

# **Copping out on climate change: Buy-side Risk Management Survey 2021**

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**Risk.net**

## ABOUT THIS SURVEY

*Risk.net*'s Buy-side Risk Management Survey was conducted in August 2021. The firms polled included asset managers, hedge funds, insurance companies and other institutional investors. The survey received 124 responses. More than half of respondents were risk managers and more than two-thirds worked at large firms, with at least \$100 billion in assets under management. Not all respondents answered every question.

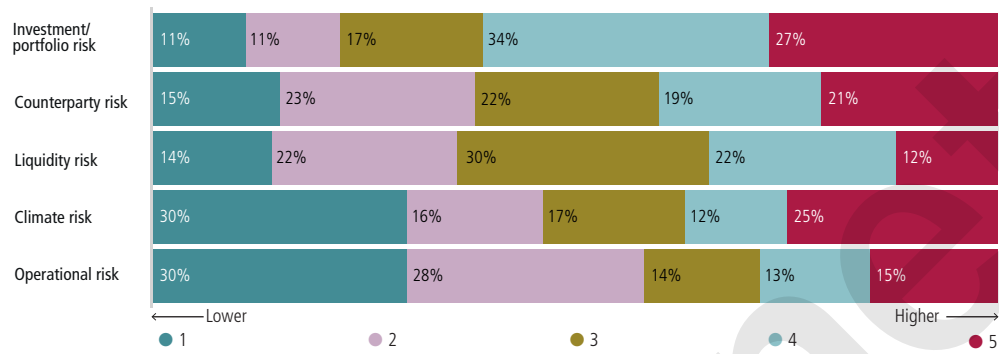
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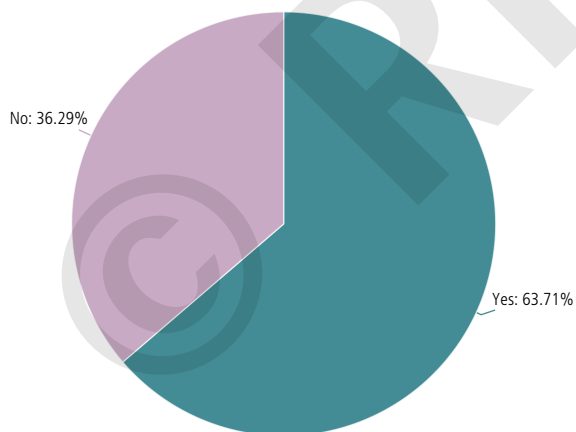


# Climate risk practices

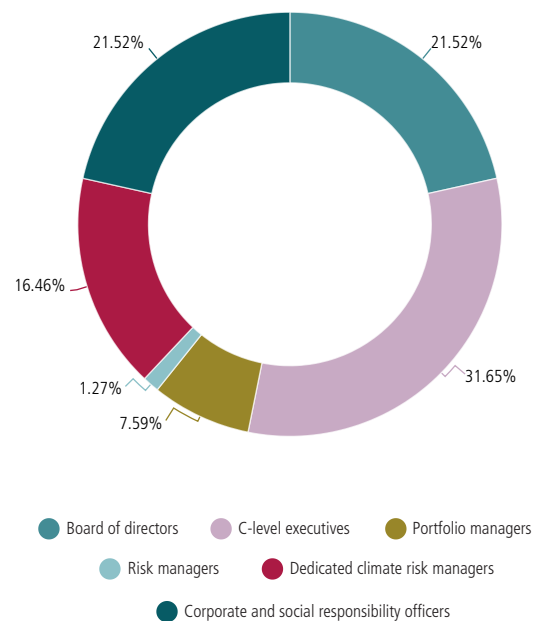
1. Rank the following sources of risk in order of importance, where 1=lowest and 5=highest



