



Enhancing Competitiveness through Sustainable Supply Chain

Clearstream Solutions



Greener Business

Agenda

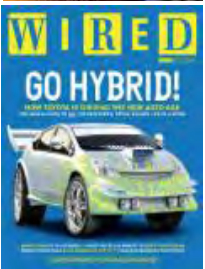
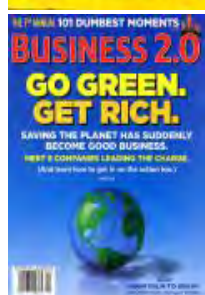
- **Understanding Sustainability** : Competitive advantage or disadvantage for Ireland?
- **Why** focus on sustainable supply chain ?
- **What** is sustainable supply chain – procurement?
- **Case Studies** in Sustainable Supply Chain
- **Top tips** for implementing



Global Warming!



Key issue ?



Sustainability issues.....

Which is yours?

- Climate change
- Peak oil
- Biodiversity
- Financial security
- Employment
- Water
- Waste
- Legal and compliance
- Pollution
- Racism
- Global poverty
- Disease
- Population
- Political stability
- Volcanoes!

= *Competitive Advantage*



Sustainability – triple bottom line

- Codes of Conduct
- Compliance
- Solvency
- Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management



- Corporate Citizenship
- Labour Practice
- Training & Development
- Social Reporting
- Talent Attraction & Retention
- H&S

- Eco-Efficiency
- Environmental Reporting
- Carbon reporting
- Green Procurement
- Energy management

‘Just good business practice’



WhyThe 4 'Ps' to Competitive Advantage



Profit

Protection

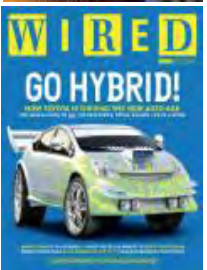
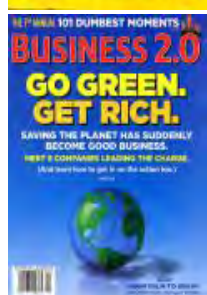


Public Image

Planet



Whether a Buyer or Seller ?



Sustainability is EVERYWHERE.....

• In 2005 Walmart made a \$500m commitment to use 100% renewable energy, create zero waste and cut greenhouse emissions by 2009...?????!

• Now....83% of worlds largest Retailers are involved in Sustainability Practices.

• Risk avoidance.....

• Competitive advantage.....


