Thank you for waiting, the webinar will begin shortly.

Supply Chain Sustainability in the Decisive Decade (Asia-Pacific)
Our Speakers Today

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What’s the Global Context?
Issues Related to Globalized Supply Chains
Supply Chain Sustainability Evolution

As supply chain sustainability enters its third decade, we can better apply approaches enhanced over time and leverage new approaches to truly drive value and impact through supply chain transformation.

Outsourced Supply Chain

- Procurement is tactical
- Focus on cost savings
- Global outsourcing is the norm
- Concept of Total Cost of Ownership is created

Strategic Supply Chain

- The rise of the CPO
- Supply chain viewed as driver of strategic business value
- Supply chain manager profession created
- Supply chain finance is created

Supply Chain Commitments

- Internet of things, AI, virtual reality, 3D printing, blockchain growing in manufacturing and supply chains > more traceability/transparency
- Risk are well-known/monitored
- Supply chain players are committed

Procurement Trends

- Supplier codes of conduct
- Conducting audits for compliance

Beyond Monitoring

- Industry collaboration
- Supplier capability-building
- Supplier engagement

Supply Chain Transformation

- Unprecedented technology potential for visibility and validation
- Leveraging of financial incentives

Supply Chain Sustainability Evolution

As supply chain sustainability enters its third decade, we can better apply approaches enhanced over time and leverage new approaches to truly drive value and impact through supply chain transformation.
Supply Chains Are Changing

Major forces of change are poised to have significant impacts on supply chains from today to 2025.

- Widespread adoption of technology, including automation, across the value chain
- Global climate change and resource scarcity
- Human migration on a mass scale
- Shifting consumer demands and changing market demographics
- Deforestation and biodiversity lost
- Mixed signals on trade and transparency

Supply chains may appear to be straightforward...
...but in reality, trading increases complexity
... and downstream/intermediary players don’t really know what’s going on.

But no organization wants to see that in its supply chain
Transparency is here

Supply chain players are progressing:
- Supplier engagement strategy
- Traceability vs. transparency
- Technology (blockchain)
What are we seeing in Asia?
Sustainable Business in Asia in the Decisive

1. The Increased Focus on Climate and Sustainability Determining Access to Finance
2. China’s Continuing War on Pollution
3. Differing Country Investments in Renewable Energy

Supply Chains Spreading Beyond China
2. Automation and Digitization: Building Talented Workforces Is Key
3. New Technologies Driving Increased Supply Chain Transparency
4. The Asian E-Commerce Markets Are Your Sustainability Destiny
5. Increased Global Instability and Rapid Change Means Your Local Team Is Really Important
What action can we take?
## Priority Commodities (not exhaustive)

<table>
<thead>
<tr>
<th>Palm oil</th>
<th>Soy</th>
<th>Cattle</th>
<th>Leather</th>
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<tbody>
<tr>
<td>Coconut</td>
<td>Cotton</td>
<td>Minerals</td>
<td>Rubber</td>
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<tr>
<td>Sensitive commodities</td>
<td>Seafood/Seaweed</td>
<td>Timber based</td>
<td>Plastic</td>
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Mitigating Supply Chain Issues

Traditional Approach

- Lack of leverage
- Tier 1 suppliers are also often far from the issues
Mitigating Supply Chain Issues

Reverse Sourcing Approach

This approach targets the impact reduction potential as a starting point to identify the most appropriate solutions in the value chain.

- Requires new business model
- Long-term partnership
- Demonstrates that resolving issues is achievable
## Reverse Sourcing: Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>VISION</strong></td>
<td>Demonstrate that sustainable sourcing can be achieved even on the most complex and challenging supply chains with major issues</td>
</tr>
<tr>
<td><strong>IMPACTS</strong></td>
<td>Confirm physical sourcing and project support in the mid-long term</td>
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<tr>
<td><strong>BUSINESS MODEL</strong></td>
<td>Discuss and secure the responsible business model to be applied all along sustainable supply chains</td>
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<tr>
<td><strong>CONNECTING TO SUPPLY CHAIN</strong></td>
<td>Identify potential supply chain players to physically connect the supply chain</td>
</tr>
<tr>
<td><strong>ISSUE CONFIRMATION</strong></td>
<td>Confirm issues in the field                                                                    - Identify supply chain players to experiment improvement - Identify implementation partners</td>
</tr>
<tr>
<td><strong>MAPPING</strong></td>
<td>Understand the potential sources of the issues throughout the supply chain, including geographic location, major players…</td>
</tr>
<tr>
<td><strong>IDENTIFICATION</strong></td>
<td>Identify the supply chain issues to tackle, mitigate, and resolve / supply chain materiality assessment</td>
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Collaborate

Action for Sustainable Derivatives

A collaborative initiative that promotes responsible sourcing and collective action to increase sustainable production of palm oil and palm oil derivatives.
But this is not enough...

...as supply chains move...
As Supply Chains Move

- Understand your own intent
- Look broadly at the sustainability & human rights risks of the country
- Budget and plan for buyer impact
- Plan and budget for supplier resilience
- Do your supplier due diligence
- Understand your local partners
BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit www.bsr.org for more information about BSR’s 25 years of leadership in sustainability.