

## Climate Adaptation as Corporate Strategy



**While we may still be at the start of 2026, the year has already seen several extreme events impact South Africa linked to increasing climate volatility.**

There were exceptionally heavy rainfall and widespread flooding in parts of Limpopo, Mpumalanga and neighbouring Mozambique, as a tropical system combined with La Niña brought heavy downpours. Rivers overflowed, roads and bridges were damaged, homes washed away, and hundreds of thousands of people were affected.

More recently, lower rainfall levels have resulted in in the [Department of Cooperative Governance and Traditional Affairs](#) declaring a drought related disaster in the Western Cape, Eastern Cape, and Northern Cape. This has been compounded by some of the worst fire seasons in over a decade, especially in the Western and Eastern Cape, driven by high temperatures, dry conditions, and strong winds. These wildfires have burned large areas, threatened homes and wildlife, and complicated firefighting efforts.

For a long time, corporate climate action has focused on cutting emissions, with less emphasis on adapting to physical climate risks. As a result, mitigation has become the vernacular of disclosure, strategy, and investor requirements, while climatic exposure in operations and supply chain grows. This is changing.

**Climate resilience is now a strategic imperative. This is the clear message for business.**



Climate-related impacts are no longer a future threat, but are here today, posing direct operational and financial risks for companies, including cumulatively across geographies.

Countries in the global South have also helped accelerate this shift by pushing climate adaptation – once the stepchild to mitigation – to the forefront of global climate debates (such as the annual Conference of the Parties, or COPs).



The increase in physical impacts not only amplifies existing business risk but, as a recent [PwC South Africa research piece](#) shows, can lead to significant loss and cost to operations (including inventory loss, production stoppages, transportation disruptions and higher energy costs).

Physical risks can impact across company value chains, creating input scarcity, cost inflation, supplier failure and price pressure. The knock-on financial costs take the shape of revenue loss, emergency expenditure, repair costs and stranded assets.

**The cost of inaction increases the longer we postpone.**

The [World Business Council on Sustainable Development's \(WBCSD\) Adaptation Planning for Business \(Guidance\)](#) states that “current estimates show that physical risks could severely impact financial performance of businesses by 2050, reducing EBITDA by 5-25% annually across critical industries in every global region, without efforts to adapt and build resilience.”



Therefore, to remain competitive in an uncertain environment, adaptation is a necessity.

If we are serious about building resilience, we must commit to smart, forward-looking investments that secure long-term competitiveness, mitigates losses and protects livelihoods, underpinned by coherent and aligned strategies.

Front-runner organisations, who are open to an adaptive management approach to climate adaptation, are shifting from stand-alone risk assessments to integrated resilience strategies. They are integrating climate, social, nature and broader – but highly pertinent – geopolitical risks. This is an approach that reflects the integrated approach championed at COP30. These pioneering companies are also mainstreaming adaptation into corporate planning as a clear signal that they are identifying adaptation as an opportunity, not just a risk.



Examples include mainstreaming adaptation into areas such as Capex decisions, procurement policies, logistics design, and workforce strategy. This approach to adaptation catalyses innovation like the use of grey-green infrastructure interventions, digital approaches to basin management and climate-resilient supply models, to name but a few.

The use of innovative finance mechanisms is accelerating as well. The expansion of adaptation (and nature)-aligned instruments, for example debt-for-nature swaps, resilience bonds, and community-based adaptation funds, gives companies new tools to invest in resilience at scale by leveraging traditional Opex and/or corporate social investment spend. Companies that can clearly demonstrate climate resilient operations or supply chains will have clear advantages.

### **So, what can Corporates do now?**

The NBI in collaboration with [PwC-SA](#) and the [WBCSD](#), supported by the [Deutsche Gesellschaft für Internationale Zusammenarbeit, South Africa \(GIZ-SA\)](#) are working with a small grouping of the NBI's members to contextualise the [WBCSD's Adaptation Planning for Business \(Guidance\) in South Africa](#), and to understand any potential inter-operability the guidance has with the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#).

**The goal: to enhance business resilience and accelerate adaptation action in a manner that makes sense for South African business.**



**Join us on this journey as we work with our corporate members to contextualise the WBCSD's Guidance and learn from one another in support of enhanced business resilience.**

**The message is clear: the era of the "resilient corporate" is here.**

Adaptation has moved from the margins of climate and sustainability discourse to the core of an approach that seeks to integrate climate action for long-term value creation in companies.

Businesses that treat adaptation as strategy - not compliance or risk mitigation - will be the ones that thrive in an increasingly climate-impacted global economy.

For further information, or to engage more closely with the WBCSD's Adaptation Planning for Business (Guidance) in South Africa, please contact **Garth Barnes**, [GarthB@nbi.org.za](mailto:GarthB@nbi.org.za) and **Kussing Malaka**, [KussingM@nbi.org.za](mailto:KussingM@nbi.org.za)