

RESPONSIBLE INVESTMENT

JUST ADAPTATION INVESTOR EXPECTATIONS

Issued December 2025



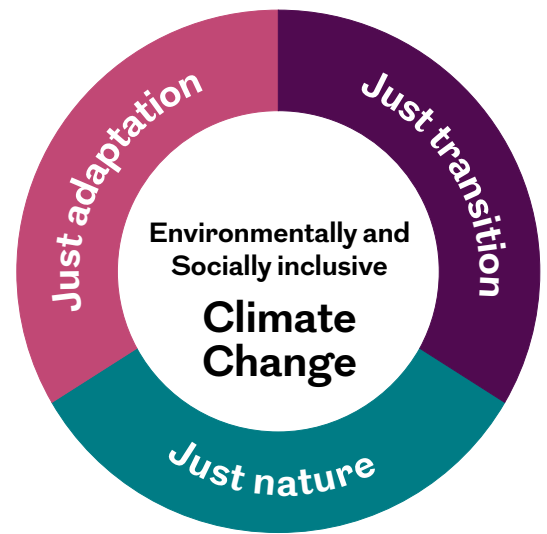
Our commitment to a fair and just approach to climate change

Royal London Asset Management is committed to championing a fair and inclusive approach to climate and nature-related issues. We advocate for best practice, support stakeholder engagement, and the integration of socially inclusive approaches into corporate and policy decision-making in our investee companies and their value chains. We believe industry collaboration is essential, and that only a fair and just approach can deliver resilient, equitable outcomes for all.



“Our investor expectations support our stewardship efforts while aiming to help fellow investors approach often-overlooked aspects of climate change. We welcome hearing from you to discuss this important topic and more.”

Carlota Garcia Manas
Head of Climate Transition and
Engagement Responsible Investment



Royal London Asset Management engages with companies as part of its responsible investment and stewardship strategy, aiming to drive long-term value for clients while promoting sustainable business practices. Our voting, engagement and advocacy activities are designed to be pragmatic, informed by research, evolving market insights and local best practices, and aligned with the long-term interests of our clients. These activities aim to enhance the value and integrity of our investment decisions.

Please note that voting and engagement practices may not apply uniformly across all Royal London Asset Management funds or strategies, as each has distinct investment objectives. Please refer to your investment documents for specific details.

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Just adaptation investor expectations

This report by Royal London Asset Management outlines our expectations which investors such as asset managers and asset owners can adopt when assessing companies. Investee companies can also use these as a guide to developing their just adaptation strategy and policy. The expectations, developed from our insights and findings, aim to ensure climate adaptation strategies are fair, inclusive and beneficial to both people and planet. As investors, we have a responsibility to be transparent in our learnings, to collaborate and form partnerships to do our part in moving to a more sustainable world.

At a glance

Over 1 year
of company engagement
insights

9 companies
engaged

**6 engagement
pillars**
developed through engaging
with companies, experts
and practitioners

What is just adaptation and why is it important?

As climate change accelerates, adaptation (e.g. resilience-building) is becoming as critical as mitigation (e.g. emissions reductions), but it is essential that efforts to build resilience are fair, inclusive and equitable. Just adaptation refers to climate adaptation strategies that aim to maximise positive outcomes for society and nature while minimising the risk of harm.

Adaptation is complex and will inevitably involve unavoidable trade-offs. To avoid 'maladaptation', companies must consult stakeholders early and design strategies that reflect local social and ecological contexts, increasing the likelihood of widely supported and effective outcomes.

Maladaptation: where actions intended to build resilience for companies, inadvertently harm local communities or ecosystems.

Key findings

Drawing on academic research, public sector examples, and case studies from Royal London Asset Management's company engagements, we believe that corporate climate adaptation could deliver a 'triple dividend'¹:

1. Reducing risk and unlocking financial opportunities
2. Enhancing social and economic wellbeing
3. Supporting biodiversity

Our research highlights the growing urgency for climate adaptation to be approached thoughtfully and inclusively. Poorly designed or misaligned adaptation measures can pose significant risks to communities and ecosystems. Inclusive approaches, particularly those that reflect stakeholder voices and incorporate nature-based solutions, are more likely to deliver co-benefits and achieve the triple dividend outlined above.

