Briefing 3: Integrating climate action and human rights

Building resilient supply chains through aligned strategies

Climate change and human rights cannot be managed in isolation. Your every supply chain decision – from sourcing new suppliers to scaling low-carbon projects – affects people on the ground.

Overlooking these human impacts can see your climate strategies backfire, harming communities, disrupting suppliers, and weakening the resilience of both the people in your supply chains and your business model as a whole.

Businesses that embed human rights into their climate strategy unlock stronger, more adaptable supply chains, reduce risk, and turn commitments into lasting outcomes for both people and business. But often, climate and human rights work still happens in silos, leading to fragmented effort, missed opportunities, and interventions that fail to deliver value.

The question isn't **should you** act on managing climate impact on people, but **when**. The answer is simple: now.

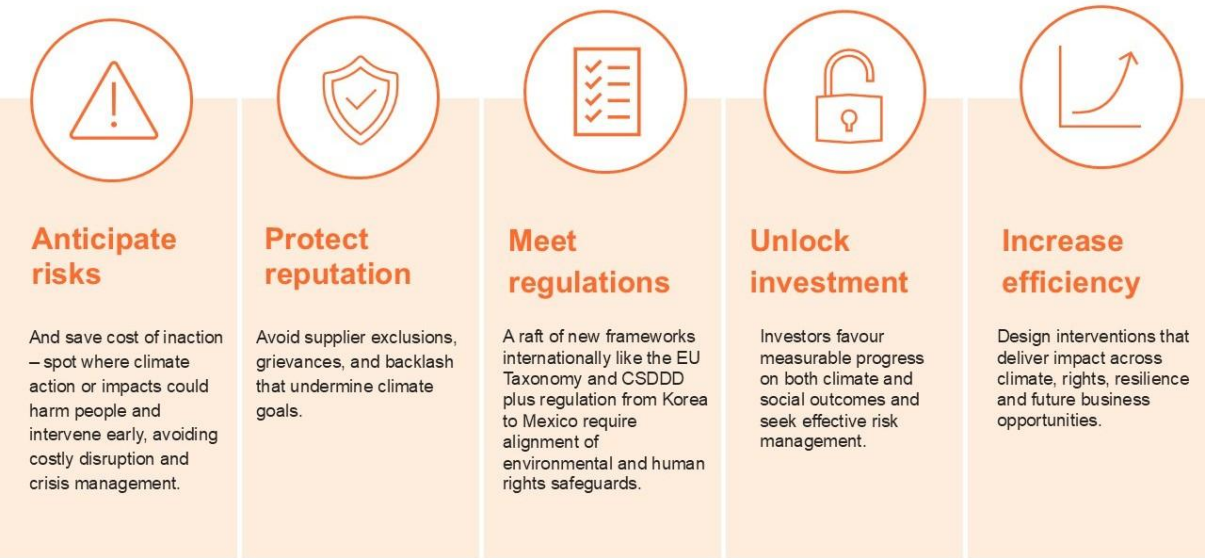
This briefing – the final guide in a three-part series by AIM-Progress and Proforest – shows you why and how to move beyond piecemeal actions towards fully integrated strategies that unite climate action with human rights and build long-term resilience.

The business case for strategic integration

"The world's largest companies (S&P 1200) could face an annual price tag of $885 billion losses by the 2030s, rising to $1.2 trillion from climate physical risks by the 2050s (assuming no adaptation measures and not inflation-adjusted). Businesses are projected to lose profitability and competitiveness as climate and nature shocks damage company assets, reduce output, and destabilise operations."

(S&P Global, 2025)

Companies that align their climate and human rights strategies are better equipped to:



Current and integrated strategies for climate and their outcomes

"Society 2030 encompasses our goal to mitigate and adapt to climate change through our commitment to pioneer 'Grain to Glass' sustainability. In the communities where we live, work, source and sell we are committed to supporting a just transition, underpinned by our inclusivity & diversity goals, to ensure we improve human and social capital whilst meeting our decarbonisation goals."

Diageo India ESG Action Plan

Five steps to strategic integration

To move from fragmented effort to a fully aligned approach, focus on five key areas:

Step 1: Set up integrated governance

Create governance that aligns climate and human rights decisions, clarifies accountability, and avoids duplicated efforts:

- Set up cross-functional teams with regular coordination meetings.
- Formalise board-level oversight that covers both climate and human rights outcomes.
- Align budgets and planning cycles.
- Coordinate external engagement so suppliers and stakeholders receive consistent messaging rather than conflicting demands.

