Climate Change Risk Assessment for Manitoba Northern Businesses



Climate Change Risk Assessment training tailored to Manitoba Northern Businesses.

December 15, 2021



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MANITOBA CLIMATE RESILIENCE TRAINING

Supported by Natural Resources Canada's Building Regional Adaptation Capacity and Expertise (BRACE) Program

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Who This Training Is For



- This course was developed to provide foundational concepts in CCRA to all Manitoba BRACE MCRT Sectors.
- This course is intended to follow the MCRT Courses:
 - Climate Change Impacts to Northern Business
 - CCRA Core Principles





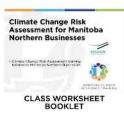
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Class Worksheet Booklet



- We will be working through demonstrated inputs to Class Worksheets in this class.
- Participants are not expected to complete these during the class.
- You can download the PDF of the Class Worksheet Booklet and use them in your own assessment planning.
- The Worksheets were mailed out in our reminder email today, also included in the email invitation to our post-class survey.
- The Worksheet Booklet also contains guidance on the steps to complete this Tier 1 CCRA process.







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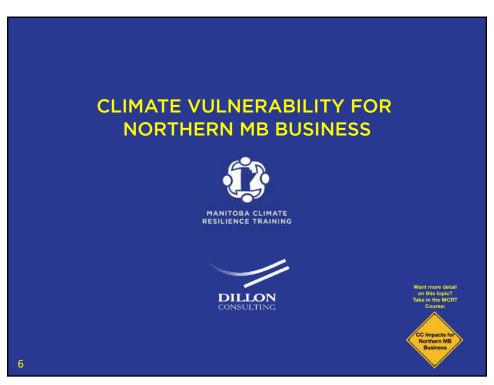
Today's Class: Structure



- 1. Climate Vulnerability for Northern Manitoba Business
- 2. Why Do CCRA?
- 3. Case Study Example: Details
- 4. CCRA Overview of Key Steps
- 5. Walking Through the CCRA Steps
- 6. Where to From Here?



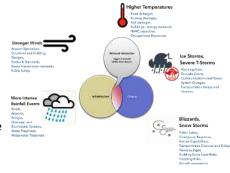
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Climate Vulnerability for Manitoba Northern Businesses



- Changes in climate create significant shifts in normal operating ranges and extreme weather events.
- See the course module "Climate Change Impacts to the MB Northern Business Sector" for full details on these impacts.
- Climate impacts lurk within the interactions that take place when a built system responds to changes in the climate those systems operate in.



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Climate Vulnerability for Manitoba Northern Businesses

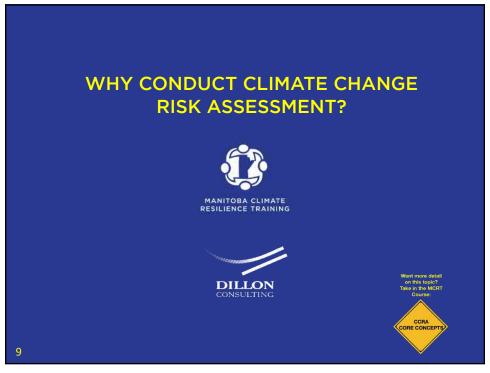


- Critical infrastructure and services are affected by direct and indirect impacts.
- Disruption in critical infrastructure translates to impacts to businesses who rely on these systems for:
 - Supply chains
 - Energy
 - Movement of goods, staff, services, customers/clients



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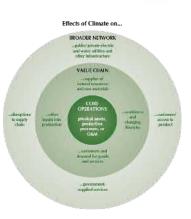
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What Is Climate Change Risk Assessment?



- CCRA is a process used to help organisations identify their climate changeinduced risks from emerging climate change impacts:
 - Identify Climate Hazards and Anticipated Impacts across your core operations, value chain and broader business network
 - Prioritise Risks, then
 - Planning to Reduce Identified Risks



Source: Pew Centre on Global Climate Change 2009

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Why Conduct CCRA on your Business?



- Weather already affects your business.
 - Extreme weather events already cause disruption and added cost to doing business
 - Climate change means extreme weather will happen more often and will likely bring higher extremes.
 - Planning for CC impacts helps business recover faster.
 - · Returning to normal business can be impacted by:
 - Loss of customers who were also impacted by the event
 - Changes in demand from these customers
 - Delays due to rebuilding, restoration or insurance
 - Lack of available financing to recover



Image Sources: Wpg Free Press, CBC Manitoba



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Key Business Benefits for conducting CCRA



- Planning ahead is proactive, and often means less cost, less impact vs no plan and responding reactively.
- Proactive planning benefits are:
 - Cost Savings: understanding climate risks to operational performance allows lower costs in the long-term. It can also reduce insurance and borrowing costs
 - Business Continuity: addressing climate risks will give your business better chance of continued operations, meeting customer demand – minimizing degree and duration of extreme weather disruption
 - Competitiveness: Identifying business opportunities (e.g. longer tourism season), ways to manage climate risks are differentiators for businesses.
 - Reputational: Demonstrates to clients and shareholders that impacts of climate change are being managed - conveys responsibility, stability and reliability for your business.



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Case Study Example: Northern Manitoba Business (hypothetical company)



• BuildIT Project Partners (BPP) is a medium-sized business (less than 500 staff) that manages construction projects, cargo transport/logistics and coordinates infrastructure and building construction projects.