Investor expectations: We have established investor expectations to provide a practical framework for assessing companies' climate strategies and their approach to just adaptation. We will use this framework ourselves and have published it for other investors, asset managers and asset owners, to aid in their company assessments.

Our investor expectations aim to help companies commit to just adaptation policy and practices, engage with stakeholders, minimise maladaptation risks, maximise co-benefits and manage trade-offs through consultation.

A call to action: Investors have a pivotal role to play in a fair and just approach to climate change. Royal London Asset Management urges investors and companies to integrate just adaptation into their strategy and policies. We encourage companies to engage stakeholders early, and advocate for clearer government adaptation frameworks to avoid unintended harm and build resilience.

¹ [The Triple Dividend of Building Climate Resilience.](#)
[| World Resources Institute.](#)

What is adaptation?

Since its adoption, many in the global investment community have rallied around the Paris Agreement's headline goal of limiting global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.

At Royal London Asset Management, we have been supportive of the science of climate change for many years, actively engaging with companies through our Net Zero Stewardship Programme and advocating for a just transition that considers the social implications of a shift to a low-carbon economy.

Although it is often overlooked, there is a second global goal established by the Paris Agreement on climate adaptation which is aimed at 'enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change'².

As the impacts of global warming continue to become more widespread, severe, and tangible, it is growing increasingly critical that investors (asset managers and asset owners) put their efforts towards climate adaptation and resilience, while continuing the drive for climate change mitigation.

Climate change, however, is not only a threat to the environment, but also to people. Communities face challenges and risks, such as food insecurity, water scarcity, (forced) displacement and health crises. Climate adaptation strategies, like their transition counterparts, stand either to ameliorate or to exacerbate these vulnerabilities. If strategies are developed in a way that disregards the rights and perspectives of affected stakeholders and communities, they may help to manage physical climate risks for the company, while creating adverse social and environmental impacts at the same time, a phenomenon known as maladaptation.

What is just adaptation?

Just adaptation, on the other hand, is an approach that aims to not only minimise the risk of negative social externalities associated with climate adaptative efforts, but also to maximise the adaptation benefits for wider society, especially those that are most affected by climate change.

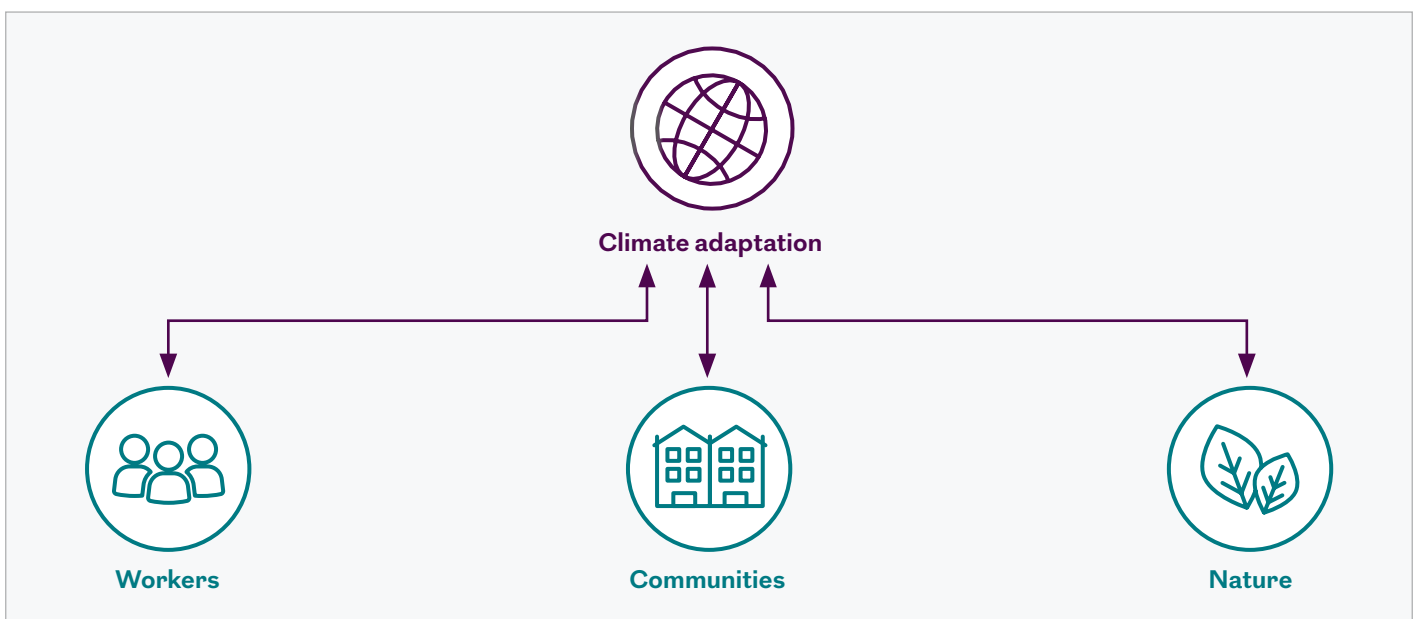
It is complementary to the 'just transition' approach to climate mitigation, with the two sharing many principles in common. These include recognising the different needs and perspectives of relevant diverse groups and stakeholders,