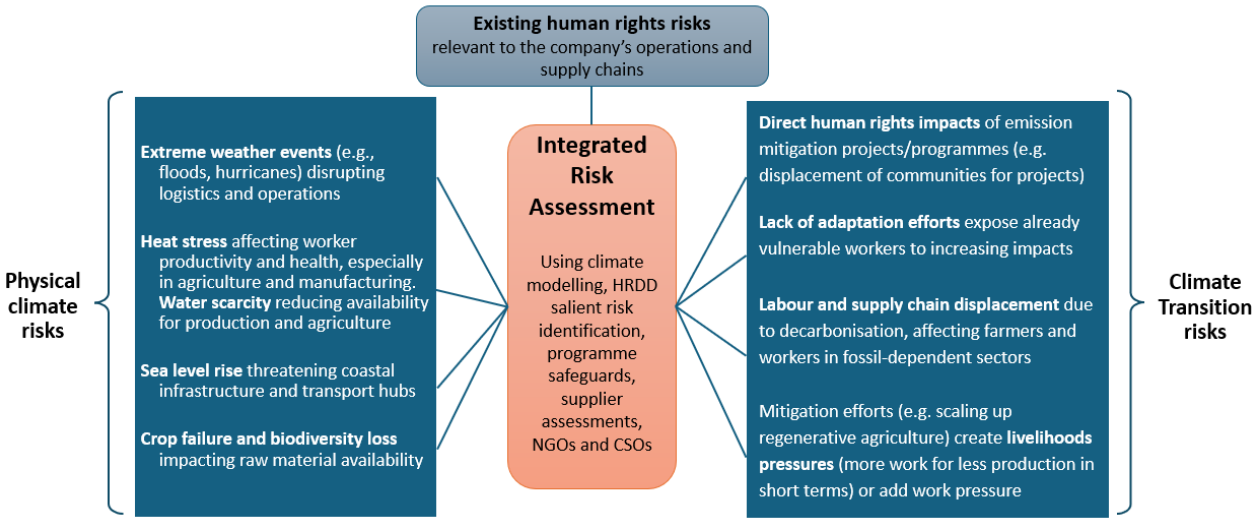
Case study
Diageo

"Core to our Spirit of Progress action plan is sustainability across our entire value chain. Our business depends on natural resources, and we are directly affected by changes in climate and the related challenges of water stress and nature loss. [Our] ambitions include remaining trusted and respected across everything we do … [including Board-level focus on] areas of maximum impact … including water stewardship." Diageo, Sustainability strategy

Diageo's water stewardship strategy integrates climate, nature, and human rights risks across operations, supply chains, and communities. Using water stress mapping, supplier data, and community vulnerability assessments, the company targets interventions where they are most needed, including for smallholder farmers and women in high-risk regions. Governance sits at Executive Committee level and is supported by a Climate, Nature, and Water Risk Steering Group, ensuring decisions are coordinated, not fragmented. The focus on water-stressed areas has delivered strong water-use efficiency performance with a 2.6% improvement in the water efficiency index over the previous year and a 20.6% improvement since 2020 baseline. The company continues to replenish water in priority water basins, delivering over 3 million m^3 of additional capacity in FY 2025 and collaborating with key partners to support the communities in areas of operation.

Step 2: Set up integrated risk assessments

Overview of the information combined in integrated risk assessments



Identify where climate and human rights risks intersect so you can focus action where it matters most:

- Combine climate modelling data with human rights risk data, socio-economic indicators, and supplier information.
- Map physical climate risks (heat, drought, floods), transition risks (policy changes, market shifts), and salient human rights issues in the same assessment.
- Prioritise vulnerable groups: smallholders, women, Indigenous Peoples, and migrant workers.

Case study
Danone

"We are convinced that sustainability can only have impact if embedded at the heart of our business, where it can be a source of competitive advantage. Climate change is a profound, systemic challenge - happening now, and accelerating. Along with it come numerous global challenges, from biodiversity loss to water scarcity and social impacts. It is, for us, a key strategic stake. The ingredients in our products – water, milk and more – come from nature. Only when it is healthy can nature allow us to carry out our mission – to bring health through food to as many people as possible." Danone CEO Antoine de Saint-Affrique in Danone's 2023 Climate Transition Plan.

Danone's 2023 Climate Transition Plan uses integrated risk assessments to link climate and human rights across agricultural supply chains. By combining climate data with socio-economic and supplier information, the company identifies the most vulnerable smallholders, women, and Indigenous communities and targets interventions where they are needed most. Early results include healthier soils, increased farm productivity, and strengthened community resilience, demonstrating the value of assessing climate and human impacts together.

Step 3: Developing integrated roadmaps at sector or commodity level

Cut sector and commodity level emissions without harming vulnerable suppliers or increasing inequality:

- Develop sector or commodity roadmaps for emission reduction and adaptation, embedding just transition principles throughout.
- Identify interventions that minimise harm and maximise positive impact for affected communities.
- Apply a Smart-Mix approach: combine direct supplier interventions with collaborative landscape initiatives and sector-wide standards to address root causes, not just symptoms. *(See Briefing 2 for more on the Smart-Mix approach.)*
- Balance short-term wins with long-term resilience.

