



Chair's Guide to Climate Action

Navigating trade-offs and opportunities in a
climate-driven future

April 2022

Foreword

Climate change is a global emergency. One that can impact every person on Earth, and a challenge which will require collaboration across the public, private and financial sectors to address. Business leaders play a crucial role in the transition to a net-zero economy and are uniquely positioned to leverage their resources to collaborate and innovate on sustainability solutions across industries and disciplines. This is no longer a question of altruism, but one of ensuring the long-term viability of our livelihoods and operations. Put simply, if you as a business leader don't take into consideration sustainable use of resources you will not have a viable business model in the decades to come.

Sharing knowledge and lifting climate literacy at the board level will strengthen business leaders' ability to address climate change adequately. Interviews and discussions with chairs from the World Economic Forum's Community of Chairpersons, highlighted in this paper, reveals there is more work required to increase climate awareness and embed climate considerations into board governance. Equipping board members with tools to address corporate governance-related climate issues effectively is essential to ensuring an equitable and effective transition that achieves the goals of the Paris Agreement.

The Forum can support climate action by working with business leaders globally to educate on climate, share best practices and disseminate those practices around the world.

In 2019, the Forum launched the Principles for Effective Climate Governance, a useful tool for board directors to steer climate risks and opportunities. The Chairperson's Perspective series of briefing papers, launched by the Forum, Climate Governance Initiative and in collaboration with Deloitte, take the critical first steps to guide business leaders in addressing these principles.

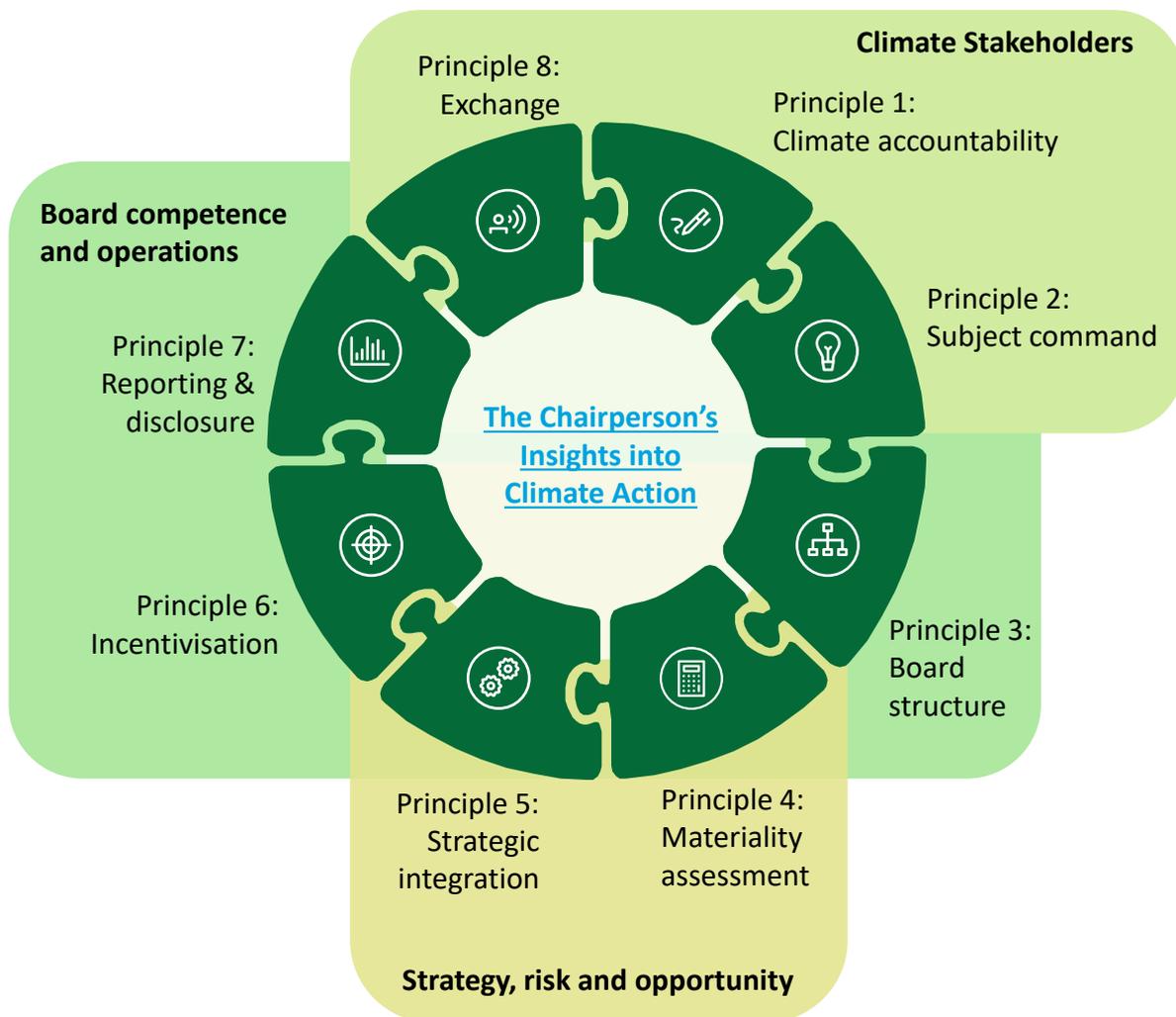
Boards play a vital role in guiding businesses and markets towards a more sustainable future. They provide leadership and direction to management, ensuring that long term views are captured in current decision-making. Boards must be properly educated in order to ask the right questions – know where to push and what a good answer really is. The aim of this work is to bring together the best practices from chairs who are leading the way on climate, to continue pushing ambitions and raise the bar for positive action. To create authentic change, business leaders must be bold and fearless, and must be very clear about the kind of legacy they want to leave for future generations.