as well as making efforts to ensure their meaningful participation and empowerment in decision-making.

It also means to harness the potential of different kinds of adaptation solutions to produce co-benefits for affected communities which can include increased biodiversity, carbon sequestration, health benefits, and employment creation. However, most importantly, just adaptation like just transition ensures that solutions are fair and inclusive, leaving no one behind.

Diagram of the relationship between climate adaptation and stakeholders

Arrows represent how climate adaptation affects stakeholders while stakeholder feedback shapes future adaptation plans.



Our actions

At Royal London Asset Management, we believe investors have a critical role to play in driving and supporting just adaptation, and that doing so could enhance long-term financial returns. Adapting justly not only helps society, but it also helps companies avoid reputational damage, legal challenges, and costly delays. Just adaptation unlocks reputational gains, strengthens social license to operate and accelerates the implementation of adaptation strategies in the face of intensifying climate risks.

Active dialogue with companies is an important lever in this area. Corporate engagement enables us to gain insight into how our investee companies are addressing adaptation challenges while urging them to mitigate risks and capitalise on opportunities.

We also engage with policymakers to advocate for just adaptation policies that create an enabling environment for companies to adapt responsibly. In addition, we have collaborated with academics and civil society to deepen our understanding of adaptation risks and opportunities and inform our investor expectations with the latest research.

Cost of climate-related physical risks

S&P Global estimates that climate-related physical risks like extreme heat, flooding and wildfires could cost the global economy US\$25 trillion by 2050. Yet despite this staggering figure, only 35% of the world's largest companies have disclosed a climate adaptation plan³.

Engagement with companies, experts and policymakers

Since the programme began we reached out to 12 companies, engaging in direct dialogue with 9. Our aim was to encourage the implementation of robust climate adaptation plans according to rigorous principles of justice and equity. While the language of just adaptation was new to many companies we spoke to, we found that some were already taking steps aligned with its principles.

We engaged with the following experts and policymakers:

- **Policymakers & regulators:** UK Department for Environment, Food and Rural Affairs (DEFRA), Environment Agency (EA), Local Government Association (LGA), Climate Change Committee (CCC), HM Treasury (Treasury) and the Department for Transport (DfT)
- **Academics:** Trisha Mani, Cambridge Institute for Sustainable Leadership (CISL)
- **International organisations:** Camilla Roman, International Labour Organisation (ILO)

The companies we reached out to included:

- **BHP Group Limited:** A leading global resources company focused on mining and metals, including iron ore, copper, and coal.
- **Cleveland-Cliffs Inc:** A major US producer of iron ore pellets and flat-rolled steel products.
- **DCC PLC:** An international sales, marketing, and support services group operating in energy, healthcare, and technology sectors.
- **Delta Air Lines Inc.:** A major US airline providing domestic and international passenger and cargo services.
- **E.ON SE:** A European energy company focused on electricity and gas distribution, energy services, and infrastructure.
- **Rio Tinto PLC:** A global mining group specialising in minerals and metals, including aluminium, copper, and iron ore.
- **Severn Trent:** A UK-based water and wastewater services company serving millions of customers.
- **South East Water:** A UK utility that supplies drinking water and manages water infrastructure.
- **Sunoco LP:** A U.S. distributor of motor fuels.
- **Tesco PLC:** A leading UK-based multinational retailer operating supermarkets and convenience stores.
- **TotalEnergies SE:** A global integrated energy company engaged in oil, gas, and renewable energy solutions.
- **Valero Energy Corporation:** A leading international manufacturer and marketer of transportation fuels and petrochemical products.