• BPP developed a specialty in delivering these projects to remote communities in Manitoba



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Case Study Example: Northern Manitoba Business (hypothetical company)





- BPP's business caters to the ongoing infrastructure and residential development needs of remote northern communities in Manitoba,
- BPP also handles community cargo transport and logistics

BPP has established a transmodal shipping hub in Thompson, Manitoba.





BPP BuildIT Project Partners

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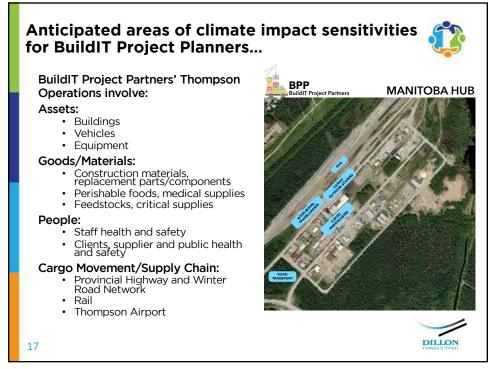
Business Case Study...

- The BPP transmodal shipping hub's purpose is to establish a northern Manitoba hub for receiving, processing and transfer of cargo
- Hub handles materials, supplies, equipment, and is a staging site for work
- After arriving at BPP's Thompson hub, cargo and crews are then transported to remote communities in the region:
 - by Rail,
 - by Provincial Highway and Winter Road Network and
 - by Air, via Thompson's Airport
- Winter road communities nearby: Thicket Portage, Pikwitonel, Split Lake Cree First Nation, and York Factory First Nation





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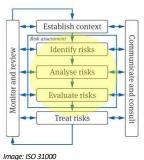




The Climate Risk Management Process



- For our MB Business Case Study, we will apply Tier 1 CCRA, consistent with ISO 31000.
- Overall, ISO 31000 is a basic, 5step process. Today's class will focus on the steps within the Risk Assessment portion of this process.
- These steps are the key tasks within a Climate Change Risk Assessment process.
- 3 key steps take place in Risk Assessment:
 - 1. Identifying Risks
 - 2. Analysing Risks
 - 3. Risk Evaluation



mage: ISO 31000



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CCRA - Step 1: Identifying Your Climate Risks



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- Review Past Climate Impacts
 - Identify prior weather events near your business
 - Understand how they have impacted your business and operations in the past
- Think about Current Climate Impacts
 - If your area has been hit by a climate hazard in the past, and
 - your business has been negatively affected, BUT,
 - you have <u>not vet taken</u> steps to respond,
 - Then, you have existing climate-related risks to your business.
- Think about future Climate Change
 - Look at Prairie Climate Centre's high level climate projections for MB northern regions and understand how future hazards are projected to change in your region.

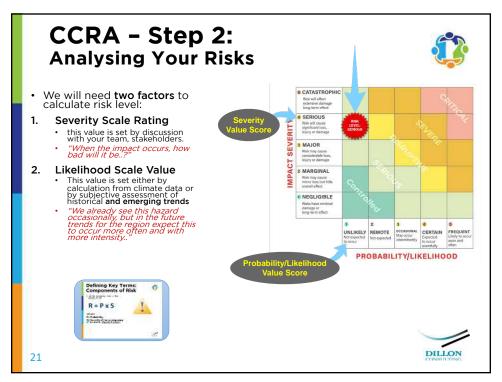
Climate Atlas Report
Region: BERENS RIVER

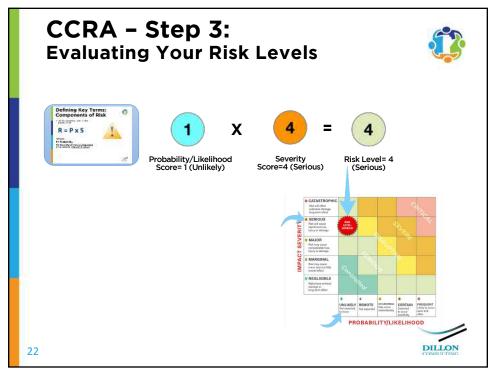
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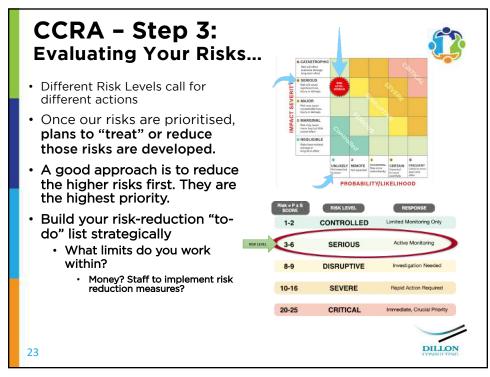
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Climate Risk Management Process: Treat Your Climate Risks



- Develop a strategy to systematically reduce risk for climate impacts that result in high risk levels.
- Identify options (adaptations) to reduce those climate risks.
- Sometimes, adjusting a procedure can reduce risk to acceptable levels
 - Modify vegetation management on company property to reduce wildfire hazards
- Risk reduction measures can be physical (retrofit or new resilient design), operational (change a procedure to lessen impact). Backup plans are also risk reduction measures.

