



IHPN Climate Change Group

21/04/2021



Agenda

- Introduction – David / Danielle
- The climate landscape in 2021 - Ben Richards, Director, Climate Change & Sustainability, Deloitte
- Climate change and the healthcare sector
- Your views - What do you need to build your climate confidence and capability?

Welcome and context



Climate change: a primer

Prepared for the Independent Healthcare Providers' Network

Schedule of events



1. Climate change: a primer

The impact of climate change on business, and the external landscape



2. Climate risk and net zero

Exploration of business risk and practical guidance on decarbonisation and delivering net zero goals

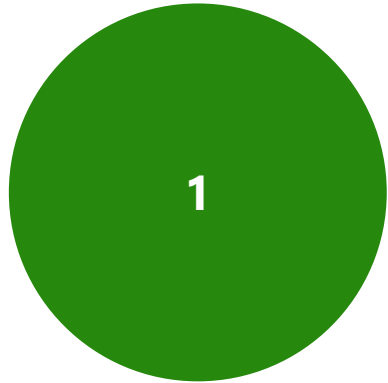


3. COP26 readiness

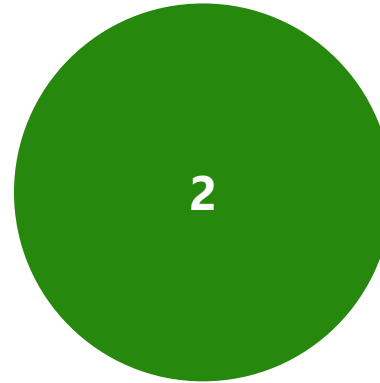
Practical working session to explore industry commitments, actions, dates and possible communications ahead of COP

Today's session

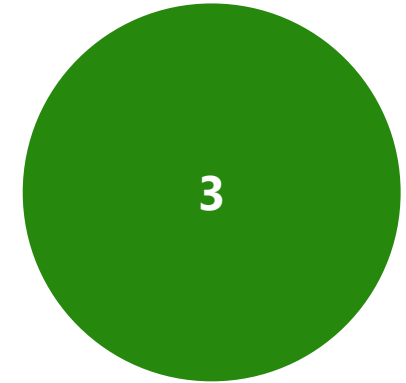
Today's session



The climate landscape in 2021
Ben Richards, Director, Climate
Change & Sustainability, Deloitte



Climate change and the
health care sector



Your views
What do you need to build your
climate confidence and capability?

Setting the scene

The climate landscape in 2021

Setting the scene

“The goal of halving emissions by 2030 represents the absolute minimum we must achieve if we are to have at least a 50 per cent chance of safeguarding humanity from the worst impacts.

This is our final limit. We cannot exceed it.”

The Future We Choose,
C Figueres, T Rivett Carnac



Setting the scene

How are impacts being felt today?

Average global temperatures are rising, with CO2 levels increasing by 30% since the industrial revolution.

Although natural disasters are not new, climate change increases their frequency and intensity, making it harder for those affected to cope with the impacts.



Extreme heat



Sea level rise



Health and mortality



Biodiversity loss

Setting the scene

How an environmental crisis will become a socioeconomic crisis

The impacts of climate change are far reaching and will have an impact upon every person on the planet, albeit the magnitude of the impact felt will not be equal. How will communities and industry be disproportionately impacted?



