

Risk Category	Time Horizon	Impact	Risk Description
Acute Physical	Short	Moderate	Risk of increased frequency and severity of extreme weather events As climate change impacts the severity and frequency of natural weather events, the risk grows that an event may impact our operations or supply chain. With suppliers, customers, and offices in all regions of the globe, IDEXX could be exposed to a number of changing weather patterns.
Policy & Legal	Medium	Low	Risk of new carbon pricing regulations With operations in more than 25 countries and plans to continue growth in global markets, IDEXX's energy costs could be impacted by pending or future regulation of carbon and energy markets.
Market	Medium	Moderate	Risk of scarcity of raw materials Increased competition for critical raw materials and potential for geopolitical trade barriers and supply chain disruption could challenge IDEXX's ability to maintain its supply of critical components. This risk could lead to a higher probability of outages and higher costs to procure raw materials for our products.
Reputation	Medium	Low	Risk of stakeholder scrutiny of climate-related issues Expectations of sustainable operations, products, and supply chain could increase over time. This risk includes the possibility of customers making purchasing decisions based on environmental preferences, as well as current and prospective talent choosing employers based on sustainability performance.
Chronic Physical	Long	Moderate	Risk of rising temperatures and sea levels Chronic results of climate change such as higher average temperatures and rising sea levels could impact IDEXX's workforce and customer base in certain regions. Higher average temperatures could threaten worker productivity and product functionality. Rising sea levels could disrupt supplier and/or customer operations.

Opportunity Category	Time Horizon	Impact	Opportunity Description
Resource Efficiency	Short	Moderate	Efficient buildings and transportation operations Improving the energy efficiency of our buildings and establishing efficiency requirements for new buildings will allow IDEXX to reduce the cost of utilities. Similarly, transitioning our commercial fleet to hybrid and electric vehicles will reduce fuel costs.
Resource Efficiency	Medium	High	Development of resource-efficient products Smaller and more efficient products can reduce costs associated with procurement, shipping, and operations. IDEXX is already making significant strides in this area. New analyzers are made using fewer parts and weighing less than their predecessors and multi-testing innovations are allowing our labs to conduct more tests in less time and using less equipment.
Products & Services	Medium	Moderate	Incorporation of eco-design and circular economy Resource constraints and sustainability expectations could dictate the use of less raw materials. IDEXX could capitalize on this market shift through our products that are designed for longevity and our network of regional service depots that can repair products and send them back into local markets.
Markets	Long	Moderate	New and expanded diagnostic markets Climate change has the potential to increase tick-borne and water-borne diseases, both in terms of regional reach and overall cases of disease. IDEXX is in position to help new regions combat higher levels of disease associated with ticks and water.
Resilience	Long	Low	Flexible point of care solutions Climate disruptions and other market trends may create customer preferences for at-home or in-clinic tests. Using cloud-enabled technologies, IDEXX can support our customers with diagnostic results through multiple modalities and delivery channels.
Resilience	Long	Low	Flexible workforce Hybrid and remote work employment models represent opportunities for IDEXX to adapt to evolving customer needs. Teleradiology, artificial intelligence, and machine learning solutions can build resilience for our customers by enabling remote work.

Definitions:
Time Horizon: Short (0-3 years), Medium (3-10 years), Long (10-30 years)
Financial Impact: Low, Moderate, High

