Sustainalytics


- Over 200 staff (100+ analysts).

- Over 300 institutional clients globally
Global Carbon Budget to 2050

‘Budget’ - 565 Gt CO2

Current Proved Reserves - 2795 Gt CO2

Oil - 615 Gt CO2
Potential Contributing Factors

- **Policy and Legal Factors** – carbon pricing, fuel efficiency standards, environmental regulations
- **Technology Factors** – CCS, energy storage technologies, alternative energy advances
- **Market / Economic Factors** - Changes in consumer behaviour, broad market changes
- **Reputational Factors** – Divestment campaigns
Factors affecting carbon risk

- Higher carbon intensity
- Longer physical assets lifespan
- Narrow margins
- Existence of low-carbon alternatives [metallurgical coal vs. thermal coal]
- Dependent on other potentially stranded assets
Moving Forward - Assessing & Managing Carbon Risk

- A demand for more detailed info on exposure
- Emergence of assessment frameworks
- Clarity on future costs will reduce misallocation of resources