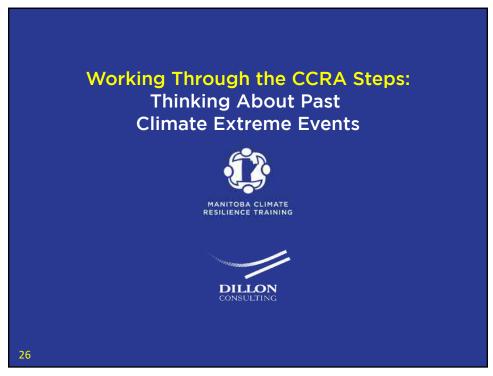


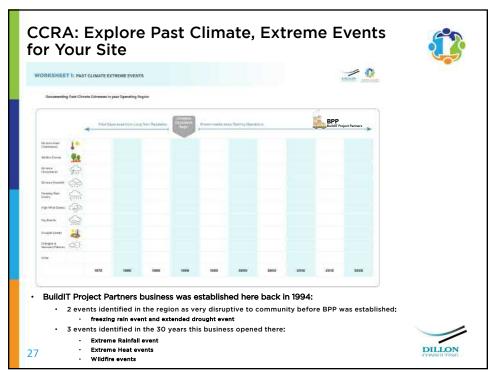
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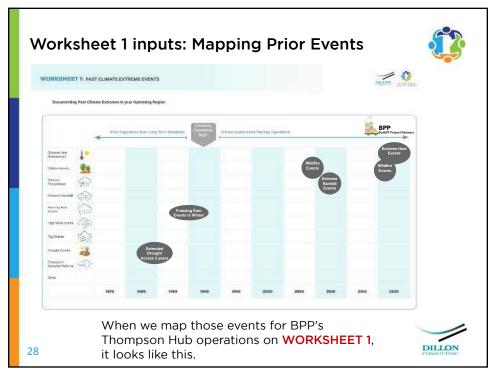
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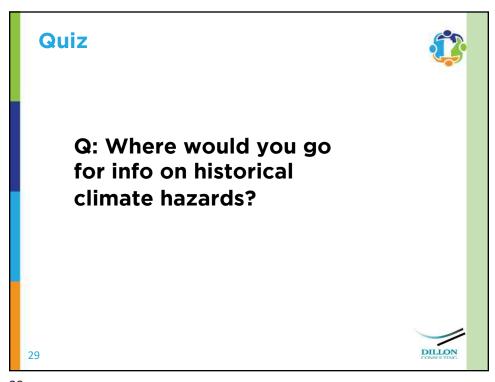
Climate Risk Management Process: An Ongoing Process Notice the loop that exists in the process. After you treat risks, then monitor and review how your risk reduction Establish context Identify risks measures are working, you repeat the process Analyse risks every few years to refine Evaluate risks Refinements are possible Treat risks through: Availability of improved climate models or climate data Impact monitoring information Risk reduction performance information. DILLON 25

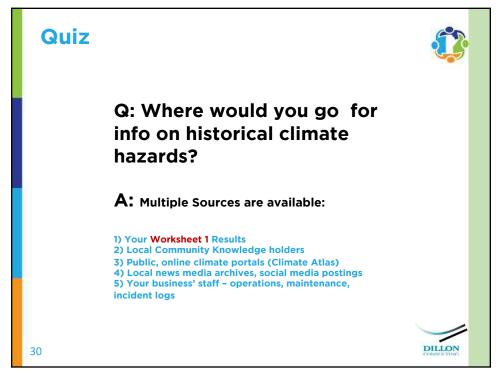
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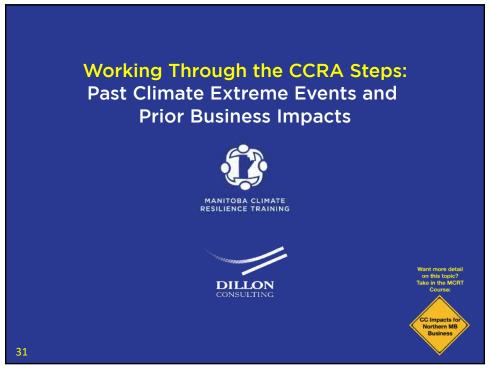


