

Feeling the heat

How healthcare providers can meet the climate challenge

Climate change is one of the biggest threats to human health in the 21st century, and poses increasingly visible and intensifying challenges. Healthcare providers need to act now before unforeseen shocks turn this issue into a burning platform.

Five benefits should galvanize healthcare providers to act now

Reduced disruption to facilities, staff, and supply chains during extreme weather

1,500

patients and staff displaced due to 2018 wildfires in British Columbia and Alberta, Canada

Effective responses to changing demand as climate impacts worsen disease burden

50%

spike in heat ailments in India on the back of a brutal heatwave in summer 2022

Support for health equity by making patients and employees less vulnerable to crises

40%

In the US, African Americans are 40% more likely to live in areas with the highest projected increases in temperature related deaths

Attracting employees and consumers as they increasingly screen for ESG performance

93%

of healthcare employees globally expect their employer to pursue a sustainability agenda

Improved access to capital and contracts as ESG metrics influence decisions

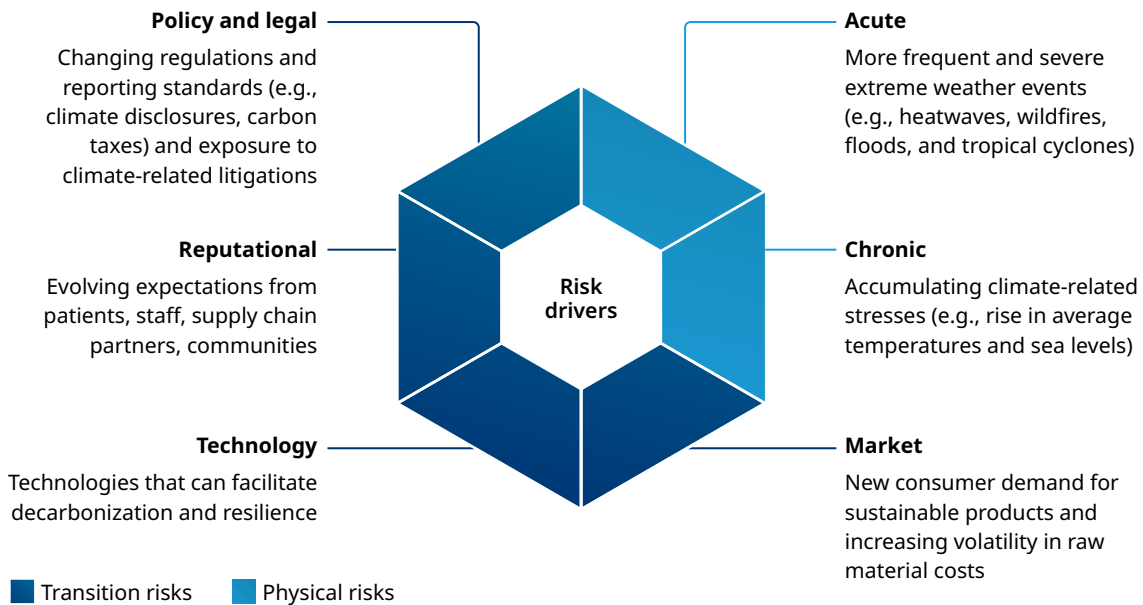
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by 2025: forecast for ESG-based assets, or more than a third of total assets under management

Healthcare providers worldwide face the accelerating impacts of climate change and the growing importance of ESG factors to their performance, brand, and reputation. To respond effectively, they must begin by better understanding their climate-related risks and opportunities

Healthcare providers need a systematic approach to better understand how an evolving climate context impacts their assets and operations. A comprehensive analysis of threats and shifts is critical for mapping and prioritizing risks and embracing new opportunities.

Climate-related risk drivers



Note: Risk drivers as classified by the Task Force on Climate-Related Financial Disclosures, a reporting framework that helps organizations understand their exposure to climate risks.

Embracing climate opportunities

The same risk drivers, if acted upon, can create significant opportunities.

- **Decarbonization and adaptation** investments make infrastructure climate-proof and lower operational costs.
- **Technology** can boost resilience and efficiency.
- **Green incentives and capital present** enhanced access to funding opportunities.
- **ESG-related activities** lower insurance costs.
- **Sustainability initiatives** help attract talent and boost workforce morale.
- **Improved community resilience** makes climate-driven care needs more manageable.

A thorough assessment of the evolving climate context in which healthcare providers operate is critical for both mitigation and adaptation to climate change. Better understanding climate risks and opportunities should not only be regarded as a compliance exercise, but as a means to shape healthcare providers' strategy

Aligning strategy with the climate agenda can accelerate decarbonization efforts while building operational and financial resilience to physical and transition risks. Some interventions will further decarbonization and resilience-building goals simultaneously. Preparing for physical risks and the transition to a low-carbon economy can unlock new opportunities for healthcare providers.

Strategies for resilience

Align strategy with the climate agenda

Reduce climate impacts and bolster resilience through:

Climate mitigation: View major investments, upgrades, and usage with a climate lens. Greener alternatives can also deliver immediate cost benefits e.g., upgrades to energy-efficient LED lightbulbs, lowering frequency of air exchanges without affecting infection control

Operational resilience: Have clear contingency plans that take into account the overlaps and interplay of different threats. A diversified supplier base and staff training will help healthcare providers cope with evolving risks

Financial resilience: Protect finances in the face of unpredictable climate impacts with access to recovery or resilience funds. Healthcare delivery and reimbursement models will have to evolve e.g., care delivered digitally and through lower-cost settings

Technological innovation: Leverage technology to shape, implement, and monitor mitigation and adaptation e.g., machine learning can help scrape and interpret data from varied sources to measure climate impacts

Shape governance to integrate climate considerations

Utilize short-term and long-term incentives to improve climate outcomes

Assign and clarify roles and responsibilities to cascade green goals through the organization

Align strategic and financial goals with climate priorities e.g., use KPIs that focus on green loans and sustainability-linked bonds

Communicate and collaborate with stakeholders

Publish sustainability plans and targets to signal commitment and engage employees

Build partnerships to inform and support efforts in the broader health ecosystem

Support efforts in surrounding communities to advance health equity

To future-proof their assets and operations, healthcare providers need to rethink their approach to decarbonization and resilience. A cross-cutting agenda integrating climate considerations in enterprise risk management and strategy is essential to prepare for responding to climate impacts as well as evolving standards of corporate social responsibility and ESG disclosures

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