From climate risk to adaptation solutions

How businesses can turn physical climate risk into action

World Business Council *for Sustainable Development*

15th September 2026

WBCSD Overview | *who we are*

240+
Member companies

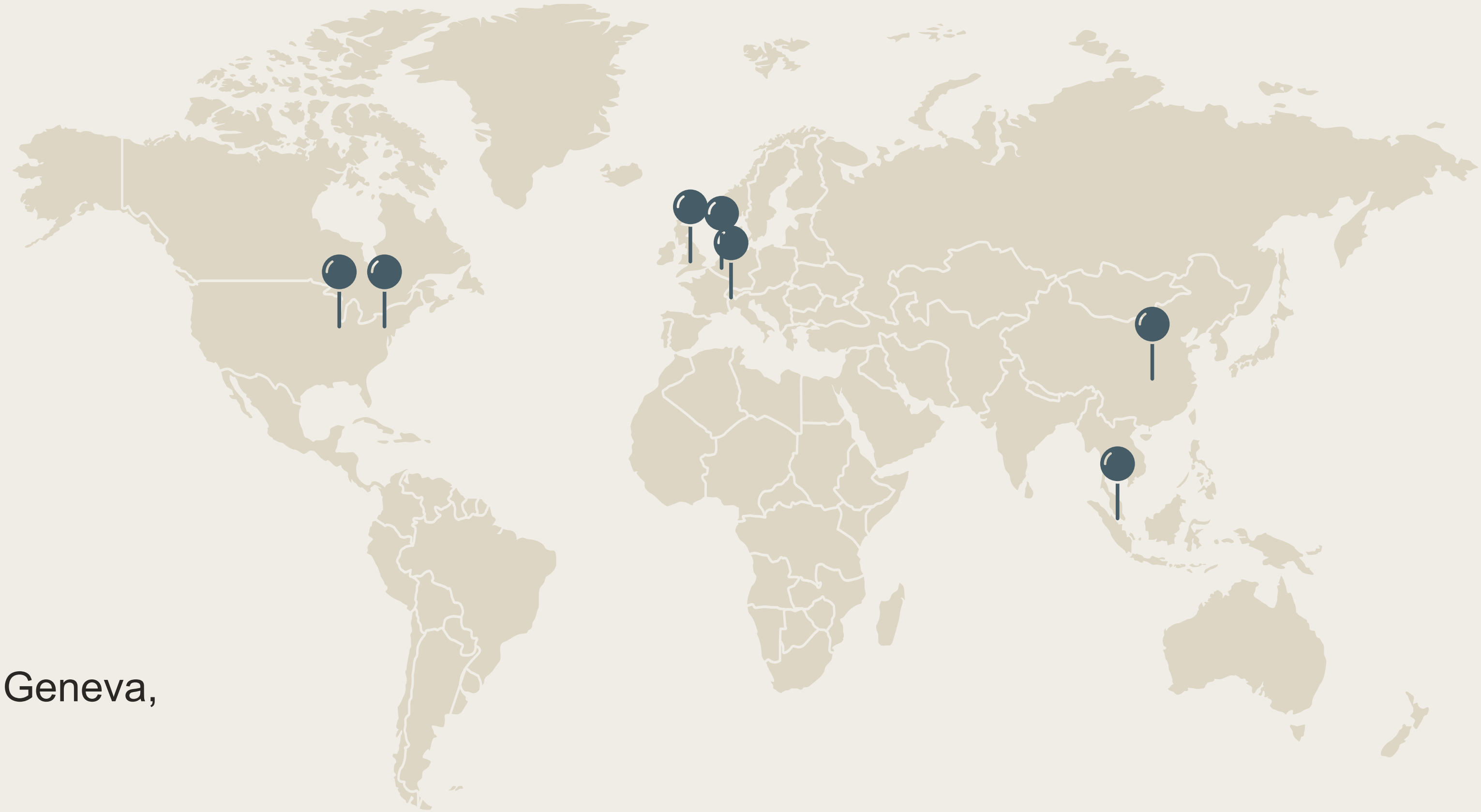
24%
Of global corporate revenues

19 million
employees

60+
Global network partners

7 WBCSD offices
Chicago, NY, London, Amsterdam, Geneva, Singapore, Wuhan

Member led
Not for profit association



Physical risks impact on business | Sustained and increasing physical risks are *increasing risks to private sector actors*

