

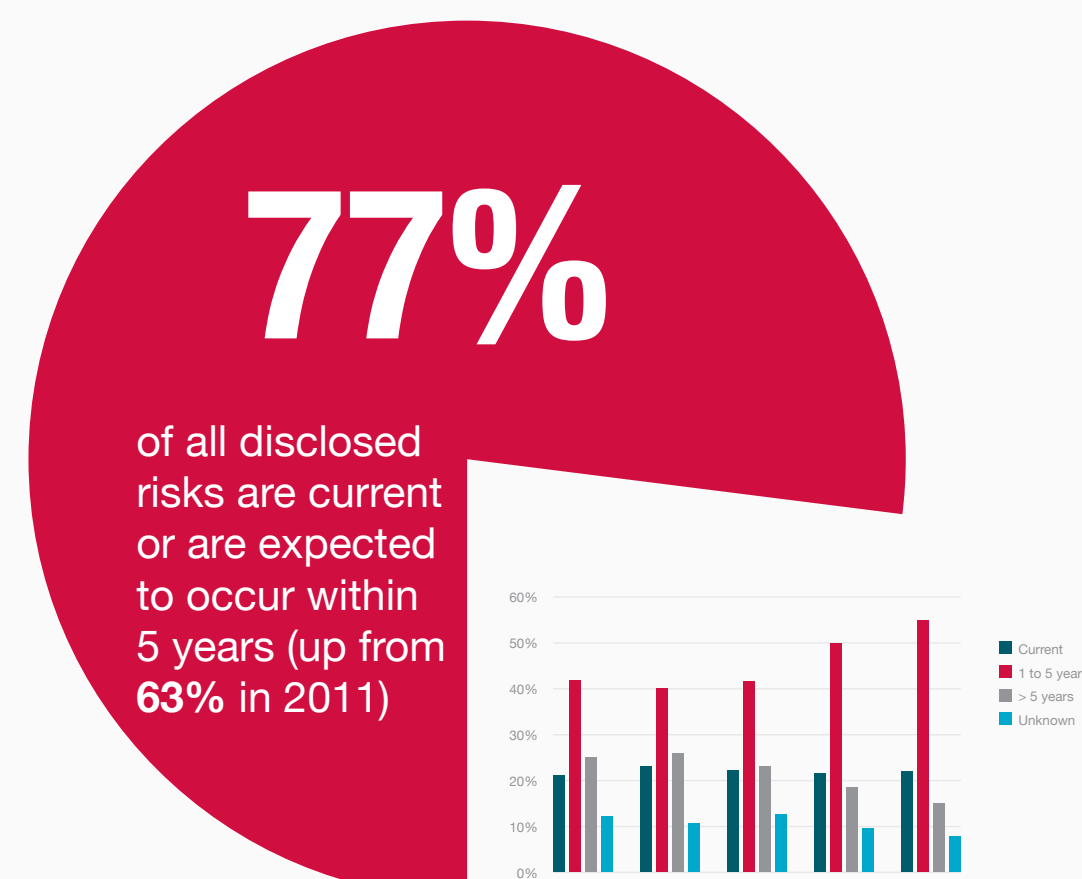
CLIMATE CHANGE RISKS AND OPPORTUNITIES:



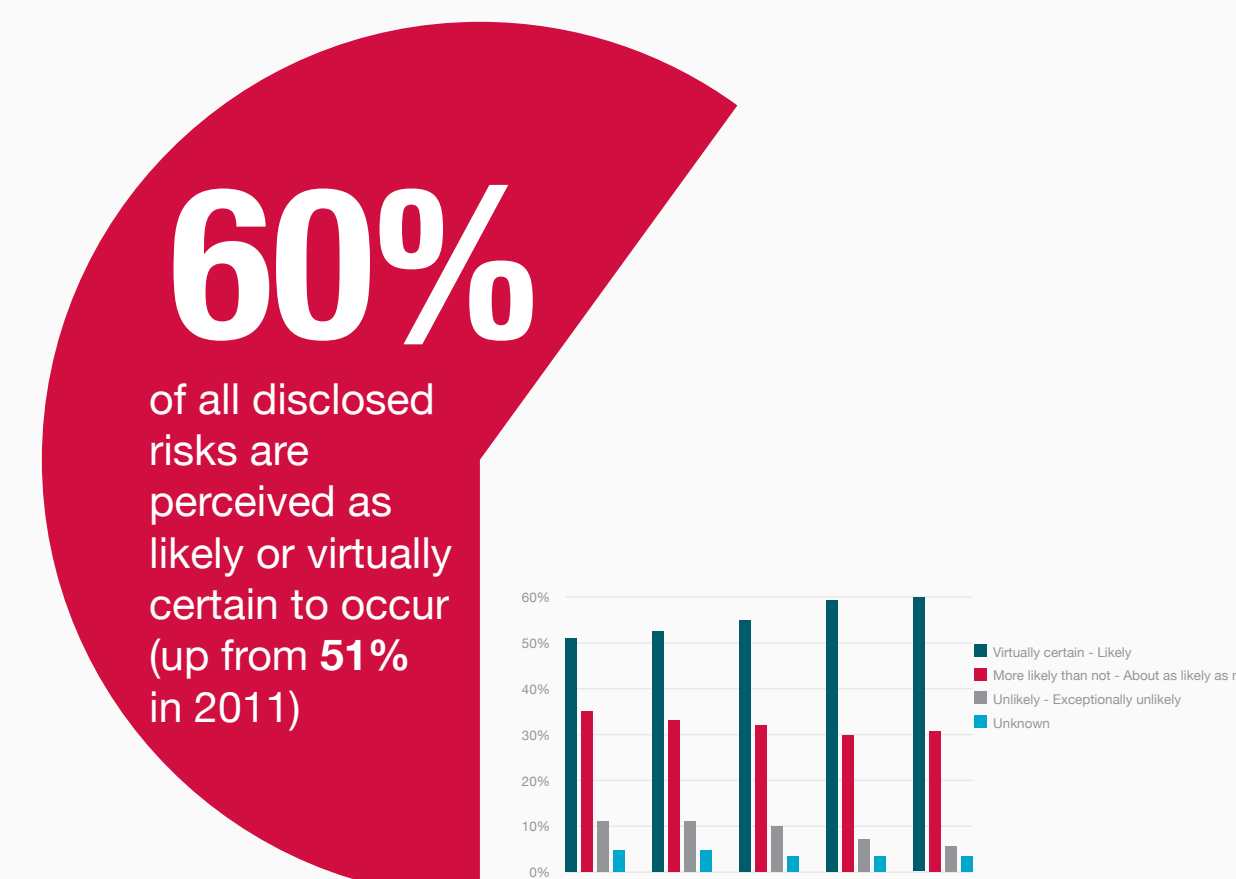
- CDP encourages companies to identify their direct and indirect climate change risks and opportunities and to integrate this into their risk management process. This enables mitigation and adaptation to climate change impacts.
- During the early years of reporting, few companies acted strategically on risks and opportunities identified.

- Companies are increasingly recognising climate change as a significant and near-term issue.
- Companies identify mostly direct risks, indicating that not enough attention is being given to supply chain climate change risks.