Sharon Thorne
Deloitte Global Board Chair



This guide is intended as a practical toolkit to be read in conjunction with [briefing papers](#) released by the World Economic Forum and the Deloitte Global Boardroom Program's Audit Committee Frontier report, which builds on the Forum's Principles for Effective Climate Governance.



Decarbonization – the legacy you will leave for generations to come

We are in the midst of a defining moment in human history, facing what is likely to be one of the most disruptive challenges any of us will grapple with in our lifetimes: anthropogenic climate change.

Time is running out to act on climate change. There is a closing window of opportunity to create a new engine for sustainable economic prosperity while preventing the worst consequences of a warming world.

There's a cost to climate inaction

The economic case for climate action needs a new baseline. If emissions continue to rise and drive global warming above 1.5°C, economic growth is unlikely to continue on the baseline path baked into most economic analysis and decision-making today. As the world warms, economic growth will likely slow.

There is no free ride for a global economy that does not reduce emissions. According to modeling of the world's largest emitting regions by the Deloitte Economics Institute, global warming hinders growth in every region. Unless the world takes rapid and coordinated action, an increasingly climate-damaged economy will become the new normal. Unchecked climate change, where temperatures rise by 3°C, across to Asia Pacific, Europe and United States could create global economic losses in the order of \$115 trillion USD (in present value terms) between now and 2070.¹

Climate change is not just a scenario. It is the trend.

The opportunities for decarbonization are significant

With global coordination and a rapid response, the world can achieve net zero emissions in time to limit global warming to close to 1.5 degrees—although not without increased ambition and action.