2. Does your firm have a corporate-level strategy for managing climate change-related risks?

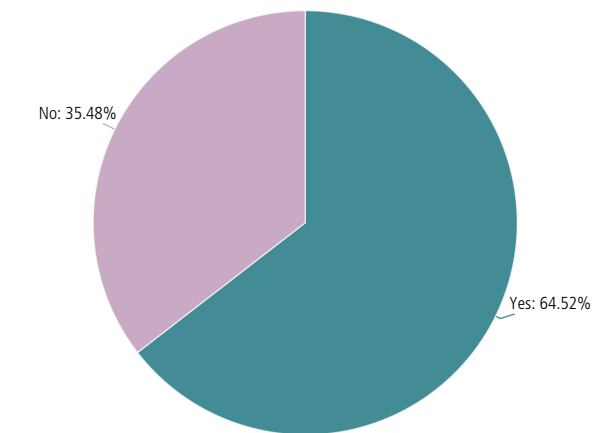


3. If so, who is responsible for implementing and executing this strategy?

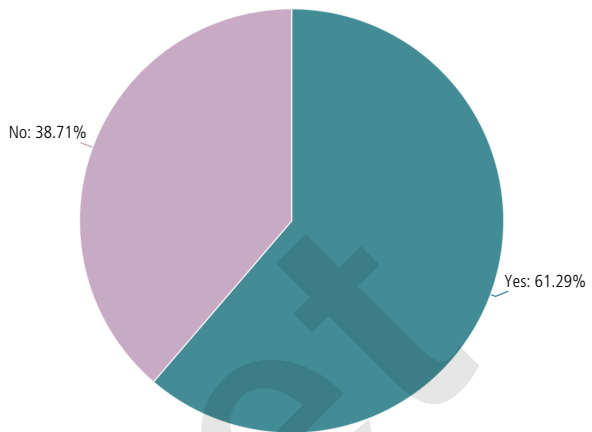


# Climate risk practices

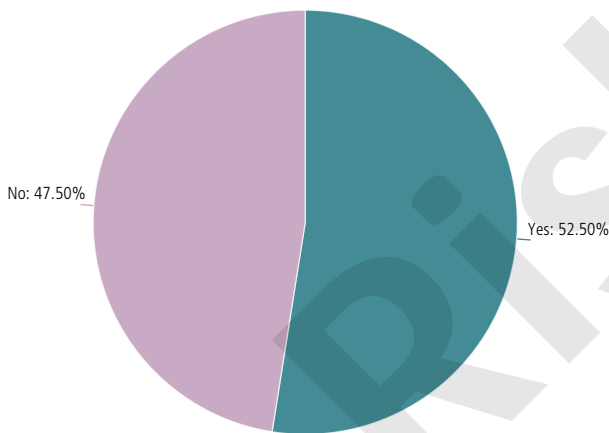
4. Do your firm's investment policies incorporate climate risk?



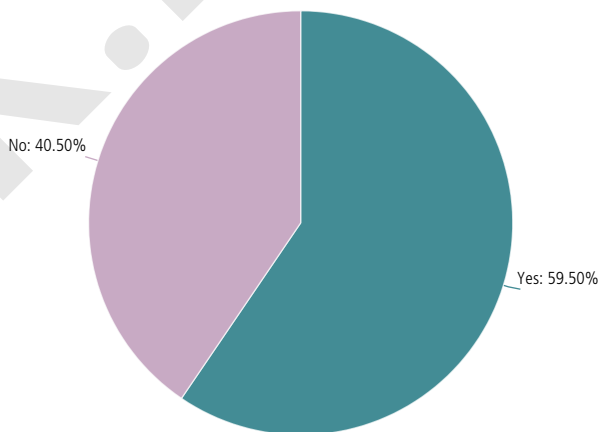
5. Has your firm assessed the potential impact of physical climate risks on its investment portfolios?



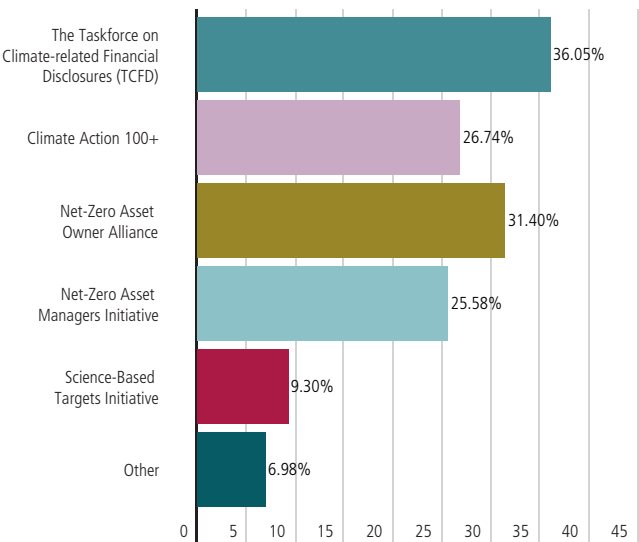
6. Has your firm assessed the impact of climate transition risks on its investment portfolios?



