Briefing 2: Managing climate impacts on people

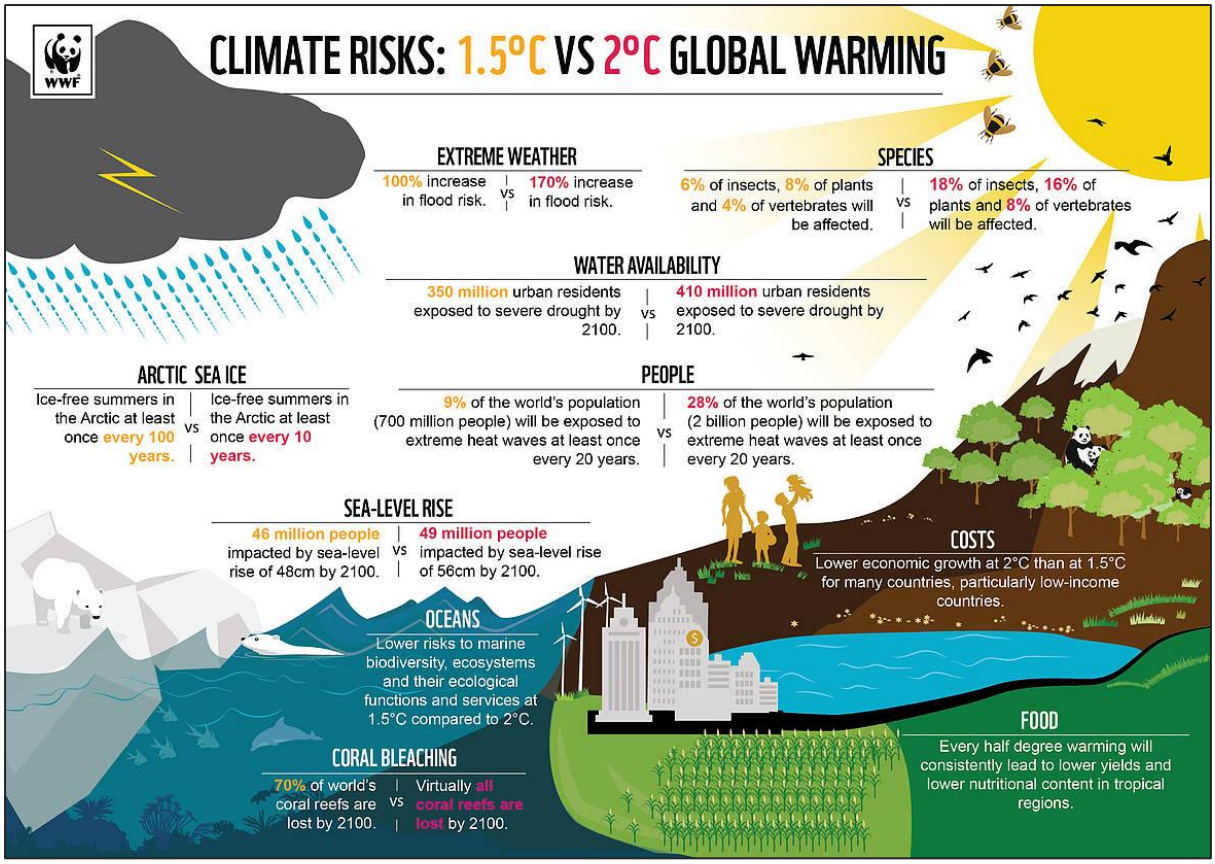
Protecting workers, communities and livelihoods as climate risks intensify

Across your supply chains, rising temperatures and erratic weather are putting millions of people at risk. Field and factory workers, smallholders, and their families face unsafe heat, water scarcity, and shrinking harvests – challenges that threaten both livelihoods and lives.

> *Occupational heat stress is a global concern. Heat-related deaths have risen by 68% in 20 years, and without action, extreme heat could surpass infectious diseases as a leading cause of death by 2100. Beyond the human rights impact, this also creates declines in productivity, increased health care costs, more frequent workplace accidents and operational disruption.*

As climate impacts intensify, they are reshaping how your supply chains operate and exposing who is most vulnerable. The ability of workers and communities to adapt is becoming a defining factor in business continuity and long-term resilience.

The risks of 2°C warming encompass weather and water to sea-levels and species survival. At the centre, people are impacted by all these things, with increasing numbers of people suffering.



