



# **Sustainable Supply Chains: delivering Efficiency, delivering Value.**

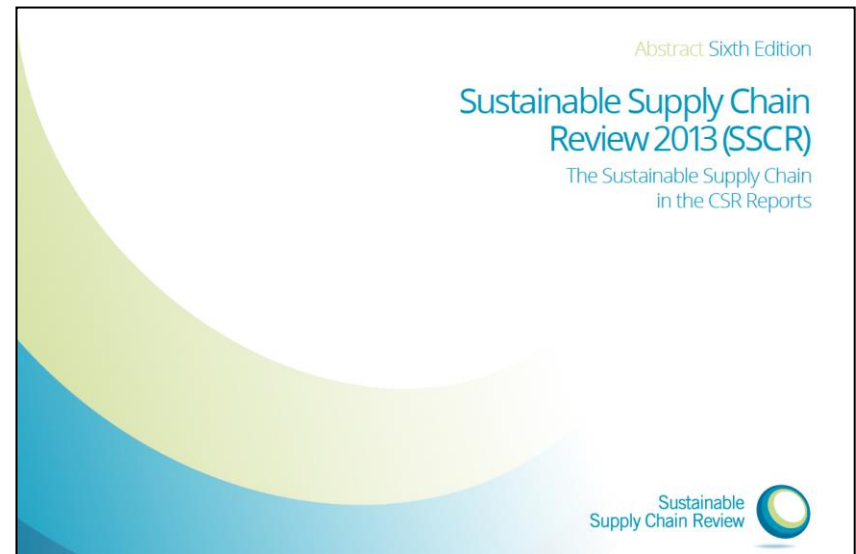
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Acquisti & Sostenibilità  
A not for profit Organization

# Acquisti & Sostenibilità in 60 seconds!

**Acquisti & Sostenibilità** is a leading not-for-profit Italian organization operating since 2007, focused on Sustainable Procurement and Supply Chain as a **leverage of Innovation and Competitiveness**.

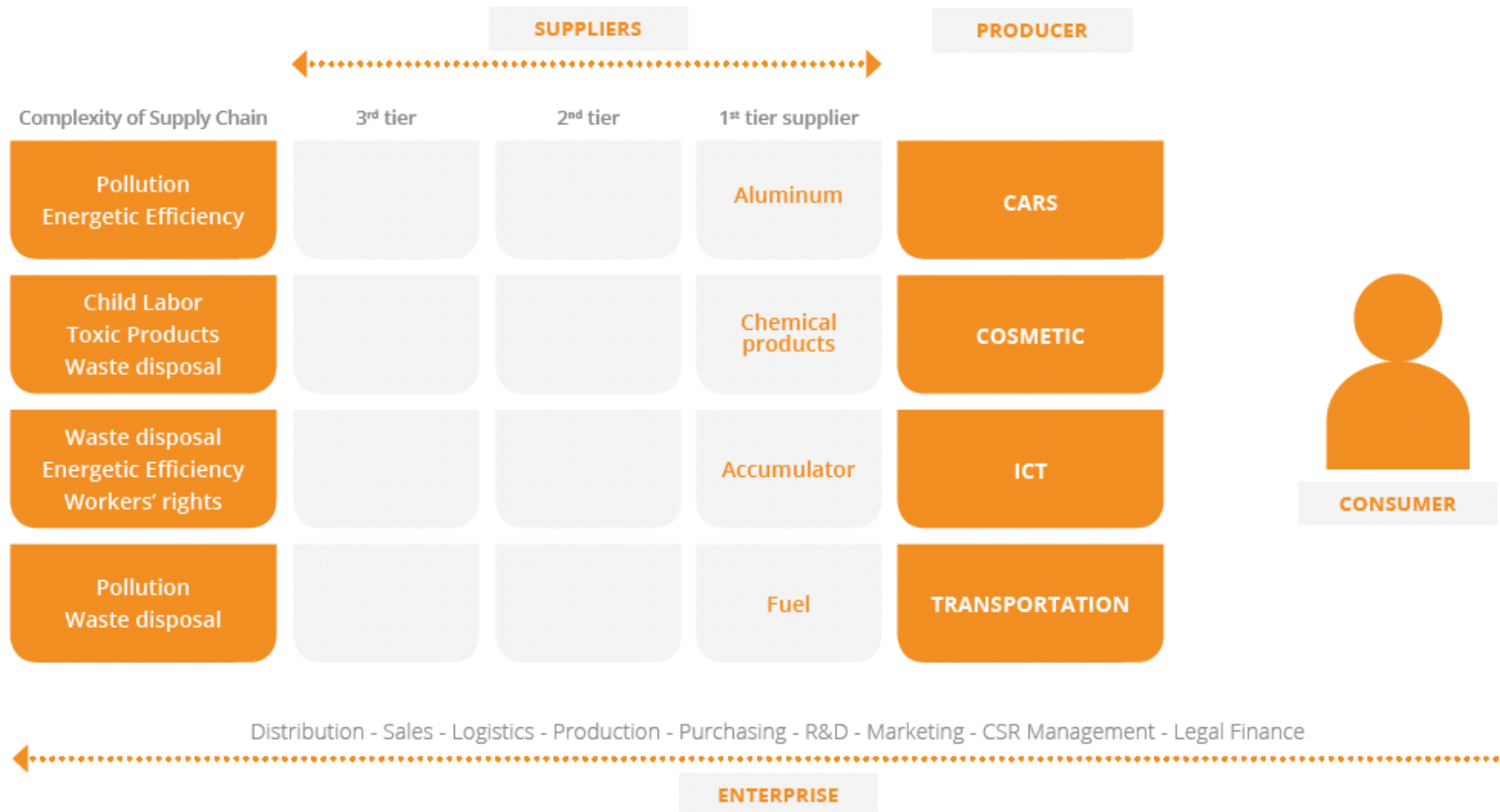
**Acquisti & Sostenibilità** has been publishing since 2008, an annual, unique and specific **“Sustainable Supply Chain Review”** (SSCR), dedicated to detect and carefully evaluate the sustainability practices across the supply chain, as disclosed in the main European companies' Sustainability annual reports and other public information sources.



