



**What's Now. What's Next.**

**Adaptation & Resilience**

**↳ Sustainability & Climate Shock**



# Adaptation & Resilience: Sustainability & Climate Shock



Welcome to our  
**What's Now. What's Next.**  
series – an exploration of  
resilience, adaptation and  
antifragility in the context of an  
increasingly complex world.

In this paper, we consider the  
forces shaping sustainable,  
shock-resistant Future  
Communities.

# Building resilience in the context of climate change

It can often feel like there's no good news when it comes to climate change; one positive however is the amplification of the urgency for action through major events such as COP26 – the 2021 United Nations Climate Change Conference. And while the UN also warns that many impacts are unavoidable and will hit the world's most vulnerable populations hardest, the UN's Intergovernmental Panel on Climate Change also remains optimistic that collective action from governments and an enabling policy and finance environment for businesses to both curb greenhouse gas emissions and prepare communities to live with global warming could yet avert the worst of the projected outcomes.

While many declarations were signed and meaningful discussions had at COP26 – with COP27 expected to only re-affirm the urgency for action – it's clear the world still has a long way to go. What's changed in recent times though is industry attitudes. More than ever before, we're seeing the response to climate change as opportunity-led, rather than as a risk to be managed. Pleasingly, both the private and public sectors have become more forward-thinking, with the conversation shifting from what impact climate change will have on their business, to what impact their business can have on climate change.

Further intensifying this shift, the financial services sector – including lenders, investors and insurers – is putting pressure on private sector clients to act. To continue to be investable, profitable and resilient – and indeed, insurable – businesses need a clear decarbonisation strategy. In addition, the science behind climate change has become more accepted and less debated than ever before, and it's become apparent that communities, customers and shareholders, in addition to employees and business partners, are demanding climate action too. With jobs, livelihoods and humanity's very existence at risk, a huge opportunity is within our grasp to embed adaptation and resilience to help protect against climate shock, and to wholeheartedly seize that opportunity. So, where to start?

---

**We are seeing the response to climate change as opportunity-led, rather than as a risk to be managed.**



# The need for an embedded, multi-disciplinary approach

With achieving the goal of net zero emissions now firmly on many board agendas, the greatest opportunity ahead is to aim for deep organisational change around climate priorities, and to genuinely embed that change in approach and mindset across all aspects of the business. No longer is it enough to pay lip service to climate change impacts with a tokenistic scheme developed by a standalone sustainability department; businesses need to demonstrate a genuine commitment and meaningful pathway for action.

Before taking any action, however, it's important to define an organisation's role and sphere of influence. Is it this particular organisation's responsibility to set the standard and lead the way? Does the organisation need a complete overhaul of its climate strategy? Where are the gaps? As part of this initial assessment, it's often beneficial for a carbon inventory to be conducted to help set a baseline against which to measure change. This audit should include all emission sources, across Scopes 1, 2 and 3 and risk profiles at all levels of the business.

Organisations should also seek to develop climate change plans for the short-, medium- and long-term. This is not a one-time process and should be part of the business planning cycle every three to five years. Risk registers should be discussed at quarterly board meetings, with a key focus on building resilience in the face of more frequent and severe weather events, among other threats. For example, how drought or increased flooding may affect infrastructure in the future, and whether changes can be made to mitigate or adapt to these impacts. Priority issues that affect a business and the environment it operates in, and where pre-emptive action can be made, are other salient points of discussion. Examples include energy savings, behaviour change, use of technology, onsite generation of renewable energy and health impacts in terms of pollution and noise pollution, to name a few.

To successfully meet an organisation's goals – and their community and climate commitments – it's critical that the climate action plan is embedded into every facet of the business. The approach needs to be cross-functional and multi-disciplinary and involve everyone from leadership level down to the "boots on the ground". In addition, it's important that staff and leadership at all levels are empowered to make a difference and it may be necessary to review and update policies and procedures to enable this.

Appropriate language is another important lever to empower people; the terminology used needs to strike the right balance between highlighting the urgency for action, and reassuring people that transformation is still possible. Terms like "climate emergency" can lead to feelings of helplessness and disengagement, ultimately discouraging action. We need to positively engage by being clear that it is not too late to make a real difference.