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The question isn't **if** you should act on managing climate impact on people, but **when**. The answer is simple: now. And this briefing – the second in a three-part series by AIM-Progress and Proforest – will give you an overview of *why* and *how* to build adaptation plans that protect your supply chains – and the people who sustain them.

The resilience gap

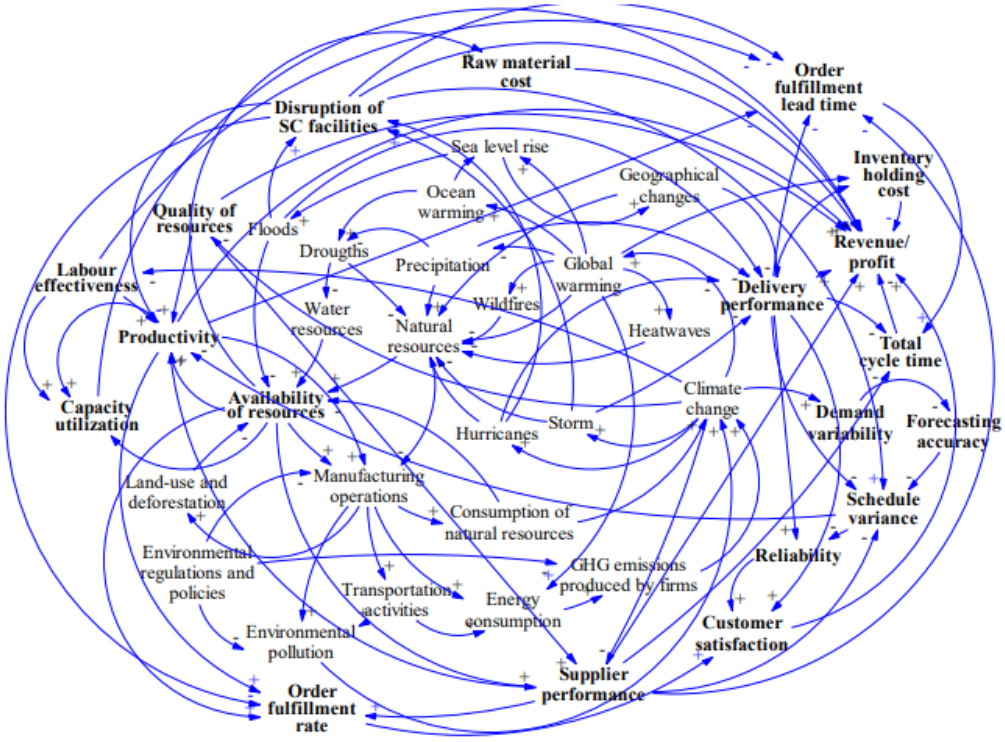
Many companies now routinely assess the risks that climate change poses to their assets and operations. They're aware of implications for raw material prices and availability; increased costs from inventory challenges; disruption to procurement, manufacturing and logistics functions; damage to infrastructure and potential impact on product quality and demand.

Far fewer consider the impact on people in their supply chains, though a company's business model is dependant on them. This creates a resilience gap and tangible business risks, including:

- Supply chain and operational disruption when workers cannot adapt.
- Regulatory and investor pressure, with UN and OECD guidance and the emergence of 'just resilience' recognising climate impacts as human rights issues.
- Reputational damage when companies fail to protect people.
- Economic damage from lower household income, affecting livelihoods, health and consumption.

Integrating Human Rights and Environmental Due Diligence (HREDD) into your climate adaptation planning helps close this gap, building resilience for both communities and businesses.

Impact of climate change risks on supply chains



Modelling the impact of climate change risk on supply chain performance, Er-Kara, M, Ghadge, A & Bititci, International Journal of Production Research, 2021.

Three steps to building people-centred adaptation

"The livelihoods of the people that support our value chains and their wider communities are increasingly at risk as a result of climate change... workers and communities must not be 'stranded' by impacts such as prolonged drought."

