

# CLIMATE-RELATED RISK AND OPPORTUNITIES

TYPE	CLIMATE-RELATED RISKS AND OPPORTUNITIES	POTENTIAL IMPACT ON THE BUSINESS					POTENTIAL FINANCIAL IMPACTS				POTENTIAL OPPORTUNITIES			
		Increased Operating Cost	Fines and Other Regulatory Compliance	Inability to Remain Competitive	Reduced Production Capacity	Regulatory Impact	Expenditures	Assets	Capital	Revenues	Increased Operating Efficiency	Increased Market Share	Customer Retention	Introduction of New Technology
TRANSITION TO LOWER CARBON ECONOMY	Reducing Energy Consumption - Customer Focused							■	■			■	■	■
	Resource Efficiency (Energy and Other Resources Used by Quanex)	■									■			
	Carbon Taxes / Caps / Offsets		■		■	■								
	Cost of Technology / Equipment to Meet Changing Requirements			■	■		■	■	■	■			■	■
	Availability of Carbon-Based Raw Materials			■	■									
	Reputation Risk			■						■				
	Transition Away from Petroleum Products	■					■	■	■	■			■	
PHYSICAL	Risk of Worker Heat Stress	■			■	■					■			
	Windstorms (Hurricanes & Tornados, etc.)				■		■	■	■			■		
	Deforestation					■				■			■	
	Drought				■					■				