Supply chain disruptions
Lost productivity, missed sales, stranded assets

Infrastructure damage
Repair costs, downtime, lower asset valuations

Rising cost of critical inputs
Higher commodity prices, unstable sourcing

Capital at risk
Portfolio volatility, write-downs, stranded investments

People displacement
Operational disruption, community and workforce relocation

Insurability at risk
Access to insurance reduced, higher premiums

Adaptation & Resilience is ***essential*** *for value protection and competitiveness*

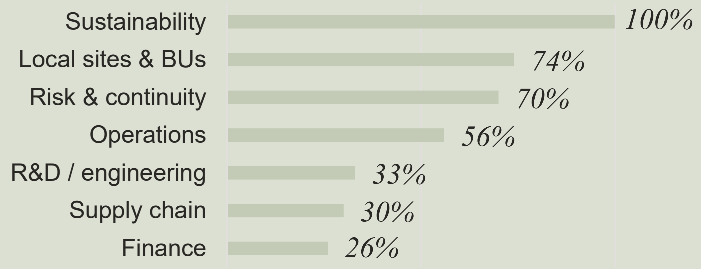
Source: WBCSD Business Leaders Guide to Climate Adaptation & Resilience

The response from business | Corporate action is moving beyond risk assessment to planning and solutions, but effective *implementation* remains challenging

Businesses are acting now to address physical risk exposure

- 70% have already identified their climate risks; 30% are underway
- 15% have a complete Adaptation Plan; 63% are currently building one
- 63% are actively rolling out adaptation solutions; 22% have fully implemented some
- None have yet implemented an M&E framework, and only 22% are currently working on one

Adaptation is moving beyond sustainability teams into local sites and risk functions

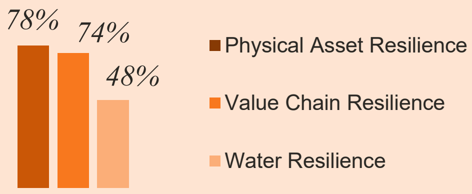


52%

of members now report **board support is in place -** a shift from 2023, when senior management buy in was a key challenge across nearly all sectors.

Companies are focusing on resilience outcomes while strengthening the capabilities and actions needed to deliver them

Resilience priorities reported



Key actions mentioned

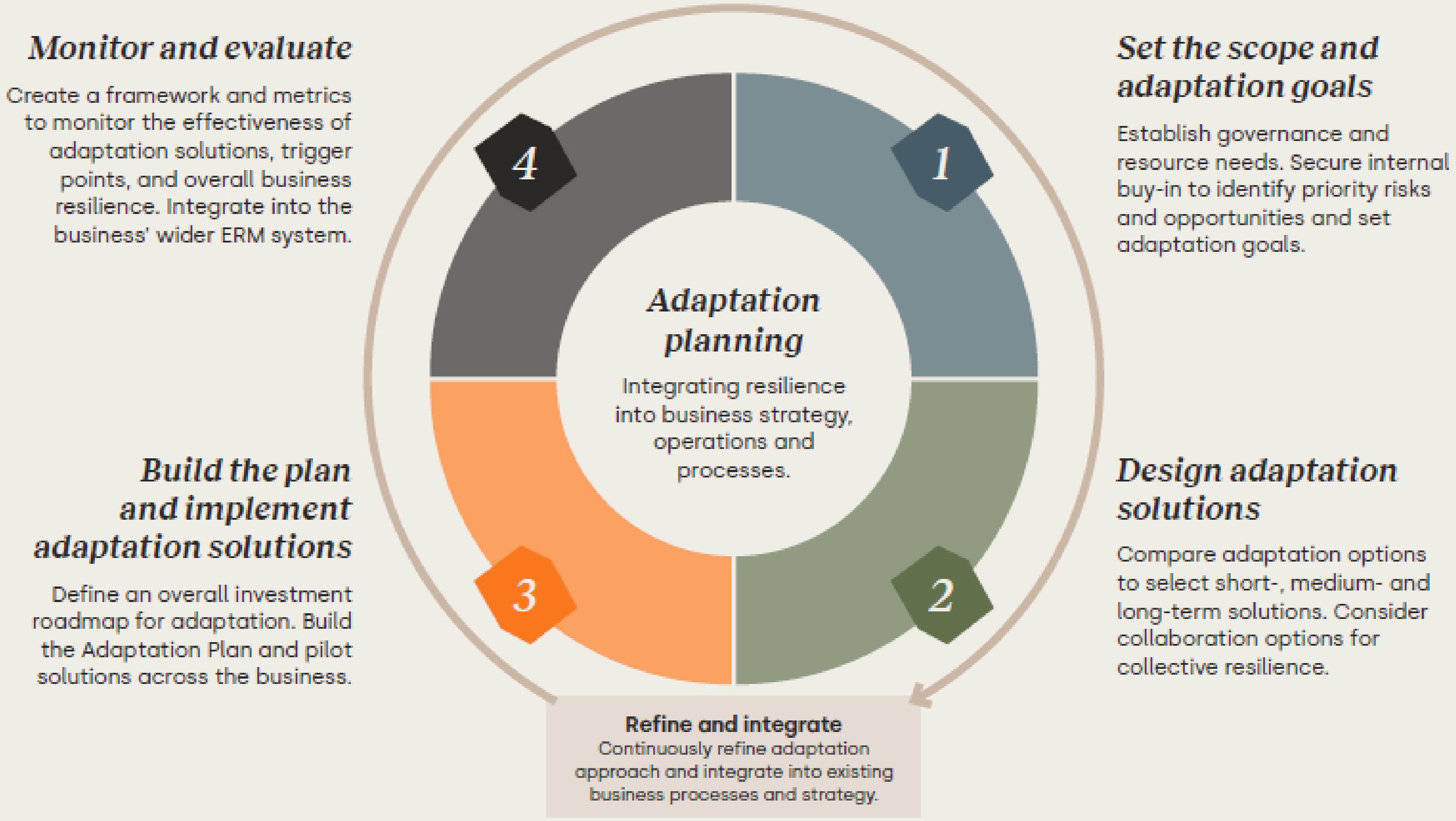
1. Business integration (63%)
2. Risk intelligence (59%)
3. Adaptation planning (59%)
4. Implementing solutions (52%)

