

	Our assessment of climate-related risks and opportunities			Impact	Urgency
Transition risks	1.5°C scenario	Carbon pricing	<ul style="list-style-type: none"> <li>Production costs increase due to countries (in Europe especially) starting carbon taxes, carbon trading and carbon border adjustments</li> </ul>	4	2
		Raw materials	<ul style="list-style-type: none"> <li>Costs increase, from the purchasing of circular materials</li> <li>Input costs rise because of heightened demand for rare minerals/metals, driven by electrification and regulations on emissions</li> </ul>		
		Energy	<ul style="list-style-type: none"> <li>Costs increase, from the procurement of renewable energies and implementation of energy-saving measures</li> </ul>	1	3
Physical risks	4°C scenario	Climate-related hazards	<ul style="list-style-type: none"> <li>Costs increase, from repairing/restoring facilities or inventory damaged by extreme weather events and natural disasters. Workers can also be injured. All these will disrupt our business operations.</li> </ul>	1	3
		Sustained temperature rise	<ul style="list-style-type: none"> <li>Air-conditioning costs increase with rising temperatures</li> <li>Higher costs to operate worksites and ensure occupational health/safety</li> </ul>		
	1.5°C & 4°C scenarios	Forest degradation	<ul style="list-style-type: none"> <li>Paper costs (for our consumables products) increase due to scarce forest resources, forcing us to seek alternative materials</li> </ul>	5	2
Opportunities	1.5°C scenario	Products	<ul style="list-style-type: none"> <li>Demand for eco-friendly products increases, driven by more stringent emissions regulations and energy efficiency standards</li> </ul>	1	2
		Solutions	<ul style="list-style-type: none"> <li>Demand heightens for productivity and energy-saving solutions at factories, driven by energy conservation policies and rising temperatures</li> <li>Demand heightens for solutions that trace product origins and greenhouse gas emissions, due to recycling laws and changes in consumer behavior</li> </ul>	1	1
		Data	<ul style="list-style-type: none"> <li>Demand for data collection increases, because of higher needs for AI, digital technologies and big data</li> </ul>		
		After-sale services	<ul style="list-style-type: none"> <li>Demand for maintenance services increases after a disaster or for reinforcing disaster resilience</li> </ul>		