

**10QW: From Adam Bandt MP**

**Topic: Climate change and the '4 degree pathway'**

**Question (Part 1):**

What does ASIC understand by Santos' statement that it is adopting a '4 degree pathway' (see here <https://www.marketforces.org.au/santos-shows-concept-for-investors-climate-change-at-its-agm/>) in its scenario planning?

**Answer (Part 1):**

ASIC's general practice is not to make comment on specific instances of disclosure. This is because of the inherent difficulty in making observations based on isolated statements or disclosures without having had the opportunity to consider the full context for those statements or disclosures and providing the author of those statements with an opportunity to comment.

As a general observation, ASIC notes it would not be unreasonable to expect that scenario modelling undertaken by companies in assessing their climate related risks may involve testing a range of possible outcomes. In this regard, the Financial Stability Board's Task Force on Climate-related Financial Disclosures ('TCFD') has acknowledged that scenario analysis may be a useful risk management tool for company's considering their exposure to climate risk.

**Question (Part 2):**

What does ASIC understand to be the consequences of a '4 degree' warmer world?

**Answer (Part 2):**

ASIC does not possess the expertise to form a view on this.