issues.</p> <p>Investment Directors and Associate Directors have responsibility for integrating climate-related risk assessment in investment appraisals and incorporating appropriate climate-related risks and opportunities into investment documentation, including IC papers and recommendations.</p> <p>The Head of Risk and Compliance has oversight for all climate-related risk management and is a co-lead of the Climate Risk & Strategy Work Plan for New Forests.</p> <p>The Investor Services team, guided by the Director of Sustainability & Communications, ensures inclusion of climate-related issues in all relevant investor communication and documentation. The Director of Sustainability & Communications is a co-lead on the Climate Risk & Strategy Work Plan and is responsible for the Climate Disclosure Report.</p>		

SG 08	Voluntary	Additional Assessed	General
SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.		
	Board members/Board of trustees		
	SG 08.1b RI in personal development and/or training plan		
	<input type="checkbox"/> Responsible investment included in personal development and/or training plan <input checked="" type="checkbox"/> None of the above		
	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee		
	SG 08.1a RI in objectives, appraisal and/or reward		
	<input checked="" type="checkbox"/> Responsible investment KPIs and/or goals included in objectives <input checked="" type="checkbox"/> Responsible investment included in appraisal process <input type="checkbox"/> Variable pay linked to responsible investment performance <input type="checkbox"/> None of the above		
	SG 08.1b RI in personal development and/or training plan		
	<input checked="" type="checkbox"/> Responsible investment included in personal development and/or training plan <input type="checkbox"/> None of the above		
	Other C-level staff or head of department		
	SG 08.1a RI in objectives, appraisal and/or reward		
	<input checked="" type="checkbox"/> Responsible investment KPIs and/or goals included in objectives		

<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Portfolio managers	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Investment analysts	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Dedicated responsible investment staff	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Investor relations	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Other role (1) [from SG 07]	
Governance Team & Risk & Compliance Team	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above

SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/> Responsible investment included in personal development and/or training plan <input type="checkbox"/> None of the above	
Other role (2) [from SG 07]	
Company Secretary	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/> Responsible investment KPIs and/or goals included in objectives <input checked="" type="checkbox"/> Responsible investment included in appraisal process <input type="checkbox"/> Variable pay linked to responsible investment performance <input type="checkbox"/> None of the above	
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/> Responsible investment included in personal development and/or training plan <input type="checkbox"/> None of the above	
SG 08.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
All New Forests staff members have responsible investment and sustainability as a standard component of their objectives setting process and internal training programs. Performance and progress toward these objectives are assessed twice a year, at mid-year and annual reviews.	

SG 09	Mandatory	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
<input checked="" type="checkbox"/> Principles for Responsible Investment	
	Your organisation's role in the initiative during the reporting period (see definitions) Moderate
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<ul style="list-style-type: none"> • PRI Signatory • Attendance and speaking roles at PRI in Person, PRI Real Assets Forum, and PRI regional network events • Taking part in voluntary PRI surveys and opportunities for feedback • Presented in the PRI's webinar "Combatting climate change: what role can forestry investors play?" in March 2019 • New Forests has held several informational interviews and conversations with the PRI real assets team in support of the development of sustainable forestry content. An ongoing objective of our engagement with the PRI is to increase dialogue within the investment community around the opportunities for integrating responsible investment in real assets. 	
<input type="checkbox"/> Asian Corporate Governance Association <input type="checkbox"/> Australian Council of Superannuation Investors <input type="checkbox"/> AVCA: Sustainability Committee <input type="checkbox"/> France Invest – La Commission ESG <input type="checkbox"/> BVCA – Responsible Investment Advisory Board <input type="checkbox"/> CDP Climate Change <input type="checkbox"/> CDP Forests <input type="checkbox"/> CDP Water <input type="checkbox"/> CFA Institute Centre for Financial Market Integrity <input type="checkbox"/> Climate Action 100+ <input type="checkbox"/> Code for Responsible Investment in SA (CRISA) <input type="checkbox"/> Council of Institutional Investors (CII) <input type="checkbox"/> Eumedion <input type="checkbox"/> Extractive Industries Transparency Initiative (EITI) <input type="checkbox"/> ESG Research Australia <input type="checkbox"/> Invest Europe Responsible Investment Roundtable <input type="checkbox"/> Global Investors Governance Network (GIGN) <input checked="" type="checkbox"/> Global Impact Investing Network (GIIN)	
	Your organisation's role in the initiative during the reporting period (see definitions) Advanced
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<ul style="list-style-type: none"> • GIIN Member • Participation and beta testing for voluntary surveys • Regular support to the GIIN research team and the IRIS+ team, including substantial time supporting the development of sustainable forestry impact reports, metrics set, and information • Member of the GIIN's IRIS+ metrics Blended Finance working groups 	

- Participant in GINN Blended Finance Structuring for SDG 15 Workshop
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ HKVCA: ESG Committee
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☒ Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
<ul style="list-style-type: none"> • Participating in the Net Zero Working Group • Contributed case study for Net Zero Investing Guide report 	

- ☐ International Integrated Reporting Council (IIRC)
- ☒ Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
<ul style="list-style-type: none"> • Participating in policy working group • Working with CERES staff members on sustainable forestry, natural climate solutions, and related opportunities for investor education on forest-climate investment issues 	

- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Financial Action in the 21st Century
- ☐ Principles for Sustainable Insurance
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Responsible Investment Association Australasia

Your organisation's role in the initiative during the reporting period (see definitions)	
Basic	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
Attendance at RIAA events and individual membership	

- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

Forest Stewardship Council Australia and Forest Stewardship Council, A.C.

Your organisation's role in the initiative during the reporting year (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
New Forests is an active leader with FSC Australia, with a staff member having been Chair of the Board during 2019. New Forests Asia has a position on the formal working group for restoration and compensation mechanisms.	

- ☒ Other collaborative organisation/initiative, specify

Asia Investor Group on Climate Change

Your organisation's role in the initiative during the reporting year (see definitions)	
Basic	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
Attend local meetings and conference calls with this growing group.	

- ☒ Other collaborative organisation/initiative, specify

World Business Council on Sustainable Development

Your organisation's role in the initiative during the reporting year (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
Active on two working groups, the Forest Solutions Group and Natural Climate Solutions.	

- ☒ Other collaborative organisation/initiative, specify

Australian Forest Products Association

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
New Forests has contributed to AFPA's policy development processes, particularly to support proactive lobbying around climate change policy, and has sponsored policy forum events. New Forests has an executive employee on the board of AFPA.

