

2020 CEO/CFO CLIMATE RISK SURVEY



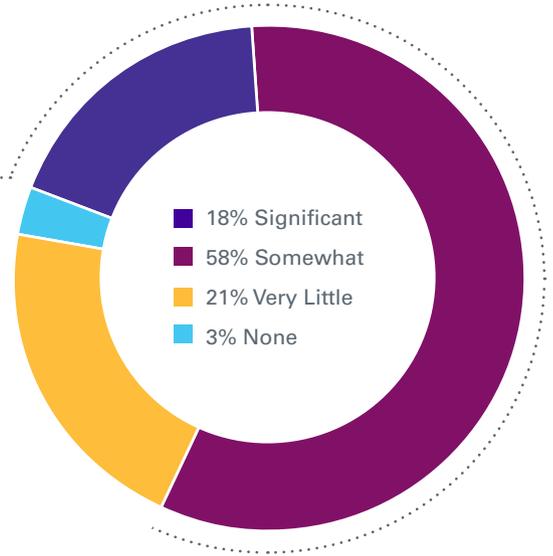
If you've been through a natural disaster, then you know the value of preparation. As a result of windstorm, flood or wildland fire, some companies suffer unnecessary financial loss while others emerge with a competitive advantage. To dig deeper on why, we asked CEOs and CFOs at the largest companies in the world for their views on extreme weather events and climate risk. Here's what they told us. How does your company compare?

1

EXPOSURE:

More than 75% of CEOs and CFOs say their companies are exposed to climate risk.

76%



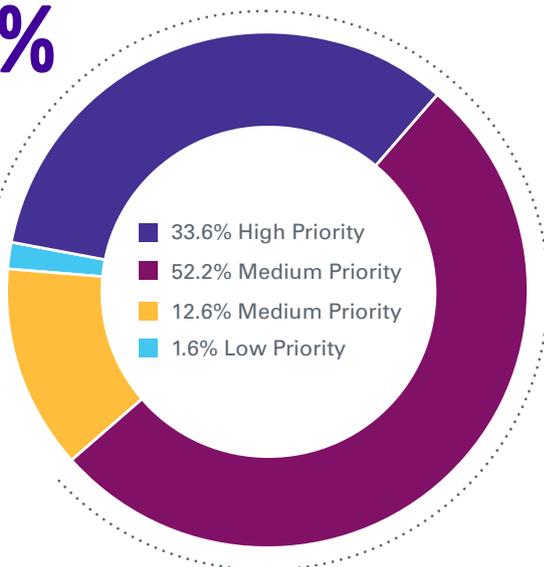
To what extent is your organization exposed to climate risk?

2

PRIORITIES:

Most CEOs and CFOs say addressing climate risk is a medium to high business priority.

86%

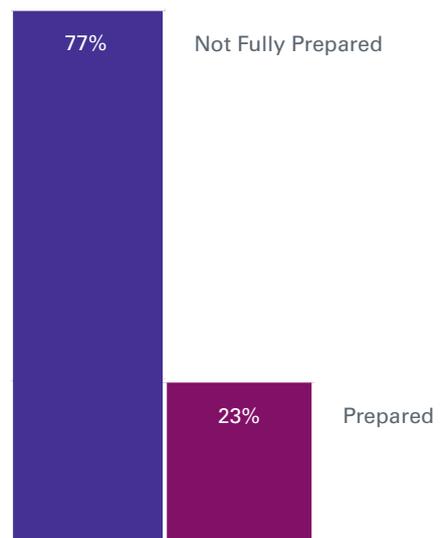


Relative to other business risks, what is the level of priority given to addressing climate risk in your company?

3

UNDERPREPAREDNESS:

Nearly 80% of CEOs and CFOs say their firms aren't fully prepared for the adverse financial impact of a changing climate.