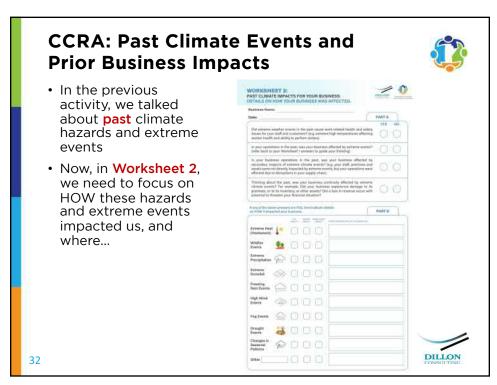


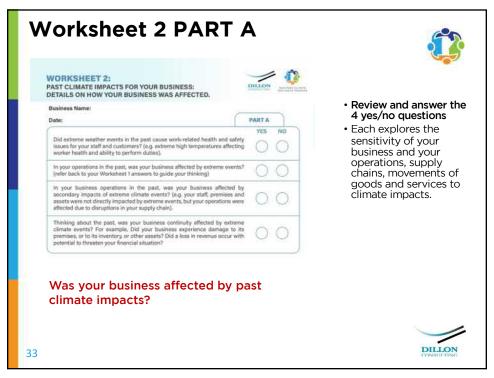


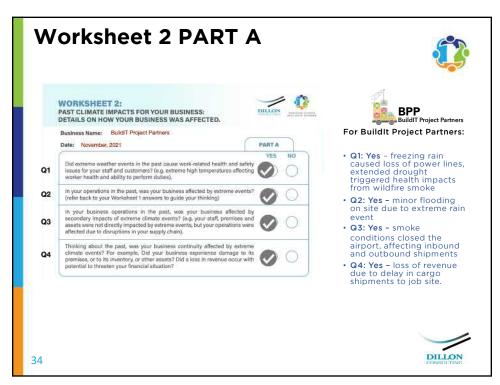


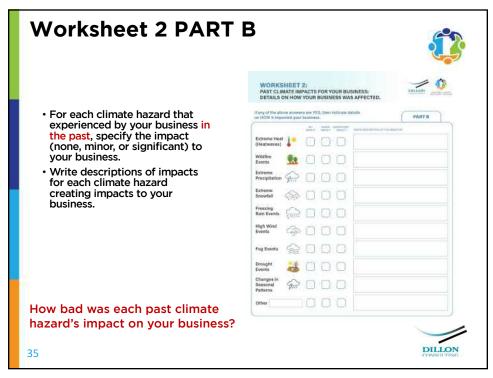


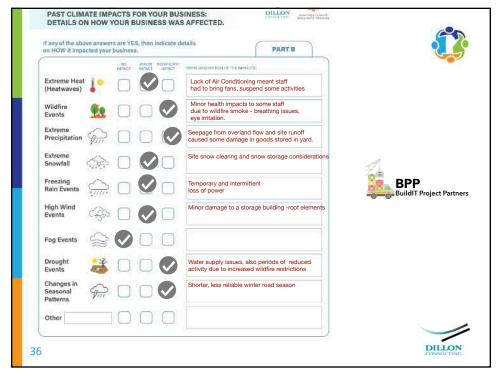


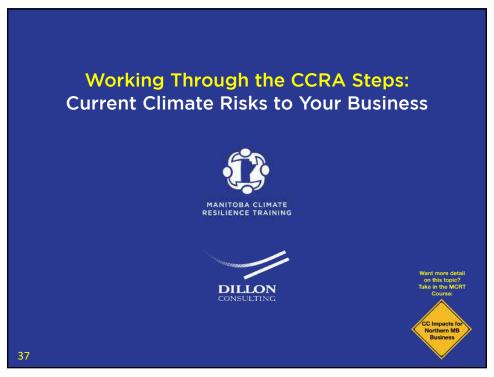


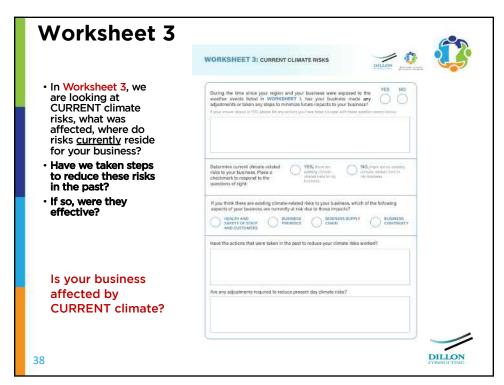


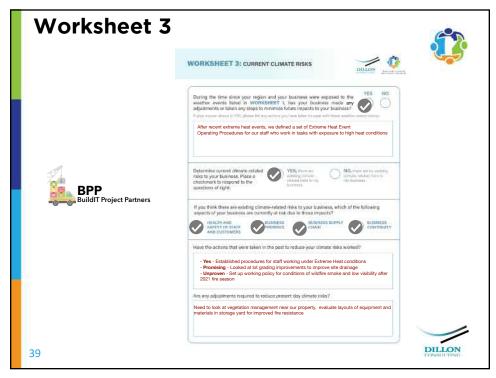


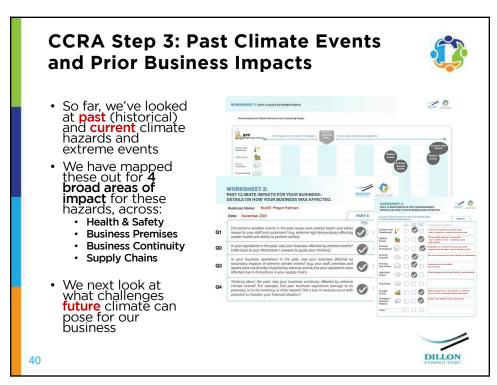


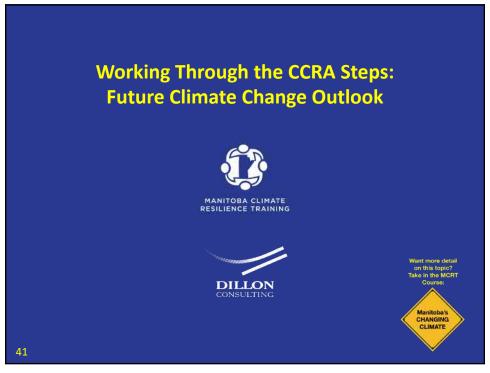


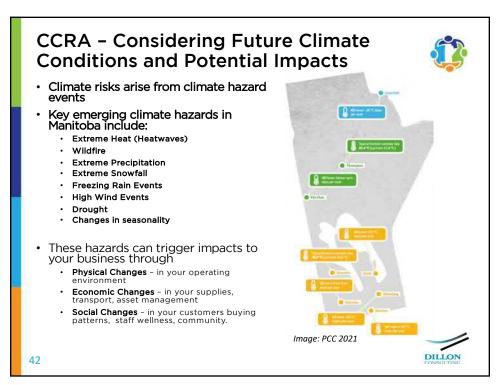


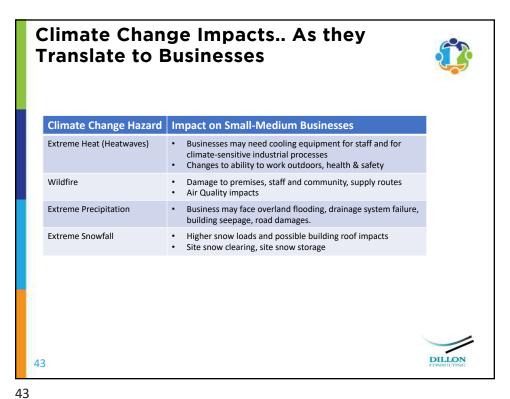


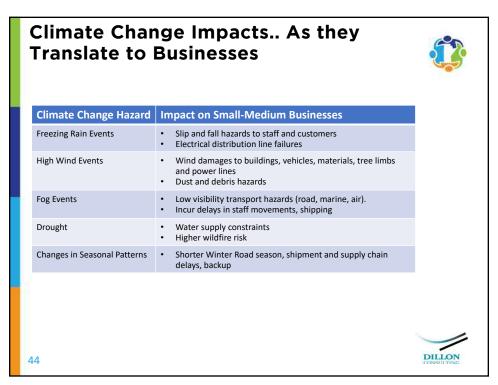












Examples of Business Sector-Specific Climate Risks



Business Sector	Potential Climate Impacts
Building Design and Construction	 People: Excess heat -reduced worker productivity Premises: Drainage - extreme weather events Supply Chains: Extreme weather disrupts transport to site, Operations: Extreme weather disrupts construction, delays critical shipments