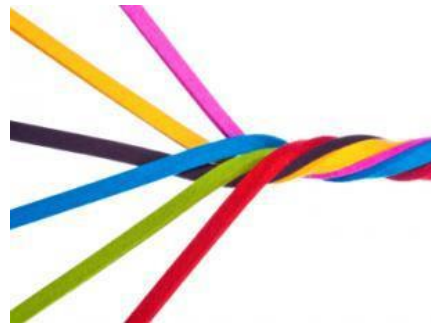
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# Actions on products and processes

## The virtuous circle of end-to-end Supply Chain



# Sustainability Mega Trends



## Increased Regulatory Pressure

- ✓ REACH, RoHS (EU, US, China)
- ✓ Conflict Minerals (US, EU)
- ✓ Human Trafficking (US, EU)
- ✓ Corruption (UK Bribery Act)

## Increased Transparency & Reporting

- ✓ GRI G4
- ✓ EU directive on CSR reporting
- ✓ Integrated Reporting
- ✓ ISO9001-2015
- ✓ Social Networks

## Industry Collaboration

- ✓ GeSI (Telecom)
- ✓ AIM Progress (FMCG)
- ✓ GSCP (Retail)
- ✓ TfS (Chem)

## Ratings

- ✓ DJSI / FTSE4Good
- ✓ Ethibel / Sustainalytics/ Triodos Bank

# Sustainability Value Drivers

## Risks Minimization



- Brand damage from bad supplier practice
- Brand protection
- Supply chain disruptions costs
- Remediation costs (recalls)
- Fines + litigations

## Examples

BP, Mattel, Nike, Gap, Walmart, Total, Palm

## Cost Reductions



- Social and environmental tax
- Improved TCO
- Reduced over-specification
- Reduced consumption / demand
- CSR compliance costs

Nokia, Walmart, Baxter, Adobe, SNCF, Accor Hotels, Puma, UPS

## Revenue Growth



- Product/Service differentiation
- Access new markets
- Additional price premium brand differentiation
- Income from recycling/close loop programs
- Sustainable innovations

GE, Bovis, Danone, Unilever, Grainger, Walmart, SNCF

# Sustainable Procurement: delivering Efficiency, delivering Value.

## Value Driver “Risk Minimization” Case examples



### Implement strict guidelines

Due to an erroneous assessment of lead content used by Tier-2 suppliers, **Mattel** had to recall nearly one million toys in the United States (2007).

Mattel spent US \$110 million on recall expenses and a communication campaign. In addition the stock value of Mattel dropped 18% between August and December 2007.

In 2006 Norwegian fund sells €414 million in **Wal-Mart** shares due to child labour issues with suppliers. The exclusion of Wal-Mart from the Norwegian sovereign fund was officially announced 6 June by the Finance minister of Norway.

Wal-Mart's market share fell 11% between 1 June and mid-July.



# Sustainable Procurement: delivering Efficiency, delivering Value.

## Value Driver “Cost Reductions” Case examples



DryDye uses 50% less energy and 50% fewer chemicals



### Packaging reduction

**Lego** reduced its spend in packing material due to overall reduction in quantity of material used. The “Green Box Initiative” reduced 18% of card board materials and reduced CO2 impact from packaging by 10%.(2012)

### Eco-efficient innovation

In collaboration with a supplier, **Adidas** introduced a dry dye technique to color its fabric, which eliminates the use of water and cuts energy and chemicals input by 50%. Within two years after introduction 1 million yards of DryDye fabric we have been able to save 25 million liters of water in the dying Process.(2013)

# Sustainable Procurement: delivering Efficiency, delivering Value.

## Value Driver "Revenue growth" Case examples



A sustainable approach to the selection of 278 subcontractors helped **Bovis Lend Lease** win in 2006 a £2.4 billion, fifteen years contract to build schools in the UK's second largest city, Birmingham.



**Sam's Club** became the first massmarket retailer in the U.S. to offer Fair Trade Certified bananas in Oct 2007.

By 2011, 1.6mn boxes of Fair Trade Certified bananas have been sold, generating approx. \$1.6mn funding community development projects in Colombia and Ecuador.



# The «new» business requirements



"We are not asking corporations to do something *different* from their normal business; we are asking them to do this normal business *differently*."

(Kofi Annan, UN General Secretary)





**THANKS FOR  
YOUR  
ATTENTION!**

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