Barriers are broad-based, with delivery now perceived as a more prominent constraint than ensuring buy-in

1. **Coordination & integration**
   Internal alignment (67%); integrating adaptation into processes/strategy (54%)
2. **External & financial constraints**
   Value chain dependencies (65%), business case & financing (57%)
3. **Knowledge gaps**
   Climate risk & resilience data (63%), uncertainty on adaptation solutions (56%)

Source: WBCSD Member Insights Report 2026 | Mobilizing Adaptation Action

Acting to tackle rising physical risk | Adaptation Planning structures business activities and investments in resilience-building



Source: Adaptation Planning for Business (WBCSD, 2026)

Tools | Interpreting risk assessments & scenarios

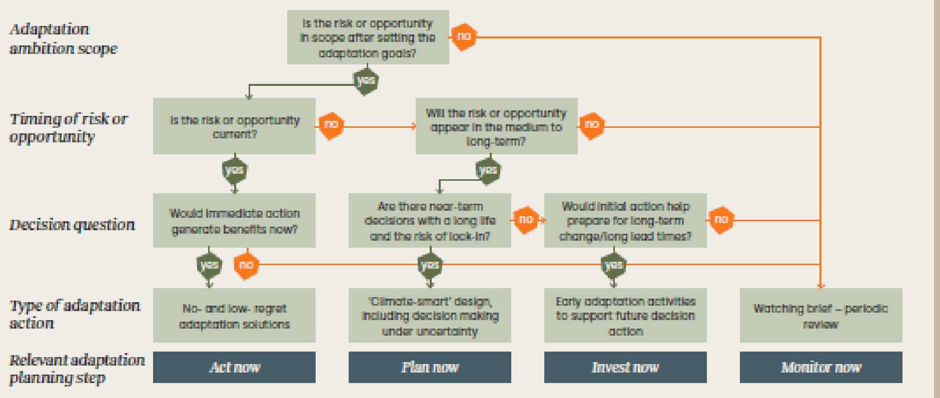
1 Prioritize risks and opportunities: map severity/likelihood against business impact