Retail	People: Extreme weather affects customer behavior Premises: Store, warehouse, equipment affected by extreme events (flood, wildfire, heatwave, etc.) Supply Chains: Extreme weather disrupts supply chains, flow of raw materials, distribution of products/services Operations: Extreme weather disrupts customer movements, deliveries, shipping times
Food and Beverage	 People: increases in heat or storms deters customers from premises, affects customer behavior, health Premises: Loss of power can result in loss of perishable food stocks Supply Chains: shipments of perishables delayed, subject to higher spoilage Operations: Physical risks to water supply, raw materials

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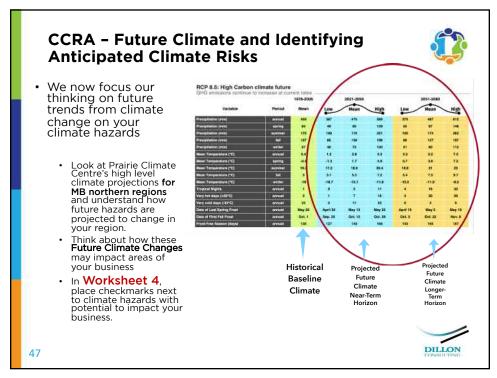
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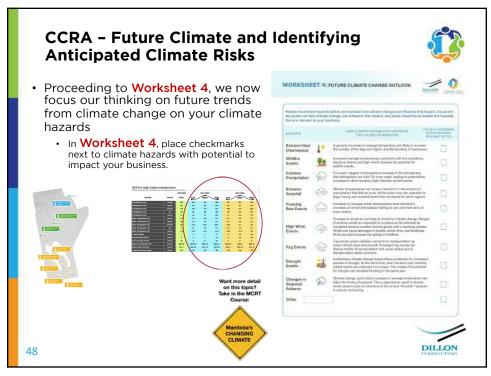
Examples of Business Sector- Specific Climate Risks

