

TCFD Climate Scenario Risks and Opportunities Matrix

The following table provides a high-level summary of Cabot's TCFD climate scenario analysis based on the outcome of this first two phases of work³.

CLIMATE-RELATED RISKS		POTENTIAL IMPACT ON BUSINESS							POTENTIAL FINANCIAL IMPACTS				POTENTIAL OPPORTUNITIES		
		Time Horizon	Inability to remain competitive	Regulatory operations curtailment	Reduced production capacity	Increased operating costs	Reputational damage	Reduced demand for products	Fines / other regulatory impacts	Revenue	Expenditures	Assets	Capital costs	More efficient production processes	Emergence of new technologies
TRANSITION	POLICY AND LEGAL														
	Risk of regulatory change (carbon pricing)	Short				🟡		🟡		🟡		🟡			
	TECHNOLOGY														
	Risk of technology disruption impacting competitive position	Medium	🟡					🟡		🟡		🟡			
	Opportunity to reduce resource consumption	Medium								🟡		🟡	🟢	🟢	
	Opportunity for new technology enabling use of sustainable feedstocks	Long								🟡		🟡		🟢	
	Opportunity to reduce water consumption	Medium								🟡		🟡	🟢	🟢	
	MARKET														
	Risk of decreased availability of raw materials	Long	🟡	🟡							🟡				
	Risk of product alternatives	Medium	🟡					🟡		🟡					
Opportunity for products with low environmental impact	Medium								🟡		🟡		🟢	🟢	
REPUTATION															
Risk of perceived inadequacy of climate action	Medium					🟡	🟡		🟡						
PHYSICAL	ACUTE														
	Risk of inversions	Medium	🟡	🟡				🟡	🟡						
	Risk of hurricanes	Medium	🟡		🟡				🟡	🟡	🟡	🟡			
	Risk of flooding	Medium	🟡		🟡				🟡	🟡	🟡	🟡			
	CHRONIC														
Risk of drought	Long	🟡	🟡		🟡				🟡						

³ Prepared as of November 30, 2021; not intended to be considered a full disclosure of the results as aligned with TCFD guidance.