7. Has your firm changed any of its investment strategies in response to climate change?

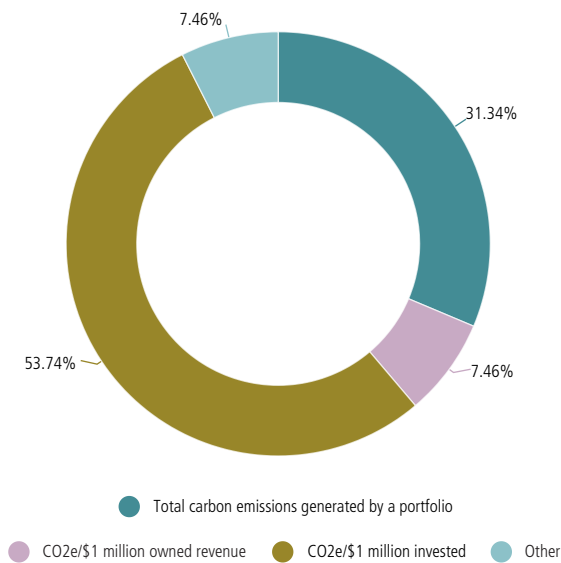


8. Is your firm a signatory or member of the following organisations?

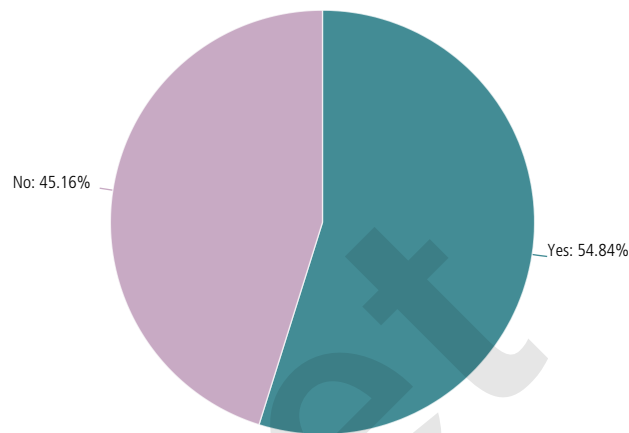


# Climate risk measurement

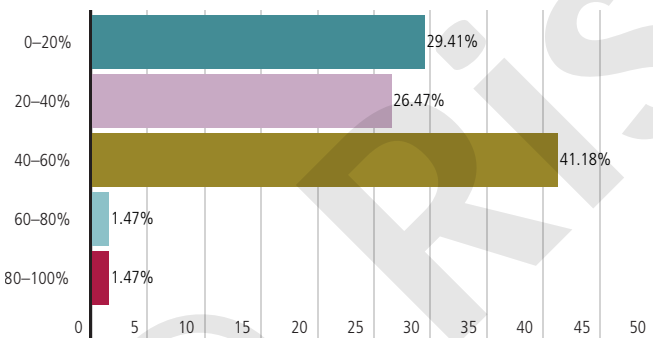
1. What is your firm's preferred metric for expressing the Scope 3 carbon emissions of its investments?



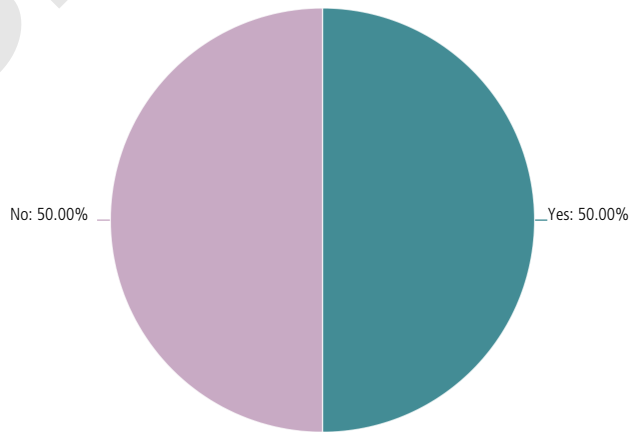
2. Does your firm calculate the Scope 3 carbon emissions of its investments?