# Narrowing in on the “S” in ESG

While many businesses are currently and understandably focused on the “E” (environment) in ESG, the “S” (social), including inclusion and diversity, human rights and many other social considerations, is becoming better understood as an equally critical driver of an integrated sustainability strategy. Social impact experts, social psychologists and other specialists will be key to achieving success here.

It has already been shown that businesses that can put in place a methodology to quantify their impact on the “S” can improve the overall success of their business performance. Increasingly, today’s social risks will be tomorrow’s material business impacts, with the [World Economic Forum identifying several key social factors that businesses should be considering, now](#).

Already, we are seeing examples of businesses and asset owners thinking more broadly about the S. In discussions with communities traditionally reliant on the oil and gas sector, for example, our advisors have been exploring opportunities, alongside our clients, to upskill workers in lower-carbon industries, to ensure the transition away from fossil fuels does not negatively impact the community’s productivity but rather, builds its reliance in the face of inevitable change.

**Inclusion and diversity, human rights and many other social considerations**

**Environment**  
**Social**  
**Governance**

# Stepping up — how the private sector can lead the charge

Despite growing understanding and positive steps toward climate action, many challenges remain. One such obstacle is short-termism, especially on the public sector side. From a political perspective, governments can be hesitant to enact too much change, too soon, risking backlash from constituents and industry and jeopardizing re-election for subsequent terms. On top of this, governments who do want to act can often have their hands tied due to political processes where policies cannot be made and laws cannot be enacted without a majority consensus.

Companies are also increasingly responding to the responsibility to “do the right thing”. For example, in 2018, brewing company Carlsberg ditched the plastic rings from their six-packs of beer, introducing new “Snap Pack” technology to dramatically reduce plastic waste and minimise their environmental impact. Another positive example is the British Retail Consortium, which through their “Better Retail Better World” initiative is encouraging the retail industry in Britain to meet some of the biggest global challenges of the coming decades highlighted by the UN, including modern slavery, climate change and responsible consumption and production, [using the United Nations Sustainable Development Goals as a framework](#).

---

**Snap Pack technology** has been used to dramatically reduce plastic waste and minimise their environmental impact.

Carlsberg

---

**Better Retail Better World** is encouraging the retail industry in Britain to meet some of the biggest global challenges of the coming decades highlighted by the UN, including modern slavery, climate change and responsible consumption and production.

British Retail Consortium

# Celebrating quick wins while playing the long game

No sector or business is exempt from the impacts of climate change. But with a collaborative approach and desire to create lasting community benefit, planning and tools, organisations can build resilience, adapt and even benefit from change and uncertainty. Businesses are increasingly recognizing a bigger, civic responsibility and are embedding sustainability into their business planning, creating an organisation-wide culture of ESG.

It's important for organisations on their ESG journeys to be as transparent as possible, while being mindful of "greenwashing" and the need to be authentic and stand up for what they commit to. It's also essential to take advantage of and celebrate "quick wins" along the way, to maintain the momentum and energy for positive change and to include regular consultation and review sessions. Adopting a proactive approach to building business resilience will enable organisations of all types – and the communities they impact – to adapt, respond and succeed in the face of climate change.

→ Adapt

→ Respond

→ Succeed

# Contributors



## Anna Jakobsen

Sustainability, Resilience and ESG Team Leader for Europe and the Middle East  
**London – United Kingdom**



## Katrina Kroeze

Senior ESG Advisor specialising in stakeholder engagement, ESG program development and sustainability reporting  
**Toronto – Ontario, Canada**

# About GHD

**GHD recognises and understands the world is constantly changing. We are committed to solving the world's biggest challenges in the areas of water, energy and communities.**

We are a global professional services company that leads through engineering, construction and architectural expertise. Our forward-looking, innovative approaches connect and sustain communities around the world. Delivering extraordinary social and economic outcomes, we are focused on building lasting relationships with our partners and clients.

Established in 1928, we remain wholly owned by our people. We are 10,000+ diverse and skilled individuals connected by over 200 offices, across five continents – Asia, Australia, Europe, North and South America, and the Pacific region.

Discover more at [ghd.com](https://ghd.com)