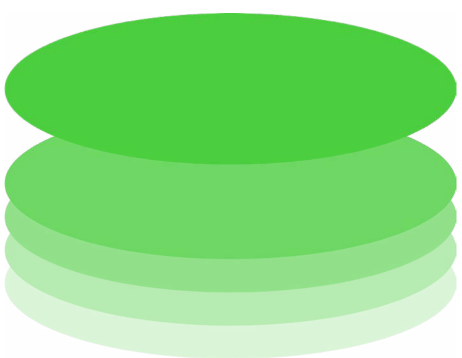
Tip Sheet

You've run out of time to ignore the impacts of climate change on your business

Unlock a complete understanding of your climate risks to help money work harder



With climate change catalyzing more frequent and severe extreme weather events each year, modeling the financial impacts will help your company protect its money and its operations, and provide the insight you need to manage your biggest exposures and put money to work. It's time to get proactive about climate risk management – not only for compliance but also to generate decision-critical data for risk management and business strategy. And here's how, step by step.

1. Identify and quantify your climate risks

You need advanced analytics and algorithms to help assess the probability and financial impact of climate-related risks for your company, especially if you want to analyze risk at an asset level. By analyzing different climate scenarios, you can also understand a range of potential future impacts on your business. Additionally, dynamic modeling capabilities will help you understand how risk hotspots and weather patterns may change in the short-, medium- and long-time horizons.

2. Assess the potential financial impacts

Economic modeling tools are key to projecting the financial repercussions of climate risks on your assets, cash flow and operations. For example, as climate risks continue to increase, insurance underwriters are under pressure to charge policyholders higher premiums. For the effective allocation of resources, you must also determine which assets carry the highest risk, and are therefore worth the majority of your time and investment.

3. Manage and reduce the risks you face

Now that you've identified and costed your climate risks, you can develop custom, tailored strategies for mitigating these risks. You should also carry out a cost-benefit analysis to compare the costs of implementing mitigation and adaptation measures against the potential benefits of long-term risk avoidance, regulatory compliance and climate-related opportunities.

4. Report the risks with accuracy and clarity

To achieve consistent compliance, you need to be able to produce detailed reports that meet regulatory requirements in multiple jurisdictions. But it's not all about compliance. You also need the ability to present clear, actionable insights to stakeholders, boosting transparency and trust.

5. Make climate risk management meaningful

Regulation may be the current driver behind collecting climate risk data, but the true challenge for any company is to keep the business up and running. With all that time and energy spent on disclosures, check-box compliance wastes opportunities to use the insights you generate for strategic business decisions and processes.

Manage climate risk proactively with FIS®

Take all five of these steps with FIS Climate Risk Financial Modeler, which quantifies the damage, disruption and insurance premium changes caused by trends in extreme weather. The solution's quantitative output both complies with regulation and enables stakeholders from across the business – finance, risk, insurance, sustainability, real estate and supply chain – to take meaningful steps to proactively manage and mitigate climate risk and put money to work.

If you had all the analysis you need for proactive climate risk management, how would you act on it?

UNLOCK FOR MORE INFORMATION

FIS climate risk management solutions help your money work harder.
Our technology powers the global economy across the money lifecycle.

Money at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.

Money in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.

Money at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

fisglobal.com/contact-us   linkedin.com/company/fis   x.com/fisglobal

Advancing the way the world pays, banks and invests™