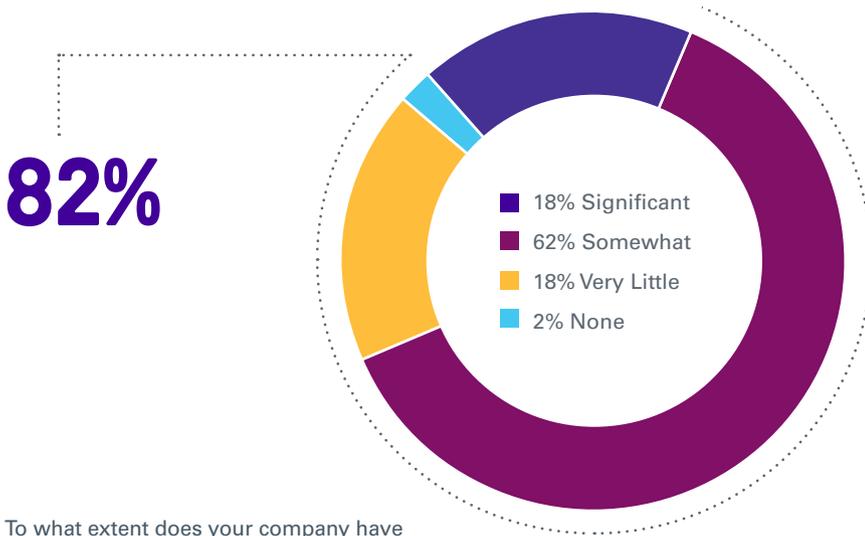


How prepared is your company to address the adverse financial impact of climate risk?

4

PREVENTABLE VS. INEVITABLE:

More than 80% of CEOs and CFOs believe their companies have somewhat to no control over adverse impact of climate risk.



To what extent does your company have control over the adverse financial impact of climate risk on your business?

5

CONCERNS OVER IMPACT:

CEO/CFOs say the top 3 climate risks that concern them the most and also could have the greatest financial impact are...

| | |
|----|-------------------------|
| #1 | Flooding |
| #2 | Drought |
| #3 | Wildland fire/bush fire |

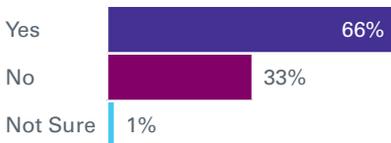
Which type of climate risk concerns your company the most?

Which type of climate risk do you believe could most negatively affect your company's financials?

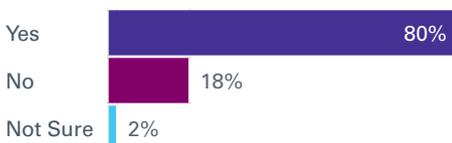
6

ACCOUNTABILITY:

The board of directors and executive management should be held accountable, say CEOs/CFOs.



Should the **board of directors** of a company be held accountable for the adverse financial impact of climate risk on their business?

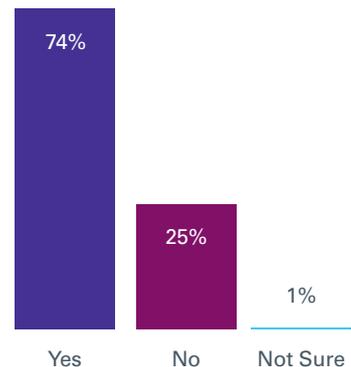


Should **executive management** of a company be held accountable for the adverse financial impact of climate risk on their business?

7

RESPONSIBILITY:

Many CEO/CFOs say their companies have employees with explicit responsibility for addressing climate risk.



In your company, are there employees who have the explicit responsibility for addressing climate risk?

IN CONCLUSION

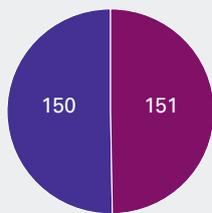
When a disaster strikes, your company's long-term value is at risk, whether the event is climate-related or not. Extreme wet, dry or hot conditions can affect profit-generating buildings, equipment, data centers, transportation networks, supply chains, people and sales. And though the loss of revenue might be insured during a business interruption, longer-term market share, shareholder value, reputation and investor confidence will not be. If anyone wins in a catastrophe, it is companies that choose to see loss as preventable, not inevitable, and invest in preserving their company's value through resilience.

The climate is changing. Don't let it change your business.

METHODOLOGY AND RESPONDENT PROFILE

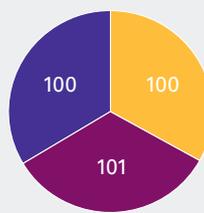
Research was commissioned by FM Global and conducted in February 2020 by Engine Insights, a global market research and analytics firm.

RESPONDENTS



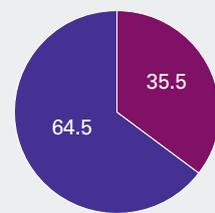
- Chief Financial Officer (CFO)
- Chief Executive Officer (CEO)

REGIONS



- North America
- Europe
- Asia Pacific

REVENUE (US\$)



- \$1 to \$4.99 billion
- \$5 billion or more



RESILIENCE IS A CHOICE.

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