

Panel 5.1

Adaptation by the Private Sector – beyond business as usual?



18-20 March 2013
Incheon, Republic of Korea

Asia-Pacific Climate Change Adaptation Forum

MAINSTREAMING ADAPTATION IN DEVELOPMENT:
STRATEGIES AND ACTIONS IN A CHANGING CLIMATE

Overview

- 15 mins context setting
- 15 x 3 mins Presentations
- Interactive Discussion
 - Why Engage?
 - Ways of Engaging?
 - Risks and Opportunities
- Summation



Gareth Johnston, Director, Future Ready +Complexitas



Donovan Burton, Director, Climate Planning



Mark Baker-Jones, Special Counsel, DLA Piper



Jules Livingstone, Director, Complexitas





Panel 5.1

Adaptation by the Private Sector – beyond business as usual?

Setting the context

Gareth Johnston

Director, Future Ready & Complexitas

Climate in the Boardroom

- 200 executive 70 organisation research project
Feb 2012-March 2013
- Outputs include “Directors Guide to Adaptation”
 - Sectoral Risk Report
 - Advice to Government on Engagement + other issues
 - Briefings to Business Community
 - Business Media Briefings
 - High Trust Environment Network

Expanding to Asia 2013 Partners Sought

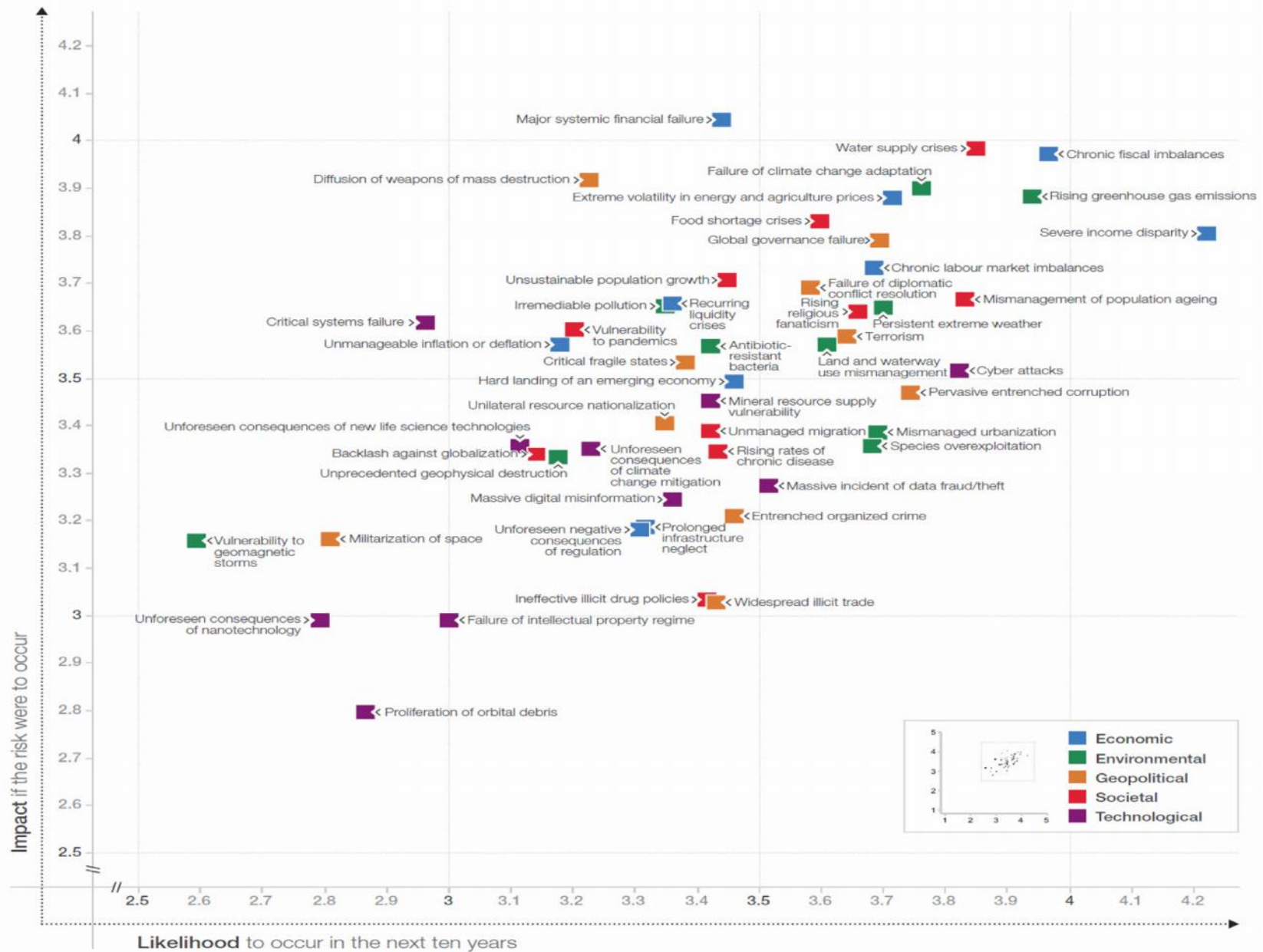


Pre Release Findings

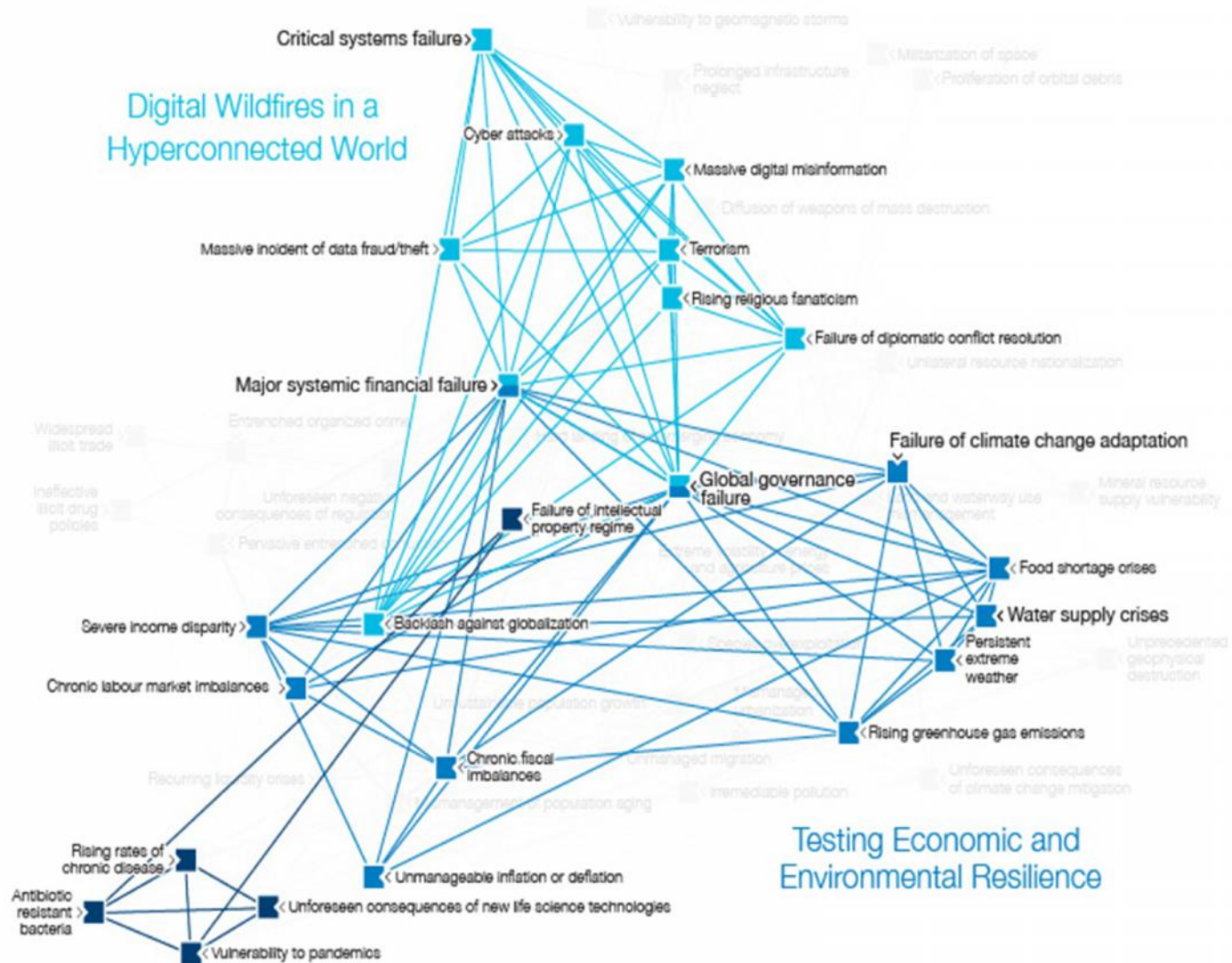
- Few Australian companies adapting
- Multi and Transnationals Leading
- No, Low to High Sophistication
- **Not a CSR or Green Issue** but Strategic
- Execs very short term focused
- No KPI/Penalties for Action/Inaction
- **Climate science unused/useless**
- **Policy/Political Environment Critical**
- Peer learning important
- Scale and Governance important
- Japanese / Chinese leaders , Asian experience/culture?



