

Inclusive Business CHECKLIST



Developing a climate change strategy for business



How can I adapt my business to meet the challenges of climate change?

As the climate continues to change, all sectors of the economy will encounter new threats and opportunities. Agriculture is likely to be one of the sectors that is most impacted by climate change; especially where large smallholder populations, with limited adaptive capacity, exist.



The physical impacts of climate change will have repercussions for day-to-day business activities:

- Market conditions may change. For example, reduced crop yields have an impact on market prices, while demand may increase for climate resilient products.
- Climate change can impact process and operations; for example damage may result to products, stock and raw materials stored in areas susceptible to severe weather events.
- Businesses premises and logistical operations may also be impacted; for example, extreme weather events such as flooding may impact processing plants, or make transport routes impassable.
- Climate change can also impact people; for example, a greater frequency of heat waves may reduce worker productivity, while smallholder customers may have reduced purchasing power as their own yields suffer.
- Financial impacts could include increased insurance costs or new sources of climate finance, for example through carbon markets.

All of this can impact a business's bottom line. Developing a comprehensive climate change strategy not only ensures businesses are positioned to respond the increased risks of climate change, but also to take advantage of opportunities as they arise. Businesses that sideline the issue of climate change risk their profitability, reputation and competitive advantage.

This Checklist introduces some of the issues that you may want to address when considering the development of a climate change strategy for your business. A tool has been created to help businesses develop a climate change strategy, and further information on the tool and its use can be found at the end of this document.

Inclusive Business Checklists provide a quick and simple way to determine how effective an idea, tool or model might be for your inclusive business project. They can be used by inclusive business practitioners, to develop and scale up business strategies. They are based on the real-world experiences of companies actively expanding opportunities for people at the base of the economic pyramid through their core business activities.

Adaptation: Businesses need to identify and implement strategies to respond to and take advantage of the consequences of climate change

Mitigation: Businesses need to reduce emissions of greenhouse gases (GHGs) to tackle the causes of climate change and prevent further global warming

Overall strategy

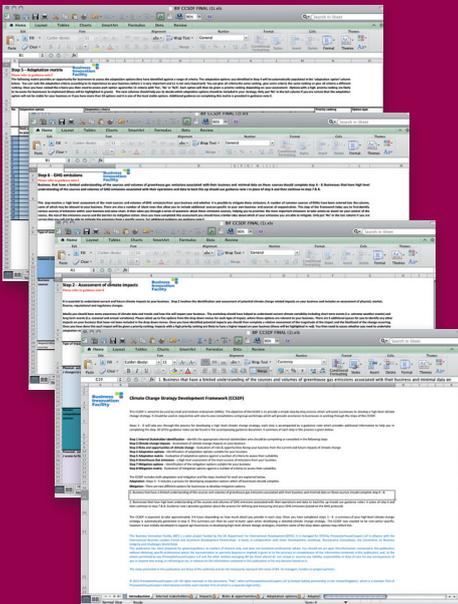
- What are the physical impacts of climate change, existing now and projected in the future, in my region?
- What are the main impacts that climate change could have on my business? (i.e. physical, market, financial, regulatory, and reputational)
- What are the key risks and opportunities facing my business from the current and future impacts of climate change?

Adaptation

- Who are the appropriate people within my business that should have a role in creating and implementing our climate change strategy?
- What does my business need to do to ensure it is prepared for challenges posed by a changing climate?
- How can my business take advantage of the opportunities provided by a changing climate?

Mitigation

- What are the main sources of the greenhouse gas emissions created by my business?
- How can I mitigate these emissions to reduce the impact of my business on climate change?
- What types of support exist to help my business become 'climate-smart'?



This Checklist and the other materials listed below are based on work carried out in Zambia and Malawi by the Sustainability and Climate Change team at PricewaterhouseCoopers UK.

This team have developed the **Climate Change Strategy Development Framework (CCSDF)**. This is a user-friendly, excel based tool to support SMEs to become more resilient to climate change and to help them reduce emissions. It is supported by a straightforward guidance document. The framework guides the user through an eight step process. The output of the framework is a high level strategy document which will address the mitigation and adaptation aspects of climate change.

The CCSDF and accompanying guidance note are available on the Business Innovation Facility practitioner hub website at the following link.

These documents should also be read in conjunction with the **Project Resource: Making agribusiness climate smart** which looks at the issues agribusinesses should consider in the context of climate change, outlines the CCSDF, and summarises the initial outcomes from adoption of the CCSDF by agribusinesses. This document is available on the above link along with other relevant background materials.



➔ For further information and more resources on inclusive business visit the: www.inclusivebusinesshub.org

