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**Climate Change Risks/Opportunities and Regulatory Intervention as Possible  
Determinants of Sustainability Reputation: An Exploratory Study**

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**ABSTRACT**

Climate change has continued to dominate both the political and business agenda for many years now. Utilising the institutional governance framework, this research aims to explore whether regulatory intervention and the firm's anticipation of climate change risks and opportunities are related to sustainability reputation as evidenced by the firm's inclusion in the "Global 100 Most Sustainable Corporations in the World" (G100) list from 2005 to 2010. Recognising the wide visibility and strong economic impact of large corporations, the world's largest 500 companies (Top500) is the focus in this study. To facilitate an exploratory analysis, seventy-six G100 companies that are included in the Top500 are identified and matched one-to-one with other Top500 companies offering similar products/services, bringing the total sample to 152 firms. Climate change data are taken from the Carbon Disclosure Project (CDP). The logistic regression analyses confirm that the firm's anticipation of climate change opportunities is positively and significantly related with proactive firm's (G100) sustainability reputation, while the firm's recognition of climate change regulatory risks show significant and negative association implying that higher state intervention discourage reactive firms (non-G100) from neglecting climate change issues. The result also shows that the G100 companies have significantly better medium-term profitability compared to their non-G100 counterparts.

**Keywords:** World's Largest Companies, Sustainability Reputation, Climate Change Risks/Opportunities