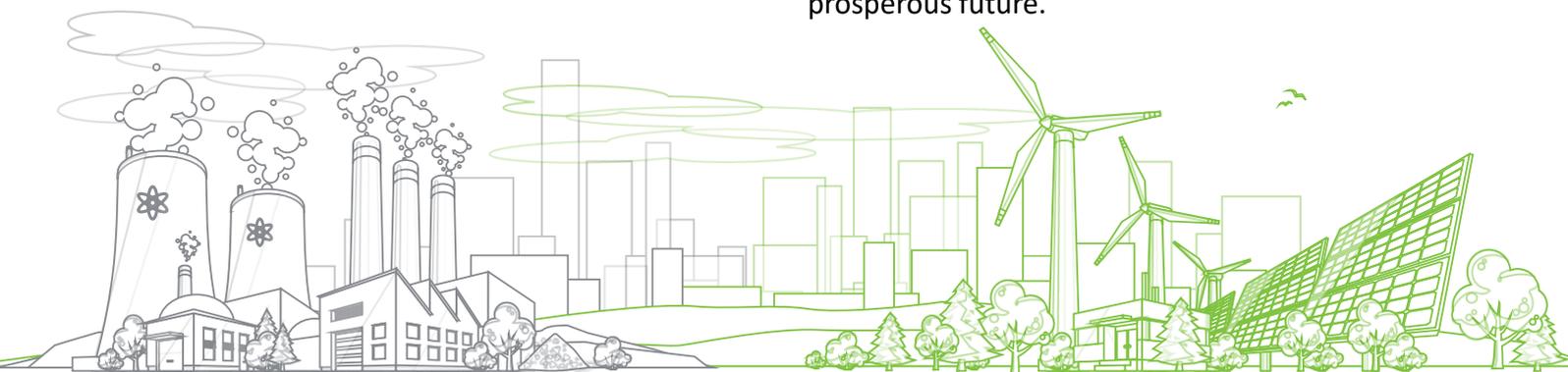
According to the Intergovernmental Panel on Climate Change (IPCC), limiting global warming to 1.5 degrees is not possible under current policy commitments made up to COP26. In April 2022, the IPCC released the final instalment of the Sixth Assessment Report, which sets out key actions under five Illustrative Mitigation Pathways (IMPs) to achieve this goal.²

The Deloitte Economics Institute estimates that by limiting warming to near 1.5°C, the regional economies of Asia-Pacific, United States and Europe could together be \$47 trillion larger by 2070 compared to a future of insufficient climate action that results in 3°C of warming.³

Energy markets have already observed the cost of renewable technologies, such as solar and lithium batteries, decrease by 80+% from 2010 to 2019. Deployment has been exponential; solar uptake grew more than 10 times and electric vehicle uptake more than 100 times over the period.⁴

Businesses that are proactive on climate action can seize these new opportunities, such as improving resource productivity, spurring innovation and enhancing the resilience of their supply chains.

The modelling shows that acting on climate is a business imperative, and can lead to significant economic gains in the long term compared to a world of climate inaction. However, businesses may have to shift their mindsets and accept short and medium-term trade-offs in order to realise this more prosperous future.



Integrating sustainability and climate in company strategy is critical to long-term enterprise value

Chairs' views on climate change

Summarized below are highlights from interviews with chairs in late 2021, as reported in the World Economic Forum's briefing paper: The Chairperson's Insights into Climate Action.⁵ Interviews were held with 16 chairs, as members of the World Economic Forum's Community of Chairpersons, on the topic of climate action.

Strategy

Climate must be integrated into company strategy. Flowing from this, commitments can be made, which, in turn, re-orient the whole business with a re-articulated purpose—leading to adjustments to business operations, control processes, metrics, and reporting.

Chairs identified three broad stages to climate action, understanding the 'why', the 'how', and the 'how fast'. Noting that while some are still catching up with the 'why', many boards are at the stage of understanding 'how'.

The hardest part of taking action is making the decision, once a clear decision is made it then just becomes a question of execution.

Sustainability and climate transformation requires increasing speed and collaboration of boards to change the business portfolio and embrace a culture of diverse thinking.

Risk and opportunity

Although boards are coming to terms with why they must act on climate, many continue to grapple with understanding the risks posed to their companies, with a narrow view of transitional risks such as regulations and investor pressure. Boards must broaden their awareness of all climate risks (including physical risks) and ensure they are not only recognized as another risk to the business, but brought to the forefront of decision-making.

Boards should consider how they can reposition to new growth areas, and opportunities presented by the climate crisis.

Greenwashing remains a large risk for many companies that are making commitments without understanding how they will be achieved. To avoid perceived greenwashing, businesses need to transparently track progress and follow through on commitments.

Consistent reporting standards and disclosure frameworks are the first step to ensuring risks and opportunities are appropriately managed.

Companies that take significant credible action on material sustainability issues — those considered to significantly affect a company's financial performance — outperform their competitors.⁶

The roadmap overleaf provides a practical question guide for directors to consider as they lead companies on the decarbonization journey.



