

Quantifying the Risks + Opportunities of Climate Change



Are you confident your capital allocation strategies will remain efficient in the face of climate change?

Despite uncertainties around the precise effects of climate change at a local level, impacts can still be modelled with sufficient confidence to provide valuable input to business planning and enterprise risk management.

This type of scenario modelling is encouraged by the Financial Stability Board's industry-led Task Force on Climate-Related Financial Disclosures (TCFD), among other new standards that have emerged to better meet investors' needs for ESG reporting. While some companies have taken a "compliance" approach to TCFD reporting, investors are increasingly demanding more meaningful disclosure.

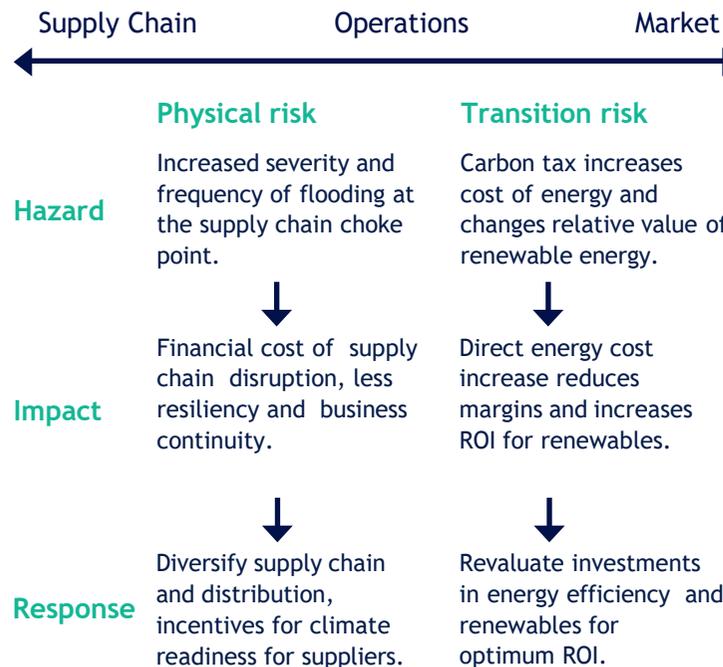
Why should I quantify climate risk and opportunities?

- Optimize costs for asset operation, maintenance, and insurance.
- Assure value chain business continuity.
- Maximize revenue potential through new business models.
- Attracting capital and reassuring investors.
- Positioning for and responding to regulation.
- Reporting via CDP and all appropriate channels based on the specifics.

Example risk-value pathway

Anthesis helps clients by proving the pathway to realize the financial value associated with climate risk and opportunity.

A risk value pathway ensures your business remains robust by assessing physical and transition risks and opportunities in your supply chain, operations and market. Anthesis can help you understand and implement this model using our 4-step approach (page 2).



Our approach

Step 1: Identify priority business issues

- Engage key internal stakeholders through a process to build awareness, alignment and capacity. This will help identify which aspects of the business are most vulnerable to changes in climate or a transition to a low carbon economy, or any present opportunities.
- Apply our proprietary business climate impact questionnaire and climate risk map, the financial analysis literature, and workshops to prioritize key business issues and risk pathways for Step 2 analysis.

Step 2: Evaluate the impact

- Model the priority physical and transition risks & opportunities and their financial impact. Evaluate the likelihood and alignment across different climate models as well as financial magnitude of the most important climate-related business R&O of incremental change.

Step 3: Optimize the response plan

- Interpret and formulate an optimal response to the impact analysis in Step 2.
- Model the net financial benefits from response measures.
- Conduct workshops to explore practical implementation tactics, including disclosure.
- Model strategic responses to the opportunities and risks of economic transition and develop a plan to make the analysis repeatable.

Step 4: Prepare to Report

- Develop an outline for disclosure and provide input and support during the review, revision, and finalization process.
- Conduct a workshop to gather feedback on the process and next steps.

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. Our client list includes 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.

Sector-Specific Risks

Anthesis has clients that span a multitude of industry sectors including food and beverage, financial services, health and pharmaceutical, manufacturing, retail and technology, among others. This positions Anthesis experts to understand sector-specific risks whether disrupted food growing seasons, increased health care demand after a natural disaster, volatile energy costs across value chains, fluctuating real estate prices, or increased competition for water resources. By understanding unique sector challenges, Anthesis can support the creation of an optimal response plan to business threats.

For further information, contact:

Cory Weiss
Associate Director, NA
Cory.Weiss@anthesisgroup.com

Kaylee Shalett
Principal Consultant, NA
Kaylee.Shalett@anthesisgroup.com

Georgie Edwards
Associate, UK
Georgie.Edwards@anthesisgroup.com