



Managing climate risks and opportunities in a business context

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Between a rock and hard place...

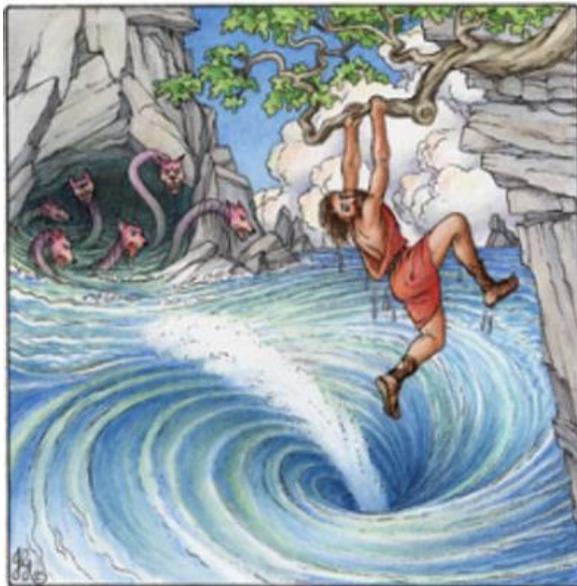


<https://www.lakebiblechurch.com/steering-a-course-between-scyla-and-charybdis>

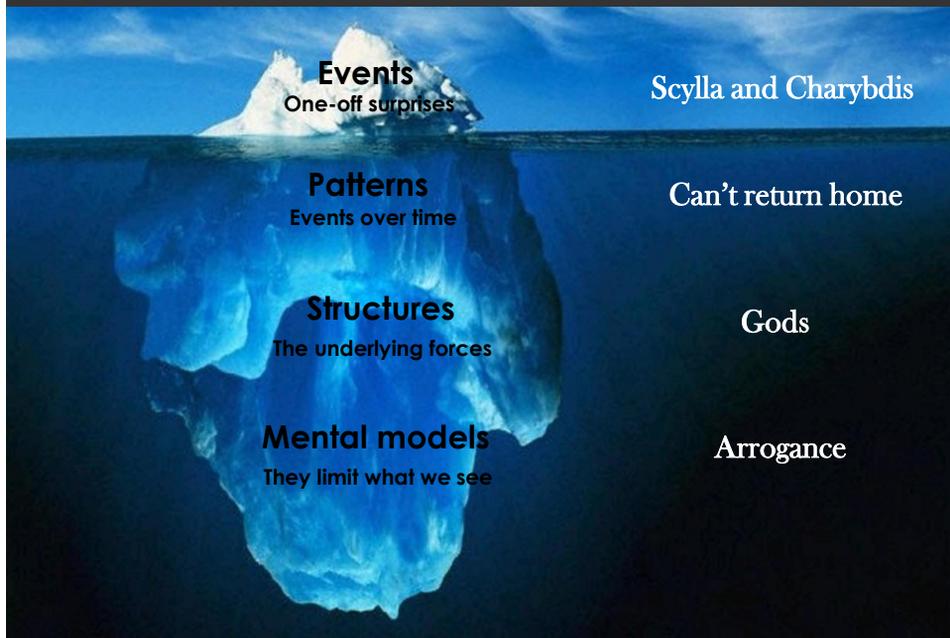
Almost there...



Oops...



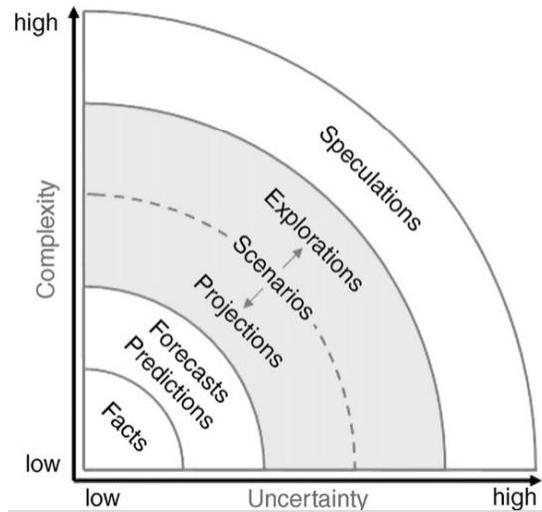
Reality has many levels



Key question

How do we navigate turbulence,
uncertainty, complexity and
ambiguity?

Layers of anticipation

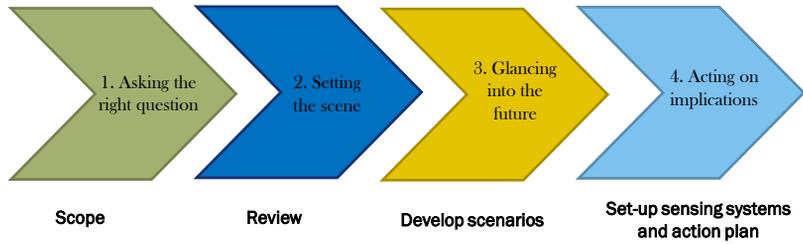


Source: Zurek and Henrichs, 2007

What is scenario planning?