Access to resources



Livelihood and working conditions



Displacement of communities



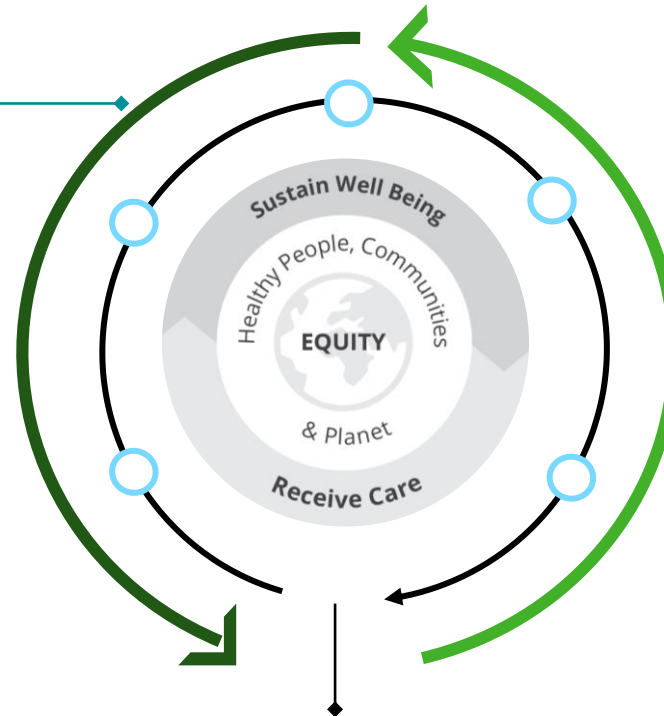
Health and mortality

Setting the scene

Tactics for climate change action

MITIGATION

Actions to minimize an organization's contribution to the root cause of climate change by reducing greenhouse gas emissions (e.g., reduce energy consumption, reduce food waste), and/or to actively remove greenhouse gases from the atmosphere (i.e., carbon sequestration)



ADAPTATION / RESILIENCE

Actions to adapt to a changing climate and prepare the organization for potential negative impacts of climate change (e.g., shocks to the supply chain, change in disease prevalence, financial pressures). This may also include action to address force multiplying impact that climate change may have on other social determinants of health

CO-BENEFITS

Actions taken that build resilience while simultaneously reducing GHG emissions. Identifying opportunities to unlock these co-benefits is crucial to developing a portfolio of climate action

Setting the scene

Doing business differently

Stakeholders care:

Regulators:

- Mandatory climate risk & strategy reporting being rolled out from 2021

Investors

- Black Rock has restated its commitment to reporting using TCFD and SASB guidelines
- LGIM has indicated it will vote against directors that fail to integrate climate risk into decision making

Customers

- 43 per cent of consumers claim to be actively choosing brands due to their environmental values (Deloitte)
- 67 per cent of Brits would support the introduction of carbon labelling on products (You Gov)



“It’s important to recognize that net zero demands a transformation of the entire economy.”

Larry Fink, CEO, Black Rock.

Image: Bloomberg Finance LP

Setting the scene

Responses are crystallising

Net zero

- Proliferation in national and corporate net zero commitments
- Net zero and carbon negative commitments are accelerating elsewhere

Climate risk and strategy

- Climate-related disruption in the next three decades will be more profound than digital disruption in the three previous decades
- Scenario analysis is helping companies paint a clearer picture of the future

Finance and accounting

- Innovation in this space will accelerate, getting more cash to the right places, more quickly
- Climate risk being integrated into mainstream audit processes

Setting the scene

FTSE 100 commitments*

87%

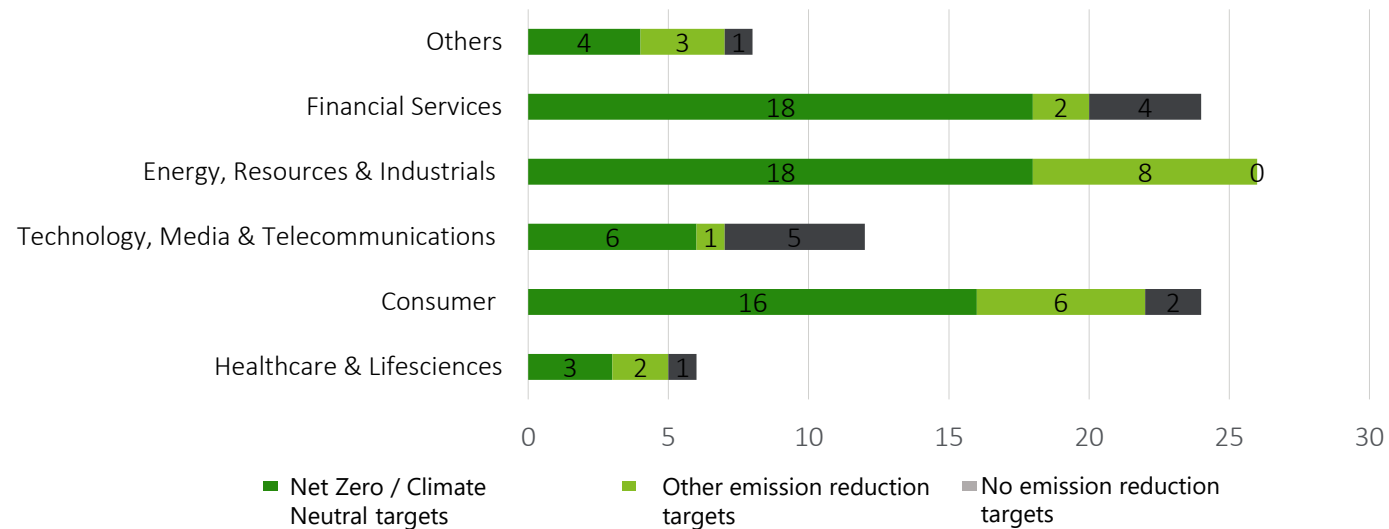
Of FTSE 100 companies have publicly committed to **emission reduction**

