

# Sustainalytics

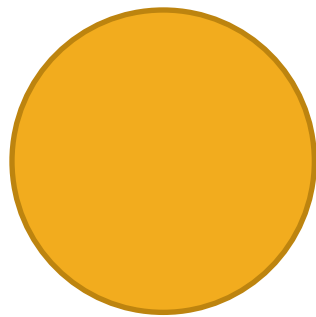


- Offices in Amsterdam (HQ), Boston, Frankfurt, Paris, London, New York City, Singapore, Timisoara and Toronto. Representative offices in Bogota, Bucharest, Brussels, Copenhagen and Washington D.C.

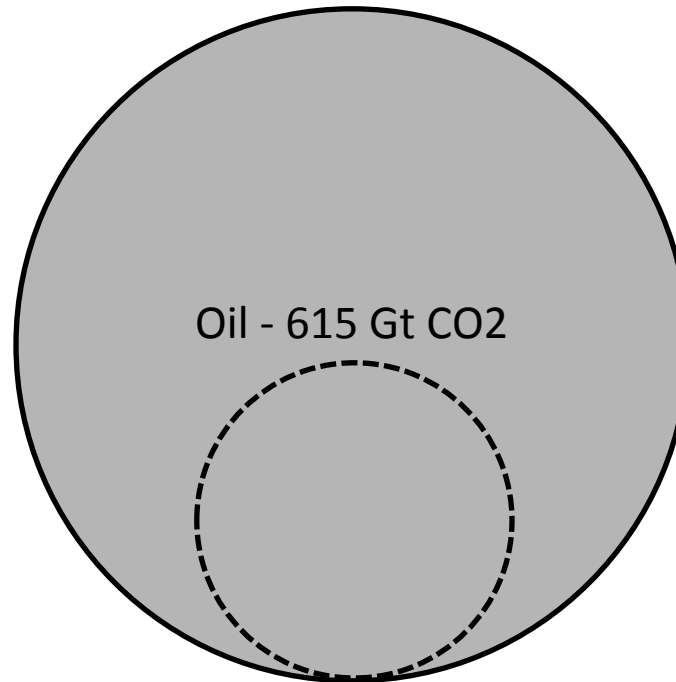
- Over 200 staff (100+ analysts).
- Over 300 institutional clients globally



# Global Carbon Budget to 2050



'Budget' - 565 Gt CO<sub>2</sub>



Current Proved  
Reserves - 2795 Gt CO<sub>2</sub>

# Potential Contributing Factors



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- 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
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## Factors affecting carbon risk

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- 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
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# Moving Forward- Assessing & Managing Carbon Risk

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