Sainsbury's human rights commitments

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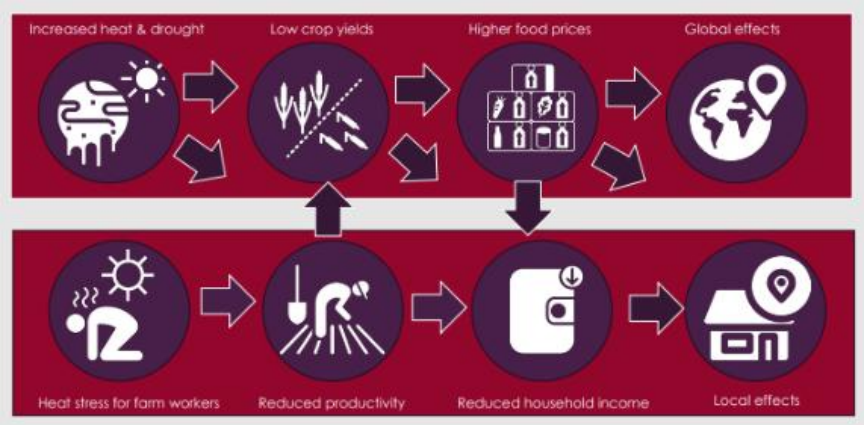
1. Assess climate impacts on people, not just assets
2. Build resilience that protects people
3. Address root causes together

Step 1: Assess climate impacts on people, not just assets

Standard climate risk assessments focus on infrastructure, operations, and financial exposure. Expand yours to include the people who make your supply chains possible:

- Identify hazards in sourcing regions, such as extreme heat, drought, floods, storms, and map how these affect people through unsafe working conditions, water access, food security, and displacement.
- Recognise compounding effects – one climate event can trigger multiple human rights impacts, and exacerbate existing issues such as child labour, forced labour, and discrimination.

COMPOUNDING OF RISKS



Climate Action & Human Rights, Shift Project, 2023

In short, don't treat climate as separate from human rights. Your HREDD framework should integrate climate-induced risks and prioritise the most vulnerable groups: smallholders, women, Indigenous communities, and migrants.

Case study
Grape workers, Türkiye

Aware that climate change threatens production, Diageo modelled climate impacts across its grape supply chain. Their analysis identified Türkiye as a critical risk zone, predicting that workers would face extreme heat exposure, while production would shift north due to a 54% decrease in rainfall. Alongside their water usage reduction strategy, the company now provides water, shade, and medical care for workers, while introducing heat- and disease-resistant grape varieties.

Step 2: Build resilience that protects people

Once you've identified the risks, take action. Effective adaptation combines immediate protection with long-term community resilience.

Protect workers from immediate physical risks:

- Early warning systems for extreme weather.
- Adjusted working hours during heat.
- Shade, hydration stations, and upgraded housing.
- Climate-resilient infrastructure (irrigation, storage, transport).

Strengthen long-term community resilience:

- **Financial resilience:** Climate risk insurance, access to credit, income diversification.
- **Knowledge and capacity:** Training in climate-smart practices, digital tools for weather forecasting and market access, strengthened producer associations.
- **Community engagement:** Collaborate with local communities, build on existing adaptation efforts, and ensure women and marginalised groups participate in decisions.

Case study
Mint supply chain, India

Haleon launched the Healthy Mint Supply Chain Programme to protect smallholder farmers and workers in India, where heat, drought, and water scarcity threaten livelihoods. Farmers and suppliers are trained in climate-smart practices such as ridge-and-furrow irrigation, reducing water use and energy costs while improving yields. Complementary interventions support worker rights, health and safety, and access to social welfare. By integrating climate adaptation with human rights protections, the programme strengthens community resilience, safeguards vulnerable workers, and reduces the environmental footprint of mint production.

Step 3: Address root causes together

Climate change amplifies human rights issues that are often systemic to regions or sectors. Individual company action, while necessary, is not sufficient.

Take a Smart-Mix approach

Effective action combines three elements:

1. Supply chain interventions: Direct work with your suppliers and producers.
2. Collaborative action: Partnerships with industry bodies, governments, NGOs, and rights-holders to tackle root causes.
3. Sector alignment: Strengthening standards and practices across entire industries.

This approach recognises that some issues – like heat-induced diseases or water scarcity affecting entire landscapes – require collective solutions.

Case study
Smart-Mix in action with benefits for people and business

Diageo sources sugarcane across Central America and the Caribbean, where workers face extreme heat and a high risk of chronic kidney disease (CKDnt). To address this, the company partnered with La Isla Network (LIN), a non-profit specialising in preventing heat-related illness and other occupational health risks.