65%

have publicly committed to **achieve net zero and/or carbon neutral**

43%

have committed or are in the processing of setting **Science-Based Targets**



4

have used **"Carbon positive" in their public statements**

2

have used **"Carbon negative" in their public statements**

0

have committed to **grandfather historical emissions**

*Source: Deloitte research

Setting the scene

The opportunity according to government

- ✓ COP26
 - ✓ Mandatory TCFD reporting
 - ✓ Net zero by 2050
 - ✓ New energy grant
1. Advancing offshore wind
 2. Driving the growth of low carbon hydrogen
 3. Delivering new and advanced nuclear power
 4. Accelerating the shift to zero emission vehicles
 5. Green public transport, cycling and walking
 6. Jet zero and green ships
 7. Greener buildings
 8. Investing in carbon capture, usage and storage
 9. Protecting our natural environment
 10. Green finance and innovation

Setting the scene

The Task force on Climate-Related Financial Disclosures



Governance	Strategy	Risk Management	Metrics & targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, financial planning.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<ul style="list-style-type: none">• Describe the organization's governance around climate-related risks and opportunities.• Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none">• Describe the climate-related risks and opportunities the organization has identified.• Describe the impact of climate-related risks and opportunities on businesses, strategy, and financial planning.• Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.	<ul style="list-style-type: none">• Describe the organization's processes for assessing climate-related risks.• Describe the organization's processes for managing climate-related risks.• Describe how processes for identifying, assessing, and managing climate-related risks are integrated into risk management.	<ul style="list-style-type: none">• Disclose the metrics used by the organization to assess climate-related risks and opportunities.• Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.• Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

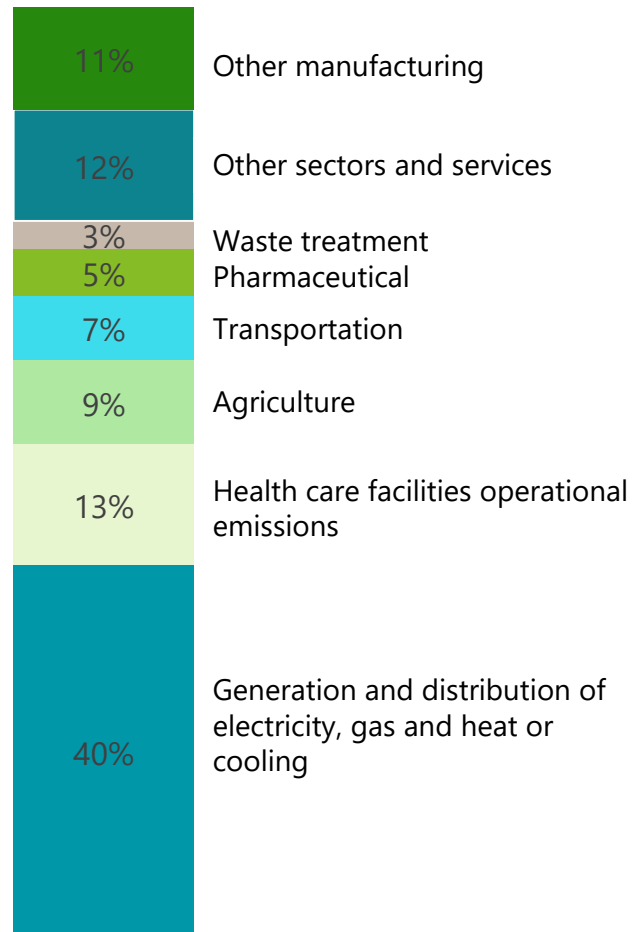
Any questions?