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- ☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
New Forests provides training on our SEMS and RI Policy for new third-party property managers, which includes training on RI and RI implementation in asset management. We are also regular contributors to external workshops to train NGOs, government, and the private sector about how RI works in the forest sector. New Forests also supports peer development via our working group and membership participation in GIIN, PRI, Ceres, and other groups.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- ☐ Provided financial support for academic or industry research on responsible investment

- ☒ Provided input and/or collaborated with academia on RI related work

Description
New Forests' employees contribute to research efforts through publications, and through R&D on investments, support many research initiatives. New Forests' senior staff also provide mentoring through some universities and have given podcasts and speeches to academic outlets. Additionally, New Forests participates in informational interviews by researchers and provides peer review of reports on ecosystem services markets, sustainable forestry, and sustainable land use investment.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
New Forests has been developing its Sustainable Landscape Investment framework, which includes metrics and reporting requirements that have been disseminated to third-party property managers and portfolio companies. In addition, New Forests is supporting the GIIN in its IRIS+ development program, which is updating its IRIS impact metrics framework.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- ☒ Spoke publicly at events and conferences to promote responsible investment

Description

Various conference presentations, which include our approach to responsible investment and why it is essential in sustainable forestry investment

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

- ☒ Wrote and published in-house research papers on responsible investment

Description

New Forests regularly publishes market insights, copies of public remarks, and internal research reports that discuss the role of responsible investment in sustainable forestry. See <https://newforests.com.au/#insights> for more information.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

- ☐ Encouraged the adoption of the PRI
- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☐ Wrote and published articles on responsible investment in the media
- ☐ A member of PRI advisory committees/ working groups, specify
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☒ Other, specify

specify description

Promoting RI in our everyday activities

Description

Demonstrating the link between RI and better asset management in marketing materials, engagement, and events

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☐ No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Some examples of activities for promotion of responsible investment include:

- Development of a blended finance structure to blend catalytic philanthropic capital with institutional investment in high-impact forestry investment in Southeast Asia.
- Developing a performance benchmarking framework for Sustainable Landscape Investment tool.
- Convening events focusing on sustainable real assets issues including responsible investment as a central theme.
- Convening a multi-stakeholder group to accelerate investment in natural climate solutions.
- Leading training for portfolio companies and property managers on ESG and responsible investment.
- We include information about our PRI signatory status and how we pursue responsible investment and sustainable forest management during informational meetings with prospective clients, timber customers, investee companies, and government representatives (e.g. including one or more slides in a presentation pack).
- We published our PRI Public Responsible Investment Report and Assessment Report on our website, and we include reference to the PRI in our standard marketing materials and slide deck templates.
- Our staff participate on boards of non-profits and academic organisations that support sustainable investment, conservation, and responsible forestry. Often, we are involved in these organisations as a representative of the private sector and investment industry. These include Forest Trends, The Center for People and Forests, the Australian Forest Products Association, FSC Australia, and the Center for Business and the Environment at Yale.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.		

✓ Yes

	If yes
	<input checked="" type="checkbox"/> Yes, individually <input checked="" type="checkbox"/> Yes, in collaboration with others
SG 11.2	Select the methods you have used.
	<input checked="" type="checkbox"/> Endorsed written submissions to governments, regulators or public policy-makers developed by others <input checked="" type="checkbox"/> Drafted your own written submissions to governments, regulators or public-policy makers <input checked="" type="checkbox"/> Participated in face-to-face meetings with government members or officials to discuss policy <input type="checkbox"/> Other, specify
SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
	<input checked="" type="radio"/> Yes, publicly available https://olis.leg.state.or.us/liz/2019R1/Measures/Exhibits/HB2020 https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/160531 <input type="radio"/> No
	<input type="radio"/> No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
	New Forests primarily engages with policymakers and regulators on issues pertaining to investment in forestry, land, and regulated markets for ecosystem services. We also engage on related issues such as overseas investment policy and the sustainable development agenda. During 2019, we continued to advocate for policy frameworks that enable long-term, patient capital investment in the forest sector and that promote innovation in the forest sector, including via investment in new markets development for low carbon products. New Forests' CEO David Brand is on the Forest Industry Advisory Council to the Australian Government.

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.
	<input type="checkbox"/> Yes, we use investment consultants <input checked="" type="checkbox"/> No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).								
	<input checked="" type="checkbox"/> Yes, in order to assess future ESG factors <table border="1"> <tr> <td></td> <td>Describe</td> </tr> <tr> <td></td> <td>New Forests addresses key sustainability risks and opportunities and accounts for macro drivers, e.g. climate change, population growth, and resource depletion. We focus on the forestry asset class in large part due to its ESG profile.</td> </tr> </table> <input checked="" type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities <table border="1"> <tr> <td></td> <td>Describe</td> </tr> <tr> <td></td> <td>New Forests integrates scenarios for carbon pricing where relevant to the investment return in asset and portfolio models, considers the evolving local, national, and international frameworks for climate policy, and actively promotes investments that align with meaningful climate action, supporting alignment with the Paris Agreement.</td> </tr> </table> <input type="checkbox"/> No, our organisation does not currently carry out scenario analysis and/or modelling		Describe		New Forests addresses key sustainability risks and opportunities and accounts for macro drivers, e.g. climate change, population growth, and resource depletion. We focus on the forestry asset class in large part due to its ESG profile.		Describe		New Forests integrates scenarios for carbon pricing where relevant to the investment return in asset and portfolio models, considers the evolving local, national, and international frameworks for climate policy, and actively promotes investments that align with meaningful climate action, supporting alignment with the Paris Agreement.
	Describe								
	New Forests addresses key sustainability risks and opportunities and accounts for macro drivers, e.g. climate change, population growth, and resource depletion. We focus on the forestry asset class in large part due to its ESG profile.								
	Describe								
	New Forests integrates scenarios for carbon pricing where relevant to the investment return in asset and portfolio models, considers the evolving local, national, and international frameworks for climate policy, and actively promotes investments that align with meaningful climate action, supporting alignment with the Paris Agreement.								