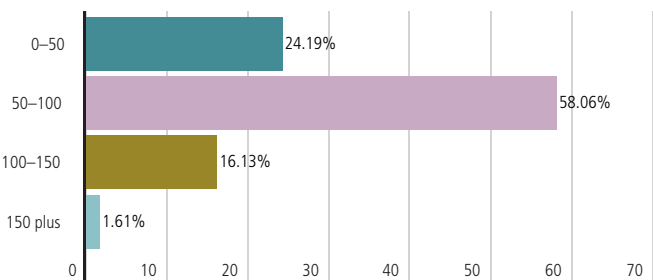
3. For what percentage of AUM has your firm calculated the Scope 3 carbon emissions of its investments?



4. Does your firm calculate a carbon intensity number for the Scope 3 carbon emissions of its investments (expressed in tonnes of CO2e/\$1 million invested)?

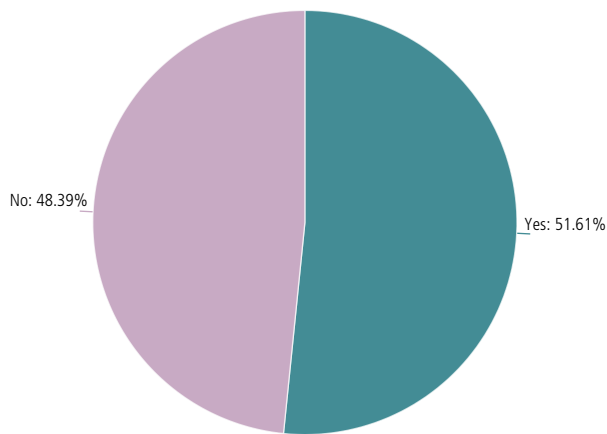


5. What is the carbon intensity number that your firm has calculated for the Scope 3 carbon emissions of its investments?

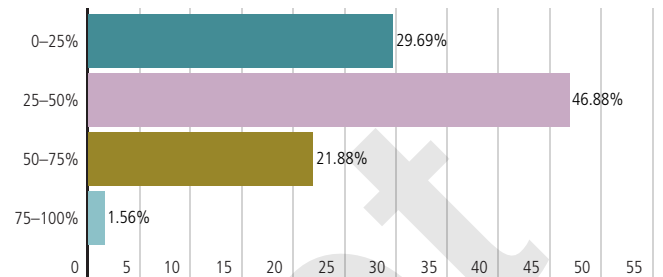


# Climate risk measurement

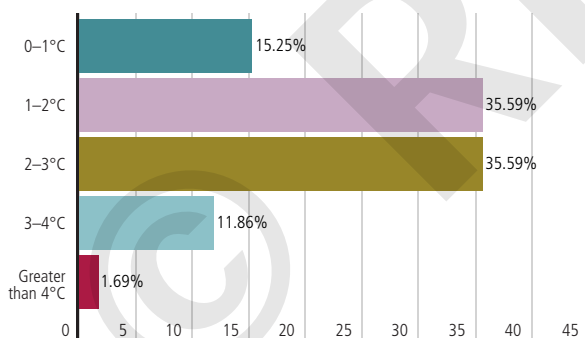
6. Does your firm calculate a temperature rating (a single number measured in degrees Celsius that shows how much global warming the portfolio will cause) for its portfolios?



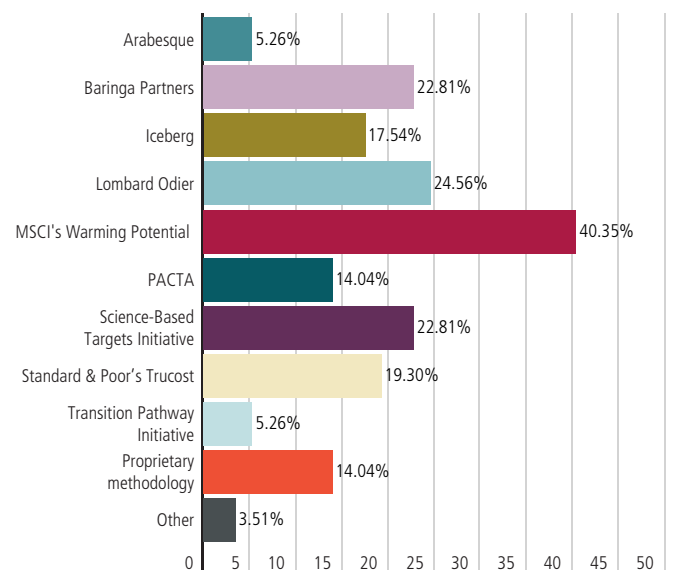
7. On what percentage of AUM has your firm calculated a temperature rating?