2. Climate change in the Healthcare sector

Climate in the healthcare sector

Greatest Global Health Threat of the 21st Century

Human activity is changing the Earth's climate in ways that endanger the natural environment and all aspects of human civilization. It is an existential threat to life on earth and the greatest challenge of the 21st century



If the health sector were a country, it would be the **fifth-largest emitter on the planet.**

Health care's climate footprint is equivalent to **c5% of global net emissions.**

The **top three emitters**, the United States, China, and collectively the countries of the European Union*, comprise more than **half the world's total health care climate footprint (56%).**

The figure to the left shows the global health footprint tracked back to original sector emissions sources.

*including UK

Climate in the healthcare sector



Climate in the healthcare sector

NHS 2045: a systemic accelerator

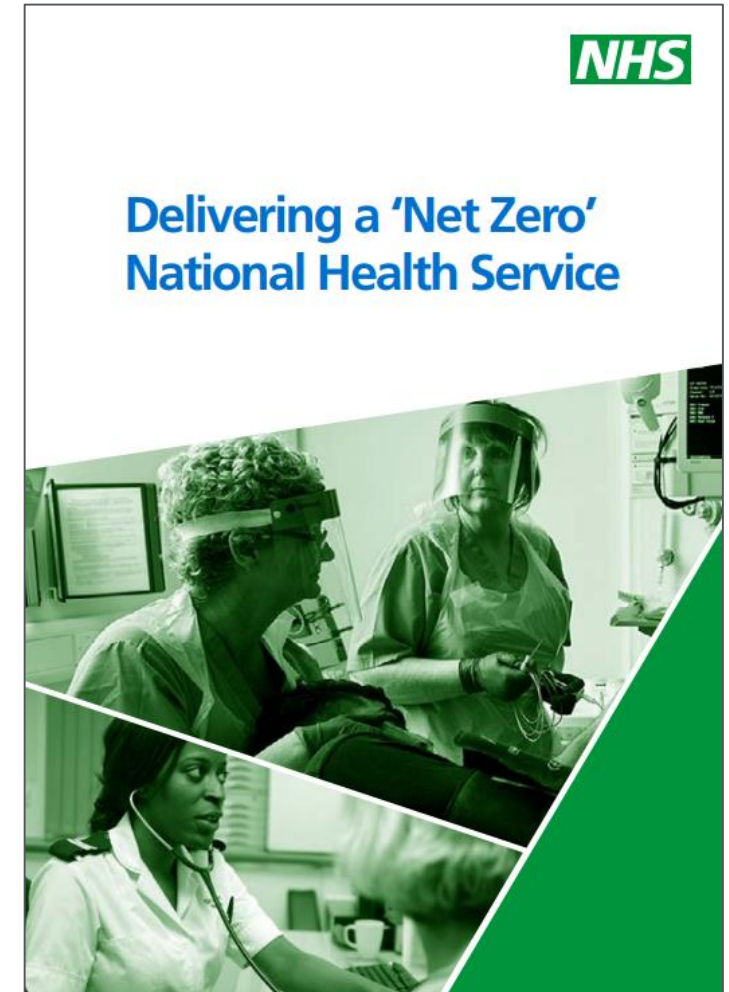
“Two clear and feasible targets emerge for the NHS net zero commitment, based on the scale of the challenge posed by climate change, current knowledge, and the interventions and assumptions that underpin this analysis:

- for the emissions we control directly (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032
- for the emissions we can influence (our NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.”

