The AIDC industry in 2050 (4.0°C scenario)

Key actions:
Establish resilient factories and supply chains, and support customers' SCM needs.

Governments & investors

★Risks/opportunities

No progress in climate change controls

★ More subsidies for damage caused by extreme weather

★ More subsidies for aging infrastructure

Raw materials (Suppliers)	Production/service (AIDC)	Usage (Consumers)	Disposal/recycling
Need to **optimize procurement strategies**	**Resilient factories** are required to deal with the impact of extreme weather	**Demand for services** would rise with poor working conditions & disaster damages	Unsuccessful recycling would perpetuate **mass consumption & disposal habits**

Materials

★ Physical impact on supply network

★ Higher cost due to scarce forest resources

★ Higher chip prices due to water shortage

Energy

★ Aging energy infrastructure

Printers, labels & tags

★ Land value fluctuation in disaster-prone areas (impact on factory relocation)

★ Higher operation/ restoration cost of factory after disasters

★ Supply chain reformation adapting to climate changes

★ Higher HVAC[*1] running costs due to rising temperatures

★ Production & transport industries needing automation due to rising temperatures

★ Importance of BCP[*2] readiness in supplier selection

★ Maintenance/repair services needed after disasters

★ Greater focus on nature conservation and resilience against disasters

★ Damage to transportation networks

Markets

★ Material shortage caused by resource depletion

*1 HVAC: Heating, Ventilation and Air Conditioning
*2 BCP: Business Continuity Planning