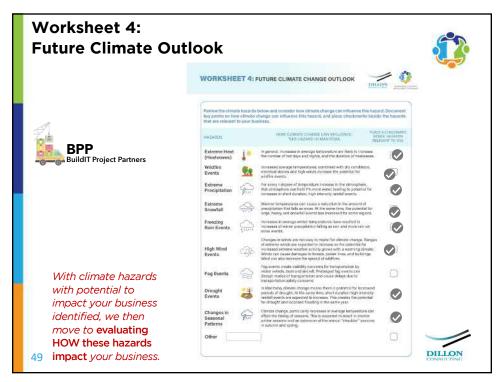


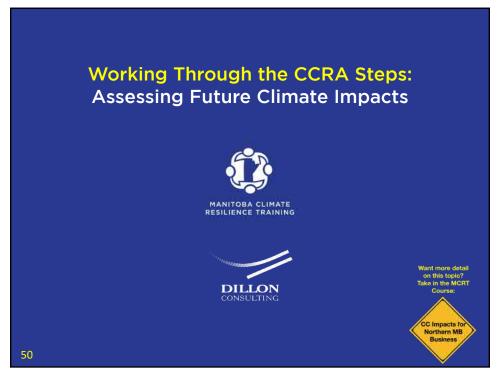
Business Sector	Potential Climate Impacts
Rental, Hiring, Community Development	People: higher heat and smoke exposure may cause health impacts to staff, customers Premises: Higher temperatures may require modification of existing HVAC systems Supply Chains: disruptions to shipments of replacement components, spare parts. Operations: Physical impacts from extreme events (high heat, wildfire, extreme rainfall) may cause delays in construction for ongoing community development, leading to financial losses.
Resource Extraction	 People: higher heat and smoke exposure may cause health impacts to staff, contractors Premises: Higher precipitation extremes may require changes in site drainage to combat localised flooding of site operations. Supply Chains: disruptions in shipments of critical materials, equipment and personnel Operations: Higher precipitation extremes may require waste containment lagoons to discharge more frequently, with potential impacts to local fisheries.

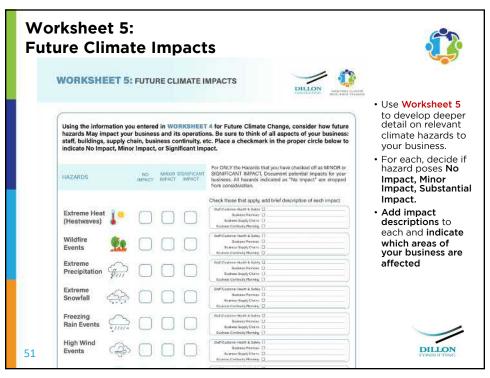
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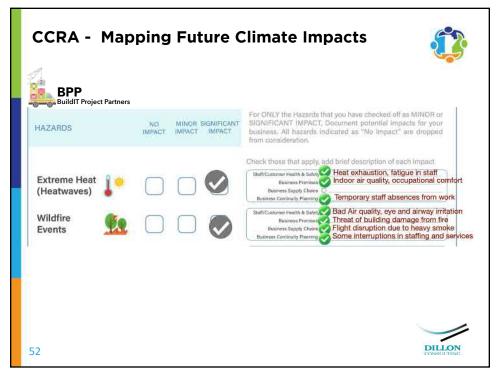


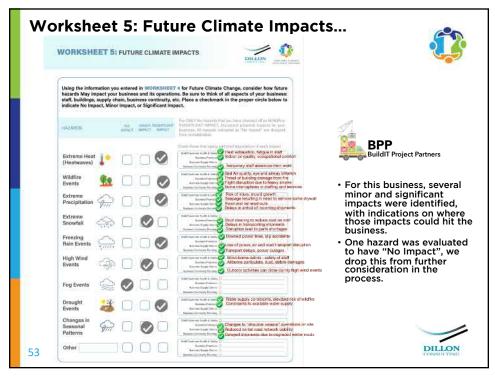


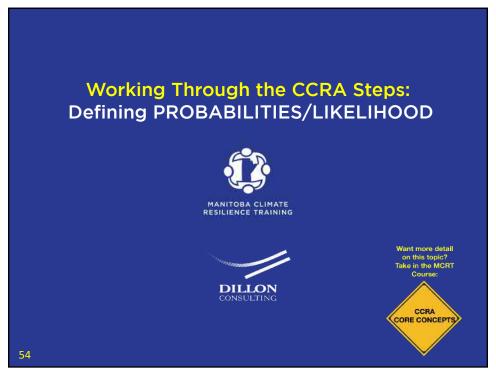












Probability/Likelihood Values



Clarifying the language...

- Probability ≠ Likelihood
- Probability is a quantitative (numerical) measure.
 - E.g. "There is a 50% chance of rain tomorrow".



• E.g. "There is a high likelihood of rain tomorrow."





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Establishing Likelihood Score Values



- In CCRA, you might not have the data available to complete numerical analysis of Probabilities.
 - For Tier 1 CCRA, you can easily use qualitative, non-numerical assessment 5-point scales for Likelihood.
 - Review your Likelihood Scale levels, select best match to determine likelihood scores qualitatively.



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- Review the past (historical) climate hazard events mapped out in Worksheet 1, this is your baseline
- Consult the projected climate information for your location
- Considering how often this hazard occurred historically

 we can select a score from Likelihood Scale. Here it is selected as "Occasional" or intermittent, with a Likelihood Score of 3.





PROBABILITY/LIKELIHOOD



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Quiz



- Review the projected climate summary information and apply the expected change (increase or decrease in frequency of climate hazard) to your baseline score.
 - We know that temperatures are projected to continue increasing in Northern MB, and droughts are projected to be an ongoing problem.
- How would you score the likelihood of wildfire events in the future climate?
 Would it be less often or more often than what you scored for historical (baseline) climate?