8. What is the average temperature rating of your firm's portfolios?

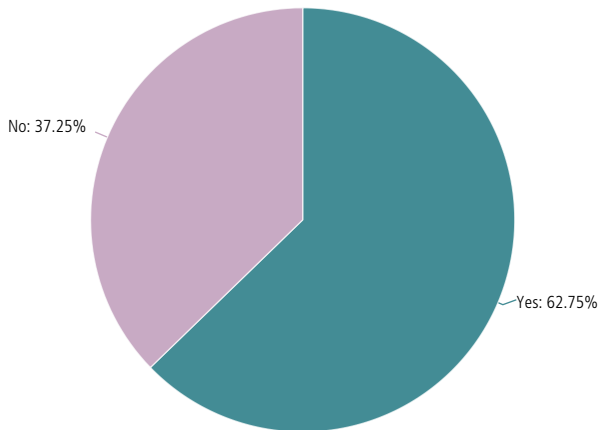


9. Which of the following methodologies does your company use to calculate the temperature rating of its portfolio?

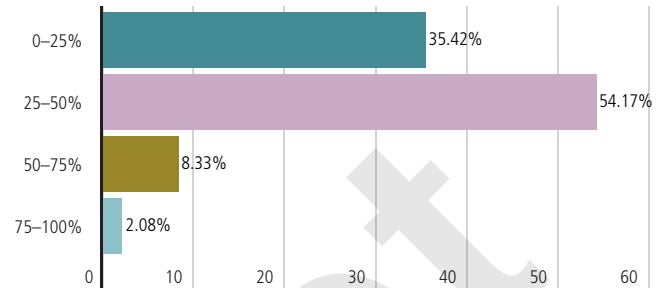


# Climate risk mitigation

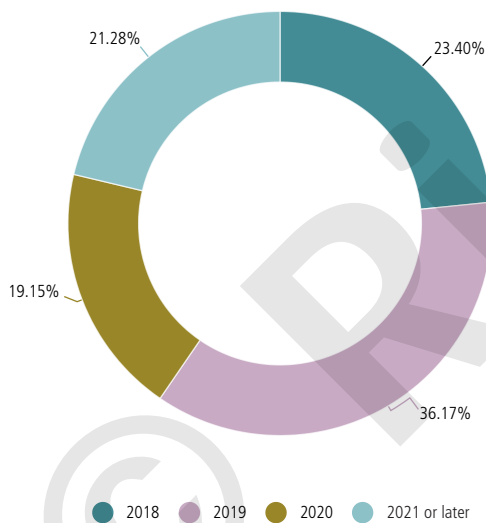
1. Has your firm set targets to reduce the carbon intensity of its investment portfolios?



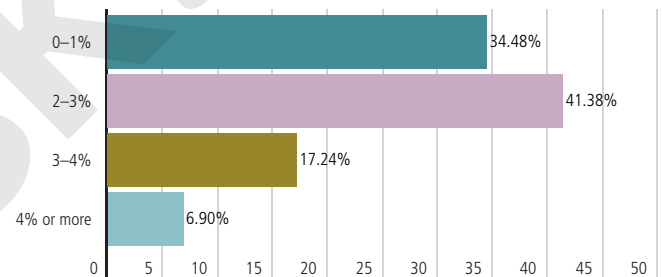
2. What percentage of your firm's total AUM are covered by this targeted reduction in portfolio carbon intensity?



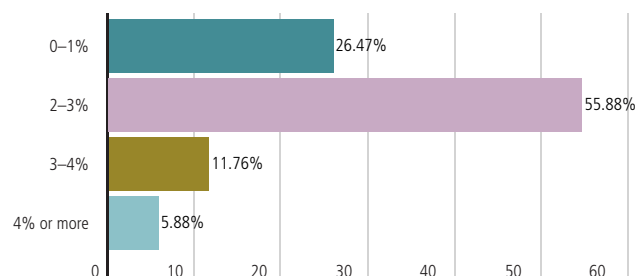
3. When was/is the baseline start date for your firm's pathway to reduce its carbon intensity?



