Policy Backgrounder

Extreme Heat: Business and Policy Considerations

Extreme heat is increasingly threatening worker health, business productivity, supply chains, and critical resources, underscoring the need for practical, business-informed policies that protect workers while recognizing the operational realities of different industries.

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- The effects of extreme heat lead to measurable operating costs. Research links hotter conditions with lower labor productivity and greater injury risk, alongside production, quality, and attendance pressures. The effects vary by the type and location of the workplace.
- Effective protection depends on actual exposure. Indoor process heat, humidity, workload, protective clothing, and building design affect risk and the appropriate controls.
- Business effects extend beyond the worksite. Heat and related disruptions can affect suppliers, transportation, commodity costs, energy and water availability, and customer demand.
- Federal requirements remain unsettled. The Occupational Safety and Health Administration's (OSHA) regulatory agenda projects a supplemental proposal in December 2026 and final action in October 2027. The scope and requirements may change considerably from a 2024 proposal.
- Employers already face enforcement and differing state rules. Businesses must address current obligations while preparing for potential federal changes; policymakers should account for differences among work environments. Occupational heat exposure can reduce labor capacity and raise injury risk, while slowing production and increasing defects, rework, absence, and delivery delays.

How Heat Affects Business Operations

Workers can face hazardous heat indoors and outdoors. Exposure depends on temperature, humidity, airflow, process and radiant heat, physical workload, protective clothing, and building design. For businesses, the consequences can include worker injuries, lower output, staffing pressure, and higher operating costs.

What the evidence shows

Recent research from The Conference Board identifies several channels through which heat affects business performance:

- *Productivity:* An OECD analysis of 2.7 million manufacturing and service firms across 23 advanced economies associated 10 additional days above 35°C with a 0.3 percent reduction in annual labor productivity.
- *Safety:* A 2025 analysis of 845,014 US workplace injuries found that injury odds increased at external temperatures around 85°F and rose more quickly above 90°F, including in manufacturing and warehousing.
- *Quality and attendance*: Research in garment factories documented slower production, defects, reprocessing, delivery delays, illness, and absence during intense heat.

These findings identify business risks, but they do not establish a universal temperature threshold or cost estimate for every employer.

Similarly, enterprise-level analysis from The Conference Board shows that weather-related risks also reach companies through suppliers, infrastructure, and markets. For instance, an El Niño event can produce different regional effects along with greater volatility of extreme weather events, including flooding and port disruption in some locations and heat, drought, water constraints, or higher cooling demand in others.[1]

The business consequences depend on where a company operates and its required inputs:

- Retail: Delayed factory output or shipments.
- Manufacturing: Water constraints or reduced output at a supplier.
- Construction and home services: Worker exposure across dispersed outdoor worksites.
- Energy: Higher demand alongside constraints on generation and the electric grid.
- Food: Higher commodity prices and disrupted freight.

Companies therefore need to assess both direct workplace exposure and dependencies across suppliers, logistics routes, critical inputs, water-dependent operations, and customer markets. The appropriate response combines worksite prevention with sourcing, inventory, capital, and continuity decisions.

The Current Federal Framework: NOAA and OSHA

Federal policy impacts how businesses interpret and cope with extreme heat. The National Oceanic and Atmospheric Administration (NOAA) provides weather intelligence that helps businesses anticipate broader operating risk,[2] while OSHA administers and enforces a workplace-safety framework within which businesses make decisions regarding protection of workers from extreme heat.

NOAA provides forecasts, warnings, and other data that help businesses plan for extreme weather, water constraints, and energy demand. OSHA addresses occupational heat exposure in indoor and outdoor work settings. No general OSHA heat standard is currently in force, but OSHA can cite hazardous heat under the Occupational Safety and Health Act's General Duty Clause.[3]

Released in 2024 but not yet formally issued, OSHA's proposed Heat Injury and Illness Prevention standard would establish more specific obligations for indoor and outdoor work across general industry, construction, maritime, and agriculture. Its principal features include:

- **Estimated coverage:** 36 million workers.
- **Prevention requirements:** Heat plans, hazard evaluation, water, break areas, acclimatization, training, and emergency response.
- **Initial heat trigger:** A heat index of 80°F, or a wet-bulb globe temperature (WBGT) equal to the NIOSH Recommended Alert Limit.
- **High-heat trigger:** A heat index of 90°F, or a WBGT equal to the NIOSH Recommended Exposure Limit, with additional protections at this higher level.

The proposal remains pending; these are not generally applicable requirements today.[4] OSHA's current regulatory agenda projects releasing a supplemental proposal in December 2026 and final action in October 2027, while noting the need to address burdens identified by commenters. Separately, OSHA updated its National Emphasis Program in April 2026, focusing inspections and outreach on 55 high-risk industries and using National Weather Service heat advisories and warnings to guide heat-related inspections.[5]

The next phase will determine how OSHA translates broad recognition of the hazard into a nationwide standard. A supplemental proposal should indicate whether the Administration will revise the rule's scope, heat triggers, indoor and process-heat provisions, or implementation timeline in response to employer comments on feasibility and burden. Until then, businesses face both potential current enforcement and evolving regulatory risk, while policymakers should assess whether any final requirements reflect the substantial differences among facilities and work environments.