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
	<input checked="" type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input checked="" type="checkbox"/> Allocation of assets between geographic markets <input type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]
	To date, New Forests' scenario analysis is largely qualitative, and we acknowledge further analysis is required to assess ESG and climate scenarios for long-term asset management. In our ANZ funds, we have investment exclusions for native forests (motivated by ESG factors), and funds are dedicated to sustainable plantation forestry. We also set asset allocation targets based on the ESG considerations by country. For example, our Asian strategy considers how ESG factors may influence investments while still enabling ESG improvements. Some of the target countries offer more challenging investment conditions, generally speaking, due to ESG factors and the scale and quality of assets. In the US, New Forests developed a proprietary approach to originations that targets high-climate-impact timberland investment opportunities. This strategy seeks to provide investors exposure to higher risk-adjusted

returns while sequestering and storing more carbon in sustainably managed forests in the US. This is a direct climate solutions investment strategy that meets emerging investor demand for low-carbon investments.

New Forests plans to add quantitative scenario analysis and has initiated a program for integration of scenario analysis in its ANZ investment program as a testing ground for this approach.

SG 13 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.		
<input checked="" type="checkbox"/> Initial assessment			
	Describe		
<p>All New Forest prospective investments have been screened for climate-related risks and opportunities. To date, the scenario analysis is largely qualitative, though the company is working to quantify its process via improved TCFD-alignment and carbon footprinting. Where available, New Forests uses third-party programs and data that present climate scenario information relevant to forestry assets. New Forests analyzes climate-related risks and opportunities as part of its prospective investment due diligence using a standardised climate risk assessment tool.</p>			
<input checked="" type="checkbox"/> Incorporation into investment analysis			
	Describe		
<p>New Forests integrates sensitivity analysis, including factors that may be materially driven by climate issues, into its modelling and appraisal for prospective investments. New Forests also uses third-party programs and data, where available, to understand the potential impacts of climate-related issues on prospective investments.</p>			
<input type="checkbox"/> Inform active ownership			
<input type="checkbox"/> Other			
SG 13.5 CC	Indicate who uses this analysis.		
<input checked="" type="checkbox"/> Board members, trustees, C-level roles, Investment Committee			
<input checked="" type="checkbox"/> Portfolio managers			
<input checked="" type="checkbox"/> Dedicated responsible investment staff			
<input type="checkbox"/> External managers			
<input type="checkbox"/> Investment consultants/actuaries			
<input type="checkbox"/> Other			
SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.		
<input checked="" type="radio"/> Yes			
	Describe		
<p>New Forests analyses climate-related risks on short, medium, and long-term time scales to best understand the relevant factors. Part of this is due to the long timeframe of forestry investments. Additionally, the company has looked at risks beyond the investment time horizon due to the understood long-term nature of climate change and its associated impacts.</p>			
<input type="radio"/> No			
SG 13.7 CC	Indicate whether a range of climate scenarios is used.		
<input checked="" type="checkbox"/> Analysis based on a 2°C or lower scenario			
<input type="checkbox"/> Analysis based on an abrupt transition, consistent with the Inevitable Policy Response			
<input type="checkbox"/> Analysis based on a 4°C or higher scenario			
<input type="checkbox"/> No, a range is not used			
SG 13.8 CC	Indicate the climate scenarios your organisation uses.		
Provider	Scenario used		
IEA			
IEA			
IEA			
IEA			
IEA			
IRENA			
Greenpeace			
Institute for Sustainable Development			
Bloomberg			
IPCC			

IPCC	<input checked="" type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div>Other (1) please specify:</div> <div>Australian Climate Futures (CSIRO)</div>
Other		
Other		

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- ☒ Changing demographics
- ☒ Climate change
- ☒ Resource scarcity
- ☒ Technological developments
- ☒ Other, specify(1)

	other description (1)
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Environmental change, including increasing exposure to acute and chronic physical risks, e.g. forest fires, windstorms, pests, and disease

- ☐ Other, specify(2)
- ☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
---------	--

- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☒ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.
--	--

Total AUM
5,598,762,725 AUD
3792599687 USD

	Specify the framework or taxonomy used.
--	---

All of New Forests' investments align with the Forestry Activities listed in the Low Carbon Investment Registry Taxonomy, including sustainable forest management, plantation establishment, and carbon-sequestration related improved forest management and related processing of timber products. These investments are offered through dedicated sustainable forestry funds and separate accounts.

- ☐ Phase out your investments in your fossil fuel holdings
- ☐ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☒ Used emissions data or analysis to inform investment decision making
- ☒ Sought climate change integration by companies
- ☒ Sought climate supportive policy from governments
- ☒ Other, specify

	other description
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Investing in GHG offset projects for regulated carbon markets

- ☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
---------	--

- ☐ Scenario analysis
- ☐ Disclosures on emissions risks to clients/trustees/management/beneficiaries
- ☐ Climate-related targets
- ☐ Encouraging internal and/or external portfolio managers to monitor emissions risks
- ☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- ☐ Weighted average carbon intensity

- ☐ Carbon footprint (scope 1 and 2)
- ☒ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☐ Carbon intensity
- ☒ Exposure to carbon-related assets
- ☒ Other emissions metrics
- ☒ Other, specify

other description
Investment strategy dedicated to investing in GHG offset projects for regulated carbon markets and inclusion of carbon offset projects in sustainable forestry funds

- ☐ None of the above

SG 14.5	Additional information [Optional]
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New Forests' vision is for forestry to become a leading sector in the transition to a sustainable future. The interconnectedness of the forest sector and climate change is central to this vision, with sustainable forestry and nature-based climate solutions (NCS) both essential in any climate mitigation pathway that can achieve the goals of the Paris Agreement. While this response focuses on climate, there is rising recognition of the need to understand the impact and risk of business on nature and biodiversity, as well as the risks and opportunities that businesses face relating to nature and biodiversity. Climate and biodiversity are both included in New Forests' vision, which drives our business planning and strategy, making climate change, climate impact, and other environmental and social impacts central considerations in our business.

New Forests' business strategy anticipates increasing risks from climate change, primary related to physical risks to forestry assets, but also believes there are positive opportunities for the forest sector in the global transition to a zero-carbon economy. Key trends affecting our business include climate regulation and demand for sustainable materials and sustainable investments. New Forests is positioned to benefit from positive feedback cycles linked to increased demand for low carbon investment, increased timber demand for low-carbon fibre and building materials, and product and investment innovation in NCS.

