



Know your risks

MODULE 5

ASSESSING YOUR RISKS

You've identified the climate-related risks your business faces. Now it's time to assess and prioritise these risks, to understand their significance and focus your adaptation efforts.

Understanding risk levels

Rating your climate-related risks allows you to gauge their impact on your business and prioritise them. Revisit the risks you identified in Module 4 and assign a rating to each one. If you already have a risk register, that can serve as a valuable starting point.

Do you already have an enterprise risk management framework or a consequence framework? You can align the risk rating scale with these. Otherwise, we recommend using a qualitative three-point scale:

MINOR RISK

Limited consequences for your business operations, finances or reputation that need attention but are unlikely to significantly disrupt your business.

MODERATE RISK

Moderate consequences to your business operations, finance or reputation that need careful consideration and proactive management.

SIGNIFICANT RISK

Significant consequences to your business operations, finance or reputation that need immediate attention and robust mitigation strategies.



Prioritising risks for management

Rating your risks helps you identify the most significant threats to your business, so that you can prioritise your efforts and resources.

With limited time and resources, you probably won't be able to respond to all the risks and opportunities. In prioritising climate-related risks for management:

- **Review recent incidents:** Reflect on recent climate-related incidents or experiences your business has encountered. These can offer valuable insights into the potential severity and frequency of future and the recovery process following an event (i.e., timelines, contacts).
- **Assess risk attitudes:** Recognise that each person or SME has a different attitude towards risk, influenced by factors such as outlook and personal circumstances. Consider your own risk appetite and how it may impact your approach to managing climate-related risks.
- **Evaluate consequences:** Consider the consequences of your risk attitude on your business, colleagues and whānau. Assess how your risk tolerance may influence decision-making and resource allocation within your organisation.

Assessing your risks



Know your risks

TOOL: Climate risk rating

[illegible]

Assessing your risks



Know your risks

Take a moment

Considering these points will help you better understand the content in this module.

- Do you understand your attitude to risk?
- Have you identified which climate hazards have the greatest impact to your business?
- Have you reviewed your risks and given each one a clear rating with justification?
- Have you started to identify ways that you can adapt your business to climate change?

Find out more

I want more information on ...	Resource	Pages
How the climate is changing across New Zealand	National Climate Change Risk Assessment¹⁶	37
How the climate is changing in Auckland	Tāmaki Makaurau Economic Climate Change Risk Assessment	8
Whether my business and associated infrastructure is at risk of flooding	Auckland Council Flood Viewer	All



¹⁶ This report presents the findings of New Zealand's first National Climate Change Risk Assessment (NCCRA). The risk assessment gives a national picture of how New Zealand may be affected by climate change-related hazards

References

Manaaki Whenua (2021). He huringa ā huarangi he huringa ao: a changing climate, a changing world:
landcareresearch.co.nz/assets/researchpubs/He-huringa-ahuarangi-he-huringa-ao-a-changing-climate-a-changing-world.pdf

Ministry for Environment (2021). A Guide to Local Climate Change Risk Assessments:
environment.govt.nz/publications/a-guide-to-local-climate-change-risk-assessments

Ministry for the Environment (2022). Climate action for Māori: The national adaptation plan:
environment.govt.nz/publications/climate-action-for-maori-the-national-adaptation-plan

Tātaki Auckland Unlimited (2021). Tāmaki Makaurau Economic Climate Change Risk Assessment:
knowledgeauckland.org.nz/publications/tamaki-makaurau-economic-climate-change-risk-assessment