

CLIMATE CHANGE MITIGATION & ADAPTATION POLICY

A FU⁺UREPLUS GUIDE

WHY DO YOU NEED A CLIMATE CHANGE POLICY?

We are all acutely aware that the current **climate crisis** continues without adequate solutions. Unless businesses take action to **reduce their emissions**, we are collectively very unlikely to reach the target of staying below the limit of 2 degrees of warming called for in the Paris Agreement.

However, it is not only important that businesses act swiftly to lessen, or **mitigate**, their emissions. It is also vital for organisations to put policies in place that set out how they plan to **adapt** to any physical, financial or regulatory risks associated with climate change that may affect them in the future.

WHAT IS A CLIMATE CHANGE MITIGATION & ADAPTATION?

Climate change presents an **existential threat** to businesses in all sectors and geographies. Stakeholders are progressively demanding that businesses **respond** to the risks associated with climate change and that responsive strategic planning should be embedded into business plans and decision-making processes. Response is also increasingly becoming a **legal obligation**.

Mitigation – consists of actions to limit global warming and its related effects.

Adaptation – is the process of adjusting to current or expected climate change and its effects.

Many adaptation and mitigation options can help address climate change, but no single option is sufficient by itself.

WHAT SHOULD THE POLICY COVER?

+ REDUCING YOUR EMISSIONS

How your business plans to play its part in mitigating the effects of climate change through addressing your own emissions and the emissions of your value chain (both suppliers and customers). This should include emissions reduction targets.

+ CLIMATE RISK ASSESSMENT

How your business will go about assessing the risks associated with climate change insofar as they relate to your own operations and value chain (i.e. through a climate change risk assessment).

+ MITIGATION & ADAPTATION EFFORTS

How your business plans to mitigate and adapt its business operations in response to these risks, in order to be ready for the challenges that climate change presents.

YOUR POLICY



The climate change-related risks to your business can be categorised into the following four types. These should be laid out in your policy.

Types of climate-related risk:

- **Physical risks** – such as flooding, heat waves, extreme weather events, supply chain or infrastructure disruption, impacts to employee health or availability of resources.
- **Transitional risks** – such as government legislated policy changes, technological innovations, emerging legislation, climate change disclosure requirements or changing consumer preferences.
- **Financial risks** – examples include risks that may occur as a result of market demand fluctuations, increased fuel, food or raw materials prices, property damage, reduced dividends on natural capital, asset repricing, or capital reallocation.
- **Reputational risks** – how might your brand reputation be affected through failure to set climate-related goals for your business?

YOUR POLICY



What is a climate change risk assessment?

Your policy should include how you plan to assess the climate change-related risks to your own operations and value chain.

A risk assessment should identify

- The most relevant climate-related risks for your business;
- Whether the levels of risk in each area are increasing or decreasing; and
- Whether certain mitigating actions can help you to manage these risks.

OTHER THINGS TO CONSIDER

1

An **effective emissions reduction strategy** contains science-based targets, achievable timeframes and details specific to your operational position regarding climate-related risk.

2

Consider both sides. Is it possible that climate change might provide any positive opportunities for your business and if so, how could you adapt?

3

Review your policy regularly and **update** it with any progress or changes to your organisation's climate change mitigation and adaptation strategies.

NEED MORE HELP?

We can supply a structured template for Climate Change Mitigation & Adaptation Policy. We also offer consultancy services if you would like more comprehensive support, for example carrying out a climate change-related risk assessment.

Please let us know if you would like more information – we would be happy to provide a quote for either service: team@future-plus.co.uk.