With an ongoing cycle of carbon sequestration and storage – both in the forest and in sustainable forest products – forestry investments align with a low-carbon economy, particularly with opportunities in the growing circular bioeconomy. Such investments may also benefit from carbon pricing if they can increase the amount of carbon stored in biomass over time. New Forests anticipates sustainable forestry investments will meet the emerging requirements for green finance and sustainable investment. For example, under the EU Sustainable Finance Taxonomy, forestry investments only qualify as sustainable if they include forest certification and GHG accounting. When considering the overall life cycle for timber and wood fibre products, it is also important to consider downstream emissions associated with transportation and timber processing. Innovation and operating efficiencies throughout the sector will continue to deliver emissions reductions throughout the supply chain while also contributing to the long-term storage of carbon in durable wood products.

New Forests' investment strategies have the potential to bring capital to forestry-based climate change mitigation, adaptation, and resilience solutions. New Forests' regional investment strategies promote climate action, such as:

- Our US Carbon Forestry strategy monetises carbon sequestration through the California emissions cap-and-trade market, combining carbon finance with timber harvest revenue, informed by proprietary analysis to target high carbon value properties.
- Our investment program in Southeast Asia includes a mandate to undertake additional climate mitigation activities, such as environmental restoration, reforestation, and avoided deforestation, as part of forestry investments that combine production and conservation.
- Our Australia and New Zealand investments participate in carbon markets via the New Zealand Emissions Trading Scheme and the Australian Carbon Climate Solutions Fund.

SG 14 CC	Voluntary	General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Portfolio carbon footprint	All assets	To understand overall climate impact of funds and contribution to carbon removals	tCO2e	Proprietary carbon calculations, moving toward GHG Protocol
Exposure to carbon-related assets	Minority of assets	Minority is due to low-carbon nature of sustainable forestry		
Other emissions metrics	All assets	Carbon stock in biogenic carbon (forest carbon)	tCO2e	

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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- ☒ Processes for climate-related risks are integrated into overall risk management

Please describe

Board and management role in oversight and assessing climate-related risks and opportunities

New Forests' Board and Executive Committee recognise that forestry investment solutions are critical to address the climate crisis. Relevant climate change-related risks and opportunities are reviewed by the Board through the business planning and strategy review process. New Forests' Executive Committee is responsible for implementation and monitoring of the business plan and strategy development on an ongoing basis.

Identifying and managing climate-related risks and opportunities

Climate change-related risks and opportunities are also integrated into the company's enterprise risk management (ERM) framework, such that significant policy, market, and physical risks related to climate change are monitored and discussed. The ERM is guided by the risk appetite statement endorsed by the New Forests Board of Directors and includes regular review of risks at the New Forests corporate level, which is informed and supported by fund-level and asset-level risk assessment and management. Each risk is assigned a risk rating and tolerance, with stated mitigations and residual risk ratings determined. New Forests' management of climate-related risks spans from financial risk mitigations such as insurance for tree crops, to ensuring local property management strategies include operational risk mitigation, through to stakeholder engagement in industry and policy forums, seeking to ensure forests are considered a vital part of the response to climate change.

New Forests is also active in investor groups on climate changes, including membership in CERES, IGCC, and AIGCC. Through engagement in the policy working groups of these investor organisations, New Forests aims to stay informed of policy changes and potential regulatory issues that may affect our investments. In addition, a member of New Forests' US investment team leads US public policy engagement on climate and forest policy, and the company is part of a multi-stakeholder coalition that promotes the role of forestry in climate mitigation from a policy perspective. This active engagement is an important risk mitigant, and moreover aims to enhance New Forests' ability to capture opportunities from supporting the transition to a low-carbon economy.

☐ Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1												
SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.														
<input checked="" type="checkbox"/> Yes															
SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.														
100%															
SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.														
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☐ No

SG 16	Mandatory	Descriptive	General
SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		
Asset Class	Describe what processes are in place and the outputs or outcomes achieved		

Forestry	<p>New Forests' Social and Environmental Management System (SEMS) is designed to systematically identify, manage, and monitor E&S issues associated with our investment activities. The SEMS establishes a framework for each New Forests investment product to determine how it will comply with our RI Policy via a SEMS Declaration Document, which includes requirements for risk categorisation, due diligence, asset management, recordkeeping, and reporting. An annual internal audit is conducted for each fund, which supports management review, client reporting, and annual sustainability reporting.</p> <p>The Certification and Standards Guidance of the SEMS sets a minimum standard for the use of third-party certification and standards across all of our funds. We seek to achieve forest management certification with the Forest Stewardship Council (FSC) for all eligible assets. The SEMS also includes standards guidance for the use of Environmental Management Systems, the IFC Performance Standards, and forest products chain of custody certifications. Thus, a main objective of the SEMS is achieving and maintaining the appropriate third-party certifications, which results in certified assets that can sell certified timber products.</p>
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SG 16.2	Additional information [Optional].
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New Forests also uses our Sustainable Landscape Investment (SLI) framework, which entails a system of indicators and targets across six thematic drivers of ESG and investment performance. The SLI metrics are being used to assess E&S impact for the assets and identify areas of success and future improvement.

In addition to the processes described above, New Forests employs operational management staff who oversee and support third-party property managers and operating companies, working closely across a variety of ESG issues above and beyond certification requirements. ESG reporting and monitoring is integrated throughout every step of our asset management to ensure it is a continual focus and to enable us to work together with portfolio companies and property managers to manage ESG risk and capture value from ESG opportunities.

SG 18	Voluntary	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

☒ Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

New Forests is committed to accelerating investment in sustainable forestry – a necessary component of meeting the aims of the Paris Agreement and the Sustainable Development Goals. As our business grows, we are innovating in financial models and structure, building new coalitions, and pushing the boundaries on forestry investment management. We do this in relentless pursuit of our mission: to see forestry as a sector leading the transition to a sustainable future. Recent highlights include:

