

# CHASING 1.5°C

## THE ASX200 - ON THE RIGHT TRAJECTORY?

We are already feeling the extreme impacts of a changing climate, and the financial risks it brings. While further climate change is inevitable, decisions made in the next months and years will determine its rate and magnitude. This trajectory will be largely dependent on the pathways adopted now.

For Australia to help limit warming to 1.5°C, everyone must play a role. Are Australia's listed companies\* doing enough?

It's complicated, but the short answer is no.

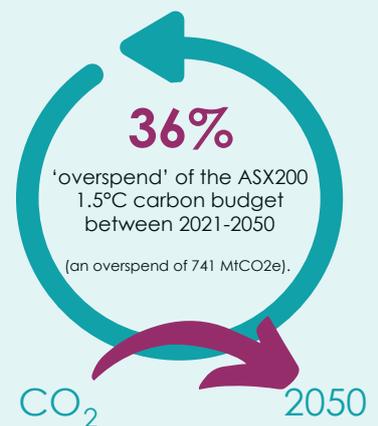
Ambitions are positive:

However



At this rate, the ASX200 will overspend its 1.5°C carbon budget

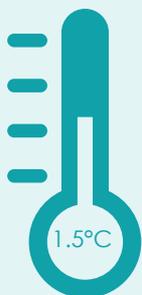
Due to the lack of short-and-medium-term targets, the research finds by 2050 there will be a:



### Net zero targets need absolute emissions reduction milestones to succeed

Ambitious net zero targets need to include all emissions and without measurable short and medium-term reductions targets, success is not guaranteed.

Only **3%** of companies have a net zero commitment in addition to an emissions reduction target for scope 1, 2 and, if applicable, scope 3 emissions.



Only **1%** of companies has these targets in line with 1.5°C.

### Big emitters, big plans

The biggest emitting sectors\*\* generate

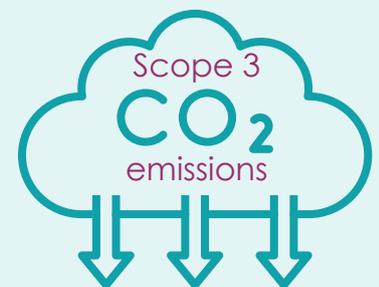
**84%** of all ASX200 scope 1 and 2 emissions.

Collectively, they've committed to at least a 95% emissions reduction by 2050 but need medium-term targets in line with 1.5°C to stay on track.



### Scope 3: The elephant in the room

The challenges of scope 3 emissions (indirect emissions outside the direct, operational control of the company) are not appropriately considered.



Each fraction of a degree the temperature rises makes a significant difference to the outcomes facing our societies, companies, economies and, consequently, investments.

Louise Davidson, CEO, ACSI

