

Climate change position statement

Our position

VFMC accepts the scientific consensus that human activity has significantly contributed to climate change and continues to do so.

VFMC acknowledges that the impacts and effects of climate change are systemic in nature and pose comprehensive risks to human and broader societal wellbeing, ecological health and resilience, and to the wider economy. By implication, climate change has the potential to present significant risks (and opportunities) to our client investment portfolios to varying degrees across companies, sectors, regions, asset classes.

VFMC supports the aim of the 2015 Paris Agreement to limit global warming to well below 2 degrees (moving toward 1.5 degrees) to minimise the worst impacts of climate change. This will require the economy to achieve net zero emissions by 2050.

VFMC believe that the transition to a net zero economy needs to be carefully planned and managed to best reduce and manage the impact of potential shocks that may occur as part of this transition, as well as realise opportunities that come with this economic transformation. VFMC has, accordingly, committed to net zero portfolio greenhouse gas emissions by 2050.

Our approach

Recognising that VFMC's approach will need to remain flexible and evolve over time, VFMC (or its agents on its behalf) will seek to manage investment related climate risk in alignment with the four pillars of our Investment Stewardship approach, as follows:

<p>1. Active Ownership</p>	<ul style="list-style-type: none"> Engage with investee companies and external investment managers to drive improved climate risk management and mitigation practices (and associated transparency and disclosures) Vote in support of climate related shareholder resolutions where our analysis shows that the substantive issues at hand are reasonable
<p>2. ESG Integration</p>	<ul style="list-style-type: none"> Incorporate climate change considerations into the investment decision making process, across asset classes Periodically investigate and consider setting climate-risk related targets as appropriate Consider climate risk holistically as part of the strategic asset allocation process
<p>3. Major ESG projects</p>	<ul style="list-style-type: none"> Periodically conduct detailed portfolio ESG risk analysis, including analysis of climate risk, which will feed into VFMC's approach to active ownership and ESG integration
<p>4. Collaboration and information sharing</p>	<ul style="list-style-type: none"> Collaborate with peers and as part of industry groups to influence change at a market-wide level. This includes: <ul style="list-style-type: none"> Contributing to public policy Seeking improved corporate climate risk management practices and disclosures Increase investment-related climate risk awareness and share information, knowledge and learnings with peers, clients and the investment sector more broadly