Article | 9 October 2026

SUSTAINABILITY

Supply chain risks are changing. Shouldn't financing change too?

As climate risks have a larger impact on supply chains, the need to finance resilience-building initiatives is increasing. Banks have an important role to play by expanding their financing toolkit, while companies with proactive resilience strategies can gain greater access to capital



As climate risks become supply chain risks, financing supply chain resilience is offering opportunities for banks and companies to explore together

Climate and weather-related shocks are a growing source of supply chain risk. In August, the Rhine River's water levels hit a record low since 1880, hindering trade flows across Europe. In 2024, Hurricane Helene affected global tech and medical supply chains by flooding key ultra-pure quartz production facilities in the US. The upcoming "very strong" El Niño could substantially disrupt temperature and precipitation patterns across the globe next year, putting, for example, food production and trade at risk.

These events underscore the need to build supply chain resilience. Extreme weather is now a more impactful part of the supply chain risk landscape alongside geopolitics and other risks.

Yet significant gaps remain. First, while the awareness of supply chain climate risks is rising, many companies have yet to acknowledge their financial materiality. Second, the uptake of

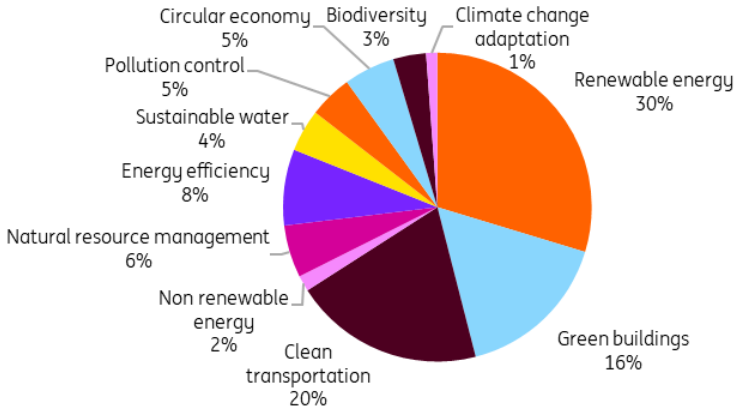
financing solutions has not kept pace with supply chain resilience needs, despite trade finance supporting around 90% of global trade. This leaves financial institutions well positioned to expand financing solutions that support corporate supply chain resilience. Below is how they can do it.

Expanding banks' toolkit for supply chain resilience

1. Broaden the use of sustainable finance

Today, the most common way banks support supply chain resilience is through sustainable finance – in other words, sustainability-labelled debt. However, scaling up this market remains challenging because supply chain resilience is not a standalone category under widely used frameworks such as the International Capital Market Association's (ICMA's) Green Bond Principles and Green Loan Principles. This makes it harder for issuers to finance projects under a dedicated supply chain resilience theme. As a result, there is also limited data on the total volume of sustainable finance supporting supply chain resilience. The global green bond use-of-proceeds allocation data, for example, demonstrates this challenge.

Global green bond use-of-proceeds allocation, January-August 2026



Source: ING Research, BloombergNEF

But at the same time, this creates an opportunity. Supply chains are closely linked to many existing sustainable finance themes. Projects that strengthen supply chain resilience can often be financed under established categories such as climate adaptation (e.g. resilient infrastructure and information systems), sustainable water management (e.g. flood mitigation), circular economy, and so on. This requires banks to better understand which supply chain challenges matter most to each client and identify the sustainability solutions best suited to their needs.

2. Look beyond labelled sustainable debt

The opportunity to finance supply chain resilience extends well beyond traditional sustainable debt markets. Here are some examples:

- **Supply chain resilience finance**
  - The traditional supply chain and trade finance solutions can be tailored to integrate resilience objectives. For example, guarantees can support cross-border trade in climate-resilient goods, while preferential financing terms can reward companies that actively manage supply chain risks. By incorporating supply chain risk assessments into financing programmes and linking working capital solutions to supplier resilience, these products can help companies better withstand disruptions and support long-term growth.
- **Climate and resilience tech finance**
  - Banks can provide financing and advisory services to help scale and deploy technologies that strengthen supply chain resilience. Examples include water management technologies, regenerative agriculture, and indoor farming. These solutions can improve the upstream supply chains of industries such as food, beverage, and hospitality. As interest in resilience technologies grows, financial institutions are increasingly developing tailored financing solutions to support their adoption.
- **Blended finance**
  - Some resilience technologies, projects, and markets may be too risky for commercial banks to finance on their own. Blended finance offers a compelling solution, as it combines private capital with support from multilateral development banks or other public institutions. This can reduce risk for lenders while helping companies access more affordable funding for resilience-related investments.

For banks, these solutions reflect a shift in mindset and strategy. Moving beyond financing individual transactions, banks now play an important role in helping build a resilient ecosystem of suppliers, infrastructure, and logistics networks.

Corporates have a part to play too

As banks work to expand their financing offerings to enhance supply chain resilience, companies would benefit from doing their part as well. My colleague Rico Luman has written about some best practices companies can adopt in their day-to-day operations. These include building up inventory of high-risk supply materials, diversifying suppliers and transport routes, and improving supply chain visibility. Financing solutions that link resilience to working capital, for example, can help companies strengthen these efforts.

Companies can also look beyond day-to-day operations and invest in longer-term resilience initiatives, such as climate-resilient materials, water management technologies, and other

adaptation solutions. These investments can help create more resilient supply chains while opening up additional financing opportunities.

Treat climate risks as business risks – and financing opportunities

As climate risks become supply chain risks, resilience needs financing. The available toolkit for financing supply chain resilience offers more potential than what the market is consistently tapping today. This creates considerable opportunities for banks and companies to explore together.

Author

Coco Zhang
ESG Research
coco.zhang@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (**"ING"**) solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.