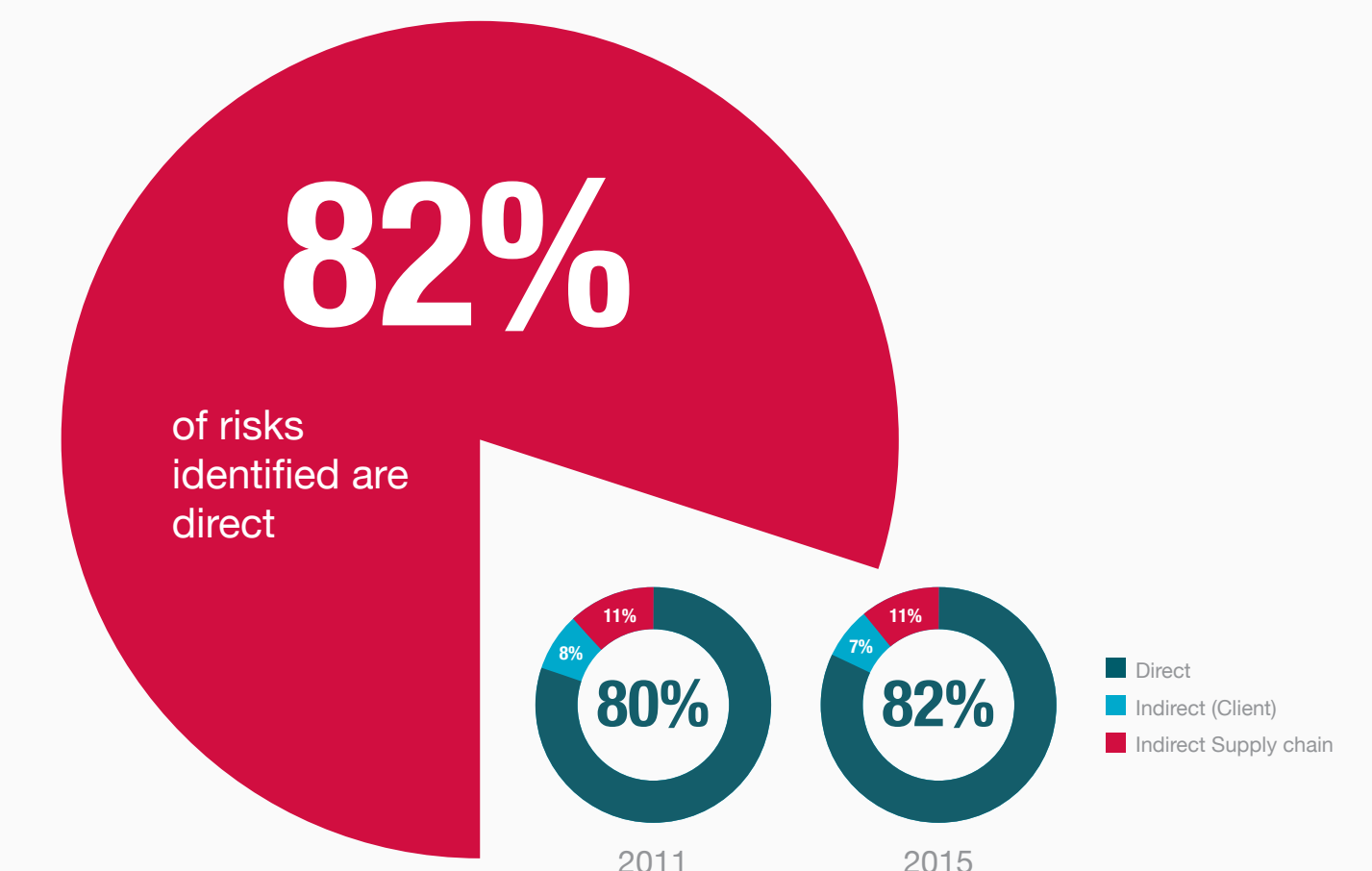
RISKS: NOW OR LATER



LIKELIHOOD



DIRECT OR INDIRECT



MOST COMMONLY DISCLOSED RISKS

With slight variances, the most commonly disclosed risks by companies as having a high magnitude remained the same from 2011 – 2015.