Press release

UK enshrines new target in law to slash emissions by 78% by 2035

The UK's sixth Carbon Budget will incorporate the UK's share of international aviation and shipping emissions for the first time, to bring the UK more than three-quarters of the way to net zero by 2050.



Source: NHS England - <https://www.england.nhs.uk/greenernhs/publication/delivering-a-net-zero-national-health-service/>

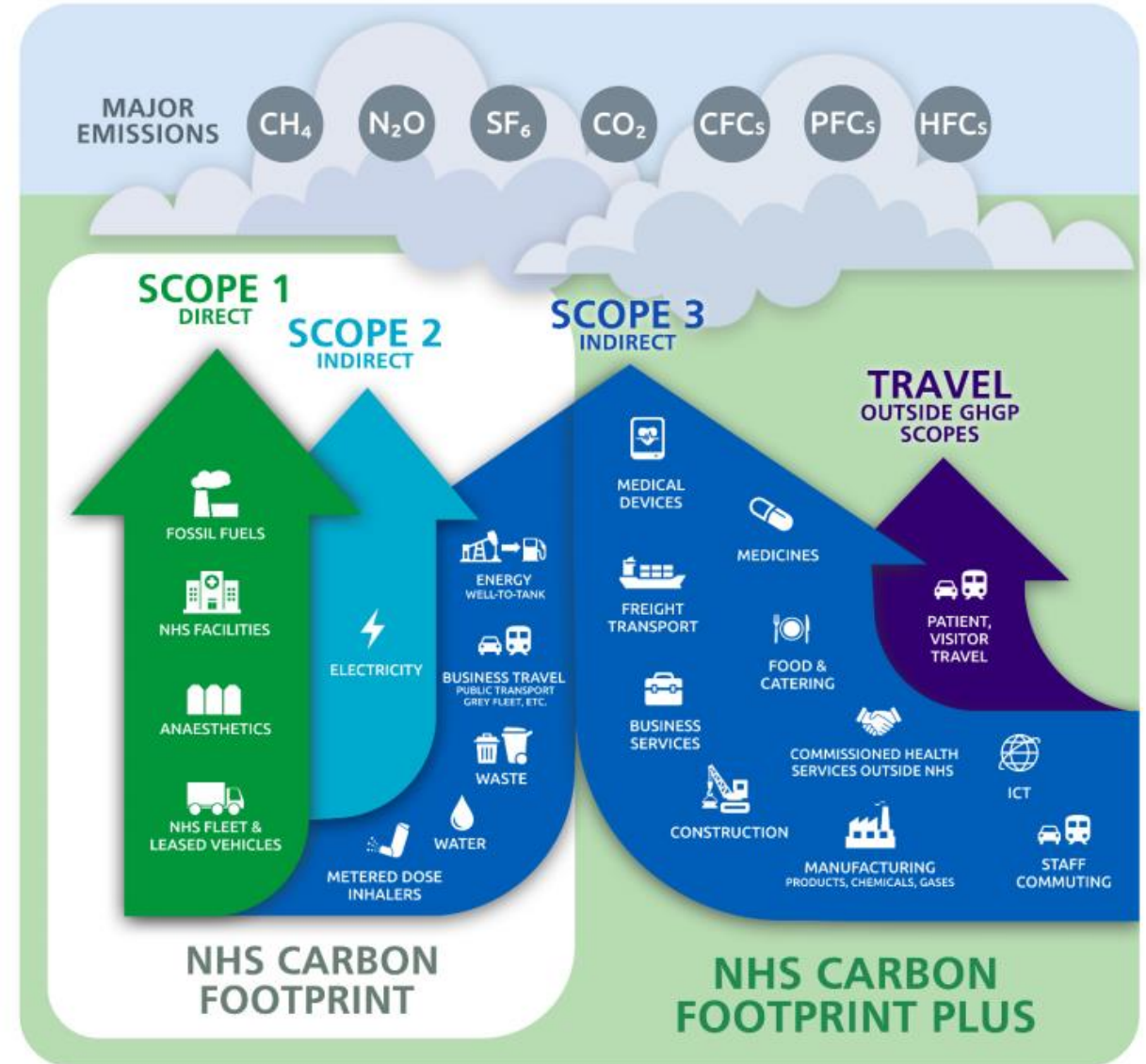
Climate in the healthcare sector

NHS 2045: a systemic accelerator

GHGP Scope 1: Direct emissions from owned or directly controlled sources, on site

GHGP Scope 2: Indirect emissions from the generation of purchased energy, mostly electricity

GHGP Scope 3: All other indirect emissions that occur in producing and transporting goods and services, including the full supply chain.