Highlighted companies above were directly engaged with during this phase of the engagement programme.

We extend our gratitude to all that have we have worked with including the named individuals and organisations for their expertise, participation and support.

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³ [Climate costs are rising, but few companies have an adaptation plan | S&P Global Market Intelligence](#)

Just adaptation investor expectations

Through our discussions with experts and practitioners in companies, government, non-governmental organisations and universities, we have developed expectations for what we believe to be good practice. Combining these in the following framework can serve both as guidance for companies on how to develop their adaptation strategies justly but also for investors who are looking to minimise their risks and achieve sustainability goals through engaging investee companies.

Engagement pillars

1. Public commitment

Companies should publicly commit to adapt to climate change in a way that is fair and just.

2. Identifying and consulting with stakeholders

Companies should identify all stakeholders likely to be affected by their adaptation efforts (including communities, nature, suppliers, and employees) and consult with them throughout the planning process. Engagement should be meaningful and inclusive, ensuring that decisions reflect stakeholder voices and concerns.

A	B	C	D
Understanding the local context	Minimising the risk of Maladaptation	Maximising co-benefits	Managing trade-offs
Through research, companies should develop a deep understanding of the social, economic, and environmental context in which their strategies will be implemented. This equips them to anticipate how their adaptation efforts might impact stakeholders in ways that would otherwise be overlooked.	Drawing on their nuanced understanding of local context, companies should design adaptation strategies with great care, selecting measures that do not create new risks of harm.	Companies should also identify and pursue opportunities where their adaptation efforts can help stakeholders by providing co-benefits. Nature-based adaptation solutions, which benefit biodiversity, should be prioritised wherever feasible and companies should collaborate with suppliers and communities to build adaptation capacity and share knowledge.	Companies should assess their adaptation strategies to identify trade-offs, where measures to benefit one stakeholder may negatively impact another. They should seek balanced outcomes that are satisfactory to all parties.

Deep dive into our expectations

The following sections delve deeper into each expectation, providing context and practical examples drawn from our company engagements and research to illustrate how these principles apply in practice.

Public commitment

Public commitment is a cornerstone of accountability. Companies should make a clear, public statement affirming their intention to adapt to climate change in a way that is fair and just for its stakeholders. This means embedding just adaptation into corporate strategy, securing board-level endorsement and publishing commitments in accessible formats such as annual reports or sustainability disclosures. By doing so, companies demonstrate transparency and build trust with investors, employees and communities.

While formal commitments are still rare, BHP's 2024 Climate Transition Action Plan offers a useful signal of emerging practice, acknowledging that adaptation measures "can have broader social value benefits but need to be designed to avoid or minimise maladaptation risks" and the importance of an "inclusive and equitable approach" to adaptation. This illustrates how companies can begin framing adaptation as both a resilience measure and a source of broader social value.

Identifying and consulting with stakeholders

Identifying stakeholders is the essential next step in developing just adaptation strategies. By knowing who will be affected, companies can begin to anticipate potential impacts and lay the groundwork for meaningful engagement. Physical adaptation measures, such as infrastructure projects like flood defences, can affect local communities and ecosystems whereas organisational adaptation strategies, such as diversifying supply chains or relocating facilities, can have far-reaching implications for workers, including both direct employees and those within supply networks.

It is critical that these stakeholders are consulted throughout the stages of adaptation planning as the case studies below will make clear. In addition to engaging with communities and workers, companies should consult conservationists and ecologists regarding potential impacts on nature. Consultation serves three principal purposes:

1. it helps companies build a deeper understanding of the people, ecosystems and communities they are affecting
2. it enables them to validate decisions aimed at delivering co-benefits or avoiding harm
3. it provides a mechanism for finding acceptable compromises when trade-offs arise.