Decarbonization roadmap

Key steps	Questions as a board member
 <p>Understand climate risks and opportunities Assess physical, transition and liability risk for all portfolio operations and all stakeholders in the value chain. Investigate various opportunities for value increase arising from sustainable investment. Use industry-agreed scenarios based on IPCC report scenarios.</p>	<ul style="list-style-type: none"> • Does the information provided by management assess all the risks along the entire value chain? • Should the board assess the risks using relationships with key stakeholders? • What are industry competitors doing to leverage opportunities originating with investment in ESG? • Does the board understand stakeholder’s likely reactions in high-impact scenarios? • Should the board seek legal advice on liability risks for directors given rise in climate litigation?
 <p>Emissions data and forecasting Explore detailed and accredited current and forecast emissions data. Data split by Scope 1/2/3, site, fuel type, operation and place in value chain. Policy analysis/assessment.</p>	<ul style="list-style-type: none"> • How climate competent is the board? Is there a good understanding of Scope 1, 2 and 3 emissions? Has the board been briefed on climate-related innovation and opportunities? • What immediate and continuous education on climate change is required? • Consider the impact of changes to the highest emitting sites, fuel types and operations on strategy and results in the long term.
 <p>Decarbonization pathways Design abatement pathways including abatement costs curves (plotting potential for abatement against cost). Develop roadmap and targets considering strategic and cost drivers.</p>	<ul style="list-style-type: none"> • Has the board considered short and long term impacts of alternate abatement pathways? Does the agreed roadmap build long-term value and strategic advantage? • Is the board comfortable that emissions targets are based on scientific principles acceptable to stakeholders? • How will the market, and other stakeholders react to a decarbonization target and roadmap?
 <p>Value chain solutions Pursuing partnership opportunities across value chains and ecosystems to meet common decarbonization and resilience needs, and to capitalize on current and emerging climate action opportunities.</p>	<ul style="list-style-type: none"> • What changes to the existing value chain does the board anticipate long term? • How can the company best partner with other industry players to mitigate the impact on climate and maximise enterprise value? • If the board debates breadth of responsibility to environment and society, consider legal advice on directors duties to act in the best interests of multiple stakeholders.
 <p>Project development and deployment Including: Operational optimization, and broad policies such as internal carbon pricing Abatement projects Supply chain transformation Traceability and verification frameworks Financing and capital allocation</p>	<ul style="list-style-type: none"> • What standard of governance should the board aspire to in assessing projects as sustainable? Does this standard align with the company’s purpose? • Against which entities should the company be benchmarked? What existing transformation is under way that can be leveraged? • What projects are underway that might make long term decarbonization harder? What projects are in the pipeline that might offer greater opportunity if brought forward or increased in scope? • What is the long term cost of taking no action? What is the long term gain from taking increased and imminent action?
 <p>Communication & disclosures Including: Climate risk reporting and disclosures Alignment between public statements and activities Stakeholder engagement and association membership</p>	<ul style="list-style-type: none"> • Has the impact of climate been adequately translated into financial reporting? • What is your sustainability legacy? How does this fit into the chair’s role in the collective decision making on the board? • Does the board aspire to get first mover advantage? Is this embedded in strategy and communicated? • Will stakeholders see the company’s reporting as sufficiently transparent and appropriate? Can the company gain more trust by voluntarily reporting metrics above and beyond compulsory requirements?

Navigating stakeholder complexity

The pace of change is accelerating and climate awareness is spreading rapidly through all stakeholder groups. Extreme weather events and resource-scarcity conflict is only serving to heighten this awareness.

Stakeholders are reacting in new and unpredictable ways. The connections and interlinkages between stakeholder groups is not fully understood – each is managed in isolation, resulting in siloed strategic responses.

Businesses need to keep abreast of how stakeholder groups are evolving across every jurisdiction, the trade-offs they are grappling with, and keep pace with the fastest movers.

This stakeholder evolution also opens the door to additional long-term enterprise value arising from climate-aware business strategies, with ESG-based investments often outperforming more-traditional strategies.⁷ Chairs should move from responding to reactions to being on the front foot by instigating an integrated review of stakeholder perceptions and driving external change.

The questions below take the first steps for boards to better understand their stakeholders and the environment they operate in.

Chairs' views on stakeholders

Interviews conducted with chairs⁸ indicates that negative publicity is seen as a key motivator of change for the majority of companies. Sources of stakeholder pressure vary by geography and sector, however, boards recognize it is increasing across all dimensions.

Chairs acknowledged that board engagement with stakeholders (such as investors or government) is required to feed into decision-making and get meaningful outcomes.