Case study
Nestlé Income Accelerator Programme

Nestlé's Income Accelerator Programme in Côte d'Ivoire and Ghana uses a Smart-Mix of incentives, agroforestry support, and income diversification to align climate action with improved livelihoods. Farmers receive payment for regenerative practices such as pruning and tree planting, while also being supported to generate additional income beyond cocoa. In 2024, participating households saw a 15% increase in net income, 18% higher yields than control groups, 70% adoption of improved pruning techniques (up from 44% in 2022), and 88% school enrolment for children (up 7%) and 18% higher women empowerment index scores, showing how climate-focused strategies can deliver tangible social outcomes.

Step 4: Integrated intervention design

Well-designed interventions deliver results for climate **and** communities:

- When designing projects for emissions reduction, adaptation, or resilience, build in human rights safeguards from the start: pre-assessments to identify risks, stakeholder consultations to understand local needs, benefit-sharing mechanisms, accessible grievance procedures, and internal escalation protocols when concerns arise.
- Develop joint KPIs that track progress on both climate and human rights. For example, don't just track carbon sequestration but also farmer income changes and women's participation rates.

Case study
Regenerative agriculture

Against the backdrop of climate change's devastating impact on cocoa farming, in Ghana, cocoa-producing communities are adopting regenerative agriculture and dynamic agroforestry supported by Proforest, the International Climate Initiative, Fairtrade, and the Ghanaian government. The initiative is targeting over 14,000 households. It uses shared KPIs covering farm productivity, carbon sequestration and gender participation, simultaneously advancing climate and human rights goals such as increased yields and improved market access for farmers. With 35% of participating farmers being women, the project prioritises gender equity alongside climate outcomes.

Step 5: Supplier engagement and responsible disengagement

Many suppliers may struggle to meet climate targets. Smallholders may also face real challenges to reach them. How you support them will shape your supply chain's resilience:

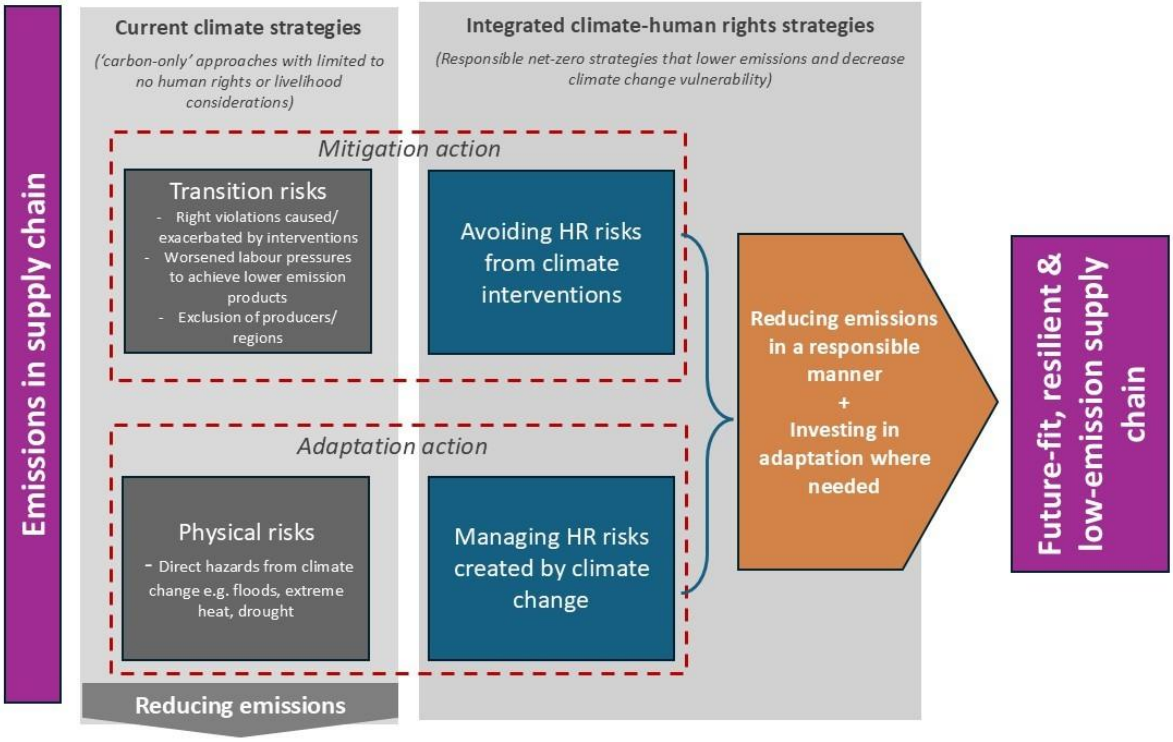
- Prioritise larger suppliers for immediate action while supporting smaller ones with flexible timelines, technical assistance, and access to finance. If suppliers struggle to meet requirements, don't immediately disengage.
- If disengagement becomes unavoidable, assess social and economic impacts on workers and communities, provide transition support, communicate early and clearly, and only disengage as a last resort.
- Plan for community and worker impacts when shifting supply chains. Support affected suppliers and communities through the transition.