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Understanding the local context

Consultation should be supplemented with research into how stakeholders interact with each other, what their vulnerabilities and dependencies are, and how local economies and ecosystems function. This depth of insight is critical to avoid inadvertently disrupting the social and ecological dynamics that underpin livelihoods and biodiversity in a given area. Adaptation measures often have direct and indirect effects, and without this understanding, well-intentioned plans can cause unanticipated harm as explored further in the following section on maladaptation. For example, companies building sea walls might not anticipate that they can alter local marine ecosystems and disrupt the livelihoods of people such as fishermen who depend on those ecosystems for their income.

On the other hand, a comprehensive understanding also enables companies to better identify and harness opportunities to benefit stakeholders that might otherwise be overlooked. For example, companies might not anticipate that nature-based solutions can improve community access to nature. By investing time in consultation and research, companies can anticipate both risks and opportunities, design strategies that respect local contexts, and ensure adaptation efforts are fair, effective, and widely supported.



Case Study

BHP

- **Theme:** Engagement with communities to understand climate vulnerabilities
- **Sector:** Mining
- **Location:** Australia, Chile

BHP, a leading mining company, is taking a proactive approach to understanding communities in relation to adaptation. Recognising that physical climate risks are deeply intertwined with social and environmental vulnerabilities, BHP has adopted a “collective action” model. This means the company assesses risks both to its assets and to the people living and working nearby, including workers, suppliers, vendors, and residents.

To ground its risk assessments in real-world experience, BHP has engaged directly with over 100 communities connected to its sites. The company’s indigenous peoples and communities engagement team organised capacity-building workshops, such as a two-day session in Chile, which provided local people with practical knowledge about climate hazards and adaptation strategies. These workshops incorporated indigenous knowledge and adaptation methods, ensuring that local perspectives and expertise were central to the process.

BHP’s approach includes and goes beyond desk-based research. Through “ground-truthing” – a bottom-up method of speaking directly with community members – the company uncovered critical social vulnerabilities that might not be visible in data alone. For example, low literacy levels were identified as a barrier to emergency preparedness, and the proportion of renters versus homeowners was found to influence community resilience. Feedback from these conversations was used to correct and refine initial assumptions, leading to more accurate assessments of physical hazards and adaptation needs.

Based on these insights, BHP has worked collaboratively with communities to design and implement support plans tailored to local needs. In Sierra Gorda, a remote town in the Atacama Desert near BHP’s Spence mine, water scarcity is a major challenge. To avoid exacerbating this issue, BHP uses desalinated water piped from the Pacific Ocean for its mining operations, ensuring that local water resources are not depleted. The company also partnered with the community to plant arid-adapted trees in the town square, providing shade and reducing dust – an example of practical adaptation co-created with local residents.

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Minimising the risk of maladaptation

Once a deep understanding of context is achieved, companies should use it to shape their plans. Poorly informed strategies can lead to maladaptation and reputational damages. Most documented cases of such failures have occurred in the public sector when government interventions to protect communities from physical climate risks have backfired. In Fiji, seawalls built to protect coastal communities from rising sea levels and storm surges ended up causing unintended harm – disrupting ecosystems, blocking natural drainage, and increasing sediment flows. These changes led to flooding of homes and farmland, undermined agriculture and fishing that are vital sources of income and food, and eroded community trust in climate adaptation efforts⁴.

To avoid maladaptation, companies must carefully assess the direct and indirect consequences of different adaptation measures and prioritise those that minimise harm. For example, if a company relies on suppliers in a region exposed to physical climate risks like drought or extreme heat, it should not simply abandon those suppliers in favour of others elsewhere which could deprive workers of their livelihoods. Instead, it should work collaboratively with suppliers to build adaptation capacity and strengthen resilience. Similarly, when constructing adaptation infrastructure, companies should conduct thorough assessments of ecological impacts and select designs that minimise harm to ecosystems.

Failing to take these steps could lead to financial losses, stranded assets, regulatory penalties, and community backlash. Most companies are still in the early stages of implementing adaptation plans and our engagements have not yet revealed clear cases of maladaptation. However, we have identified strategies that implied such risks and engaged accordingly.