As leaders, chairs should also recognize they have a role to play in placing pressure back on their stakeholders to take positive action.



Questions to navigate stakeholder complexity



Understand the playing field

What evidence do you have on the views of stakeholders in relation to your services and operations?

How do these change when climate related physical or non-physical events happen?

What are the gaps that need addressing? What opportunities are available in response?

Recognizing that trade-offs will need to be made, which stakeholders will be most impacted by financial trade-offs? What level of Board engagement is appropriate for those most impacted?



Understand the influencers and the chain of influence

What information will assist the Board in balancing the interests of all stakeholders, including shareholders?

What level of engagement with various stakeholders is appropriate for the Board?

Whose interests are aligned or competing?

Which stakeholders interests will have the most influence over other stakeholders?



Be ahead of the curve

What is the specific correlation between climate-related events, the role of the company in that event (if any), and the subsequent stakeholder reaction against the company?

Once you understand the influencers, **what** are the actions to be prepared for:

- Foreseeable reactions
- Unforeseen and unpredictable reactions (due to the lack of correlation) to climate related events.

Do you understand the trade-offs your stakeholders are increasingly required to make decisions on?



Analyzing the associated economic and non-economic risk and reward of the potential reactions

What are the risks and opportunities for our business?

Economic risks include: increasing cost of capital, compensation payments via litigation, policy change including carbon tariffs, increasing the cost of doing business, reduction in customers or difficulty sourcing supplies.

What trade-offs (financial and non-financial) may need to be made?

Are there emerging opportunities that can be leveraged to address the risk and limit the trade-off?

Non-economic risks include: an inability to gain traction and influence with stakeholders including NGOs and a difficulty in attracting and retaining the best talent.



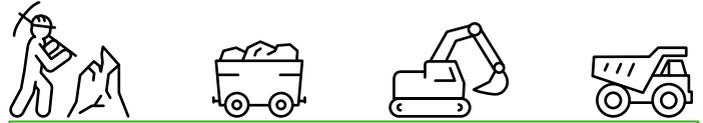
Calculate cost of action and inaction, prepare a program of work, monitoring and evaluation

What is the plan of action? The final key is to question and understand the cost of action versus inaction, which will inform the program and schedule of work that should be prepared.

The situation and influence pathways should be monitored closely to ensure the program of work is implemented at the right time and can be accelerated if necessary.



Stakeholders act individually—but also influence each other



Understanding your stakeholders' views on climate events and risks, as well as how your stakeholders may influence each other in their position on these risks or company operations is important.

The table below provides a heat map example of individual stakeholder influence on other stakeholders. It does not describe individual stakeholder influence or importance but rather serves as a tool to understand interactions between your stakeholder groups. It can be tailored for your sector, region and business.

The rows show how one stakeholder group influences the behavior of another stakeholder group in the columns.

This analytical tool has been used effectively by major businesses in making key strategic decisions.

Vignette 1

In 2020, a global diversified miner announced its decision to divest thermal coal assets. This strategic decision was supported by an assessment of the company's stakeholder attitudes and reactions to the miner's portfolio.

The analysis considered:

- how key stakeholder groups would likely respond to climate change over time, and
- stakeholders' views on specific commodities in their portfolio.

This decision has already led to a change in board position on investment in thermal coal mine.

Example stakeholder interaction heat map	Stakeholder being influenced (To)							
	NGOs	Communities	Government	Litigants	Investors	Customers	Suppliers	Employees
NGOs		Unite communities & advocate concerns	Influence voters & lobby for policies	Lead pressure for litigation angles	Provide focus on financial risks	Pressure customers to change behavior	Pressure suppliers to change behavior	Cause angst among employees
Communities	Provide examples of where impacts are felt		Influence approval of license to operate	Can be a major party to litigation	Portfolio selection	Limited influence	Limited influence	Impact perceptions & feelings
Government	Provide starting point & respond to NGO action	Social stability & regulations have major influence		Can be a target for litigation	Policy changes present risks	Regulatory measures	Regulatory measures	Regulatory measures
Litigants	Successful litigations guide NGO targets	Litigants seek support and channel concerns	Can force change in regulation		Litigant behavior increases financial risk	Threat of action can change behavior	Limited influence	Increase NGO pressure
Investors	Investor concerns focus NGO efforts	Limited influence	Provide a lead to Govt by guiding financial flows	Provide insights for financial risks		Can apply pressure depending on location	Can apply pressure depending on location	Signals validity of company strategy
Company's Customers	Limited influence	Localized impacts may trigger reactions	Export demand influences government behavior	Limited influence	Customer behavior impacts company value		Limited influence	Limited influence
Company's Suppliers	Limited influence	Limited influence	Limited influence	Limited influence	Suppliers can have some impact on value	Limited influence		Limited influence
Employees	Limited influence	Operational influence on communities	Limited influence	Limited influence	Employees impact on value	Limited influence	Limited influence	