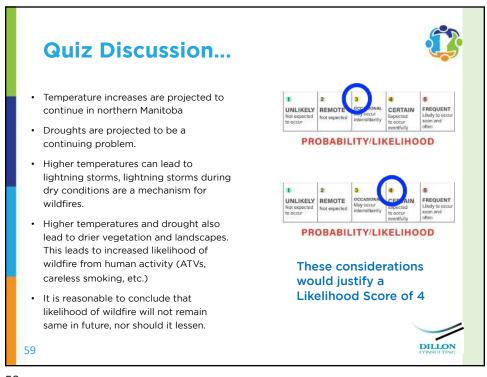
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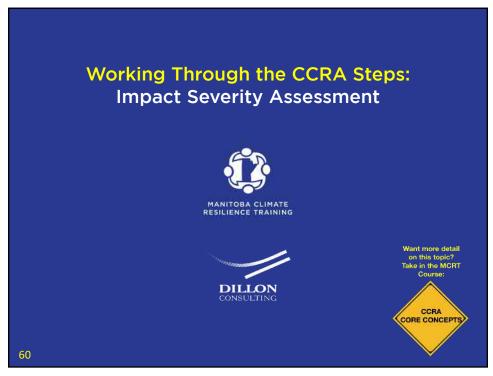


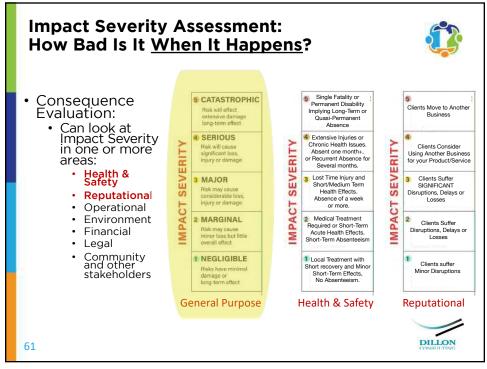
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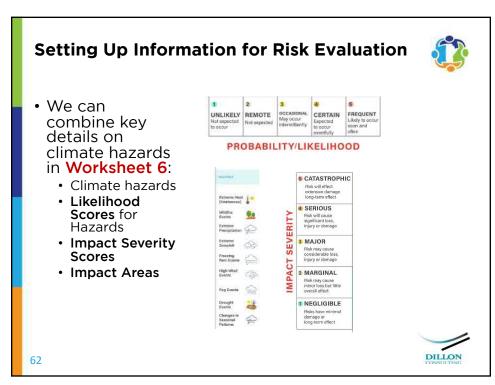


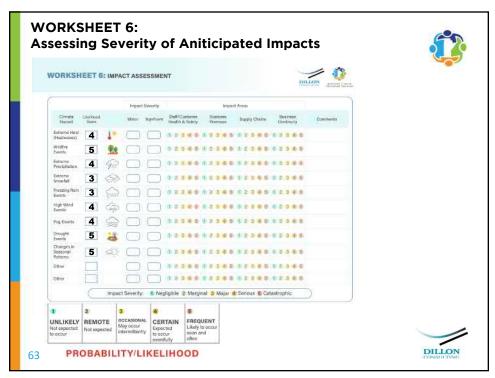
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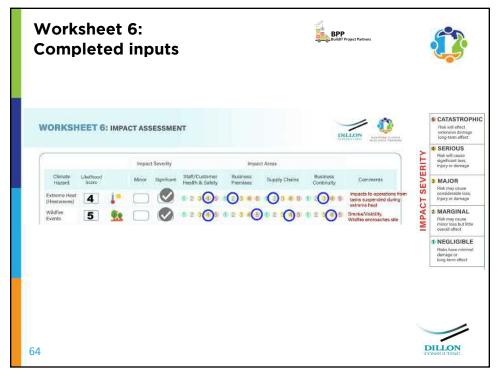