A process of learning with plausible alternative futures to help minds 'reperceive' the present

Scenario steps



Scenarios environment

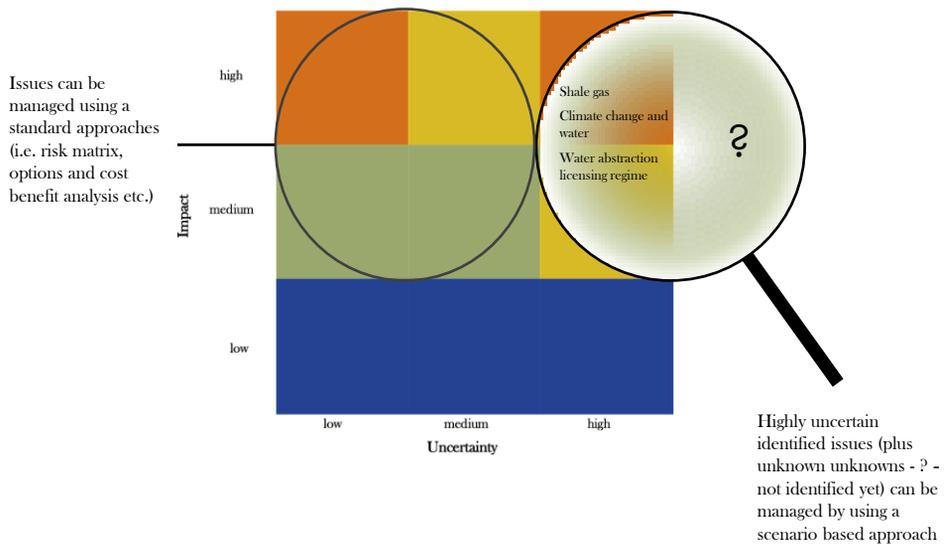


Setting the scene

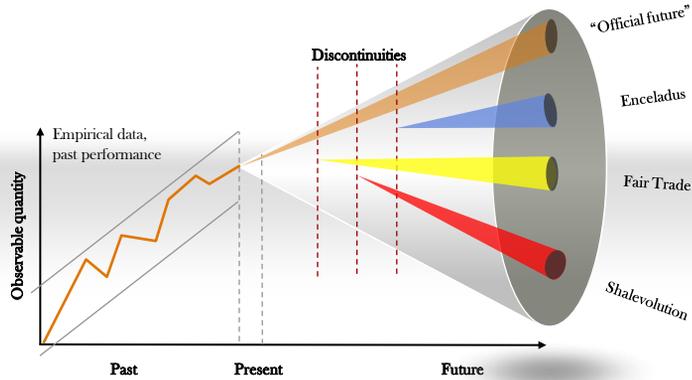
‘Should we invest in expanding our supply chain base in China over the next 15 years?’

Society	Technology	Economy	Environment	Legal/Regulatory	Politics
<ul style="list-style-type: none"> • Future of farming livelihoods due to climate change • Lack of access to clean water of local communities • Health and malnutrition issues • ... 	<ul style="list-style-type: none"> • Precision agriculture • Impact of automation to farming jobs • ... 	<ul style="list-style-type: none"> • Competing users of water (e.g. mining or shale gas have more leverage as they add more economic value) • ... 	<ul style="list-style-type: none"> • Water scarcity in basin exacerbated by climate change • 	<ul style="list-style-type: none"> • Water abstraction licenses • ... 	<ul style="list-style-type: none"> • Trans-boundary water users • ...

Focus on critical uncertainties



Plausible futures



Strategic implications

■ Implications for supply chain strategy

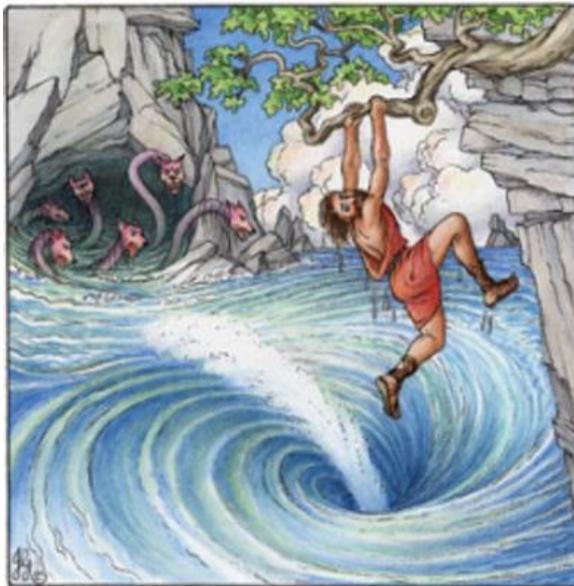
Strategy options	Scenarios			
	Official	Enceladus	Fairtrade	Shalevolution
China	++	++	+	---
India	+	++	++	+++
South East Asia	+	++	+	++

Operational implications

■ Implications for project design options

Design options	Scenarios			
	Official	Enceladus	Fairtrade	Shalevolution
Medium dam for irrigation (baseline)	+++	+	--	--
Large dam for irrigation and water supply	++	++	++	+
Large dam for irrigation and hydro	+	-	-	-

Can we have less of this?



Ob + Portus = Opportunity

The Return of Odysseus, Claude Lorrain, 1644



Musée du Louvre

Sustainable Futures is an advisory firm based in London, United Kingdom specialising in strategy, risk and resilience.



Thank you

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We use risk based approaches and scenario planning to support clients make decisions under uncertainty and build resilience.