

# Prioritizing Strategies for Managing Emerging Environmental and Social Issues

Simplified Screening and Decision Making Approach

Businesses continually seek solutions to minimize vulnerabilities and uncertainties associated with their operations, physical assets, and processes.

They do so by engaging in evaluations to assess the potential probability and severity associated with a range of business continuity risks such as fires, electrical disruptions, and environmental and social issues. The evaluation typically generates a ranking that forms the basis for managing risks and hazards.

The purpose of this brief is to outline a simplified approach for examining emerging environmental and social issues. The approach includes evaluating issues relative to potential business impacts, and the likely timeframe emerging issues will impact the business, to identify which issues to focus on to sustain performance.

The first step in the approach is to plot emerging environmental and social issues as a function of impact to the business to form a risk composite as illustrated in the table on the following page.

Each organization should develop its own criteria for determining low, medium, or high impacts on the business. However, impacts that contribute to business interruptions or

change revenue generation streams are typically considered medium and high impact issues.

<b>Emerging Issues</b>	<b>Business Impact</b>		
	<i>Low</i>	<i>Medium</i>	<i>High</i>
Reduced Water Availability			<b>X</b>
Higher Fuel Costs		<b>x</b>	
CO <sub>2</sub> Emission Reduction Rules for Buildings			<b>x</b>
Difficulty Attracting Talented Staff		<b>x</b>	
Reduced Access to Forest Lands <b>Example</b>	<b>x</b>		
Increased Recycling Rules		<b>x</b>	
Greening Supply Chain Requirements			<b>x</b>
Product Certification Rules			<b>x</b>
Expanded Biodiversity Rules	<b>x</b>		
Renewable Energy Requirements		<b>x</b>	
Increased Disease Related to Climate Change		<b>x</b>	

For issues characterized as having a potential medium to high impact, the next step is to examine the timeframe for occurrence. These decisions should be based on a review of

available literature and represent the most likely timeframe for occurrence. The output of such deliberations can be summarized as follows:

<i>Probable Timeframe for Occurrence</i>	5-10 Years	10-20 Years	20-50 Years
<i>Issues with Potential Medium to High Impact to the Business</i>	Higher Fuel Costs	CO <sub>2</sub> Emission Reduction Rules for Buildings	Reduced Water Availability
	Difficulty Attracting Talented Staff	Greening Supply Chain Requirements	Product Certification Rules
	Increased Recycling Rules	Renewable Energy Requirements	Increased Disease Related to Climate Change

**Example**

The final step involves plotting the data to evaluate the impacts relative to the probable timeframe for occurrence for issues that have medium to high potential to impact the business:

<b>Probably Timeframe for Occurrence</b>	<i>20-50 Years</i>	<b>4</b>	<b>3</b>	<ul style="list-style-type: none"> <li>• Increased Risk Related to Climate Change</li> <li>• Reduced Water Availability</li> <li>• Green Supply Chain Requirements</li> </ul>
	<i>10-20 Years</i>	<ul style="list-style-type: none"> <li>• Reduced Access to Forest Lands</li> <li>• Expanded Biodiversity Rules</li> </ul>	<b>2</b>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> Emission Reduction Rules for Buildings</li> <li>• Difficulty Attracting Talented Staff</li> <li>• Renewable Energy Requirements</li> <li>• Product Certification Rules</li> </ul>
	<i>5-10 Years</i>	<b>Example</b>	<b>1</b>	<ul style="list-style-type: none"> <li>• Higher Fuel Costs</li> <li>• Increased Recycling Rules</li> </ul>
		<i>Low</i>	<i>Medium</i>	<i>High</i>
		<b>Impact</b>		

The plot above is intended to provide a general prioritization for addressing impact reduction relative to the likely probability of the issue disrupting the business.

Obviously the risks in Area 1 require immediate attention, while the risks in Areas 2 and 3 should serve as an alert to the organization to start developing appropriate mitigation strategies.

If you have any questions about this brief, please contact me at your convenience.  
Thank you very much.

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