- Commencing a Climate Risk & Strategy Work Plan that has advanced two key initiatives: (1) TCFD alignment not only for our investment management business, but now embedding TCFD-aligned requirements for our forestry assets. For our business, we have released a Climate Disclosure Report that covers Governance, Strategy, Risk, and Metrics and Targets for New Forests. For the investments we manage, we are working with external advisors to ensure we integrate strong data and science in the development of a consistent approach to assessing climate-related issues, climate scenario analysis, and disclosure, using consistent metrics while working toward appropriate targets. (2) Establishing a Climate Neutrality Plan with ambitious targets. New Forests will be climate neutral in its operations from 2020 onward and will seek to generate net carbon removals through the investments we manage. This means overall, as our business and investment portfolio grow, we are consistently aligning our growth with progress toward global carbon removal targets necessary to halt and reverse the impacts of climate change.
- New Forests partnered with Generation Investment Management to initiate a new vision for Investing in Natural Climate Solutions. Through convening leading scientists, NGOs, and investors, we seek to create investor awareness of the opportunities for investing in NCS at scale. This work continues through 2020 as we work to release our shared investment vision and disseminate it throughout the investment industry, culminating with a high-level leadership summit on investing in NCS. This is a cross-asset-class initiative driven by investment managers and using a multi-stakeholder process to ensure investment strategies align with the science on NCS and that capital flows are unlocked toward this critical issue.
- Promoting blended finance as a tool to scale sustainable forestry investment in Southeast Asia – a sector in an area overlooked by most institutional investors. New Forests worked with a US-based foundation, the David & Lucile Packard Foundation, to design and launch an innovative structure that combines two equity share classes with similar rights and terms, but seeking to combine ability for high-impact-oriented investors to catalyse additional impact management within the fund, leading to the creation of increased climate, biodiversity, and community benefits. In addition to creating these additional positive impact outcomes, the high levels of ESG and impact management lower risk for commercial investors, supporting access to sustainable themed and impact investments at commercially appropriate scale, terms, and with an improved combined impact-risk-return profile.
- Creating investment products that link climate mitigation at scale with core investment returns through our Carbon Forestry strategy. This approach demonstrates the concept of "impact alpha" – where the driver of the impact is directly correlated to the financial return drivers. Through this strategy, New Forests monetizes the climate mitigation benefit of "improved forest management" using regulatory protocols for carbon offset projects, creating revenue through credits sales in the California carbon market, which delivers current income while still enabling the long-term sustainable forest management for timber production, preserving the traditional timberland investment return drivers from capital appreciation and biological growth.
- New Forests has developed a conceptual model called Sustainable Landscape Investment that encapsulates six themes that we believe drive sustainability performance in forestry investment. We would be pleased to discuss this model with the PRI or others who are interested. In 2018 we launched an ESG and impact monitoring and reporting framework across the entirety of our portfolio. Through 2020 we anticipate continuing to implement this framework while deepening its linkages throughout the investment process and our asset management governance.

☐ No

SG Checks		Checks
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☒ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

CM1 01	Mandatory	Additional Assessed	General
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CM1 01.1

Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

☐ Third party assurance over selected responses from this year's PRI Transparency Report
☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
☒ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)

☒ Whole PRI Transparency Report has been internally verified
☐ Selected data has been internally verified

☒ Other, specify

Legal, Risk and Compliance team has reviewed the whole report

☐ None of the above

CM1 02	Mandatory	Descriptive	General
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CM1 02.1

We undertook third party assurance on last year's PRI Transparency Report

☐ Whole PRI Transparency Report was assured last year
☐ Selected data was assured in last year's PRI Transparency Report
☒ We did not assure last year's PRI Transparency report
☐ None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Descriptive	General
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CM1 03.1

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

☐ We adhere to an RI certification or labelling scheme
☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
☒ ESG audit of holdings

CM1 03.4

Describe the process of external/third party ESG audit of holdings, including which data has been assured.

All forestry assets are subject to third-party certification requirements, which include regular audits of key ESG issues in each asset. New Forests' internal compliance processes also require quarterly and annual reviews of asset-level compliance with ESG requirements and fund-level review of significant ESG matters. These are assured through internal compliance requirements using compliance and risk registers.

☐ Other, specify
☐ None of the above

CM1 04	Mandatory	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

☐ Whole PRI Transparency Report will be assured
☐ Selected data will be assured
☒ We do not plan to assure this year's PRI Transparency report

CM1 06	Mandatory	Descriptive	General
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CM1 06.1

Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

☐ Data related to RI activities
☒ RI policies

Specify

Internal compliance reporting and SEMS

☒ RI related governance
☐ Other

When was the process assurance completed(dd/ mm/yy)

multiple

Assurance standard used

☐ IIA's International Standards for the Professional Practice of Internal Auditing
☐ ISAE 3402

- ☐ ISO standard
- ☐ AAF 01/06
- ☐ SSE18
- ☐ AT 101 (excluding financial data)
- ☒ Other

Specify

New Forests' compliance system requires regular attestations and reviews of compliance against the company's SEMS and RI requirements at the asset and fund levels.