4. What has been the percentage reduction in your firm's portfolio carbon intensity since the baseline start date?

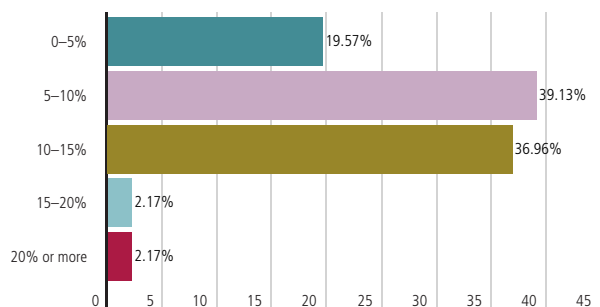


5. What reduction in portfolio carbon intensity (tonnes of CO2e/\$1 million invested) is your company targeting in 2021 in percentage terms?

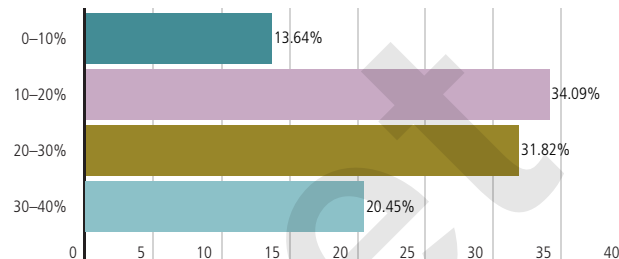


# Climate risk mitigation

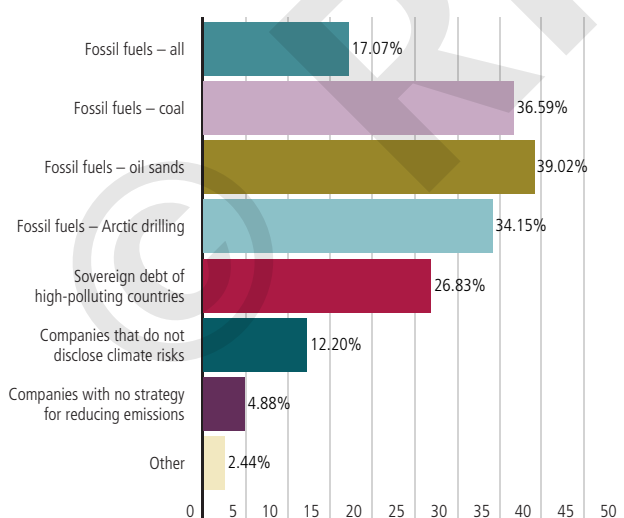
6. What percentage reduction in investment portfolio carbon intensity is your firm targeting in 2025?



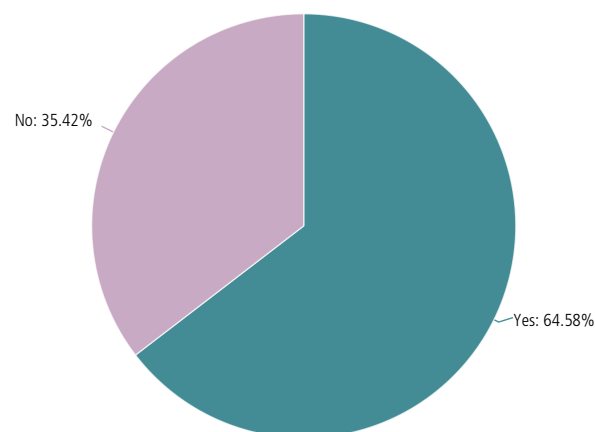
7. What percentage reduction in investment portfolio carbon intensity is your firm targeting in 2030?



8. What assets, if any, has your firm decided to exclude from its portfolios because of climate risk?



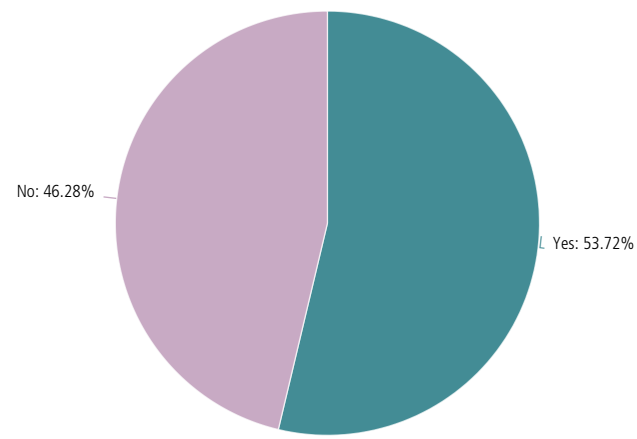
9. Has your firm introduced an early warning system to alert it to issuers that have significantly higher than average carbon intensity for their industry/sector?