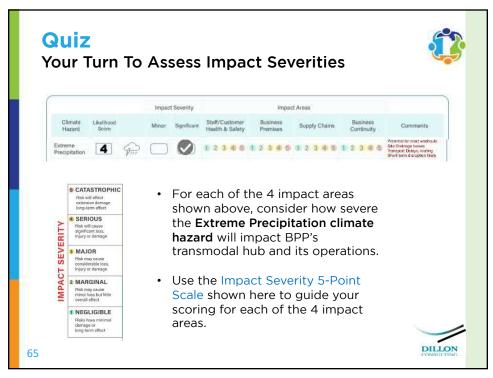


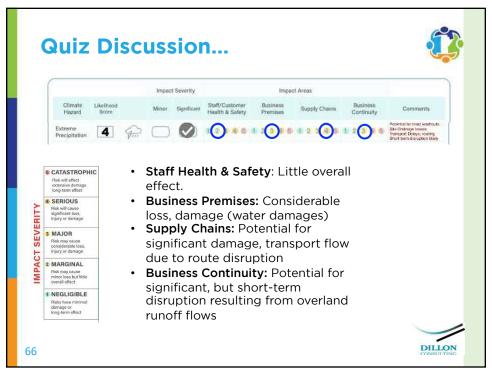


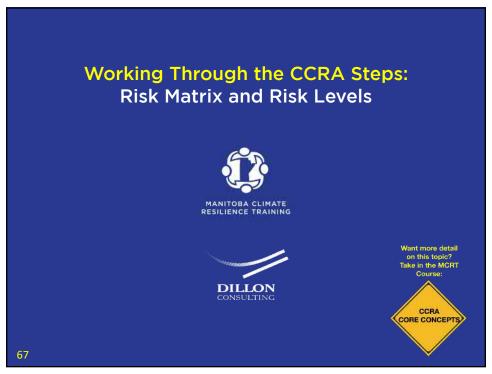


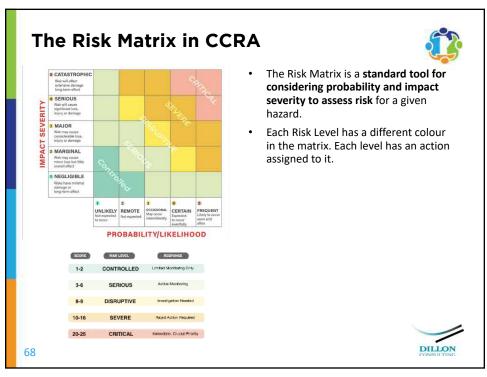


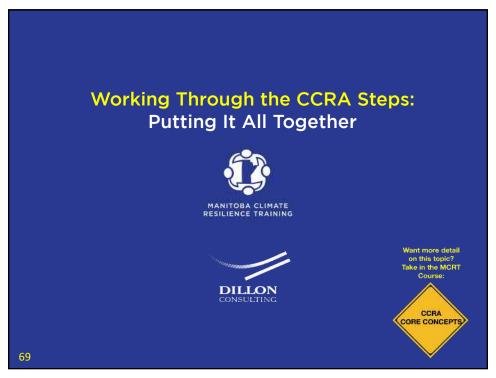


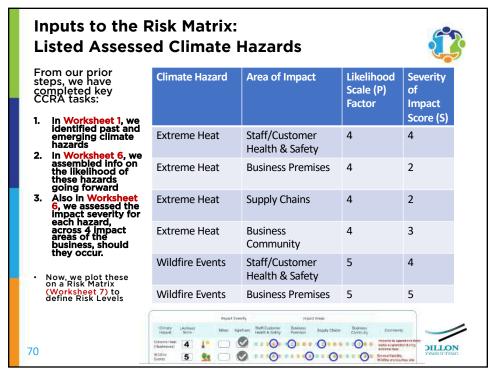


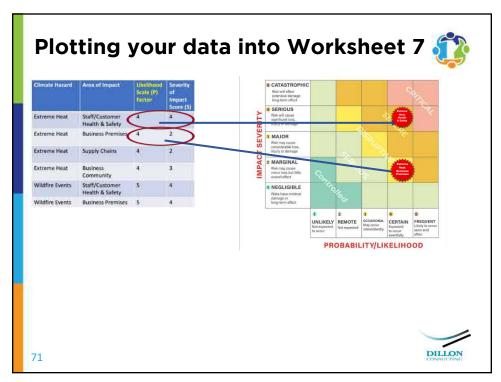


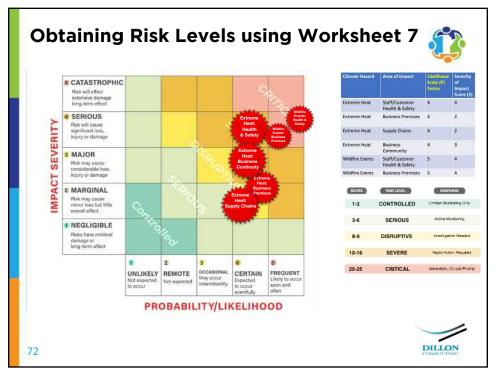


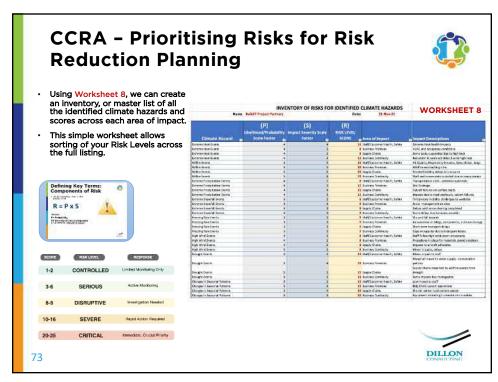


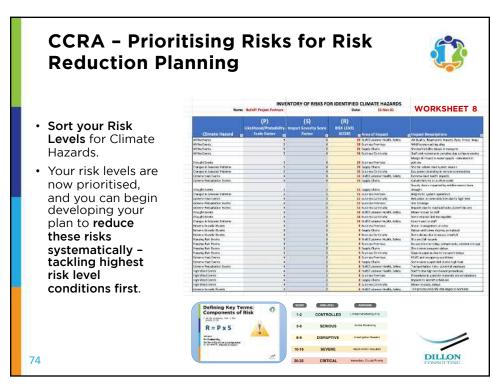


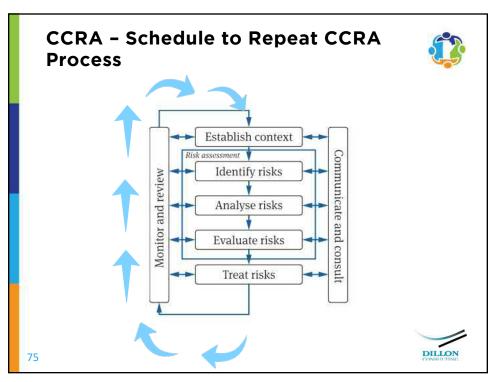


















Feedback



Post-Class Participation Survey:

- Your feedback is extremely important to us, critical understanding how you may use these concepts in your own resilience planning.
- Links to a Survey Monkey post-class survey will be emailed to you within 24 hrs of this class. You will also receive the Worksheet Booklet in this email.

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