

KEY INPUTS INTO ORGANIZATIONAL VALUE CREATION



Financial capital



Buildings, facilities and equipment



Intellectual resources



People and capabilities



Value chain and relationships



Natural resources

POTENTIAL CLIMATE-RELATED IMPACTS

Divestment from companies with elevated climate risk
Strong climate performers can access sustainability-linked bonds

Physical damage to buildings and equipment
Increased insurance premiums for facilities located in high-risk areas

Reduced revenue from patents, rights and licenses from emissions-intensive activities
Increased expenditure on new technologies and management practices that account for climate change

Employee health and safety impacts
Talent attraction and retention may be difficult if company has a poor climate reputation

Reduced demand for goods and services due to shift in customer preferences
Loss of government and industry partnerships if climate objectives are not aligned
Extreme weather impacts on supply chain, exposure to supply chain (Scope 3) emissions

Increased production costs due to changing input prices (e.g. energy, water)
Increased costs levied on emissions (carbon tax, cap and trade schemes)

INTEGRATION OF CLIMATE-RELATED IMPACTS

Governance & Strategy

Risk Management

Metrics & Targets

Reporting

BENEFITS OF MANAGING CLIMATE-RELATED IMPACTS

Lower cost of capital
Increased capital availability
Increased diversification of financial assets

Increased production capacity
Increased value of fixed assets
Increased ability to operate under various conditions

Returns on investment in low-emission technology
Increased revenue through new products and services related to climate resilience

Benefits to workforce management and planning (employee health and safety, employee satisfaction), resulting in lower costs

Increased customer demand
Access to new and emerging markets (e.g. partnerships with governments, development banks)
Increased reliability of supply chain

Reduced operating costs
Reduced exposure to fossil fuel price volatility
Reduced sensitivity to changes in cost of carbon