

EIRIS and CAER research highlights climate change risks and opportunities

EIRIS last week released research into some of the world's largest companies to examine how well they are responding to climate change challenges (see release below and attachment).

Focussing on the 300 largest global companies listed on the FTSE All World Index, *The state we're in: global corporate response to climate change and the implications for investors* analyses the current state of corporate response to climate change, highlights the key challenges this presents and examines the implications for investors.

CAER has used the same methodology to examine companies in the S&P/ASX 200.

Key findings include:

- **Many large cap companies at risk** – Nearly half (48%) of companies in the S&P/ASX 200 are assessed as high or very high impact for climate change - representing over AUD 545 billion market cap (climate change impact includes both direct and indirect carbon emissions)
- **High risk companies have taken initial steps - but translation into coherent climate change strategy is less apparent.** 39% of high risk companies have a corporate-wide commitment to climate change. But only 4% link board remuneration to climate change strategies. And only 9% publish a long-term strategic target to reduce emissions. Targets are an important indicator of a companies true commitment to reducing their impacts.
- **Unreliable emissions disclosure** - 39% disclose absolute data but only 11% have had their emissions externally verified. Lack of consistent and comparable emissions data presents challenges to investors.

A selection of comparative findings are presented in graph form on the attached document labeled 'Australian data'.