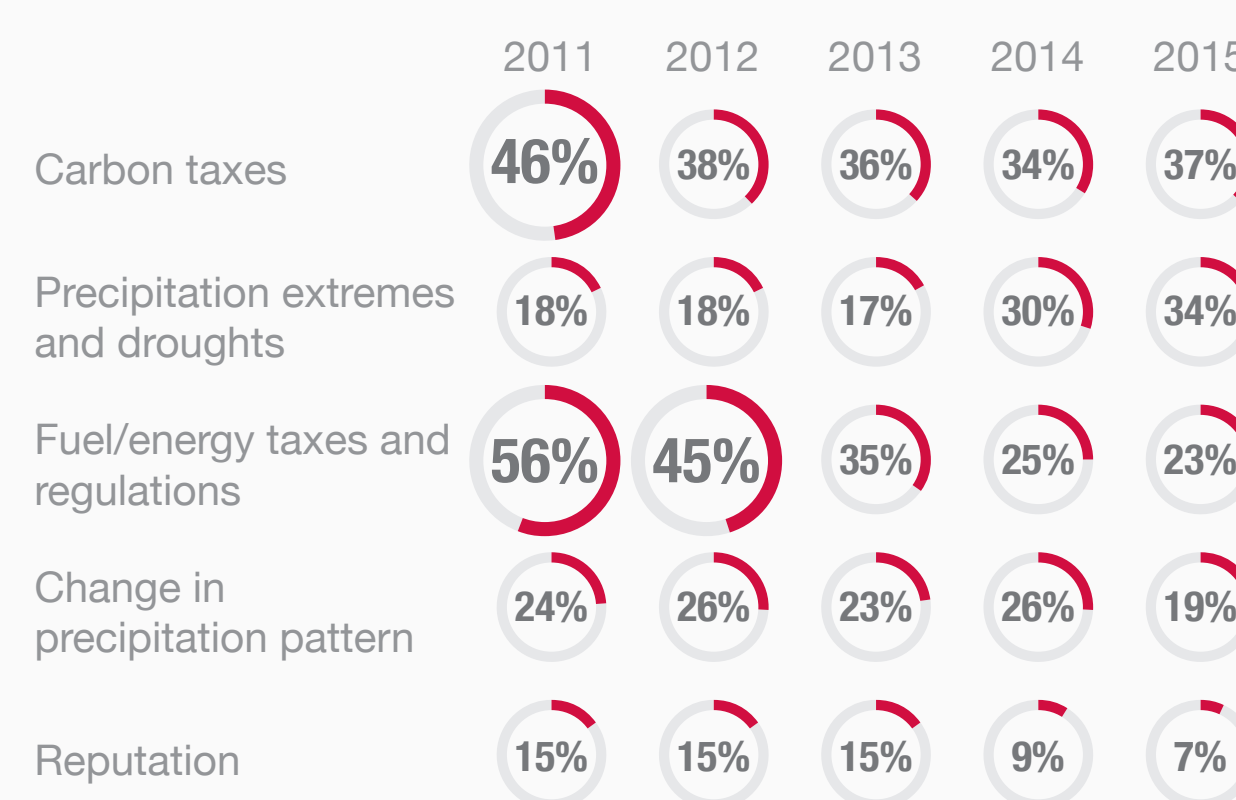
2015 Ranking		2011 Ranking
1	Carbon taxes	1
2	Precipitation extremes & droughts	4
3	Reputation	2

With a significant decline in: **Fuel/energy taxes & regulations** (#3 in 2011 – in 2015 ranks #7)

And increase in: **Change in precipitation pattern** (#8 in 2011, #4 in 2015)

