Chart of the Week

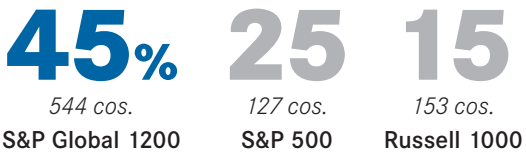
Climate Change Strategy

FROM *SUSTAINABILITY PRACTICES: 2013 EDITION*

A climate change strategy is a set of risk management procedures designed to mitigate the impact of business operations on climate change that is based on the recognition that climate change will — in the medium to long term — impair the ability of the organization to successfully pursue its strategic objectives.

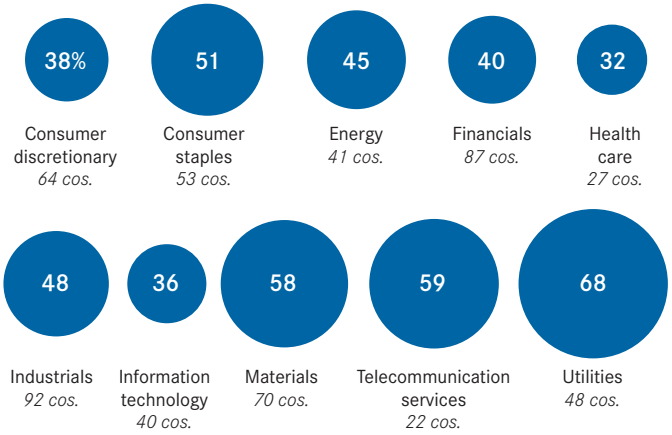
Forty-five percent of S&P Global 1200 companies reported having a strategy to address climate change, compared to 25 percent of S&P 500 companies and 15 percent of Russell 1000 companies. The sector analysis shows companies in the utilities sector were most likely to have a climate change strategy, with 68 percent of utilities companies reporting on this practice. By comparison, only 32 percent of health care companies reported having a climate change strategy.

Climate Change Strategy, Adoption Rate by Index



Source: The Conference Board/Bloomberg, 2013.

Climate Change Strategy, Adoption Rate by Sector



Sources: The Conference Board/Bloomberg, 2013.

Why it matters…

- Changes in the earth's climate can pose significant risks to business operations, especially for businesses that are highly dependent on the availability of natural resources.
- Investors and stakeholders are increasingly evaluating companies based on climate change preparedness, and a climate change strategy provides communication to stakeholders and investors on how a company plans to prepare for future risks.

For more information on this and over 70 other sustainability metrics, download *Sustainability Practices: 2013 Edition* at: www.conferenceboard.org/sustainabilitypractices or contact Matteo Tonello at matteo.tonello@conference-board.org

In collaboration with Bloomberg

Global Reporting Initiative™ Focal Point USA

CW-022 | July 2013

© 2013 The Conference Board, Inc. All rights reserved The Conference Board® and the torch logo are registered trademarks of The Conference Board, Inc.