State Standards and the Federal Policy Debate

In the absence of an OSHA heat standard that would preempt state action, states have adopted differing approaches to workplace heat protection. Requirements vary in coverage, triggers, and

employer responsibilities, creating location-specific obligations for multistate businesses. Examples of state action include:

- **California**: Adopted an outdoor heat standard in 2005 and an indoor standard in 2024.[6]
- **Washington:** Adopted heat rules in 2008 and 2009.[7]
- **Minnesota:** Adopted an indoor environmental-heat standard in 1997.[8]
- **Oregon:** Added heat-specific protections in 2022.[9]
- **Colorado:** Added heat-specific protections in 2022 that were expanded in 2026.[10]

Across these approaches, requirements generally address measures such as training, water, breaks or shade, acclimatization, and emergency response. The rules differ in the workplaces and workers they cover and in when protections apply.

Other states have taken a different approach to local regulation. Florida, for example, prohibits local workplace heat-exposure requirements beyond state law. Where no specific heat standard applies, employers may still face enforcement under OSHA's General Duty Clause. For national employers, this variation complicates common policies, training, and compliance systems. A future federal standard would establish a national framework, while OSHA-approved State Plans would need to maintain protections at least as effective as the federal standard.

Two bills introduced in Congress illustrate competing approaches to federal regulation:

- ***Asunción Valdivia Heat Illness, Injury, and Fatality Prevention Act:*** Would direct OSHA to issue an enforceable heat standard.[11]
- ***Heat Workforce Standards Act*:** Would bar implementation or enforcement of OSHA's 2024 proposal or a substantially similar rule.[12]

With the end of the current Congress approaching, neither bill has passed: the Senate measure remains in committee, and a House committee reported the blocking bill, as amended, in July 2026. The near-term path remains the Department of Labor, with OSHA's supplemental proposal and eventual final rule scheduled for 2027 determining whether the agency narrows, revises, or retains the proposal's central elements.[13]

Considerations for Businesses and Policymakers

Extreme heat creates workplace hazards and broader business risks through the systems supporting a company's operations. Business leaders must determine how these exposures affect operating decisions, while policymakers must assess how requirements would apply across different settings. A company may face direct worker exposure alongside supplier interruptions, infrastructure constraints, or higher input costs, requiring coordination across workforce protection

and business continuity planning. These impacts are likely to increase as extreme weather events are projected to become more frequent and severe.

Outdoor temperature alone does not determine worker exposure. A climate-controlled office, humid warehouse, commercial kitchen, manufacturing line with process heat, and outdoor worksite present different conditions. Workload, humidity, radiant heat, airflow, protective clothing, and building design influence both risk and the effectiveness of protections. These differences matter when policymakers evaluate regulatory triggers and requirements. Businesses likewise need worksite- and task-level evidence showing where heat is associated with lower output, rework, injuries, absence, overtime, or turnover. Such evidence can help identify where intervention would have the greatest value.

Employers can combine hydration, recovery time, acclimatization, scheduling changes, training, ventilation, cooled recovery areas, building improvements, and automation. Full-facility cooling is one option within this range; the appropriate combination depends on the work performed and the sources and duration of exposure.

These choices carry different implications for staffing, production, maintenance, real estate, and capital budgets. Policymakers should account for that variation when assessing administrative burdens, investment requirements, and implementation timelines. Employers should compare controls' cost and effectiveness with the operating losses they can document. Acclimatization and work pacing also connect worker protection directly to workforce capacity, requiring staffing plans and supervisor training that allow employees to work safely as conditions change.

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Endnotes

[1] https://www.conference-board.org/publications/El-Ninos-Global-Reach-The-Business-Impact-of-Extreme-Weather

[2] https://www.cpc.ncep.noaa.gov/; https://www.ncei.noaa.gov/about/our-impact/weather-service-providers

[3] https://www.osha.gov/heat-exposure

[4] https://www.osha.gov/laws-regs/federalregister/2024-08-30

[5] https://www.reginfo.gov/public/do/eAgendaViewRule?RIN=1218-AD39&operation=OPERATION_PRINT_RULE&pubId=202510 ; https://www.dol.gov/newsroom/releases/osha/osha20260410

[6] https://www.dir.ca.gov/oshsb/documents/Indoor-Heat-ISOR.pdf

[7] https://www.lni.wa.gov/news-events/article/21-018/

[8] https://www.dli.mn.gov/sites/default/files/pdf/STD_5-1.3_indoor_ventilation_and_temperature.pdf

[9] https://osha.oregon.gov/rules/making/pages/adopted.aspx

[10] https://www.mcguirewoods.com/client-resources/alerts/2026/7/colorado-and-new-york-city-expand-extreme-heat-protections-for-workers-creating-new-employer-obligations/

[11] https://www.congress.gov/bill/119th-congress/house-bill/4443/text

[12] https://www.congress.gov/bill/119th-congress/house-bill/6213

[13] https://www.reginfo.gov/public/do/eAgendaViewRule?RIN=1218-AD39&operation=OPERATION_PRINT_RULE&pubId=202510