Case Study

Tesco

- **Theme:** Empowering suppliers and their role in Peru's water security
- **Sector:** Consumer staples
- **Location:** Peru

Tesco reported that it is exposed to risks of supply chain disruption as a result of extreme weather events and evolving climate conditions. Its adaptation strategy includes maintaining a diversified supplier base to reduce dependence on any single supplier or region. Rising global temperatures threaten farmers' ability to grow crops, and shifting supply in response to climate-related disruptions may help Tesco adapt. However, this approach could negatively impact farm workers in affected regions who depend on these business relationships for their livelihoods, raising risks of maladaptation.

During our engagement we questioned the company on this, suggesting instead a just adaptation approach of working with suppliers to build awareness, technical capacity, and resilience to physical climate risks. In response, Tesco shared that it had already initiated relevant projects in Peru.

The Ica region of southern Peru is a linchpin for global agricultural supply chains, yet it faces severe water scarcity driven by climate change and intensive farming. Recognising the vulnerability of both local communities and the suppliers who underpin its fresh produce sourcing, Tesco has taken a proactive role in supporting water stewardship initiatives in the region. Through a partnership with the Waste and Resources Action Programme (WRAP) and the IDH Sustainable Trade Initiative, Tesco has contributed to projects designed not only to address environmental challenges, but also to empower suppliers to adapt and potentially thrive in a changing climate.

Central to these efforts is the creation of infiltration ditches across farmland engineered to harvest rainwater, reduce runoff, and recharge groundwater, directly benefiting the agricultural suppliers who rely on these resources for their crops. The impact is tangible: as of 2024, the project has delivered 68 kilometres of infiltration ditches, allowing millions of litres of water to soak into the ground. This intervention helps suppliers secure their water needs, even during periods of drought, and reduces their exposure to climate-related risks.

Biodiversity protection is another cornerstone of the initiative. By planting native trees and restoring natural vegetation, the project delivers a range of nature co-benefits; it maintains healthy soils, regulates local climate, and supports a diverse range of species. These ecological outcomes translate into more resilient farming systems, safeguarding supplier livelihoods against environmental shocks.

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⁴ [Dam\(n\) Seawalls: A Case of Climate Change Maladaptation in Fiji | SpringerLink](#)

Maximising co-benefits

Adapting justly is not only about avoiding harm. Our expectations are underpinned by the evidence that well-designed adaptation strategies can deliver a broad spectrum of co-benefits for stakeholders. Rather than viewing adaptation solely as a defensive response to climate risk, the triple dividend framework⁴ demonstrates that thoughtful interventions could deliver value across three distinct dimensions.

1	The first dividend – reducing risk and unlocking financial opportunities. This refers to the direct benefit of reducing exposure to physical climate risks such as flooding, drought, or extreme weather events. This is the most immediate and commonly recognised rationale for adaptation investments.
2	The second dividend – enhancing social and economic wellbeing. This refers to the range of social and economic benefits that adaptation can deliver, even if the anticipated climate risks do not occur. These include local economic development, job creation, increased property values, and improvements in public health. For companies, this can translate into stronger community relations, improved employee wellbeing, and enhanced reputational value.
3	The third dividend – supporting biodiversity. This encompasses the additional benefits to nature, such as improvements in biodiversity and ecosystem restoration. Nature-based solutions, including the restoration of wetlands and the implementation of green infrastructure, not only mitigate climate risks but also enhance ecosystem services, contributing to healthier environments and greater resilience for both companies and communities.

Triple dividend example from the public sector

Kunshan, China

- **Theme:** Just adaptation, Triple dividend framework
- **Sector:** Urban development

A compelling illustration of the triple dividend in practice can be found in Kunshan, China. This low-lying region, which had long suffered from flooding and poor water quality, faced mounting environmental and social challenges due to rapid urban development.

Through substantial planning and investment in urban wetlands, Kunshan was transformed: flood risk was reduced, the local economy was boosted through increased property values and commercial activity, and biodiversity was improved through environmental restoration.

Although the triple dividend concept emerged from cases in the public sector like this, it is equally relevant for businesses. By planning adaptation strategies with community and ecosystem benefits in mind, companies can enhance their reputations, strengthen their social licence to operate, and advance sustainability objectives alongside their climate adaptation goals.