	Impact									
	Risks					*Opportunities*				
Likelihood	-5 Severe	-4 Major	-3 Significant	-2 Major	-1 Insignificant	1 Insignificant	2 Major	3 Significant	4 Major	5 Severe
5 Almost certain	-25 Extreme	-20 Extreme	-15 Very high	-10 High	-5 Medium	5 Medium	10 High	15 Very high	20 Extreme	25 Extreme
4 Likely	-20 Extreme	-16 Very high	-12 High	-8 Medium	-4 Medium	4 Medium	8 Medium	12 High	16 Very high	20 Extreme
3 Moderate	-15 Very high	-12 High	-9 Medium	-6 Medium	-3 Low	3 Low	6 Medium	9 Medium	12 High	15 Very high
2 Unlikely	-10 High	-8 Medium	-6 Medium	-4 Low	-2 Very low	2 Very low	4 Low	6 Medium	8 medium	10 High
1 Rare	-5 Medium	-4 Medium	3 Low	-2 Very low	-1 Very low	1 Very low	2 Very low	3 Low	4 Medium	5 Medium

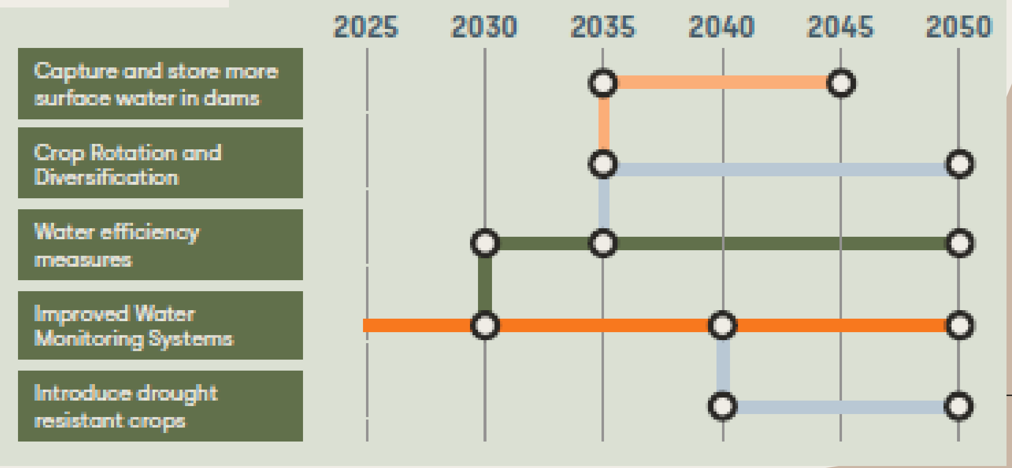
Impact

2 Understand time horizons – when is the risk manifesting? When is adaptation needed?

Figure 12: Decision-tree for timing implementation of adaptation solutions, updated from the World Bank[33]



3 Use adaptation pathways to understand **effectiveness and sequencing** of preferred adaptation solutions under low- mid- and high- emissions scenarios



Source: Adaptation Planning for Business (WBCSD, 2026)

Decision-making on adaptation | It is key to establish a framework that considers ***business fit*** and ***potential trade-offs*** of adaptation options

1 Overall framework considerations	***Liabilities, policy, and regulatory drivers***	***Degree of control***	***Availability of data***	***Collaboration options***
2 Considerations for risks and opportunities	***Timing***	***Stakeholders involved*** *(internal & external)*	***Business impact***	***Certainty***
3 Assessment of adaptation solutions	***Associated costs***	***Stakeholder acceptance***	***Co-benefits*** *(positive & negative)*	
	Availability of solutions	***Value to the business***	***Effectiveness***	

Adaptation solutions for business | a key opportunity to lead

*By 2030, there will be an estimated **$1.3T (USD)** market for innovative A&R solutions – be part of the wave of businesses shaping global resilience and seizing this opportunity*

Infrastructural / Physical Adaptation

Protect business sites and assets and ensure operational continuity

Technological Adaptation

Enhance operational resilience through innovation

Nature-based Adaptation

Provide long-term protection while improving biodiversity and providing ecosystem services

Behavioural & Workforce Adaptation

Adjust employee-related policies to boost workforce resilience and build in-house adaptation skills

