

28/06/24

Nicole Yazbek-Martin
Head of Taxonomy and Natural Capital
Australian Sustainable Finance Institute

Via email: taxonomy.consultation@asfi.org.au

Dear Head of Taxonomy and Natural Capital,

Re: Australian Sustainable Finance Taxonomy V0.1 First Consultation May 2024

AustralianSuper welcomes the opportunity to provide feedback on the first round of the Australian Taxonomy Public Consultation. AustralianSuper is Australia's largest superannuation fund, with over 3.4 million members, and over \$335bn of member assets. Our purpose is to help members achieve their best financial position in retirement.

The Australian Sustainable Finance Taxonomy has the potential to increase the speed of Australia's transition to becoming a net zero economy. A consistent, globally comparable, taxonomy will improve investor confidence when they consider environmental and social factors in investment decision making.

We support the consideration of the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework in the development of the Taxonomy, while also seeking to consider the unique characteristics and dependencies of the Australian economy. We also support the approach of identifying priority sectors and the initial prioritisation of electricity generation and supply (energy), minerals, mining and metals, and construction and the built environment.

To ensure the Taxonomy meets its objective, consideration needs to be given to the flow of data between financial entities (data compilers) and the companies (data producers) they invest in. As compilers, super funds are dependent on the information provided to them by the companies they invest in.

Expanding the Taxonomy to cover nature-related risks and opportunities is particularly important in Australia given our unique ecosystems, and the cultural significance they represent to First Nations people. Incorporating nature-related issues into the Taxonomy would allow investors to better consider material environmental risks and factor in environmental opportunities. Biodiversity and ecosystems should also be given a stronger focus due to Australia's unique habitat and contribution to global biodiversity.

As previously flagged, our preferred approach is to allow the Taxonomy to commence and then, informed by experience, consider how best to embed the Taxonomy into Australia's regulatory architecture. We look forward to providing further feedback to the second round of public consultation in Q4 2024.

We would be pleased to provide additional information or to discuss this submission in further detail. If that would be of assistance, please do not hesitate to contact me or Nick Coates (ncoates@australiansuper.com).



Yours sincerely,

Paula Benson AM
Chief Officer, Strategy & Corporate Affairs