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⁴ [The Triple Dividend of Building Climate Resilience.](#)
[| World Resources Institute](#)

Case Study

Anonymous

- **Theme:** Nature-based solutions for extreme heat
- **Sector:** Energy

An energy company is in the early stages of developing a formal adaptation strategy and is already taking steps to protect its workforce from extreme heat while exploring additional measures that could support local ecosystems.

At one of its sites, the company has begun to implement staggered shifts, a practical measure designed to reduce the exposure of workers to the hottest periods of the day. To compliment this operational change, it is considering nature-based cooling methods, like the planting of trees around the site. Trees do more than simply provide relief from the sun; they create a microclimate that naturally lowers ambient temperatures, offering a sustainable alternative to artificial cooling.

If implemented, the benefits would extend beyond the immediate protection of employees. Planting trees and maintaining green spaces can enhance local biodiversity, create habitats for wildlife and contribute to the ecological health of the area. Trees also improve air quality by absorbing pollutants and producing oxygen.

While it has yet to formalise a group-wide adaptation strategy, the company is showing signs of transitioning from a risk mitigation-focused strategy to one that integrates adaptation, biodiversity, and stakeholder impacts.

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Managing trade-offs

While an ideal adaptation strategy would deliver only co-benefits without harming any stakeholders, the reality is more complex. Adaptation measures often involve multiple stakeholders and competing priorities, meaning that some actions may benefit one group while creating costs for another or for nature. This can lead to difficult trade-offs between climate resilience, biodiversity, and social outcomes.

The most effective way to manage these trade-offs is through dialogue. Companies should consult widely and early with affected stakeholders, inviting input and fostering deliberation before plans are finalised. By engaging in open discussions, companies can identify concerns, explore alternatives, and work toward compromises that balance competing needs. This inclusive approach not only reduces the risk of maladaptation but also increases the likelihood of solutions that deliver genuine benefits for both people and nature.

Case Study

South East Water

- **Theme:** Balancing nature restoration with rural livelihoods
- **Sector:** Water utilities
- **Location:** UK

South East Water (SEW) is undertaking adaptation projects to improve water resilience in the UK in Kent and Sussex, including the construction of new reservoirs and the creation of a “super national nature reserve”. The company aims to rewild land, restore wetlands, and enhance biodiversity, all of which support long-term water security and climate resilience.

However, some of these measures can come with significant trade-offs. The rewilding of farmland, for example, can adversely affect the livelihoods of farmers and farm employees as land use shifts away from agriculture. However, the projects are important for improving drought resilience and water quality.

SEW is acutely aware of the social implications of its plans. The company recognises that the displacement of farmers could exacerbate local economic challenges. To address this, SEW is engaging heavily with stakeholders, including farmers, councils, trusts, and local communities, to manage the tension between nature benefits and negative social impacts.

From an environmental perspective, the projects are expected to deliver substantial co-benefits. Rewilded land will protect groundwater, support biodiversity, and create new habitats for wildlife. SEW is also exploring the potential for biodiversity net gain and carbon credits, which could provide financial incentives for land managers while improving water quality.

SEW’s experience demonstrates the complex trade-offs inherent in adaptation. Some projects could deliver significant environmental benefits and improve water resilience, but at a cost to local livelihoods. The company’s commitment to stakeholder engagement is essential to balancing these competing aims and ensuring that adaptation helps deliver both social and environmental value.

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The role of policy

Policy has a pivotal role in shaping how companies adapt to climate change, especially if the goal is to ensure adaptation is fair, just and does not harm stakeholders. Adaptation policy in many countries, remains underdeveloped compared to climate change mitigation. While mitigation has received significant attention and resulted in comprehensive national plans, adaptation has often been overlooked, leaving societies increasingly vulnerable to the impacts of climate change such as extreme weather, rising sea levels and biodiversity loss. The absence of direction at the government level also leaves companies unconfident about making adaptation investments and uncertain about how to align their own strategies with national objectives.