RISKS WITH HIGH MAGNITUDE AND LIKELIHOOD

% of risks disclosed that have both a high magnitude and likelihood.*



IMPACT

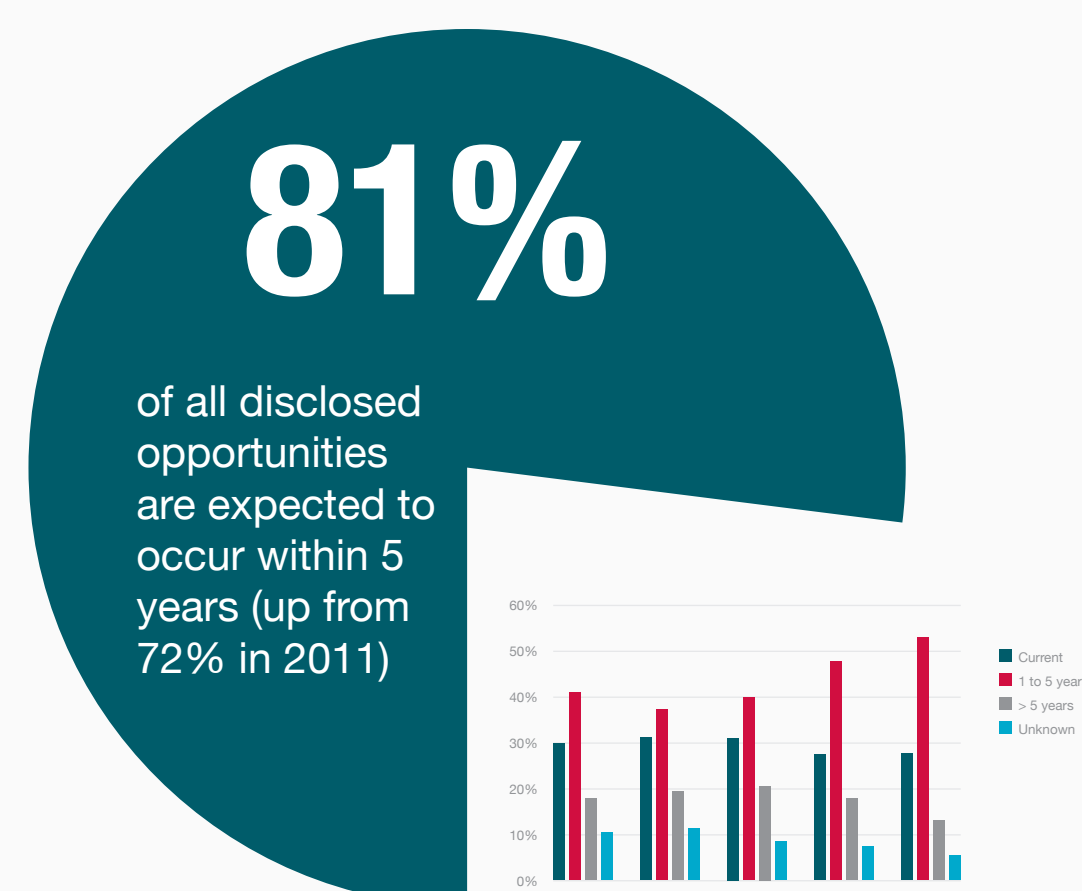
The most commonly disclosed impacts of climate risks, remain the same from 2011 – 2015.

- Increased operational cost** (100% of companies disclosing risks, reported increased operational cost as a risk from 2011– 2015)
- Reduced demand for goods/services** (+/- 70% of companies disclosing risks reported reduced demand for goods/ services as a risk from 2011– 2015)
- Reduction/disruption in production capacity** (62% of companies in 2011 to 61% in 2015 with a peak at 68% in 2014)

