

Five Steps to Prepare for 2021—The Year of (Climate) Change

By Amanda North, Plan C Advisors Founder and CEO

After mounting pressure from stakeholders and growing evidence of climate change impacts, the stars have aligned -- the Biden Administration is making climate a top priority, leading asset managers are requiring portfolio companies treat climate as a material issue, and companies around the world are pledging bolder climate actions. According to a recent [Pew Research poll](#), citizens in Europe and around the world believe climate is the crisis of ongoing and greatest importance facing our shared planet. By all measures, 2021 is shaping up to be a year of accelerating climate action in the US and around the world.

If business leaders are not already in deep planning mode, they should get ready -- fast. Members of the [Plan C Advisors](#) team suggest 5 steps to get started:

#1 Plan for Climate Risk Across the Entire Organization

COVID-19 should be a wake-up call to business leaders thinking about climate. Like the pandemic, the early warning signs of climate impacts were largely ignored and climate has now reached crisis stature. Plan C Advisors counsels company leaders to map climate-related organizational risks and opportunities across the entirety of your business and develop enterprise-wide action plans. [Jupiter Intelligence](#), a Plan C Advisors partner, helps companies predict the physical impacts of climate and develop risk mitigation strategies by utilizing new generations of sophisticated, AI-based, software. Potential impacts to reputation, brand strength and customer loyalty also must be considered recommends [Jennifer Swint](#). Additionally, because of climate change, some companies may need to reconsider the fundamentals of their business as [Simon Todd](#) counsels clients in the energy sector who are faced with the fundamental challenge of transitioning their traditional products, services and operations.

#2 Leverage Climate Demands to Create Company Value

Organizations that understand their Purpose, have a culture of fearless innovation, and act decisively can find opportunities to evolve their products and services and launch new businesses in response to climate challenges. Pivoting company leadership to look at climate as a business opportunity will lead to more innovation and ingenuity that will be good for your bottom line as well as the planet. [Lisa Bougie](#) leverages her career as an executive in the apparel sector, one of the industries under greatest duress from climate factors, to help clients consider creative approaches to climate impacts. In the apparel sector this includes new business models such as renting vs buying clothing, use of new planet-friendly materials and upcycling. [Celso White](#) draws on his many years as an executive with global food and beverage companies to help clients rethink their supply chain operations to increase efficiencies and improve their climate footprint. And [Chris Miller, Plan C Advisor](#) and partner at [AJW](#) a leading government affairs consultancy, advises business leaders to proactively advance policies on climate that align with their business strategies.

#3 Develop Ongoing, Bi-directional, Communications with Stakeholders

In this era of transparency, the full range of company stakeholders—employees, customers, partners, and investors--all demand knowledge of corporate climate actions. They no longer are satisfied with platitudes, but with the kind of concrete examples of climate action that [Silverline Communications](#) uses as the basis for communications on behalf of its clients. Importantly, audiences want to be engaged on the topic of climate, not merely spoken to. Collaboration with affected communities, industry groups, NGOs as well as governmental entities across geographic regions is a requirement for effective climate action. Climate Justice expert [Bee Hui Yeh](#), emphasizes that all voices must be included in order to drive climate solutions that are healthy, just and sustainable *for all*.

#4 Disclose, Even with Imperfect Information

Formal disclosures are playing an increasingly important role in climate communications. Plan C Advisors Partner [GAA](#) says even if you have imperfect information, and even if not all the news is positive, it is critical that you disclose your climate impact and exposure using at least one of the myriad standards and frameworks now available for that purpose. For instance, if investors are a critical audience for your organization, using the [SASB](#) disclosing standards would be a good first step. Disclosures have been complex, changing and burdensome for businesses, but there are positive signs that this is changing as the value of disclosing receives more mainstream acceptance—and quite likely soon will be mandated in the US as it is in many parts of the world.

#5 Engage Your Board

BlackRock and other major asset managers are increasingly vocal about holding board directors accountable for making progress on sustainability-related goals, including climate. D'Anne Hurd, recommends that board directors play a vital role in setting the tone and guiding the adoption of climate strategies. [Tracy Edkins](#) advises boards to engage more directly with management to catalyze the organizational transformation needed to drive climate action across the enterprise, including aligning language, incentives and compensation—not a small task particularly when working with a sprawling, global and fast-growing organization as she has in her role as chief people officer in the tech sector.

Call to action—Readiness Assessment

Fortunately, all signs point to the pace of climate awareness and action rapidly accelerating in 2021, particularly as the Biden Administration takes office. This is the year for all business leaders to ensure they have a plan in place to address climate throughout their organizations. Silverline Communications and Plan C Advisors can get you started with an initial diagnostic to assess organizational readiness and recommend priority next steps. Please reach out to [Amanda North](#) at anorth@plancadvisors.com to learn more.