

11QW: From Adam Bandt MP

Topic: Statement by Santos regarding adopting the '4 degree pathway'

Question:

Does Santos appearing to adopt a '4 degree pathway' in its scenario modelling provide any cause for concern for ASIC? If not, why not?

Answer:

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 TCFD has acknowledged that scenario analysis may be a useful risk management tool for company's considering their exposure to climate risk.