Low influence
 Medium influence
 High Influence

Do you understand the short and medium trade-offs presented by your stakeholders?

Short-term trade-offs will be needed in order to harness the long-term commercial gain from climate action.

Recognizing the trade-offs presented by each stakeholder enables the board to make conscious and informed decisions around the company's strategic direction.



Investors

Climate action entails an upfront investment from businesses, at the cost of immediate reduced dividends to shareholders. However, limiting global warming through transition will support sustainable growth and potential to develop new markets in the long term.



Suppliers

Global warming will disrupt supply chains from both physical and transitional risks. However, honoring long-term relationships can be a barrier to changing or applying pressure on suppliers.



Employees

Employees, particularly younger employees, are progressively aware of, and making employment decisions based on, companies' environmental track record. This is a rising issue for companies attracting talent in certain sectors and regions.



Customers

Customers are increasingly demanding environmentally-friendly products and services. However, in the short term this often comes at greater cost compared to non-environmentally friendly alternatives. Customers are frequently forced to decide between low cost or low environmental impact.



Communities

In a world of climate inaction, communities will increasingly be disrupted by a changing physical climate, including extreme weather events and long-term chronic changes such as hotter temperatures and droughts. These consequences can be mitigated, however, it comes at an upfront cost of transition. This is a difficult decision, particularly for vulnerable communities that have minimal capability to invest in transition but also be most impacted by climate change.



Government

Imposing regulations and policies to drive the climate transition will have significant economic costs to key industries in the short term, and as such can sway political preferences. However, modelling shows that the economic damage of unchecked climate change will be significant. Taking climate action will be critical to ensuring long-term economic prosperity.

Board competence and operations

Audit committees are unprepared for climate change

A Deloitte Global survey, conducted in September 2021, of 353 audit committee members globally shows that:⁹

- 58% of respondents said that climate change is either not discussed at the audit committee or there is no fixed cadence;
- 47% said they were not climate literate or relied on just one committee member.

Respondents to Deloitte Global’s survey of audit committee members indicated the main reported challenges in overseeing climate change within the organization was:

- the lack of clear strategy for the organization (65%),
- poor quality of data (46%) and
- real time tracking (33%).

In the survey, a high 70% of respondents said that they have not completed a comprehensive climate change assessment.

Guidance for audit committees includes: more education on the subject (87%), ensuring good management information (79%), and internal alignment around the company’s climate strategy (78%). There is a high degree of commonality here across all three surveyed regions.¹⁰

If the board relegates climate action to a mere 'tick box' exercise it will miss the bigger picture of opportunities available in the transition.

Importance of Audit Committees in driving climate action

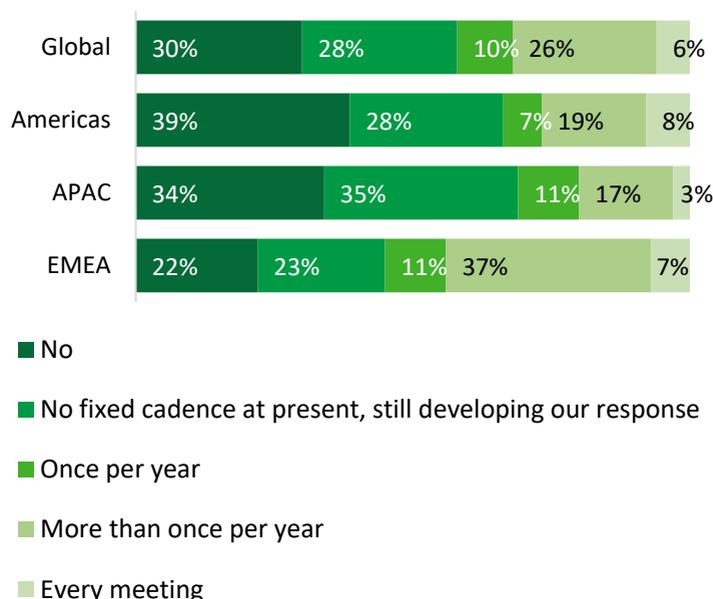
Audit committees around the world are starting to address how assumptions about the future of our environment should be reflected in financial statements and risk assessments.

