

Climate risk in supply chains

Although an organization may only own a handful of assets, most rely on long supply chains which depend on hundreds of assets including factories, power plants and office buildings. All parties in the supply chain, therefore, share the risks of damage to any of these assets, including those from climate risks such as flooding, drought and wildfire, which can lead to disruption, delay and loss of profitability.

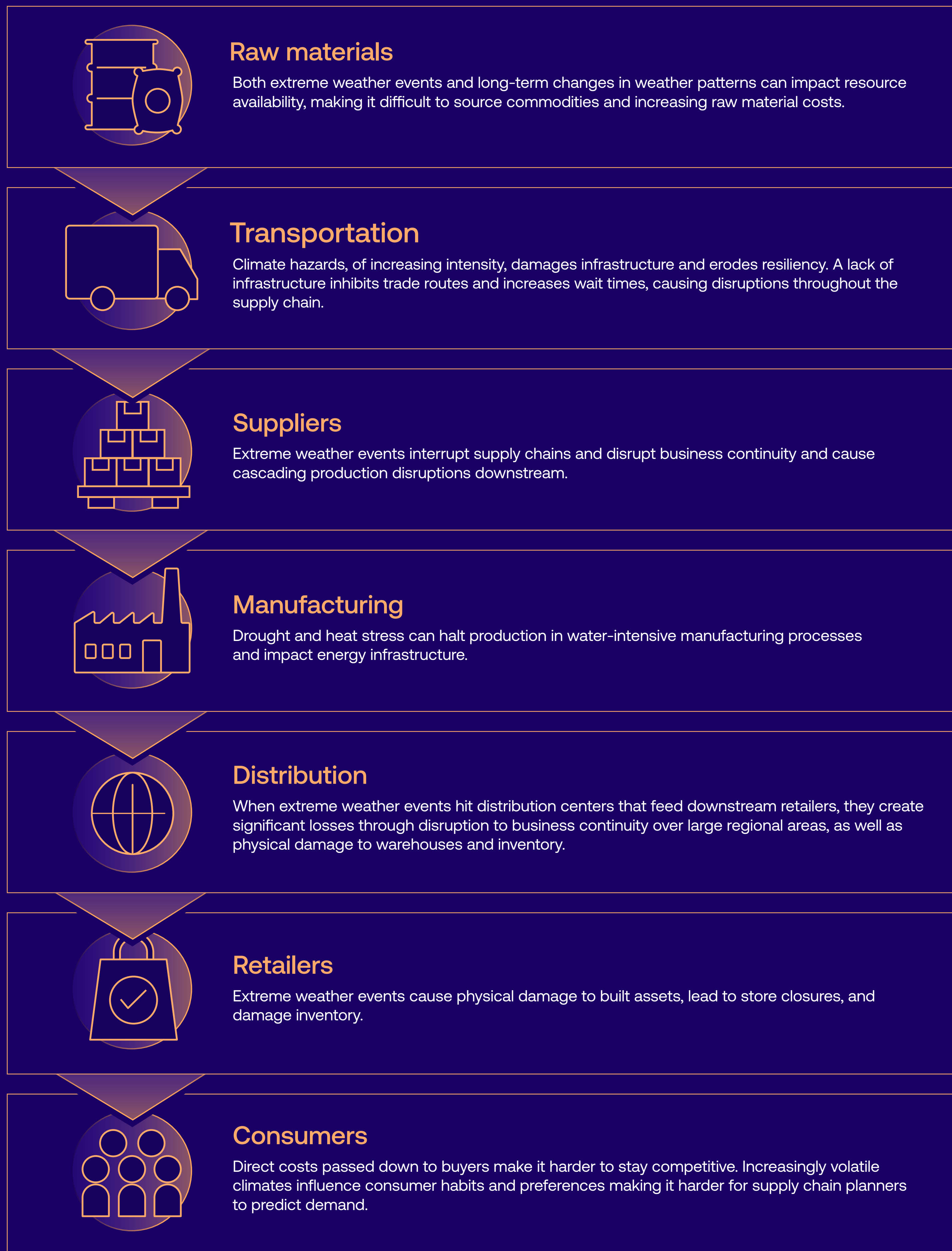
USD120 billion

Environmental risks in supply chains are projected to cost companies USD120 billion by 2026.



Source: BCI Extreme Weather and Climate Change Report 2022

How climate change impacts global supply chains



Drought and heat waves disrupt manufacturing in China

In August and September 2022, a combination of drought and heat waves caused water scarcity. This led to hydroelectric power being rationed in the South of China, shutting down factories in the manufacturing hub of Sichuan province major, and upending supply chains for the automobile and semiconductor industry.

Flooding delays shipments in Europe

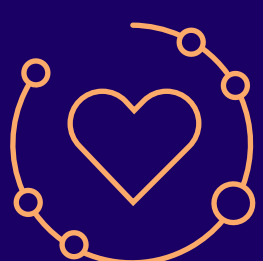
In July 2021, flooding in Belgium, the Netherlands, and Germany increased late shipments between 26% and 32%. This can cause reputational damage and lead to buyers switching suppliers. Suppliers must have contingency plans in place to ensure a resilient supply chain.

Using EarthScan to build climate-resilient supply chains

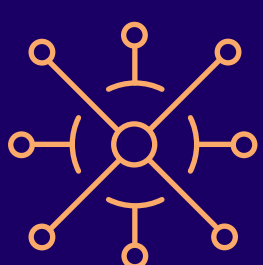
Cervest's climate intelligence (CI) product, EarthScan™, helps ESG, Risk and Supply Chain Managers get accurate, credible and granular data about current and potential suppliers' assets which has been traditionally difficult to acquire.



Screen your entire portfolio and supply chain for climate-related risks and opportunities at the asset and portfolio level.



Upload assets and share portfolios with colleagues to bring teams, departments and regions together with a single source of truth.



Identify critical risks and share with suppliers to minimize business disruption and support sustainability commitments.

Take action on climate commitments with EarthScan. Discover how sustainability leaders are using Cervest climate intelligence to discover, report and act on their climate risk in our ebook [Powering action with climate intelligence](#)

