



## What are the sector-specific risks?

### Food and Beverage

- Altered growing seasons / conditions and disruption to agriculture.
- Disruption to ingredient supply chains and manufacturing operations due to major weather.
- Higher and more volatile energy costs across value chains.
- Increased competition for water and water stress in some production and processing regions.

### Financial Services

- Exposure to the economic challenges of their credit customers and assets owned that experience climate risk.
- Potential changes in credit quality for bank customers with climate-related financial exposures.
- Losses for property and casualty insurers due to weather events.
- Demand for financial products resistant to climate change risks or enabling transition to low-carbon economy.

### Health and Pharmaceutical

- customer demand for certain services and treatments due to:
  - Increased asthma and allergens, heat stress, and water and vector-borne diseases.
  - Increase in health emergencies from severe weather events.
- Higher and more volatile energy costs across value chains.
- Disruption to supply chain operations due to major weather.

### Manufacturing

- Disruption to supply chains operations due to major weather.
- Higher and more volatile energy costs across value chains.
- Regulation of direct emissions in some manufacturing industries.

### Retail

- Disruption to supply chains and operations due to major weather.
- Environmentally motivated consumers after high quality products.

### Technology

- Increased real estate maintenance and operations costs.
- Disruption to supply chains due to major weather.

## Our approach

### Step 1: Identify priority business issues

- Establish focus by identifying which aspects of the business are most vulnerable to changes in climate or a transition to a low carbon economy, or present opportunities.
- Apply our proprietary business climate impact questionnaire, the financial analysis literature, and workshops to prioritize key business issues and risk pathways for Step 2 analysis.

### Step 2: Evaluate the impact

- Evaluate the likelihood and financial magnitude of the most important climate-related business risks and opportunities of incremental change.
- Physical risks: the impact of major weather events.
- Transition risks and opportunities to a low-carbon economy: assess how the business may be affected by policies, as well as technology and market changes.

### Step 3: Optimize the response plan

- Interpret and formulate an optimal response to the impact analysis in Step 2.
- Model the net cost savings from adaptation measures.
- Model strategic responses to the opportunities and risks of economic transition and conduct workshops to explore practical implementation, including disclosure.

## About Anthesis

Anthesis is a global sustainability services and solutions provider, which believes that commercial success and sustainability go hand in hand. We develop financially driven sustainability strategies, underpinned by technical expertise and delivered by innovative collaborative teams across the world.

The company combines the reach of big professional services groups with the deep expertise of boutiques. Anthesis has clients across industry sectors from corporate multinationals such as Reckitt Benckiser, Cisco, Tesco, The North Face and Target. The company brings together expertise from countries around the world and has offices in the U.S., Canada, the UK, Ireland, Germany, Sweden, Finland, China, the Philippines and the Middle East.

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