

Business sector exposure to climate change risks

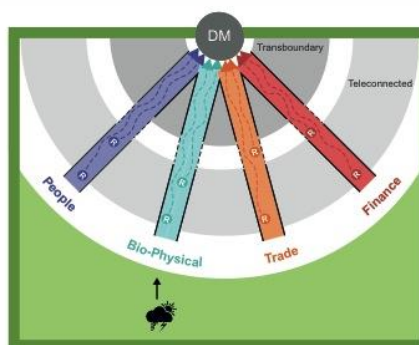


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Transnational climate risks

- “Mitigation is global, adaptation is local”
- Or...?



Global supply chains, global risk

- 2011 Thailand flood:
 - US Toyota plants stopped from lack of components
 - Total Toyota losses 1 billion USD
- How to assess climate risks in supply chains?

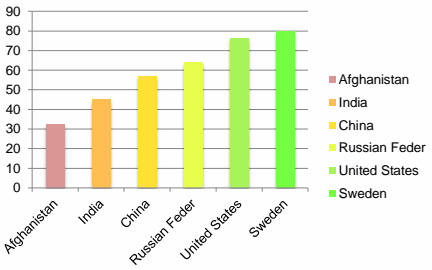


Two approaches

1. Climate vulnerability indicator for business sectors
2. Climate risk awareness & risk management strategies in globalized businesses



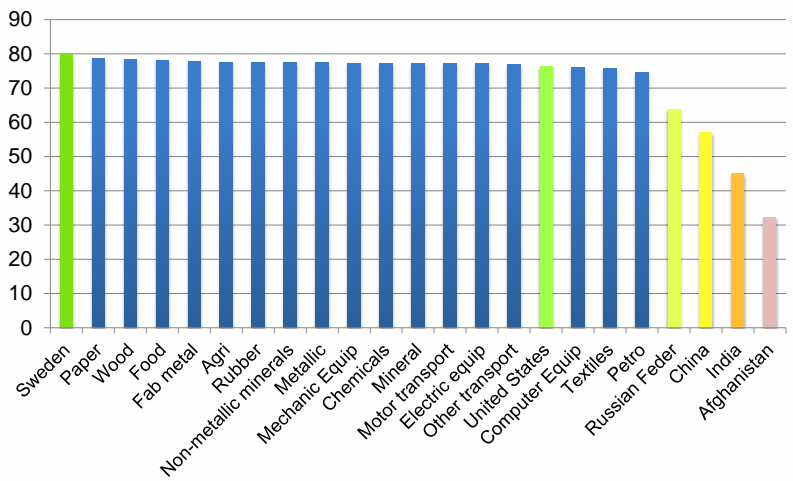
Notre Dame Global Adaptation Index (ND-GAIN)



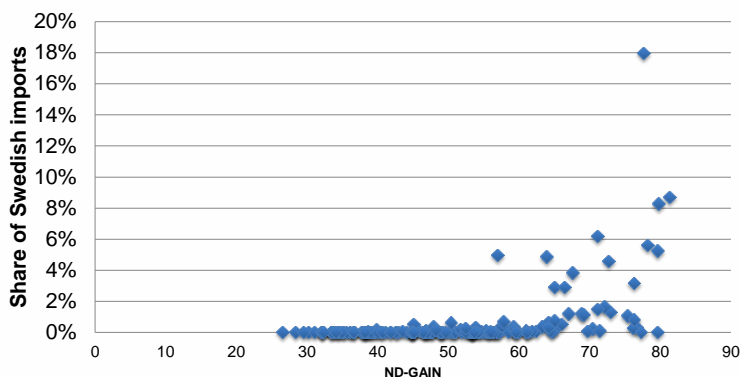
ND-GAIN for business sectors?



Test case: Swedish export industries



Sweden mostly trades with “high ND-GAIN” countries



Company views on climate risks?

- Interviews with 15 large Swedish companies
- Most have experiences of weather-related supply chain disruptions
 - Thailand flood
 - Goods damaged in sea transit



No real strategies in place

- “Climate” = mitigation, compliance, sustainability, certification...
- Lack of transparency in supply chains beyond tier 1



Risk management strategies

- Diversification (rare for these sectors)
- Contractual clauses
- Insurance



Discussion points

- Further work needed to understand supply networks beyond tier 1
- Systematic vulnerabilities?
- Role of key nodes in supply chains?
- Supply chain transparency!



Bonus material



Misleading trade statistics?