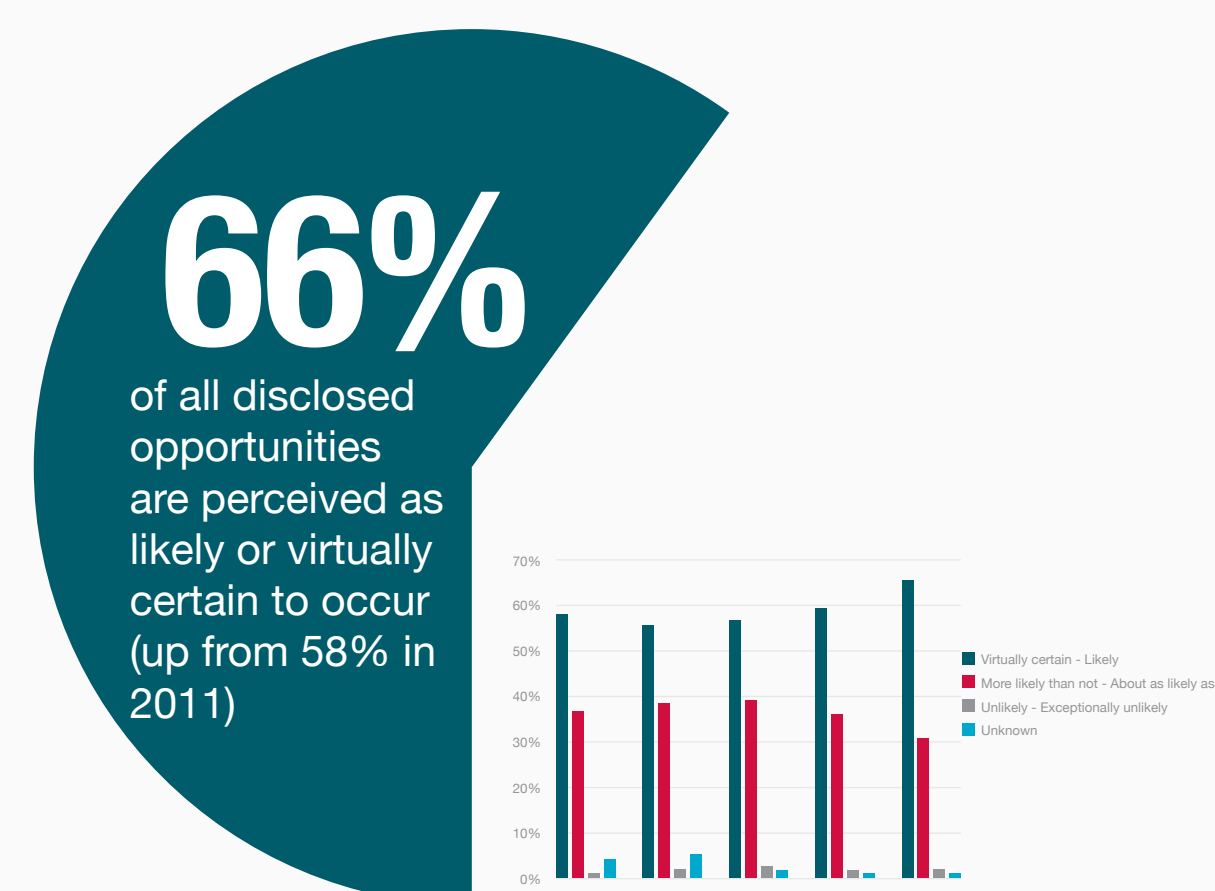
ALTHOUGH MORE RISKS ARE IDENTIFIED, OPPORTUNITIES ARE PERCEIVED TO HAVE A HIGHER LIKELIHOOD AND TO OCCUR SOONER

OPPORTUNITIES:

