



Rising Risks: What the latest climate adaptation assessments mean for business

The UK is already facing severe and worsening climate impacts, according to the latest [Climate Change Risk Assessment](#) (CCRA) released by the independent Climate Change Committee on 20th May 2026.

The CCRA warns that the UK is dangerously underprepared and delaying adaptation action will significantly increase damage and costs. Global emissions reductions will also be needed to prevent these risks going past the point where the UK can protect itself with adaptation measures.

Climate risk is already material and accelerating:

- Extreme heat already costs the UK £1.2 billion a year in lost productivity.
- UK agriculture is already experiencing losses of around £1 billion a year.
- UK businesses currently face £670 million in flood damage a year.

The cost of inaction is far greater than the cost of acting now

- Up to £260 billion a year in climate damages (1–5% of GDP) in the next 25 years.
- Early action is affordable and will deliver strong economic returns.
- Investing £11 billion a year in adaptation measures will deliver tens of billions in avoided damages. For context, this represents just 2% of the UK's total £547 billion investment in 2025.

Business exposure to climate impacts is growing:

- Climate change will increasingly disrupt the UK economy over the next 25 years.
- Over 40% of our food is imported, leaving the UK vulnerable to international climate shocks.
- 40% of business-critical infrastructure in England is in flood risk areas.

Major risks to businesses

The UK's climate will change rapidly over the next 25 years, becoming hotter, with increased flood risk, and higher likelihood of heatwaves, droughts, and wildfires. These risks will have society and economy-wide impacts, with several key risks for businesses:

- **High-quality UK farmland** (high yield with little or no restrictions for agricultural use) is projected to **shrink from 38% (1961-1990) to around 11%** in 2050 due to droughts and soil erosion.
- **One-fifth of UK supply chain value is exposed to significant climate risk**, as it originates in countries at medium to very high levels of climate risk.
- The UK's global assets and financial hub status expose it to international climate shocks, **impacting macroeconomic stability**. Climate-related impacts on the financial system alone could result in **losses of up to 1% of UK GDP**.
- **UK insurers may face up to 50% higher annual losses** by 2050 under severe warming scenarios, with climate-related insurance claims and loan losses expected to rise.

Possible adaptation actions for business

The Climate Change Committee also published [A Well-Adapted UK](#), setting out how the government can reduce climate risks and capture emerging opportunities in a growing adaptation market.

Adaptation progress is currently inadequate. The report highlights the importance of coordinated action between government, business, and households, as adaptation depends on enabling policy, regulation and public investment.

Businesses must assess and address their own risks, which will futureproof operations and contribute to increased national resilience. The following recommendations for business are inferred from the report:

- **Build resilient supply chains:** Integrate climate and nature risk in procurement strategies to diversify supply chains beyond climate vulnerable regions and plan for climate shocks, such as major crop failures.
- **Invest in “no-regret” resilience and adaptation measures:** Prioritise climate-resilient infrastructure and assets that deliver benefits under all climate scenarios, such as flood protection, water security and heat resilience. Nature-based solutions should be a key priority, due to the multiple co-benefits and ecosystem services they deliver.
- **Quantify physical climate risks and embed adaptation in core business functions:** Climate impacts are currently under-accounted for in existing business models. Improving use of climate risk data to quantify climate damages and adaptation costs will help strengthen business preparedness. Businesses need to assess impacts on assets, insurance and operations, and incorporate climate resilience into capital planning.
- **Collaborate with government and other sectors to align adaptation plans and actions:** Adaptation cannot be delivered by government or business alone (e.g. a viable insurance sector depends on adaptation elsewhere). Partnership is essential to mobilise public-private investment and deliver effective adaptation projects. Businesses should work across sectors and value chains to develop credible sector transition plans that integrate climate, decarbonisation, nature, societal impacts, and adaptation.

WWF’s recommendations: what else can business do?

Call to action for government advocacy:

The Well Adapted UK report highlights the critical role of government action in creating the enabling conditions for businesses to implement adaptation measures and build a more resilient economy.

Businesses can engage with government via DESNZ, DEFRA and the Environmental Audit Committee, and should advocate for stronger ambition and leadership in adaptation through:

- Full adoption of the Climate Change Committee’s findings in the government’s own CCRA, to be published in January 2027.
- Implementation of the Well Adapted UK Report recommendations in the Fourth National Adaptation Plan (due 2028). Business input is essential for an ambitious adaptation strategy.
- Public investment in adaptation, to provide clarity for private investment by businesses.

WWF runs multiple initiatives to support business action on climate. Key resources from our work to support mitigation and adaptation action in your business are linked below. Businesses can help by:

- **Supporting system-wide transition pathways:** Help develop and implement [nature-positive pathways](#) and investable [sector transition plans](#) to build resilience across your industry.
- **Advocating for enabling policy frameworks:** Support policies such as a [Net Zero Test](#) for Budgets and Spending Reviews, ensuring fiscal decisions align with the UK's mitigation and adaptation goals.
- **Protecting nature-critical supply chains:** Undertake robust due diligence on forest-risk commodities and support initiatives like the [Tropical Forests Forever Facility](#) to safeguard globally critical ecosystems and carbon stores.
- **Strengthening risk management and disclosure:** Lead by example by analysing, [disclosing](#) and using information on climate and nature risks in risk management, and advocating for the policy frameworks and [transition plans](#) needed to drive this behaviour across business.
- **Leveraging WWF's Basket for Nature-Positive Action:** Use [WWF's Basket](#) to identify practical measures your business can take to reduce environmental impacts, support sustainable production, and contribute to a resilient, nature-positive food system.



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