Financial Adaptation

Help businesses manage financial risk and improve investment planning

Value Chain Adaptation

Ensure resilience in the value chain to retain competitive advantage

Informational Adaptation

Improve business foresight to enable proactive adaptation measures

Product Portfolio Adaptation

Adjust the core business model or product portfolio to reduce risk exposure

Sources: WBCSD Adaptation Planning for Business; BCG

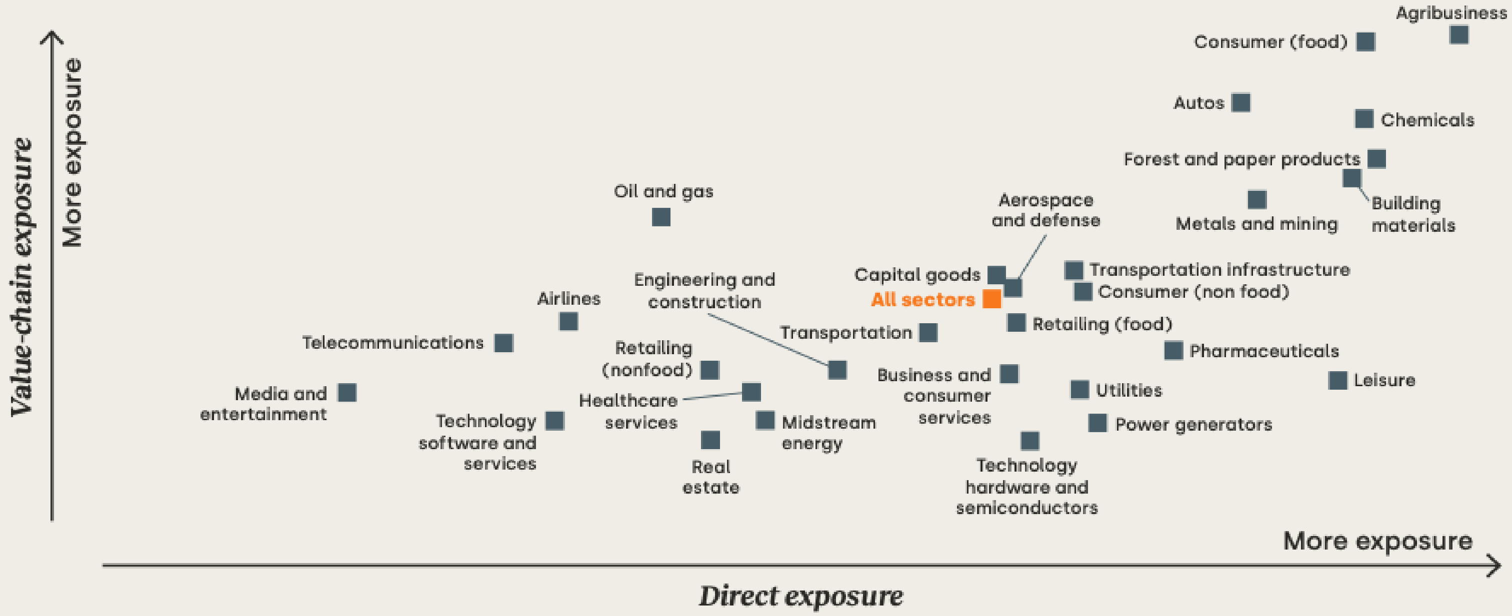
Adaptation planning is **not** a standalone activity – to be successful, it must be integrated across the business and with external initiatives

- Operations
- Strategy & Planning
- Reporting & Disclosure
- Public Sector & Communities
- Suppliers & Customers

Source: Adaptation Planning for Business (WBCSD, 2026)

The S&P Global Ratings study (March '25) finds that *all 29 sectors analyzed inherit at least some physical risk from their supply chains - even those with low direct exposure*[17]

