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ASIC finds Australian companies not adequately disclosing climate change risks

The Investor Group on Climate Change (IGCC) welcomes a new report released today by ASIC on the state of corporate reporting on climate change, and calls on Australian companies to lift their game to meet investor needs.

Report 593 *Climate risk disclosure by Australia's listed companies* (REP 593) sets out ASIC's high-level findings and recommendations for listed companies following an ASIC review of disclosure practices in the market.

"Financial regulators are clearly telling corporate Australia that they must report on climate change risk with the same level of rigour as any other financial risk. This report finds that currently they are not", said Emma Herd, CEO of the Investor Group on Climate Change.

"Australian companies must lift their game when it comes to reporting on climate change risks, or they risk losing access to capital".

"While there is some evidence of progress for larger companies, worryingly ASIC found that the level of reporting has actually gone backward as regulatory signals have weakened over the past few years. This is especially true for companies outside of the ASX100".

"Investors need companies to report investable data which delivers a complete picture of climate-related risks. Investors are demanding better, more meaningful information and collaborating in unprecedented numbers through initiatives such as the [Climate Action 100+](#) to push for it".

"This report shows that Australian companies have the policy and accounting frameworks they need to report on climate change risks in a meaningful way. With ASIC, APRA and the market calling for better reporting on climate change, it's time for Australia companies to step up," said Herd.

IGCC has been calling on companies to strengthen their corporate reporting on climate change disclosure for a number of years now through frameworks such as the global Taskforce on Climate-related Financial Disclosure and through the Senate Inquiry into Carbon Risk.

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For further enquiries contact:

Emma Herd +61 404 861 026

emma.herd@igcc.org.au

Visit IGCC at www.igcc.org.au

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Report 593 *Climate risk disclosure by Australia's listed companies* (REP 593) is available [here](#).

Climate Action 100+ is a five-year initiative led by investors to engage systemically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and help achieve the goals of the Paris Agreement. Investors are calling on companies to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures. Launched in December 2017, it is now supported by 300 investors with US\$30 trillion in assets under management.

The Senate Economics Reference Committee report: Carbon risk: a burning issue is available [here](#).

The Government response is [here](#).

IGCC's submission to the Senate Inquiry is available [here](#).

About IGCC

The Investor Group on Climate Change (IGCC) represents Australian and New Zealand institutional investors with over \$2 trillion of funds under management, along with members of the investment community focused on the impacts of climate and energy issues.

IGCC members are invested across the Australian economy and are part owners of most of Australia's large companies. As managers of retirement savings and pooled investments we are concerned with the evident and increasing impacts of climate change on the global and Australian economies and the flow through impacts for investment returns.