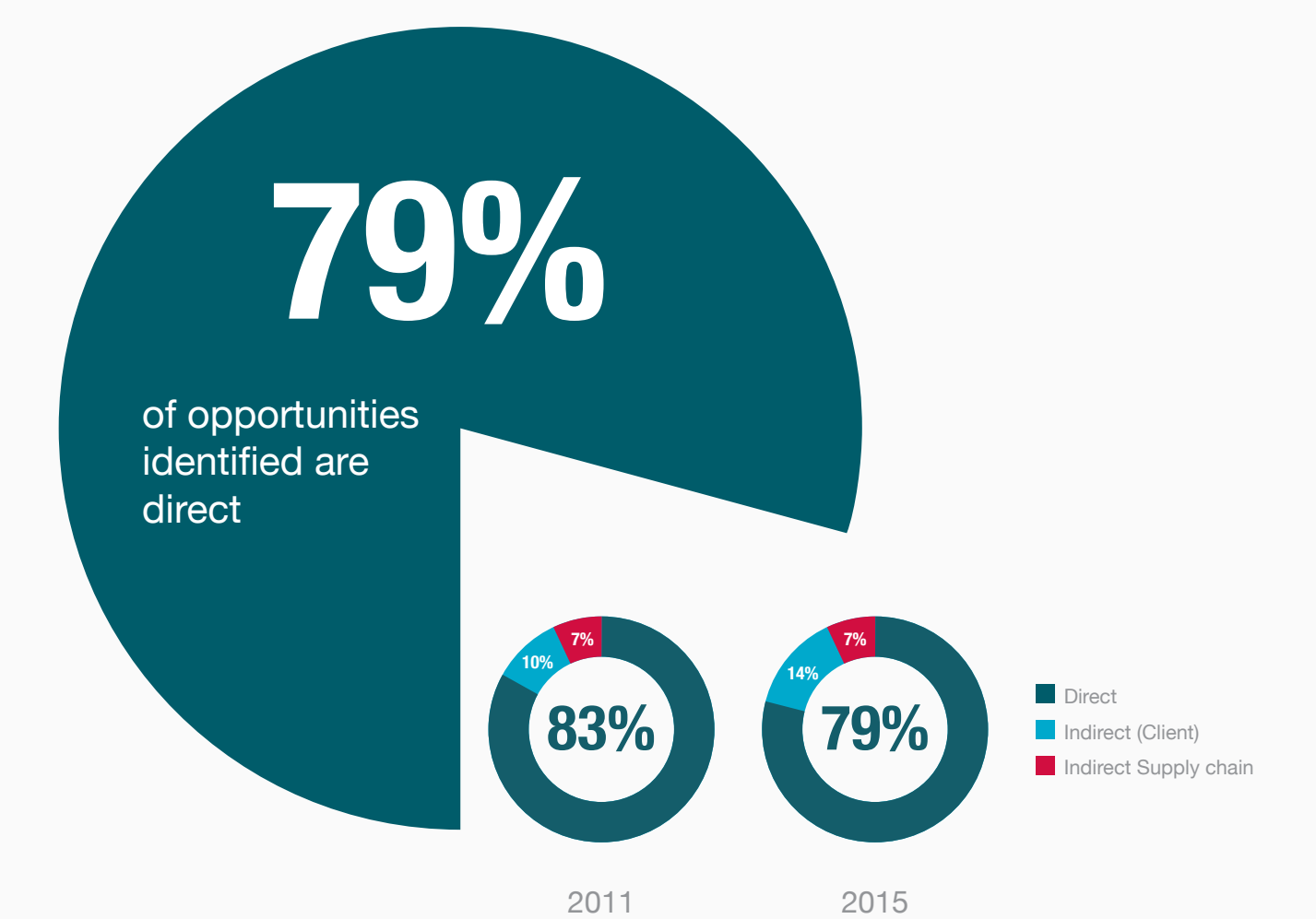
NOW OR LATER



LIKELIHOOD



DIRECT OR INDIRECT



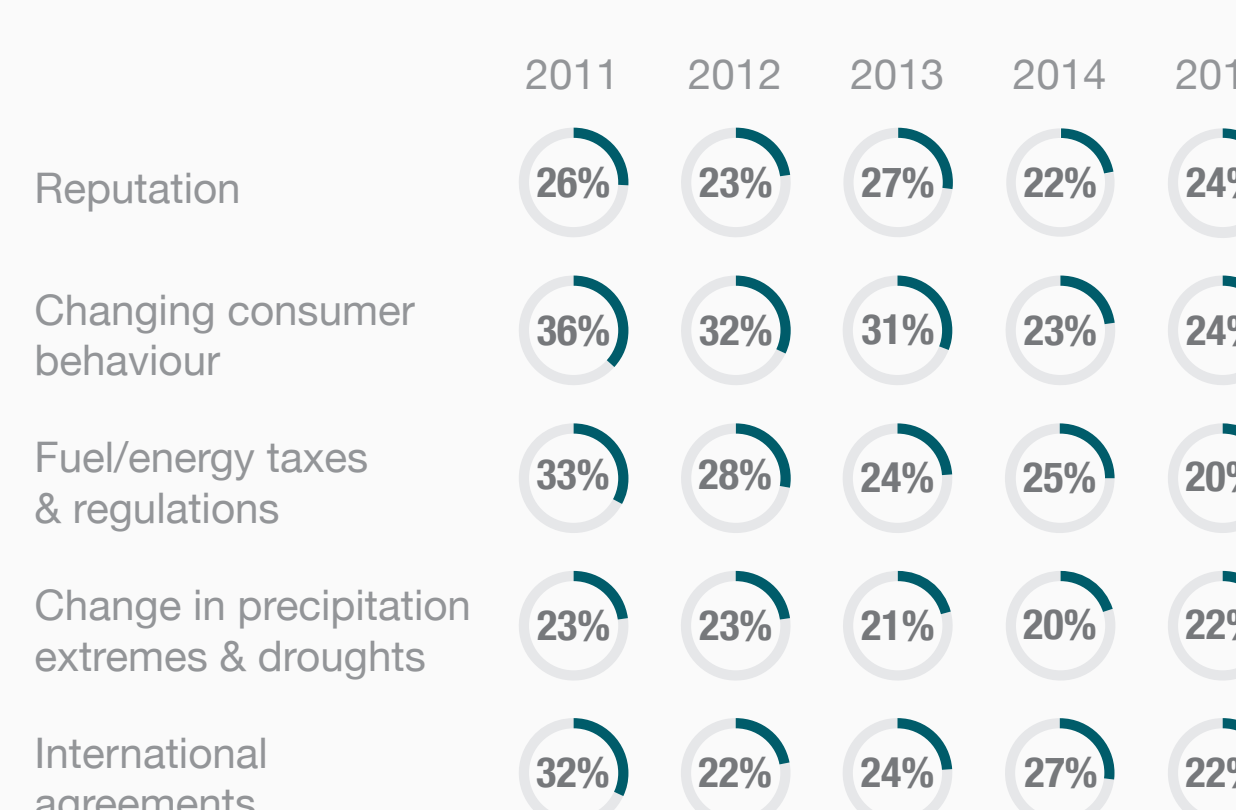
MOST COMMONLY DISCLOSED OPPORTUNITIES

With slight variances, the most commonly disclosed opportunities by companies as having a high magnitude remained the same from 2011 – 2015.

2015 Ranking		2011 Ranking
1	Reputation	2
2	Changing consumer behaviour	3
3	Fuel/energy taxes and regulations	1
4	Precipitation extremes & droughts	5

OPPORTUNITIES WITH HIGH MAGNITUDE AND LIKELIHOOD

% of opportunities disclosed that have both a high magnitude and likelihood.*



*High likelihood covers: Virtually certain, very likely and likely
High magnitude covers: High and medium-high

IMPACT

The most commonly disclosed impacts of climate opportunities, remain the same from 2011 – 2015.

- Reduced operational costs** (74% of companies disclosing opportunities reported higher reduced operational cost as an opportunity in 2015 (up from 72% in 2011))
- Increased demand for existing products/ services** (72% of companies disclosing opportunities in 2015 - down 5% from 2011)
- New products/business services** (54% of companies disclosing opportunities in 2015 - down 9% from 2011)

In association with

