

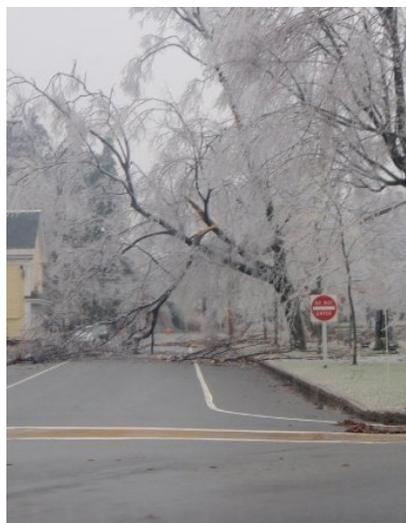
# Launch of the Rhode Island Executive Climate Change Council Preliminary Report



## SPEECH ON THE IMPLICATIONS OF CLIMATE CHANGE ON THE BUSINESS SECTOR

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May 8, 2014



### Climate change presents real and significant risks to businesses and communities.

- Extreme events including storms and coastal flood events can damage built structures and stock. Extreme heat can affect the durability of materials and lead to failure of assets including power outages. Extreme events can also present health and safety risks to staff and customers.
- Longer term changes in climate include increased average temperatures, changes in average rainfall, sea level rise and increased acidification of the oceans. These will lead to changes in our coastlines and increased degradation of materials, shortening the lifespan of assets.
- Climate change will affect the resource demand and availability. For example, higher temperatures will place increased demand on energy for cooling and impacts to water availability and agriculture affecting food production.
- Businesses will feel the impacts of climate change directly as assets are damaged or access is restricted. Impacts may also occur to supply chains, affecting the ability of some businesses to continue to operate. For example, the 2011 earthquake in Japan had significant, far reaching impacts on Toyota's supply chain, affecting production in the USA and contributing to Toyota losing its position as the #1 global car company, by sales.

### There is significant value in businesses understanding the risks that climate change presents to them and in taking action to prepare.

The actions that can be taken include:

- Identifying and assessing the risks and vulnerabilities to their assets, operations, staff and supply chains.
- Policy preparation including emergency preparedness, management and response planning and procurement policies.
- Updating design standards to consider the future climate that assets will experience rather than the historic climate on which many standards are currently based.

- Changing the materials that are used in buildings, roads and other infrastructure to ensure that they are best suited to the future climate that they will operate in.
- Reviewing maintenance specifications and programs to monitor how assets are coping with more frequent and intense weather events and longer term changes in climate.
- Applying engineering solutions which may include protecting, elevating or relocating assets.

### **Many actions that businesses and communities may take can be considered 'no regret'.**

No regret options provide benefits irrespective of the ultimate changes to the climate. For example:

- Some actions may provide economic benefits including energy and water efficiency, reducing ongoing operational costs.
- Actions may also provide environmental benefits, this may include improvements in resource efficiency as well as the use of green infrastructure solutions that provide broader ecosystem benefits.

### **Broader resilience thinking adds value to cities and economies.**

- Recognizing the issues presented by climate change and other man-made disasters, more than 1,700 cities have made a commitment to enhance their resilience through the United Nations International Strategy for Disaster Reduction's (UNISDR's) Making Cities Resilient Campaign. The campaign sets objectives for cities, with a focus on resilient investment an increasing theme. In addition a similar program is being led by the Rockefeller Foundation looking to engage and support 100 cities in their resilience journey.
- The UN Making Cities Resilient Campaign is guided by a set the principles to guide action (i.e. the 10 essentials). While they are valuable in providing a framework to support communication and awareness raising, it is hard to judge progress and achieve improved performance.
- To assist AECOM and IBM have developed, as a public good, a Disaster Resilience Scorecard that has been embrace by the UN.
- The scorecard allows the rating and identification of areas of strength and opportunities to focus improvements. It enables communities to understand their current positioning and to map out a plan for action.

### **Action presents opportunities for businesses.**

- The application of a scorecard approach presents an opportunity for private and public sector collaboration. This need was acknowledged in the recently released (May 2014) National Climate Assessment. This engagement may assist businesses to better understand the vulnerabilities to the systems that support their operations, for example power, water, transport and emergency response. It may also provide an opportunity to share learning and experience to support enhanced business continuity planning.
- Climate change may present the opportunity for new services to be offered.
- New technologies may be required to address the risks presented by climate change.
- For some businesses, localization of activities may occur to help manage the risks associated with their supply chain.

#### **In summary, taking action to prepare for the effects of a changing climate:**

- can reduce maintenance and repair costs and disruptions to business operations
- quickens recovery, getting people back to work sooner after an event
- presents opportunities for businesses and communities.

**All of the above outcomes are important elements that support a more resilient city.**

#### **For More Information:**

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