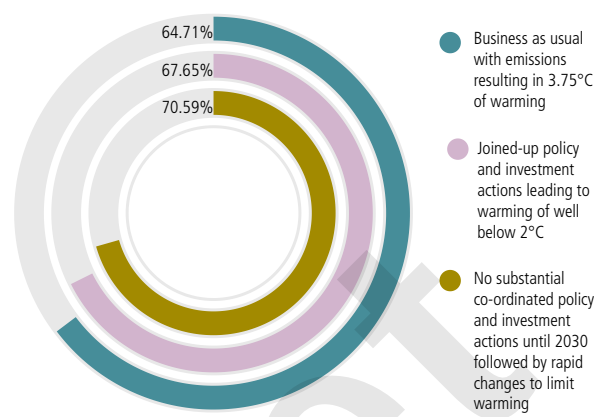


# Climate risk stress-testing

1. Does your firm run climate stress tests on its portfolios?



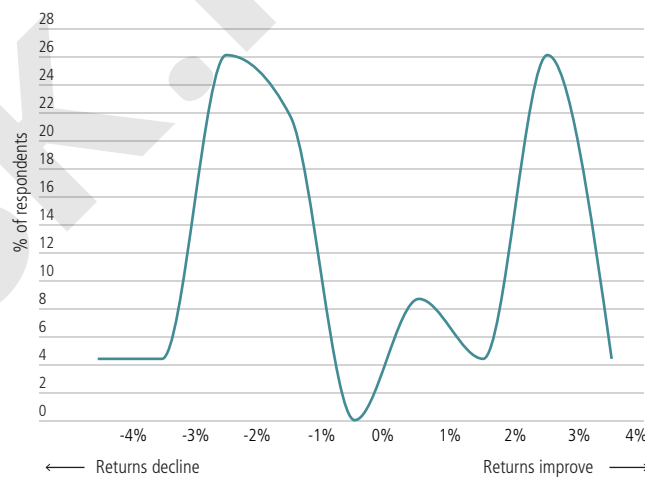
2. Which of the following climate change scenarios do you test your investments against?



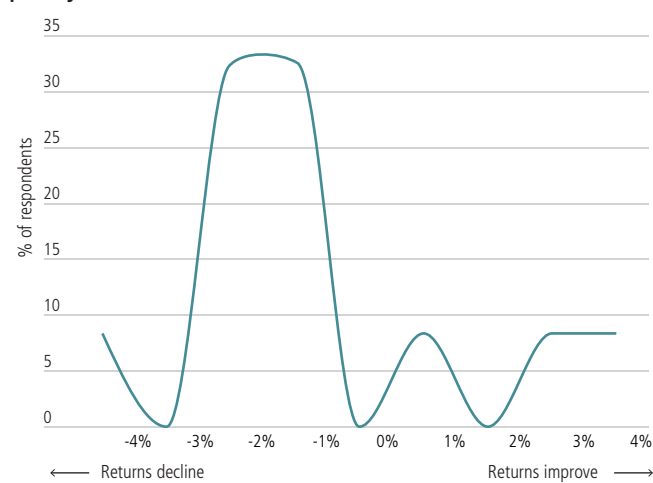
3. How do you expect your investment portfolios to fare in the 'business as usual' scenario?



