



*Press Release*

## **Super Funds back investment-grade carbon risk management system**

***Emmi creates universal benchmark to fill 'big gaping hole' in investment analysis***

Melbourne – 15 June, 2021 – Emmi, a new investment-grade carbon risk management system backed by a raft of Super Funds and investment managers is launching today, enabling institutional investors to better understand their financial exposure to carbon risks and align their strategies with a net zero future.

Super Funds Aware Super, Energy Super, Future Super, as well as investment and asset managers, Melior, Hyperion and Perennial, have already backed the open and transparent platform for its ability to help them to better understand and evaluate the climate-related financial risks of businesses in their investment portfolio and their strategies to mitigate them.

Part of the Startmate Accelerator program, Emmi has received support from a number of high profile backers who have all taken board positions, including Tim Samway, Chairman, Hyperion Asset Management Ltd; Catherine Brenner, Non-Executive Director, Coca-Cola Amatil & Boral Ltd; and Patrick Sieb, Mentor and Investor, Startmate.

While an increasing number of businesses are committed to sustainability, they often struggle to accurately assess their carbon exposure risk and evaluate the effectiveness of their strategy to reduce their financial exposure to carbon over time. Yet being able to do so is becoming increasingly critical.

In 2020, the Reserve Bank of Australia joined with more than 60 other central banks worldwide to warn of the significant financial and economic risks if more isn't done to reduce emissions.

More recently, companies making net zero commitments have been told to expect ever closer scrutiny of the structures and planning in place to achieve them. This could include companies and their directors facing legal challenges for "greenwashing" their commitments to achieve their net zero carbon pledges or emissions reductions targets.

Emmi doesn't look at the climate commitments a business has made, or targets announced. Instead, it relies on objective data and carbon budgets that have been created by climate scientists to assess businesses' financial risks in a carbon constrained world.

"Shareholders are increasingly realising carbon emissions carry added financial risk and want to support businesses that are making a measurable commitment to carbon emission reductions.

At the same time, regulators are placing closer scrutiny on businesses' efforts in this respect. However, before now, there was no credible or independent way to easily reconcile these concerns with an accurate assessment of businesses' exposure or strategies. This left a big gaping hole in the analytical toolkit," Michael Lebbon, Founder & CEO, Emmi, says.

"As a purpose and impact driven organisation, we designed Emmi as a completely independent, open, transparent and affordable system that anyone can utilise to help make our world a more sustainable place, while improving their long term returns. Emmi will bring carbon into mainstream financial analysis, setting a universal benchmark that makes it easier for investors to understand their exposure and reward those businesses who are taking truly meaningful action."

### **Institutional investors take action on carbon risk**

Investment and asset managers are already using Emmi to manage down risks and reallocate capital to maintain or improve their target-risk-adjusted returns.

"Emmi provides an objective methodology to assess a company's carbon risk and compatibility with net zero emissions according to specific carbon budgets. Given the paucity of company Scope 3 emissions disclosures, it is an important tool to encourage companies to report actual emissions, rather than rely on estimates," Tim King, CIO, Melior Investment Management, says.

"At Aware Super we view climate change as the most significant financial risk to our portfolio and to our members' long-term financial future. We have been responding to these risks in an active and coordinated way since 2015 and have set ambitious targets and goals for how we will achieve net zero by 2050. Having a tool like Emmi gives us valuable insights into our carbon exposure and climate risks to ensure our investments are sustainable and continue to deliver for our members in not just years to come, but decades to come," Liza McDonald, Head of Responsible Investments, Aware Super, says.

"Emmi's accurate measuring of carbon risks in our equities portfolios enable Energy Super to manage, consider and monitor the financial risks of climate change. Emmi provides an in-depth understanding of both the investing and financial impacts of carbon emissions as well as the climate science, which is invaluable," Kevin Wan Lum, CIO, Energy Super, says.

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*Emmi is an independent, open and transparent carbon risk management system and decision-making platform, developed by Distributed Carbon Pty Ltd, an Australia-based financial technology company with deep carbon finance, climate and data science experience. Backed by major investment, asset managers and super funds, Emmi fills a void in analytical toolkits by illuminating carbon risk, bringing it into the financial mainstream. In doing so, Emmi enables businesses and their investors to clearly understand and communicate their financial exposure to carbon, align their strategies with a net zero future, and protect their returns. Learn more at Emmi.io.*

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