

Resilient Supply Chains

Connecting climate goals to real economy action



Wednesday 25 June

ROUNDTABLE KEY TAKEAWAYS

Hosted by



Organized by



About the Roundtable

- **Trade and its supply chains** contribute to 59% of global GDP and are major sources of greenhouse gas emissions. They are also increasingly vulnerable to climate impacts, including transport and logistics 'links' that connect producers with consumers, such as the first mile, roads, railways and ports. If the weakest link of a supply chain breaks, everyone suffers: communities, companies, countries, and ultimately consumers.
- This **Roundtable** brought together stakeholders from across global supply chains to explore how to transform supply chains into drivers of climate action, local development and real economy benefits.
- Key takeaways from the Roundtable will feed into the development of a **Life-Links Framework** for collaborative action (to be published October 2025) that simultaneously enhances resilience, reduces emissions, and improves sustainability for critical supply chain links. It builds on existing guidelines and data/AI-driven tools, with a focus on logistics, and in support of the Sharm El-Sheikh Adaptation Agenda. Kuehne Climate Center's pilot applications are already underway for coffee and avocado supply chains from East Africa to Europe.

Stakeholders from across Global Supply Chains

Their views are captured in the takeaways

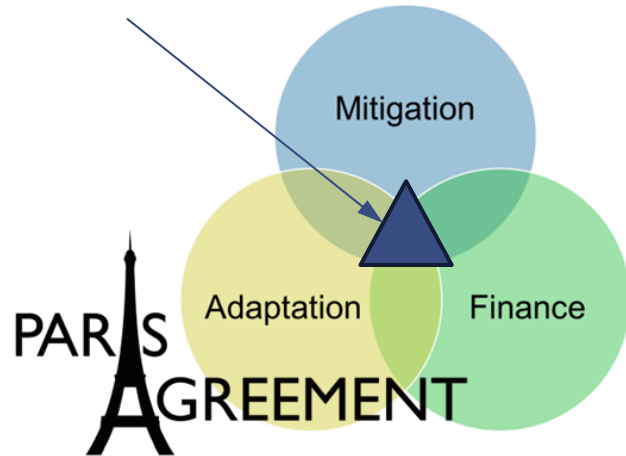


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Supply chains as a driver for climate action

Integration of mitigation, adaptation and finance

Life-Links



Link climate risks with other global risks



Translation climate / sustainability goals to the real economy



Supply chains with the best opportunity for collaborative action include...

- **Agriculture and food:** basic human needs, local consumption and export, high employment, some products are location-dependent (e.g. coffee, cocoa) can build on already existing adaptation efforts at farms and expand to transport and logistics
- **Energy and minerals:** essential for the energy transition with impacts felt by Global North and Global South so there is a willingness to collaborate, Global South dependence, long-term cycles so there are no quick fix alternatives
- **Fashion:** high employment so many people are affected when disruptions happen, power imbalance companies versus communities, East (Global South) producers & West (Global North) consumers, sector's fast pace of change is opportunity for faster action, existing fashion brands collaboration
- **Medicines:** basic human need, medicine access Global South, companies advanced on sustainability, specialty sector, high-value products

Risk and resilience efforts are greater in specialty sectors than commodity sectors – tailored approaches are needed for different sectors

Examples of actions with climate and economic benefits for different stakeholders...

- **Multimodal solutions** are considered to increase redundancy, such as freight trains alongside trucks
- **Parametric insurance** could be developed for transport as it worked for farmers: what are critical thresholds, what are costs, then develop insurance products
- **Packhouses and warehouses** can be used as coordination point, backup storage, emergency shelter, or make-shift hospitals
- **Pooling infrastructure** between LSPs and companies from different sectors
- **Producing locally** instead of transporting raw materials to other locations for processing
- **AI-powered tools** are used to predict interruptions, identify adaptation options
- **Cooling facilities** are installed by an agricultural company in Indonesia, which determined that increasing heat is escalating the risk for workers
- **Water storage and supply** is added by a mining company in Brazil based on an assessment of how many days it can last without water.

Factors of influence on improving supply chain resilience...