Climate in the healthcare sector

The Impact on Health and Health Care Affordability

Climate change has measurable negative effects on health, which impact not only individual and community well-being, but also health care affordability

At the current trajectory, the U.S. EPA estimates a total of **\$290 B+ increase in annual health costs** due to climate change by 2050, or over **\$800 per current U.S. resident**¹

As measured by affordability impact, the most significant health impacts of climate change include:

■ **Decreased air quality leading to respiratory illness**

Ozone concentrations and reduced air quality result in illness and premature death

■ **Prolonged allergy seasons**

Change in pollen season length and concentrations results in increased emergency department visits for asthma

■ **Extreme temperature mortality**

Extreme heat and cold events result in medical emergency, death, or lost labor

■ **Infectious disease**

Changing climate creates new patterns of vector borne disease, e.g., West Nile Virus

■ **Decreased water quality due to algal blooms**

Changing temperatures may increase the incidence of harmful bacteria in reservoirs

Let's look at 2012 as a Case Study²....

10 climate-sensitive case studies that occurred in 11 U.S. states during 2012

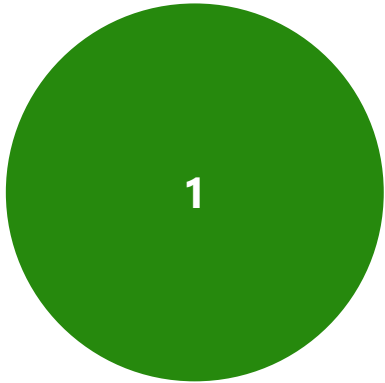
- **Wildfires** in Colorado and Washington
- Ozone **air pollution** in Nevada
- **Extreme heat** in Wisconsin
- **Infectious disease outbreaks** of tick-borne Lyme disease in Michigan
- **Mosquito-borne** West Nile virus in Texas
- **Extreme weather** in Ohio
- Impacts of **Hurricane** Sandy in New Jersey and New York
- **Allergenic oak pollen** in North Carolina
- Harmful **algal blooms** on the Florida coast

These 10 events in 2012 resulted in **at least \$10 billion in health-related costs** from about **900 deaths, 21,000 hospitalizations, 18,000 emergency room visits, and 37,000 outpatient encounters.**

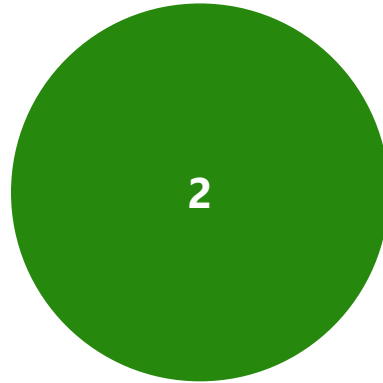
Breakouts

Group discussion (20-25mins)

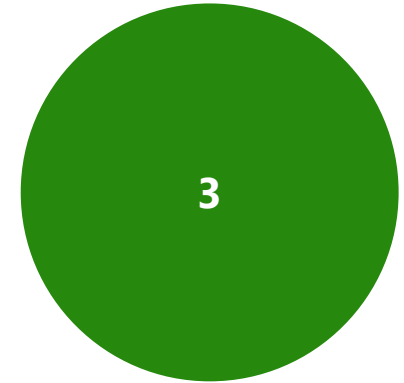
Breakouts



Where are you on your climate journey?



How do you think your approach will change over the next 3 years?



How can this series of events give you the confidence and the capability to address the climate crisis?

Schedule of events



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3. COP26 readiness

Practical working session to explore industry commitments, actions, dates and possible communications ahead of COP



Next up



Thank you



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