Global Risks Landscape 2013



Digital Wildfires in a Hyperconnected World

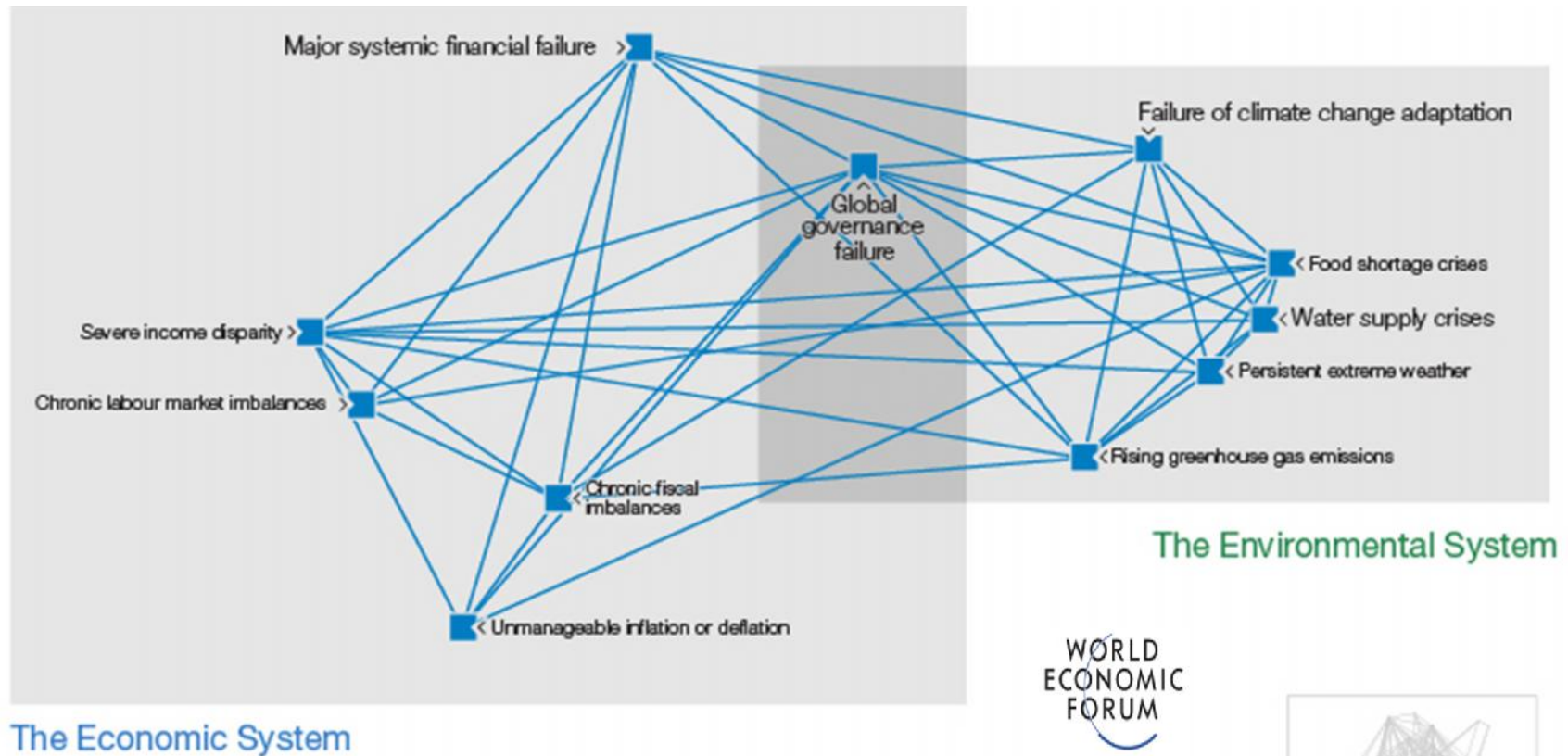


Testing Economic and Environmental Resilience

The Dangers of Hubris on Human Health



Adaptation in a business context



“a wider shift in the conversation on the environment from the question of whether our climate is changing to the questions of “by how much” and “how quickly”. WEF Global Risks 2013



Sophisticated Corporate Responses

Risk Transfer, Legal Contracts, Disclosure, Supplier Condition, Hedging, Business Continuity Management, Divestment, Investment, Insurance (on/offshore/self), Game theory, Dynamic adaptivity, Stochastic and Bayesian modelling, Downscaling to site level, Climate Prospecting™ New product development, R&D, HR, KPIs, CRO, Resource Hoarding, Non disclosure (immaterial reporting)



Common Issues

- Hard measures easier to cost – risk of neglect of “soft” measures due to selection bias + over investment
- Policy + Political risk
- Few leaders and less followers
- Avoid “worst-case thinking” bias
- Mitigation dominates (>90%)
- System thinking difficult for most



Reality Check

- Most haven't started, Climate=Carbon
- Most businesses are SMEs
 - Few have long term planning or sophisticated risk management process, lack capital or options
- It's a strategic issue – competition dominates
- Insurance dependency
- Executive board cohesion factor
- Consensus bias also on research – not specific or relevant