Climate Resiliency: How Business Lead the Way Through Preparation

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Sustainable Business Consulting
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Agenda

15 mins  Overview

15 mins  Breakout – Resiliency Planning

20 mins  Report Out / Final Comments
How Resiliency is typically talked about
Social Justice

Black Lives Matter

Immigration Wars

LGBTQ Rights

Women’s March
What is Business Resilience?

The ability of an organization to quickly adapt to disruptions...

- Physical
- Financial
- Brand
- Social/Environmental

While protecting the organization’s people, value and reputation.
Comparing Index Performances: Sustainability vs. Conventional

**SPXESGUT Index** = S&P 500 ESG Total Return Index

**SPXT Index** = S&P 500 Total Return Index

Source: Bloomberg
Institutional investors are pushing companies to address climate change in their business strategies.

Climate Risk must now be disclosed in SEC Filings.

40% of shareholder resolutions filed last year dealt with climate change and environment.

6,500+ largest companies to provide info

Including the world’s 827 institutional investors.

Information seekers represent $100 trillion in assets...

100 governments disclose CDP, representing 450 million people, and US $13 trillion in GDP.
Insurance Companies are Taking Notice

US Selected Significant Climate Anomalies and Events

AK had its 2nd warmest winter, 2nd warmest spring, 2nd warmest summer and a warmer-than-average fall, culminating in its warmest year on record.

The CONUS had its 2nd warmest year on record. Every state was warmer than average. Precipitation was above average for the year.

Based on data that go back to 2000, the 65,575 fires in 2016 were the sixth fewest on record and burned more than 5.4 million acres, seventh fewest.

Persistent storm tracks led to the wettest year on record for the Upper Midwest. It was the 2nd wettest year on record for MN and WI.

Drought was persistent in the Northeast during the summer and fall. At its peak in November, it covered 56% of the region.

Above-normal annual precipitation in the West contributed to the regional drought footprint being reduced from 45% at the beginning of the year to 22% at the end.

In January, a powerful winter storm set new snowfall records in several cities in the Mid-Atlantic and was the 4th most intense storm based on the NESIS scale.

During the fall, several locations had no precipitation for 50 or more days, leading to extreme and exceptional drought which covered 36% of the Southeast at its peak.

Darby became the 2nd tropical cyclone in 3 years to make landfall in HI—only the fifth landfalling cyclone since records began in 1949.

Separate heavy rain events in the spring and summer caused catastrophic and historic flooding in LA, TX and WV.

Hurricane Matthew was the first Atlantic Category 5 hurricane since Felix in 2007. It made landfall in October as a Category 1 hurricane near Myrtle Beach, SC and caused widespread coastal and inland flooding in the Carolinas.
Top 5 Physical Global Threats

**Industries Most Affected**

- **Fossil Fuel Dependent**
  Automotive, Utilities, Manufacturing, Plastics

- **Extreme Weather**
  Insurance, Government, Distribution

- **Lack of Fresh Water**
  Agriculture, Clothes Manufacturers, Restaurants

- **Non Communicable Disease**
  Healthcare, Pharmaceuticals, Home Care, Retailers

- **Unstable Urbanization**
  Real Estate, Construction, Municipalities, Transportation
Office Practices

- Installed six high-speed scanners to scan every correspondence coming in to the office
- Web based storage allowed to them to convert storage rooms into office space.
- Saved paper, time (filing, copying, shredding), and opened up floor space on each of its three floors.
- Net Savings over $1,000,000
How to Assess the Financial Threats to Your Organization

Environmental

✓ Impacts on commodity prices: water, energy, waste
✓ Regulations, carbon taxes, cap & trade costs
✓ Cost of doing business may increase due to extreme weather; increase in insurance premiums
✓ May need redundancy in business operations
How to Assess the Brand Threats to your Organization

Social

✓ Social inaction or **workplace conditions linger** in people’s minds
✓ Social movements can lead to **boycotting** products or services
✓ Divestment movements can **attack shareholder value**
✓ The impacts of **social media**
✓ CSR reports can allude to **workplace/human rights/community progress**
## Identifying Risks and Opportunities

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<thead>
<tr>
<th>Risks</th>
<th>Financial</th>
<th>Physical</th>
<th>Social Justice/Enviro</th>
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<tbody>
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<td>Opportunities</td>
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THANK YOU!

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