Direct and Supply chain physical risk exposure per sector

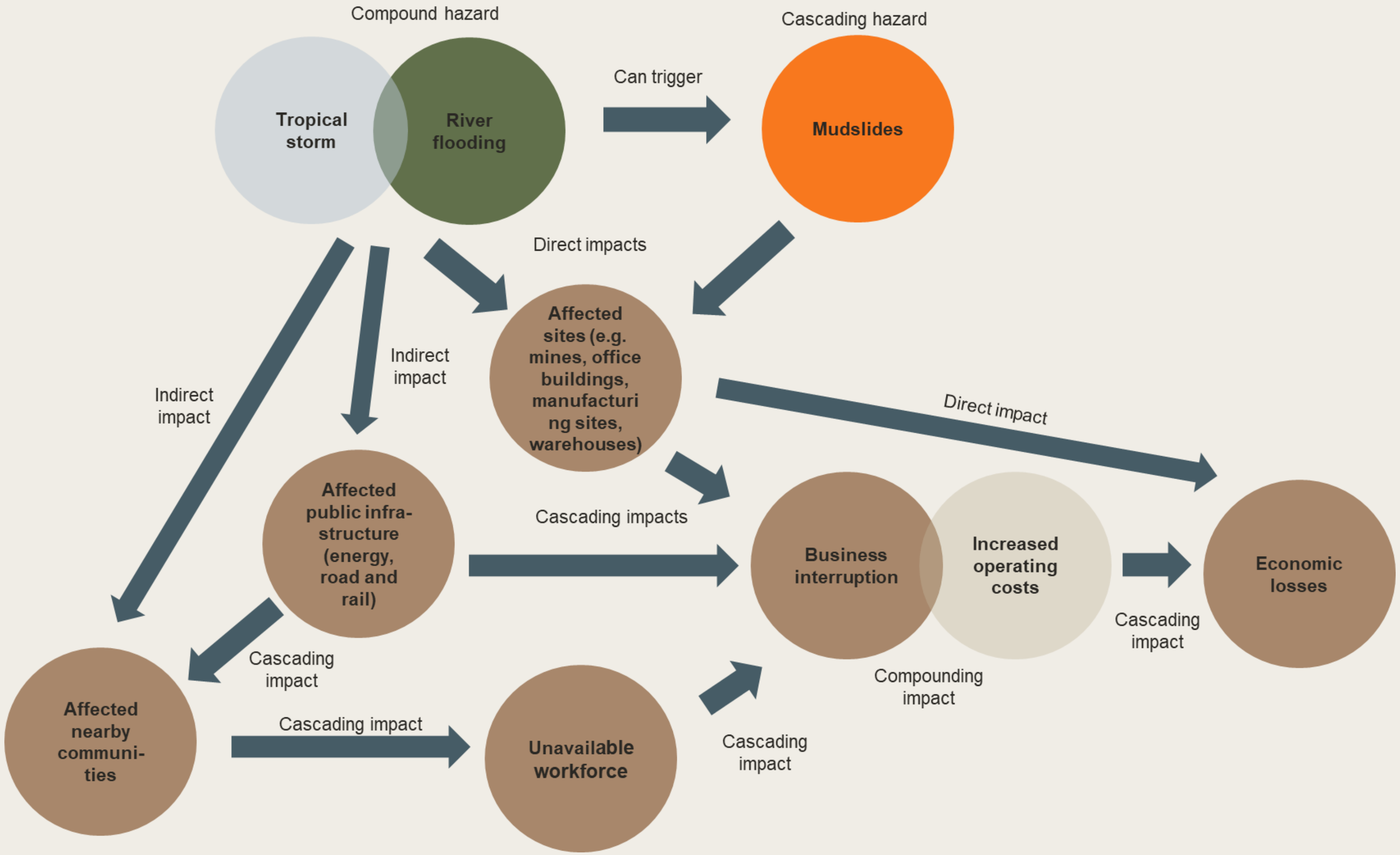


→ Sectors like agribusiness, food, autos, and chemicals are highly exposed — both directly and through their supply chains.

→ Others, such as airlines or oil & gas, may appear less exposed at first glance, but carry significant hidden risk in their dependencies — risks that can go unnoticed if not properly assessed.

Note: S&P analysis includes upstream supply chain, but excludes downstream dependencies (e.g., markets and/or outbound logistics)

Cascading and compound impacts of physical risks affect businesses in unexpected ways, highlighting the need for **collective resilience**



Source: WBCSD

*__Collective resilience__ is defined as the capacity of a group—such as a community, sector, or network of businesses—to absorb, recover from, and adapt to climate-related shocks and stresses together.

Spheres of influence | Understanding what adaptation actions sit within and beyond your organization's control (and how to approach it)

Direct Control

Key areas - Internal operations, processes, assets

Possible action - Internal adaptation plan, mainstreaming education & awareness

Indirect Control

Key areas – Supply chains, external partnerships

Possible action – Supply chain diversification & awareness-building, partnerships, incentives, contracts with adaptation requirements

Influence

Key areas – Communities, broader systems (public infrastructure, ecosystems), regulations, incentives, and blended finance

Possible action – Advocacy, collaboration (public-private partnerships), leadership

Limited Influence

Key areas – Extreme weather patterns, regulatory changes

Possible action – Regular monitoring, partnerships, engagement

Source: Adaptation Planning for Business (WBCSD, 2026)