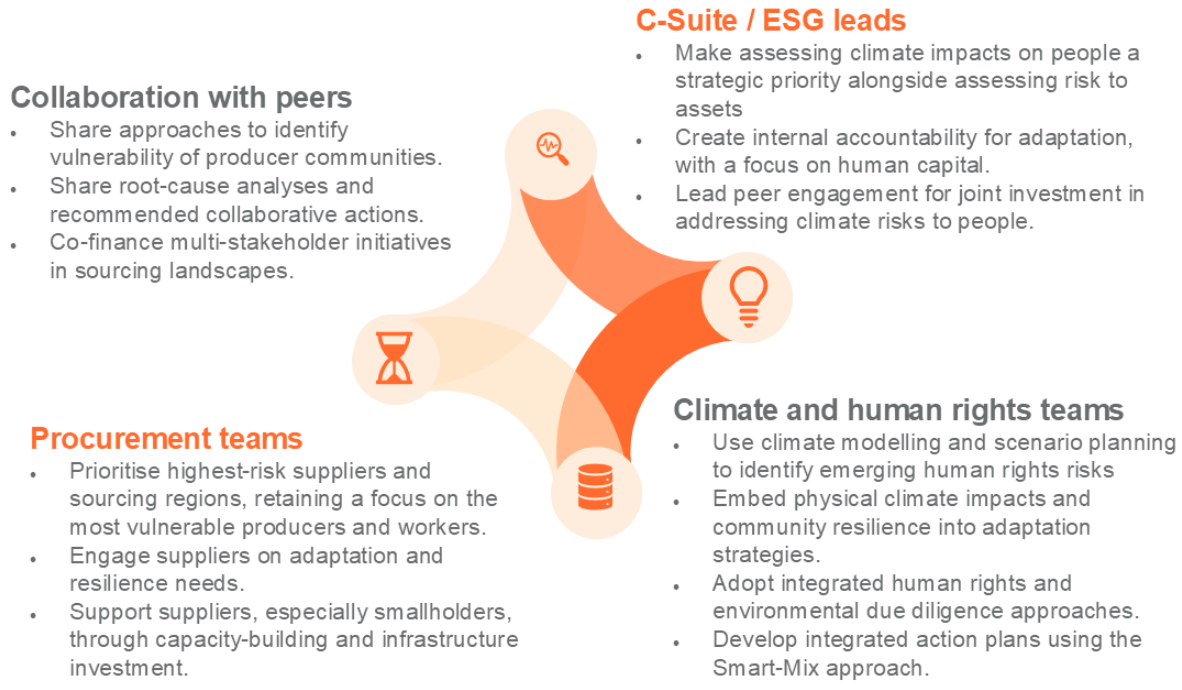
Key measures include rest, shade, hydration, and sanitation for workers. In pilot projects, results for workers and the business were very successful. At one mill in Nicaragua, these interventions reduced heat-driven hospitalisations by 94% and delivered a ~27% return on investment since productivity increased 10-20% and accidents, staff turnover and absenteeism were all reduced. The mill is now recognised as an award-winning regional centre of excellence, and the global company is supporting suppliers in other regions who were keen to adopt the same practices. Read more here.

Diageo's Global Sustainable Sourcing Specialist stated: "This is an incredibly important area for Diageo as we look to develop and evolve how we protect working conditions in our supply chain with the expertise and guidance of LIN and our partners in the supply chain."

For more information on practicalities of the smart mix approach you can refer to this brief.

Action you can take now to make climate adaptation work for people

Integrating human rights into your climate adaptation strategy requires coordinated action across your business and supply chains. Here's how different teams can help to get started:



Climate adaptation without a human rights lens is incomplete and can leave your business exposed. Companies that integrate HREDD into their adaptation planning will protect the people who sustain their supply chains, build genuine resilience, meet regulatory and investor expectations, and maintain social licence to operate.

Your next steps

AIM-Progress works with partners, member companies, and other initiatives to put human rights at the heart of just transition. Together, we help businesses build stronger strategies and share best practices across sectors.

Ready to build adaptation plans that protect both business and people? Get in touch – we're here to support you.

✉ www.aim-progress.com
✉ www.proforest.net

Read the full series:

- Briefing 1: Making climate mitigation work for people
- Briefing 3: Integrating climate action and human rights