

BREAKOUT SESSION:

Impact of circular economy on material supply chain risks and climate goals



ACTION: To meet climate ambitions, we must develop more sustainable and resilient supply chains and guarantee transparent access to materials. Transparent data management and traceability will be key to developing quantitative monitoring and targeted solutions.

SESSION OVERVIEW

Critical raw materials (CRMs) are materials with unique properties that are strategically important for the economy or functioning of a company but present high-supply chain risk due to high production concentration in specific countries. CRMs are linked to all industries but are especially indispensable to a low carbon energy transition as achieving net zero will require six times more mineral inputs than today by 2040. The scarcity of CRMs is increasing fast, and demand predictions for most CRMs in the near future far exceed supply. The session addressed mitigation strategies and WBCSD's role in supporting companies in developing more resilient and sustainable supply chains.



KEY TAKEAWAYS

- Scarcity of materials results in supply chain disruptions, loss of revenue and price volatility. Mitigation strategies include diversifying supply, promoting innovation towards alternatives, scaling-up recycling and higher value recovery, periodic stress testing, stock-piling and building sustainable supply chains.
- To meet climate ambitions, we must develop more sustainable and resilient supply chains and guarantee transparent access to materials. Transparent data management and traceability will be vital to develop quantitative monitoring and targeted solutions.
- WBCSD has a crucial role to play to:
 - create awareness at CEO level and drive implementation of ESG criteria across supply-chains.
 - facilitate customized, sector-based conversations and coordination of partnerships to accelerate solutions.

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To learn more about our Products & Materials Pathway and Circular Economy, please contact: [Maayke Aimée Damen](#), Director, Circular Economy, WBCSD