At Royal London Asset Management, we are actively engaging with policymakers to encourage more ambitious and effective adaptation policy. We organised a roundtable in early 2025, which brought together UK government departments, think tanks, academics, investors and other stakeholders, as a clear example of this commitment⁵. Through such forums, we advocate for the integration of adaptation and resilience into government decision-making, the development of targets and metrics and the adoption of just adaptation principles that deliver co-benefits for both people and nature. The roundtable emphasised that adaptation is deeply localised – what works in one community or sector may not be appropriate elsewhere. Therefore, government policy should provide frameworks that help companies assess local risks, consult stakeholders early and avoid maladaptation.

Equally important is collaboration. Government could work closely with companies, providing guidance, resources, and incentives to encourage adaptation that delivers co-benefits. This could include sharing best practices, funding pilot projects and developing sector-specific standards. By engaging with companies and affected communities early in the process, policy can ensure that adaptation solutions are not only effective but also equitable. We will continue to advocate for just adaptation to be moved higher up the policy agenda, ensuring it receives the attention and resources required to meet present and future challenges.



⁵ [How can the UK move adaptation up the climate agenda? | Intermediaries | RLAM](#)

Conclusion

As climate impacts intensify and adaptation becomes ever more urgent, it is clear that the path to resilience must be just. The evidence and case studies presented in this report demonstrate that adaptation strategies, when designed with fairness, inclusivity and stakeholder engagement at their core, can deliver a triple dividend: reducing risk, generating social and economic benefits, and supporting biodiversity. Yet, adaptation is rarely straightforward. Trade-offs are inevitable, and the risk of maladaptation remains real.

The lesson for companies and investors is unequivocal: comprehensive stakeholder consultation and a deep understanding of the social and ecological context are essential. By inviting input from all affected parties before plans are finalised, companies can reach compromises, avoid unintended harm, and ensure that adaptation delivers genuine benefits for both people and nature. This approach should be regarded as good practice whenever adaptation trade-offs arise.

Policy has a pivotal role to play. Governments must provide clear vision, robust targets, and practical frameworks that guide companies to assess local risks, consult stakeholders, and maximise co-benefits. Collaboration between policymakers, companies, investors, and communities will be vital to move just adaptation higher up the climate agenda and ensure that no one is left behind.

Next steps

At Royal London Asset Management, we remain committed to advocating for and supporting just adaptation. We do this through active engagement with companies and policymakers, and by championing strategies that balance environmental, social, and economic goals. Building on this commitment, our next steps will focus on translating these expectations into action. We will:

- Systematically assess investee companies' public disclosures against our just adaptation investor expectations.
- Identify both strengths and areas where further progress is needed.
- Use the assessment to form the basis for constructive, evidence-based engagement, where we will encourage companies to address any gaps and adopt good practices that promote fairness, inclusivity, and resilience.
- Maintain an open dialogue and provide clear feedback with investee companies.
- Seek to support them in developing robust adaptation strategies that aim to deliver tangible benefits for stakeholders.

Furthermore, we will continue to collaborate with industry peers and government bodies to advocate for stronger frameworks and policies, ensuring that just adaptation remains at the forefront of the climate agenda. We encourage other investors to join us in these efforts.



“As adaptation plans proliferate, the companies that take time to understand their stakeholders will set the standard for conscientious leadership. By embedding our principles at the core of their strategies, these companies could transform adaptation from a defensive measure into an exciting opportunity to deliver lasting benefits for all.”

Charles Stott
Responsible Investment Analyst

Further Reading

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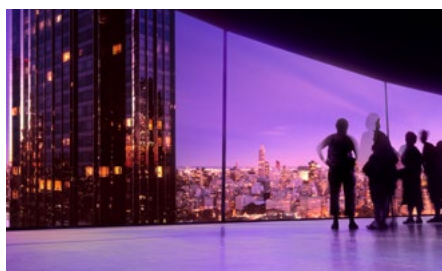
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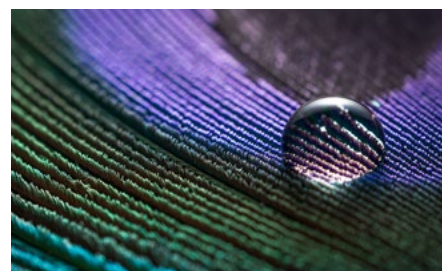
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