4. How do you expect your investment portfolios to fare in the 'joined-up policy and investment actions' scenario?

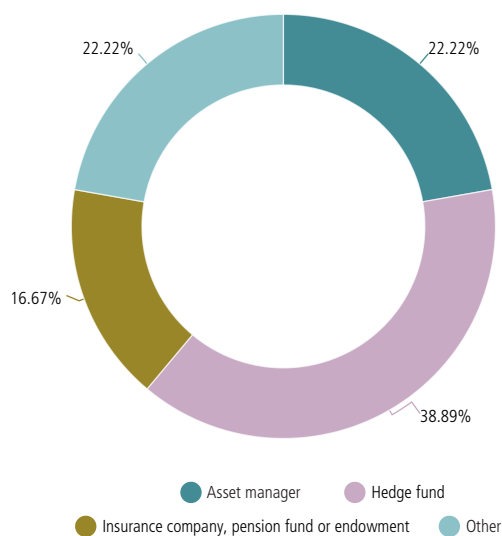


5. How do you expect your investment portfolios to fare in the 'no substantial co-ordinated policy' scenario?

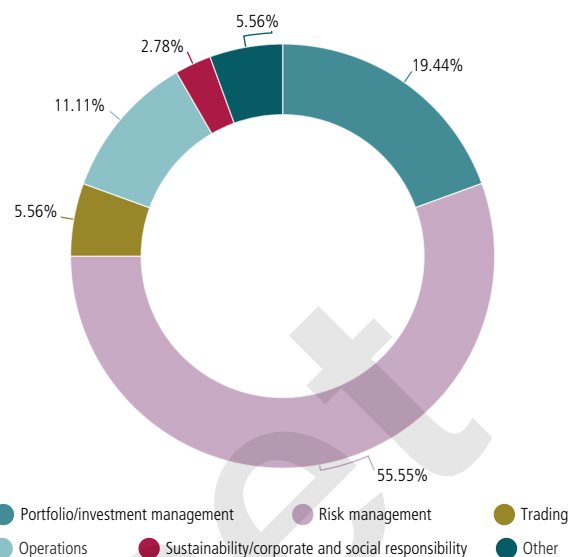


# Demographics

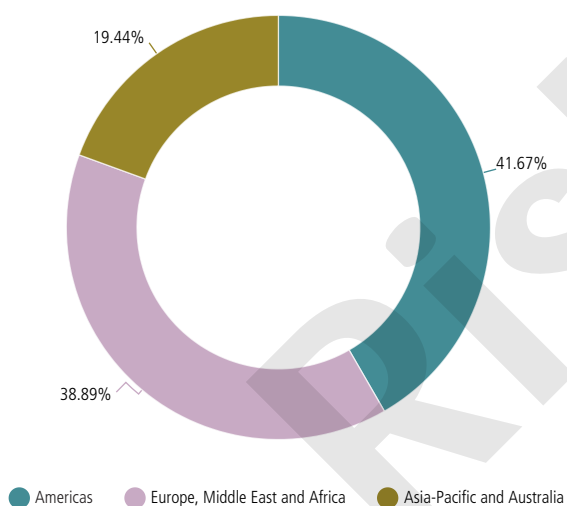
1. What type of firm do you work for?



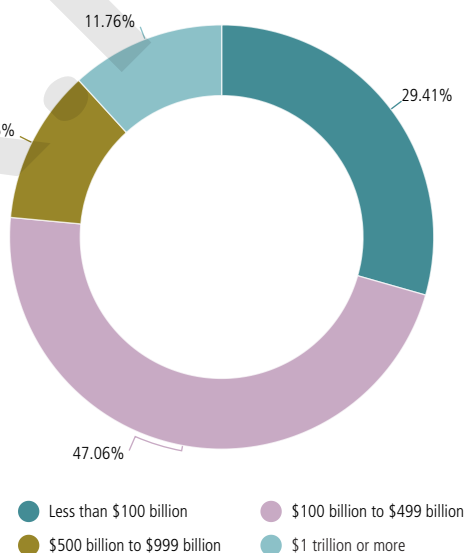
2. What is your job function?



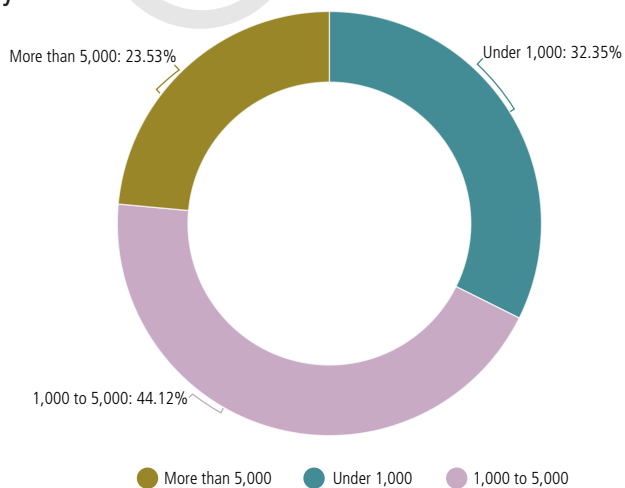
3. Where are you located?



4. What is the AUM of your firm?



5. How many full-time employees does your firm have?



6. How many risk managers does your firm have?