- Risk of supply chain disruption must have a **price tag** that companies feel: understanding drives action
- **Visibility** of the freight and logistics segments of supply chains is improved
- **Data quality** is enhanced for faster and better decisions
- **Value to the customer** is kept in mind, by working from the customers backwards
- **Companies are aware of the risks** but also need to care about resilience even when costs materialize elsewhere in the supply chain – there is a power imbalance towards communities
- **Trust** between private sector, government and communities
- **Partnerships**, including cross-sectoral partnerships, are set up in a way that all actors work together and benefit more than acting alone
- **Benefits** are made tangible for different stakeholder groups
- Products can only be sourced from **limited locations**, such as copper or cotton
- **Countries and companies focus** on solving the causes of disruption instead of dealing with disruptions in a reactive way
- Resilience and adaptation will require **huge transport infrastructure investments**
- **Access to finance** penetrating deeper into the supply chain
- **Investment and equity challenges** in the Global South

The private sector is more likely to collaborate and co-invest when...

- **Shippers / manufacturers** take the lead, because they have the buying power and can be the glue between actors for different supply chain segments
- **The maritime shipping sector** is actively engaged given that about 80% of all goods are carried by sea
- **A sector's association** is united behind a sustainability strategy, such as the Scotch Whisky Association of whiskey producers in Scotland
- Companies are already working on **fairer supply chains**, such as Tony Chocolonely's farmer-first approach in the cocoa sector, or reducing **agricultural food waste**, such as Chum Chum
- Sectors with a **distributed model for equity**, allowing communities to be involved, such as for kelp and kale supply chains
- **Community engagement initiatives** exist in countries where corporations operate, such as Kuehne+Nagel, allowing for communities to be brought into resilience projects from the outset
- **Supply chain partners** are supported with capacity building and innovate financing models, such as through the Amazon Freight Partner program
- **Pension funds** make responsible investment and sustainable finance for communities a priority, such as Brunel Pension Partnership working with food and beverage companies on physical climate risks and investing into regenerative farming that gives farmers better rates and higher product yields.

Stakeholders other than companies can be mobilized...

- **Investors** who are looking for low hanging fruits that maximizes climate benefits set against the lowest costs
- **Insurers** who increasingly factor in climate change, such as TT Club's transport and logistics insurance, or Global Parametrics / CelsiusPro who focus on parametric insurance
- **Suppliers** who can help make transport and supporting infrastructure more resilient, such as GE Vernova's work to adapt power grids, or Alstom's railway solutions to withstand climate change
- **Citizens** who understand the climate catastrophe ahead of us and who are likely to support adaptation efforts, as advocated by the Climate Majority Project
- **Consumers** who already suffer from 'climate-inflation' for products like coffee and chocolate
- **Policy makers** who understand what is important to companies and communities
- **Industry associations** like European Shippers Council and CLECAT who recognize the supply chain disruption risks for shippers and logistics companies
- **Ports** that can aggregate many supply chains to scale the adoption of technologies and solutions, and supported with adaptation plans by their associations such as Associated British Ports, and initiatives like SSI and Resilience4Ports
- **Civil society** who can train and upskill people working at all segments of supply chains on how to deal with disruptions, for example CREST or who focus the logistics and development like Kuehne Climate Center

Opportunities for supply chain resilience can be leveraged through...

- **Analytical tools** supported by AI to assess and predict supply chain disruptions, including those specialized in climate change such as Correntics and Jupiter
- **Existing collaborations** to reduce GHG emissions from freight and logistics, such as in the fashion and chemicals sectors
- **Sustainable finance**, such as HSBC's Supplier Finance that already includes adaptation and more clearly labels it as such
- Making the connection between **supply chains and nature**, for example through NatureMetrics, recognizing that both communities and companies depend on their natural resource base
- **Sustainability regulations**, such as the EU's CBAM and CDDD
- **A systems approach** that includes the full supply chain and all its stakeholders
- **Platforms** that link resilience with economic growth and inclusive livelihoods such as the Climate Action Platform Africa
- **Digital and innovative solutions** that already are proven to work but need to be taken to scale, such as through accelerator Braid Theory
- Connection between supply chain resilience and **sustainable consumption, procurement, circular economy**

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