

# Assessing Climate Change Risk to Your Business

## A guide to identifying the impacts of climate change on Marine, Winter, and Outfitting tourism operations.

Hospitality Newfoundland and Labrador has recognized that the tourism industry is not immune to the impacts of climate change and has developed a risk assessment tool intended for tourism businesses and organizations to identify risks they may face because of climate change.

In order to prepare for the impacts of climate change, it is critical that tourism businesses and organizations be aware of future projected changes and related risks to their businesses. Proactive investment in risk adaption planning can not only prevent significant loss, but also better position the tourism industry for long term success in a changing climate.

Given the province's vast landmass, climate change across the province is highly varied, and therefore seasonal impacts will be experienced differently by region. Furthermore, a one-size-fits-all approach to risk evaluation is not appropriate for all tourism business and organizations as different types of businesses have different assets, priorities, and local climate conditions, and therefore require a more tailored, local approach.



*Photo Credit: Valdemaras D.*

For this reason, the risk assessment tool has built in flexibility to assess local impacts at various scales.

The Climate Change Risk Assessment Tool for Tourism Businesses, has been created to assist tourism businesses and organizations to complete assessments for the purpose of identifying both short-term and long-term climate related risks to their operations.

The tool is meant for marine, outfitting, and winter tourism businesses and organizations, and their partners, who want to better understand climate changes, associated impacts, and proactively incorporate climate resilience into their operations.

**Risk is quantified according to the following formula:**

# RISK

=

**Likelihood of Occurrence**

×

**Severity of Consequences**

By working through the risk assessment process, tourism businesses and organizations will inventory their assets, use the climate change projections information provided specific to their region and type of business, and identify potential climate change-related risks that may impact their business.

The tool will walk businesses and organizations through five steps that allow them to consider the specific dynamics of their businesses in relation to climate changes in their region of the province.

Following the five-steps, operators will identify potential future impacts and prioritize key risks. The risk assessment is intended to help operators to prioritize meaningful investment and operational decisions that keep in mind the long-term sustainability of their businesses with regards to climate change.

**The five-steps risk assessment process can be summarized as follows:**

## Step 1

### Background Data Collection

Gather and summarize information about your assets to characterize your business.

## Step 2

### Climate-Asset Interactions

Identify which climate parameters might impact your business' assets.

## Step 3

### Climate Change Characterization

For relevant climate parameters, quantify the probability of future climate change/event occurring in your region.

## Step 4

### Impact Assessment

Identify the impact these climate parameters might have on your business in the short- and long-term and associate the severity of impacts (e.g., financial, operational, environmental, regulatory, public perception) to an appropriate score with the scales provided.

## Step 5

### Risk Evaluation

Calculate the overall risk for each climate-asset interaction and rank risk in order of high to low by following the easy-to-use steps provided.



Photo Credit: Stein Egil Liland

## Risk Assessment Results

### Risk Scoring Definition

Risk (R) = Likelihood x Severity

$R \leq 4$  Low Risk

$5 \leq R \leq 12$  Moderate Risk

$R \geq 15$  High Risk

Severity

5  
4  
3  
2  
1

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

1 2 3 4 5

Likelihood

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