AIM-Progress offers a relevant resource on this topic: *Sourcing Strategies: Responsible Engagement and Disengagement Considerations in a Changing Climate*. This resource examines the importance of responsible sourcing for climate mitigation and adaptation, as well as legal, reputational, and political considerations, while identifying common obstacles and opportunities for action.

Case study
Reckitt

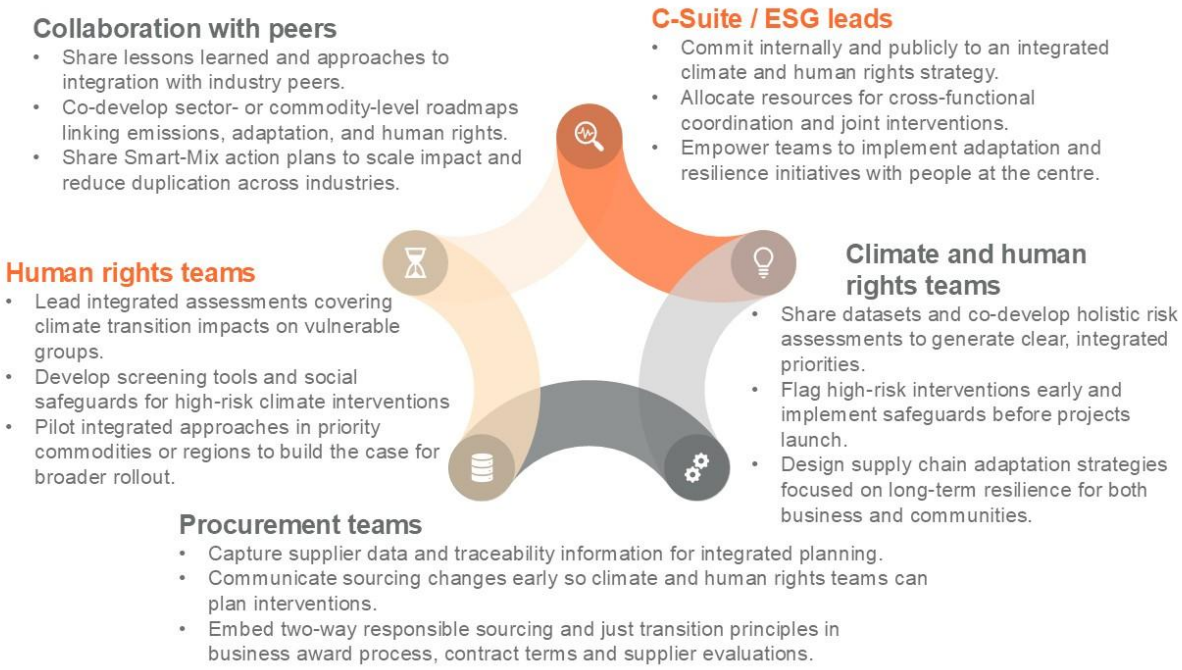
Since 2019, Reckitt has been working with suppliers, farmers, and landless latex tappers to build a more sustainable rubber supply chain. Beginning with an assessment of environmental and social risks, the programme supports long-term sustainable rubber sourcing in partnership with NbI, Earthworm, and the Fair Rubber Association across Thailand, India, and Malaysia. It addresses challenges faced by smallholder farmers due to low rubber prices, as well as processing-related issues – including health and safety concerns around equipment and pesticides, and the burden of recruitment fees. The agroforestry approach used delivers multiple benefits: increasing incomes, reducing household costs, and improving yield and quality. These outcomes strengthen the resilience and sustainability of the latex supply chain that Reckitt relies on for its products while reinforcing sustainable farming principles and practices. Alongside Haleon and Ricarco, Reckitt has also supported the Manufacture 2030 project, producing the publicly available Supplier Environmental Toolkit.

With these five steps companies will start to see the benefits of an integrated climate-human rights strategy, with a low-emission supply chain that is also future-fit and resilient.



Action you can take now to integrate climate action and human rights

Integration requires coordination across functions and beyond company walls. Here's who needs to do what:



Companies that integrate climate and human rights strategies will build more resilient supply chains, meet regulatory requirements, unlock investment, and turn their climate commitments into lasting positive outcomes.

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 integrate your climate and human rights strategies? 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 2:** Managing climate impacts on people