Climate must be integrated with company strategy. Flowing from this, commitments can be made, which, in turn, re-orient the whole business with a re-articulated purpose—leading to adjustments to business operations, control processes, metrics, and reporting.

Audit committees should, at the very least, ensure that the potentially decisive impact that climate change can have on asset valuations and completeness of liabilities is appropriately reflected in the disclosed financial statements.

The oversight responsibilities of audit committees can extend further. Some argue that audit committees should now also embrace how companies describe their business model and its resilience in the face of climate change, including existing and emerging climate-related risks (physical and transition risks). For some companies, it may involve rethinking of their business models.

Is climate a specific topic on the audit committee agenda, and how regularly?



The information is taken from a Deloitte Global survey, conducted in September 2021, of 353 audit committee members globally. For further details, please see the [full report online](#). The survey questionnaire was sent via email and responses were received online. A total of 353 responses were received from over 30 geographies, of which the majority—56%—serve as audit committee chairs. Responses are distributed across the Americas, Asia-Pacific (APAC), and Europe, Middle East, and Africa (EMEA).

Chairs' views on board competence and operations

Chairs' views on board competence

Overall, chairs' feel there is a lack of knowledge around what others are doing. While climate competency varies by sector, geography and ownership model, it is often perceived as a 'nice-to-have'.

Chairs must understand the existing level of competence and have a role in getting board members up to speed through education – it must be more than just a 'tick box' exercise.

Chairs' views on board operations

A key view was that 'culture and climate cannot be delegated'. In order to instil genuine action, boards must establish structure and composition so that climate issues are regularly brought on the board agenda, such as by regular board tutorials, appointing an expert or a sub-committee.

Chairs must also take care of their relationship with the chief executive officer (CEO), assisting the CEO to keep an outward looking view and vision for the long term. Chairs interviewed recognized it is rare to find an effective CEO who has a deep understanding of climate; rather a CEO should be open and inquisitive.



Audit Committees must ask the right questions

Questions for Audit Committees:

- Does the audit committee chair drive a proactive approach to high-quality climate reporting?
- Does the audit committee conduct appropriately detailed “deep dives” into climate, including in relation to the most critical areas, judgements and opportunities?
- Is the audit committee confident that it receives sufficiently robust management information and metrics (both financial and nonfinancial)?
- Has the audit committee ensured that there is an appropriate climate governance framework, with clear parameters and appropriate adaptation of the internal controls framework, so that controls around business decisions support the company’s climate objectives?

“It is fundamental that we understand the strategy of the company ...

- Are we sustainable?
- Do we understand the risks, the obligations, and the opportunities that climate change brings?
- What does this mean for our business?”

Robin Stalker, Chair of the Audit Committee of Hugo Boss AG¹²

Reporting landscape

What is the landscape? Who are the standard setters for ESG disclosure?

The landscape is changing fast. At the 2021 United Nations Climate Change Conference (COP26), the International Financial Reporting Standards Foundation (IFRSF) established an International Sustainability Standards Board (ISSB) that would sit alongside the existing International Accounting Standards Board (IASB). The ISSB aims to develop common global sustainability reporting standards building on the TCFD framework.

The Technical Readiness Working Group of the ISSB has made recommendations for consideration by the ISSB containing detailed technical protocols for cross-industry metrics including:¹¹

- Greenhouse gas emissions: Scope 1, 2 and 3 expressed in metric tonnes of CO2 equivalent
- Transition risks: amount and percentage of business activities/assets vulnerable to transition risks
- Physical risks: amount and percentage of business activities/assets vulnerable to physical risks
- Climate-related opportunities: proportion of revenue, assets or business activities linked to climate-related opportunities
- Capital deployment: amount of capital spending deployed to climate-related risks and opportunities
- Internal carbon price: Price per metric tonne of GHG emissions used internally and how this price is used in decision making
- Remuneration: proportion of executive remuneration affected by climate-related considerations.