CM1 07	Mandatory	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

- ☒ CEO or other Chief-Level staff

Sign-off or review of responses

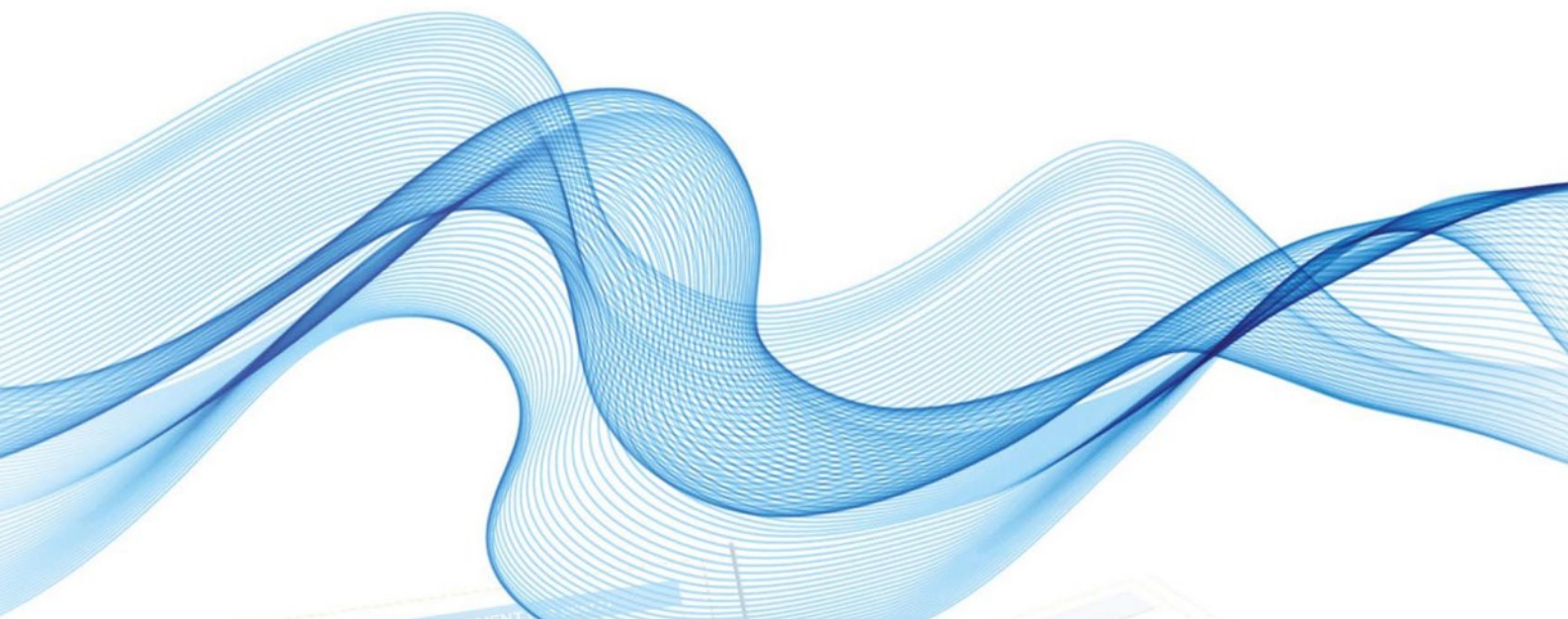
- ☒ Sign-off
- ☒ Review of responses

- ☒ The Board

Sign-off or review of responses

- ☒ Sign-off
- ☒ Review of responses

- ☐ Investment Committee
- ☒ Compliance Function
- ☒ RI/ESG Team
- ☐ Investment Teams
- ☒ Legal Department
- ☐ Other (specify)



ASSESSMENT REPORT 2020

New Forests Pty Limited

INTRODUCTION

The Assessment report is designed to provide feedback to signatories to support ongoing learning and development.

A brief description of the each section of this report and how it should be interpreted is provided below. The high-level assessment methodology can be found [here](#) and a companion document explaining the assessment of each indicator can be found [here](#)

ORGANISATIONAL OVERVIEW

This section provides an overview of the main characteristics of your organisation. This determined which modules and indicators you reported on and determines your peer groups.

SUMMARY SCORECARD

This section provides an overview of your aggregate score for each module and the median score. These bands range from 'A+' (top band) to 'E' (lowest band).

ASSESSMENT BY MODULE

For each module you reported on, you will see a section that shows your:

- Year-on-year performance
- Indicator scorecard
- Section scores
- Comparison to peer groups

PUBLISHING IN THE DATA PORTAL

Assessment Reports and private Transparency Reports are confidential and only accessible to the reporting signatory on the Data Portal.

However, the Data Portal does facilitate signatories to share these reports bilaterally with other signatories.

To request access, use the "Find A Report" tab to search, and click "Request access". To check pending requests on your own reports, go to "Settings and Requests" tab. Your nominated Data Portal Contact can approve or decline requests.

PUBLICATION GUIDELINES

It is permitted to publish your Assessment Report outside of the Data Portal, however you must take every care not to represent scores out of context, and include access to or references to: the PRI assessment methodology; your full Assessment Report (if only a section is published); and your Transparency Report.

Assessment Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties. In addition, you are not allowed to share this report with third parties unless you have been given consent by the signatory in question.

PRI DISCLAIMER

This document is based on information reported directly by signatories. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report.

YEAR ON YEAR PERFORMANCE

These charts show the trend in your module band over the last three years, and also shows the trend across the average of all reporting signatories.

INDICATOR SCORECARD

Your indicator scorecard summarises the scores you achieved for each assessed indicator within each module.

These will range from zero stars to three stars. It also provides basic information about the performance of your organisation compared with other signatories that responded to that indicator. The number of stars determines your overall module score. Please refer to the [assessment methodology](#) summary for additional information about how these scores are calculated.

PEER COMPARISON

Your total aggregated performance band for each module will be compared against your peer groups in a series of distribution charts.

Organisational Overview

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	New Forests Pty Limited
Signatory Category	Investment Manager
Signatory Type	Fund management
Size	US\$ 1 - 4.99 billion AUM
Signed PRI Initiative	2010
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	100% from 12 Voluntary indicators

YOUR ORGANISATION'S ASSETS UNDER MANAGEMENT (AUM)†		
Asset Class	Internally Managed	Externally Managed
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	>50%	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other 1	0	0
Other 2	0	0

† Asset classes were aggregated to four ranges: 0%; <10%; 10-50% and >50%

Summary Scorecard

AUM	Module Name	Your Score	<div><div></div><div>Your Score</div></div> <div><div></div><div>Median Score</div></div>
	01.Strategy & Governance	A+	<div></div> <div>A</div>

Strategy And Governance

Indicator Scorecard

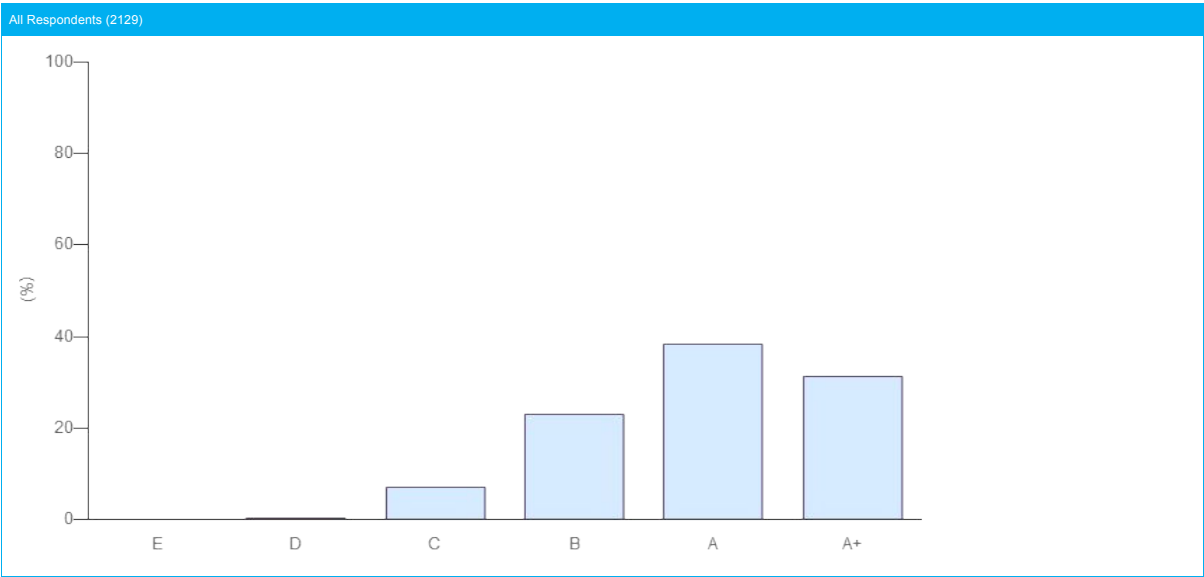
Module	Strategy and Governance
Total Score	29 ★ (out of a maximum 30 ★ from 10 indicators). Your score includes 3 additionally assessed indicators and the additional part of your score was calculated from SG 08.a, SG 08.b, SG 11.
Band	A+