Partnerships for resilience | collaboration can directly and indirectly boost an organization's resilience and improve the business case for action

Value chain partners

Evaluate gaps and potential holistic solutions to increase upstream and downstream resilience

Coca-Cola partnered with Mexican bottler Arca Continental to address water scarcity risk in Mexico, implementing water saving measures and community programs[70]

Industry associations

Leverage pooled influence to drive progress in industry-wide adaptation efforts

Food Drink Europe, a coalition of many Consumer-Packaged Goods companies, advocated for the inclusion of regenerative agriculture as a pillar of the new EU Soil Health Law, including calling for incentive schemes[71]

Authorities/policy-makers

Proactively engage government bodies and policymakers to access further resources and advocate for investment

After climate events led to losses in Germany, BASF worked with the German Federal Institute for Hydrology to improve water level forecasts used in its early warning system[72]

Community

Engage and support local communities around sites to build mutually beneficial adaptation solutions

Anglo American is working closely with local communities to adapt against wildfire risk in Brazil, including educational programs and fire detection systems[73]

Source: WBCSD Business Leaders Guide to Climate Adaptation & Resilience

Getting started | Phased approach to implementing your adaptation plan

Adaptation should be rolled out in phases, starting small to test and learn, before scaling across the organisation and broader ecosystem.

Start small

Select a limited, high-value starting point such as:

- A small number of priority / high-risk sites
- One business unit
- Or one clear adaptation objective

Pilot and learn

Pilot selected adaptation measures within this scope, then:

- Monitor performance and effectiveness
- Evaluate costs, feasibility, and operational impact
- Capture lessons learned and refine the approach

Scale and broaden

Expand implementation using validated learnings:

- More sites and business units
- Additional adaptation objectives / risk types
- Potentially extend into supplier networks and surrounding communities

Find more adaptation planning resources on the WBCSD website:

Source: Adaptation Planning for Business (WBCSD, 2026)

Unlocking the barriers | Key next steps to advance corporate action on adaptation

Measuring the value of adaptation

Companies struggle to quantify the value of adaptation. Without credible measures of resilience benefits, it is difficult to justify investment. Shared methodologies for assessing ROI, avoided losses, and uncertainty are key to turning plans into action.

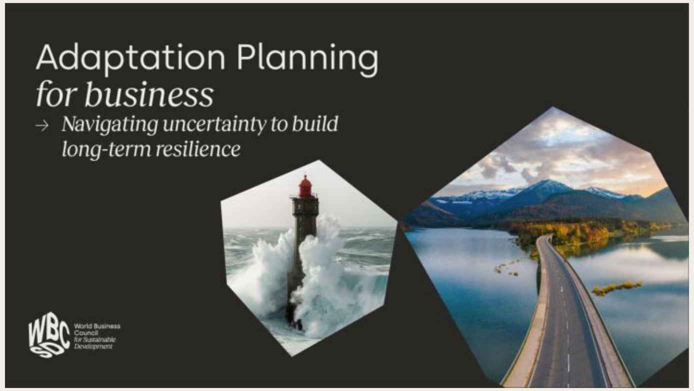
Embedding adaptation into business strategy & governance

Companies need further guidance to develop clear governance structures, assign ownership, and integrate adaptation into existing planning processes to catalyse business-wide action.

Collective action for shared resilience

Even well-adapted companies remain exposed if suppliers, infrastructure, ecosystems, or communities are not. Addressing these system-level risks requires convening leaders to align agendas, coordinate action, and engage public partners.

WBCSD Resources | Explore WBCSD publications on adaptation



Adaptation Planning for Business

This publication provides practical, action-oriented guidance developed by WBCSD in collaboration with over 70 global business and adaptation experts on how to build an adaptation plan for your business.

Read more

Business Leaders Guide to Climate Adaptation and Resilience

This publication supports senior decision-makers and their functional teams to integrate climate adaptation and resilience into strategy, governance, and operations.

Read more

Getting Ahead of Physical Risk

This handbook was designed to engage CEOs on the critical importance of managing physical risk for business continuity.

Read more

Member Insights Report 2026

This report summarizes the findings from interviews with WBCSD members on adaptation and resilience, highlighting progress, challenges and support options.

Read more

Thank *You*

For more information, contact:

Madeline Ojakovoh
Manager,
Climate Adaptation
ojakovoh@wbcsd.org

World Business Council *for Sustainable Development*