It is up to each country to adopt the standards and plan commencement. For further analysis of the journey to globally consistent ESG reporting, please click [here](#).



Common terminology



The terminology	Definition	Relevance
Greenhouse gas (GHG)	GHGs absorb and emit infrared radiation in the wavelength range emitted by Earth. They include water vapor, carbon dioxide, methane, nitrous oxide, ozone, chlorofluorocarbons (CFCs) and hydrofluorocarbons (HCFCs).	This is the starting point for any organization—what is your contribution to the problem?
Scope 1 Emissions	Emissions released on site from combustion of fossil fuels, through processing or from leakage of GHGs.	These emissions are within your control and the direct result of your operations.
Scope 2 Emissions	Emissions released in the generation of any energy sources imported to your site—usually from electricity production.	These emissions are effectively bought so can be managed through contractual arrangements.
Operational Emissions	Scope 1 and Scope 2 Emissions combined.	The focus of many current emissions reduction targets.
Scope 3 Emissions	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.	Emissions from others in your value chain. Requires working with others and likely to be the focus of future targets.
Paris climate agreement	The Paris Climate Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) was negotiated by representatives of 196 state parties at the 21 st Conference of the Parties in Paris in 2015.	The standard against which your organization will be judged. Are you doing your fair share?
Taskforce on Climate-related Financial Disclosures (TCFD) framework	Industry-led Taskforce to develop climate-related disclosures that “ <i>promote more informed investment, credit [or lending], and insurance underwriting decisions.</i> ”	This provides you with a generally accepted global financial framework for reporting climate risks.
International Sustainability Standards Board (ISSB)	The ISSB was established by the International Financial Reporting Standards Foundation (IFRSF) to develop common global sustainability reporting standards building on the TCFD framework.	This will provide you with the framework to consistently report sustainability data to the market. Similar to the role that IASB plays in financial reporting.

Common terminology (continued)



The terminology	Definition	Relevance
Transition risk	Risk of indirect impacts from issues such as policy constraints on emissions, imposition of carbon tax, water restrictions, land use restrictions or incentives, and market demand and supply shifts.	The risks from changes driven from governments and markets.
Physical risk	Risk of direct impacts from issues such as the disruption of operations or destruction of property.	The risks from the physical changes in the climate.
Liability risk	Potential financial or other liability to shareholders or stakeholders external to the business—in this context is tied to risk associated with climate change-related litigation—acts as a driver of mitigation or adaptation to physical risks. ¹²	The risks to your business from legal prosecution related to climate and environmental claims.
Mitigation	Activities to minimize impact of an entity on changing climate by tackling causes of climate change, namely greenhouse gas emissions reduction.	What activities will your business need to undertake to mitigate the extent of climate change?
Adaptation	Activities to minimize the impact of changing climate on entities and economies, by adjusting infrastructure, supply chains and key resources to become more resilient.	What activities will your business need to undertake to adapt to the changing climate?
Climate-related Opportunities	Opportunities such as access to new markets and new technologies.	Opportunities to build strategic competitive advantages, including commercial opportunities.
Tipping point	A tipping point is a critical threshold beyond which a system reorganizes, often abruptly and/or irreversibly.	Identifies the critical point in time beyond which certain consequences are irreversible.

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Key contacts



John O'Brien

Partner
Sustainability & Climate, Deloitte Asia Pacific
johnobrien@deloitte.com.au



Dan Adam Konigsburg

Senior Managing Director
Global Boardroom Program, Deloitte Global
dkonigsburg@deloitte.com

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Rebekah Cheney

Director, Sustainability & Climate, Deloitte Australia

Liz Boylan

Director, Sustainability & Climate, Deloitte Australia

Lucy Mraz

Manager, Sustainability & Climate, Deloitte Australia

Jo Iwasaki

Manager, Global Boardroom Program, Deloitte Global

Aurelien Rocher

Senior Manager, Global Boardroom Program, Deloitte Global

Derek Pankratz

Senior Manager, Center for Integrated Research, Deloitte US

Em Sendall

Director, Office of the Global Chair, Deloitte Global

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