

Private Company Adaptation to Climate Change: Towards a more viable role in adaptation

In light of the current global climate situation and potential future scenarios, private companies are expected to participate and engage to a fuller extent in adaptation to climate change. However, certain obstacles exist for these companies to engage with full capacity. This thesis investigates and provides normative advice on how private companies can have a more viable role in climate change adaptation and ultimately achieve greater impact.

What was discovered can be grouped into four conclusions. First, governments need to provide a stronger enabling environment and lead the way for private company engagement. This is especially in regard to governments highlighting initiatives and innovations needed from the private sector, communicating impacts more clearly with less uncertainty, being explicit about national priorities and where the private sector can step in with knowledge on economic growth potentials and funding opportunities. Second, the implementation of national adaptation plans (NAPs) needs to happen also at the private sector level due to the ineffectiveness of national governments to construct plans and identify certain needs without developing a pathway of communication with all relevant stakeholders. Third, private companies could benefit from a standardised reporting mechanism enhancing validity and transparency that ultimately steers investment decisions towards environmental practices.

The fourth conclusion is connected to the fact that this research project investigated large companies. These large companies all have resources to go beyond 'business as usual' and therefore, go beyond simple adaptation. A way for large companies to achieve greater impact in the climate action agenda is holding them accountable to mitigating climate change. Adaptation measures could therefore be geared towards smaller and medium sized enterprises (SMEs) to a larger extent, where disruptions caused by climate change generally pose a more significant risk to their business continuity.

These four conclusions were identified through researching four descriptive research questions that ultimately allowed for answering the normative research question of how private companies can have a more viable role in climate change adaptation. A scoping study was performed on the existing scientific literature on private sector adaptation to climate change, to gain a deeper understanding of the current situation. Denmark and Singapore, which are two similar developed countries situated within two different continents and contexts, were compared through investigating each country's national adaptation plan. This was done to achieve a greater understanding of how countries are incorporating private sector adaptation into their national strategies. To see how companies communicate climate change and position themselves in the climate action agenda, a review of annual reports of the top 20 performing companies of Denmark and Singapore was performed. This review was then further complimented with an industry perspective gained through interviewing representatives from two of the top performing companies.

This thesis is especially timely in the light of the Paris Agreement and the 5th Intergovernmental Panel on Climate Change report, highlighting the collaborative need for action, placing special emphasis on private sector involvement as being critical to adaptation progress alongside literature highlighting said collaborative action to be lacking. Further research could be focused on investigating how to standardise a mechanism for reporting on climate change and ways for SMEs to collaboratively engage with governments in the adaptation agenda.