SECTION	INDICATOR			MEDIAN PEER SCORE (# PEERS)	YOUR SCORE	CHANGE AGAINST LAST YEAR
	NUMBER	TYPE	TOPIC			
RI Policy	SG 01	CORE	RI Policy and coverage	★★★★ (2127)	★★★★	—
	SG 02	CORE	Publicly available RI policy or guidance documents	★★★☆ (2127)	★★★☆☆	—
	SG 03	CORE	Conflicts of interest	★★★★ (2127)	★★★★	—
Objective & Strategies	SG 05	CORE	RI goals and objectives	★★★★ (2127)	★★★★	—
Governance & Human Resources	SG 07	CORE	RI roles and responsibilities	★★★★ (2127)	★★★★	—
	SG 08a	ADDITIONAL	RI in performance management & rewards	★★★★ (2127)	★★★★	—
	SG 08b	ADDITIONAL	RI in personal development / training	★★★★ (2127)	★★★★	⬆
Promoting RI	SG 09	CORE	Collaborative organisations / initiatives	★★★☆ (2127)	★★★★	—
	SG 10	CORE	Promoting RI independently	★★★★ (2127)	★★★★	—
	SG 11	ADDITIONAL	Dialogue with public policy makers or standard setters	★★★★ (2127)	★★★★	—
ESG Issues In Asset Allocation	SG 14	ADDITIONAL	Investment risks and opportunity	★★★★ (2127)	★★★★	—
Assurance of Responses	CM 01	ADDITIONAL	Assurance, verification, or review	★★★☆ (2127)	★★★★	—

COMPARISON WITH PEERS

Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

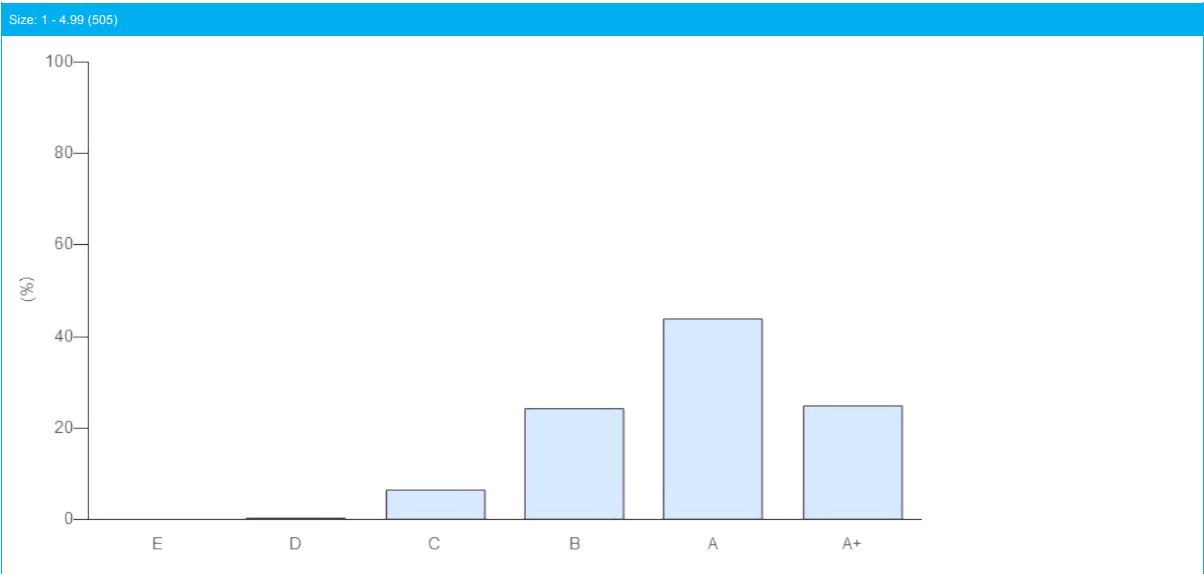
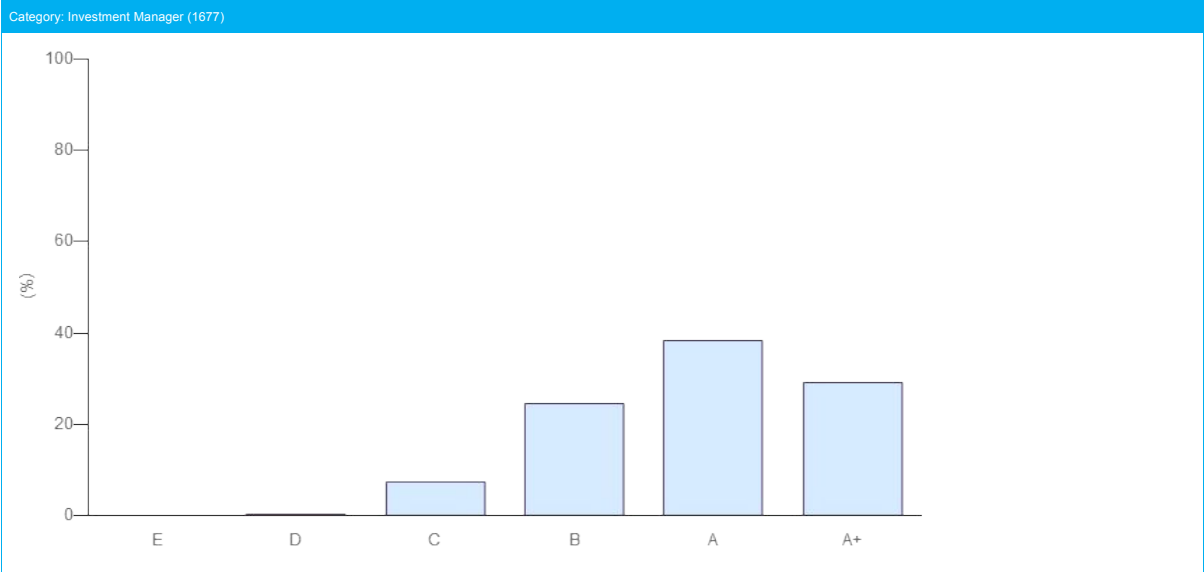
Module	STRATEGY AND GOVERNANCE
Band	A+



COMPARISON WITH PEERS

Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

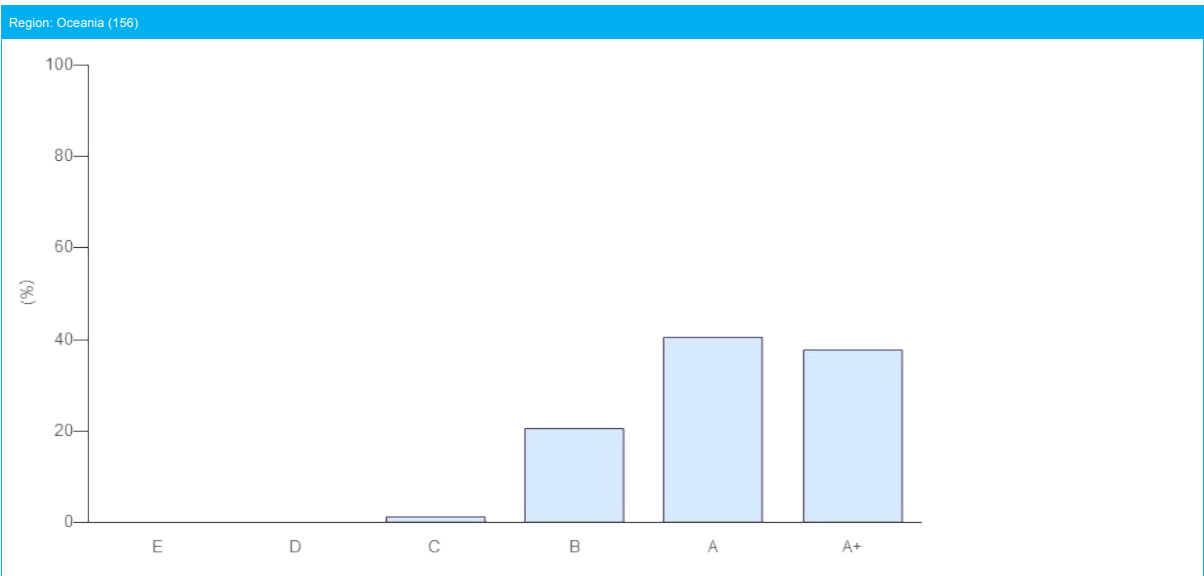
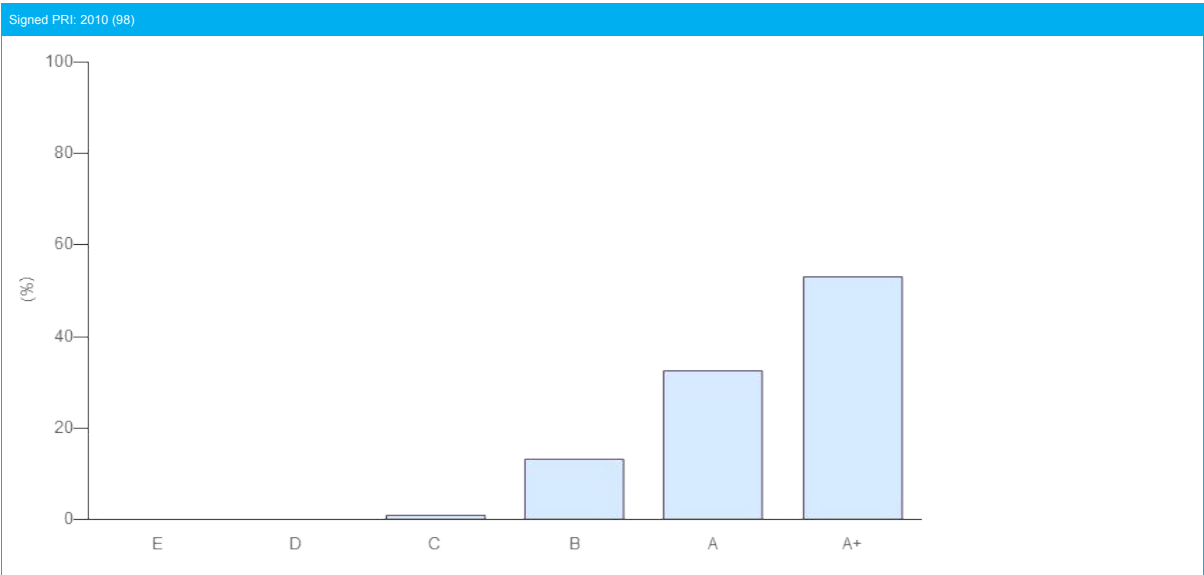
Module	STRATEGY AND GOVERNANCE
Band	A+



COMPARISON WITH PEERS

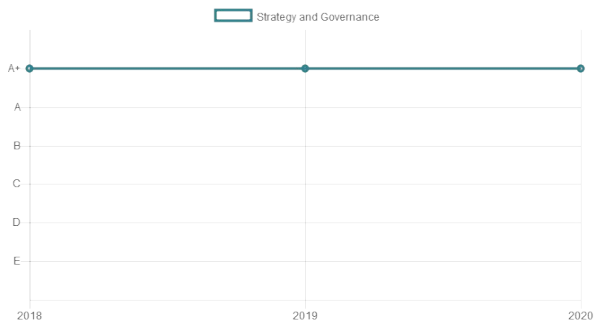
Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

Module	STRATEGY AND GOVERNANCE
Band	A+



Your Company Year-On-Year Performance

"Strategy & Governance"



Average Year-On-Year Trends

"Strategy & Governance"