• Correlation between financial and sustainability performance

• <http://greenrankings.newsweek.com/>



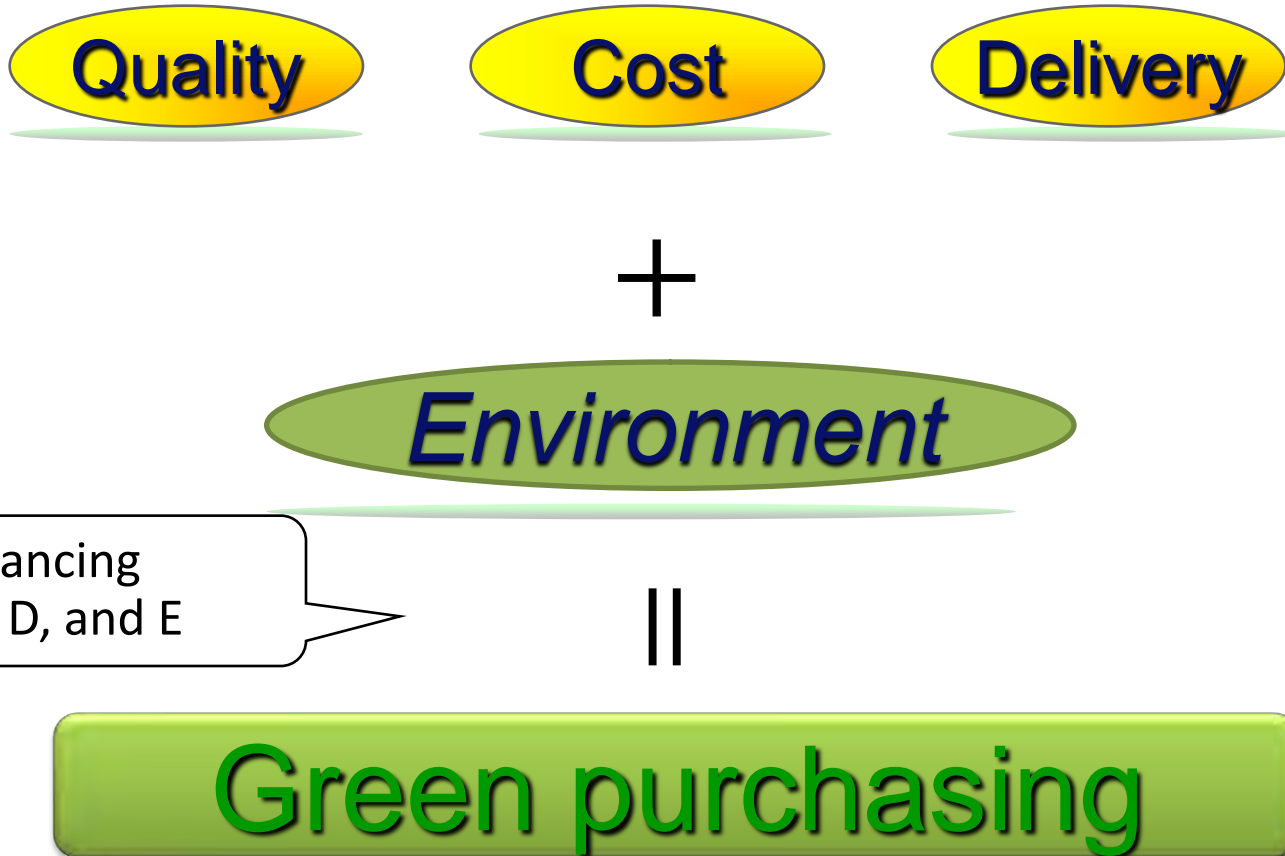
Fluffy ? - Measures and Standards

Financial measures tell me what a company did in the past. Sustainability measures tell me about what a company is going to do in the future.

- CDP\$55 trillion.
- FTSE4Good
- Business in the Community's Environment Index
- Dow Jones Sustainability Indexes
- GRI G3  (Co-Op Bank turned down £1bn in loans)
- BS8901 – BS 8903 (Sustainability and the Olympics)
- Greenpeace (Green Electronics)
- Forum for the Future (The Natural Step)
- Green Public Procurement – EU and Irish Government.



What is “Green Procurement”?



Target fields Sustainable Procurement



Paper



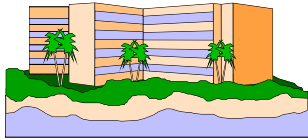
Office Supply



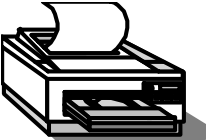
Motorcar



Printing



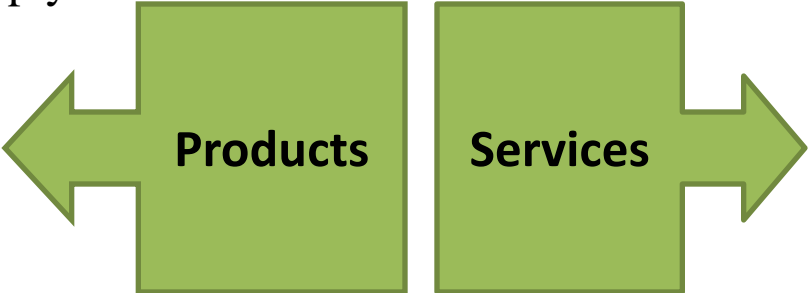
Hotel & Meeting



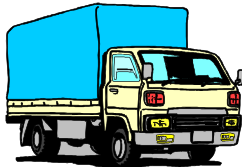
Printer



PC



Cleaning



Distribution



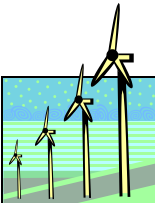
Furniture



Work wear



Banking



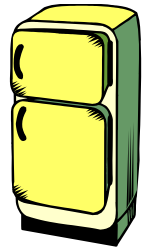
Electricity Energy



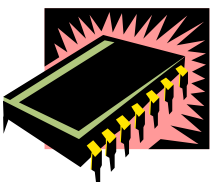
Lighting



Food



Electric Appliance



Construction



Canteen Catering



Greener Supply Chain Case Studies

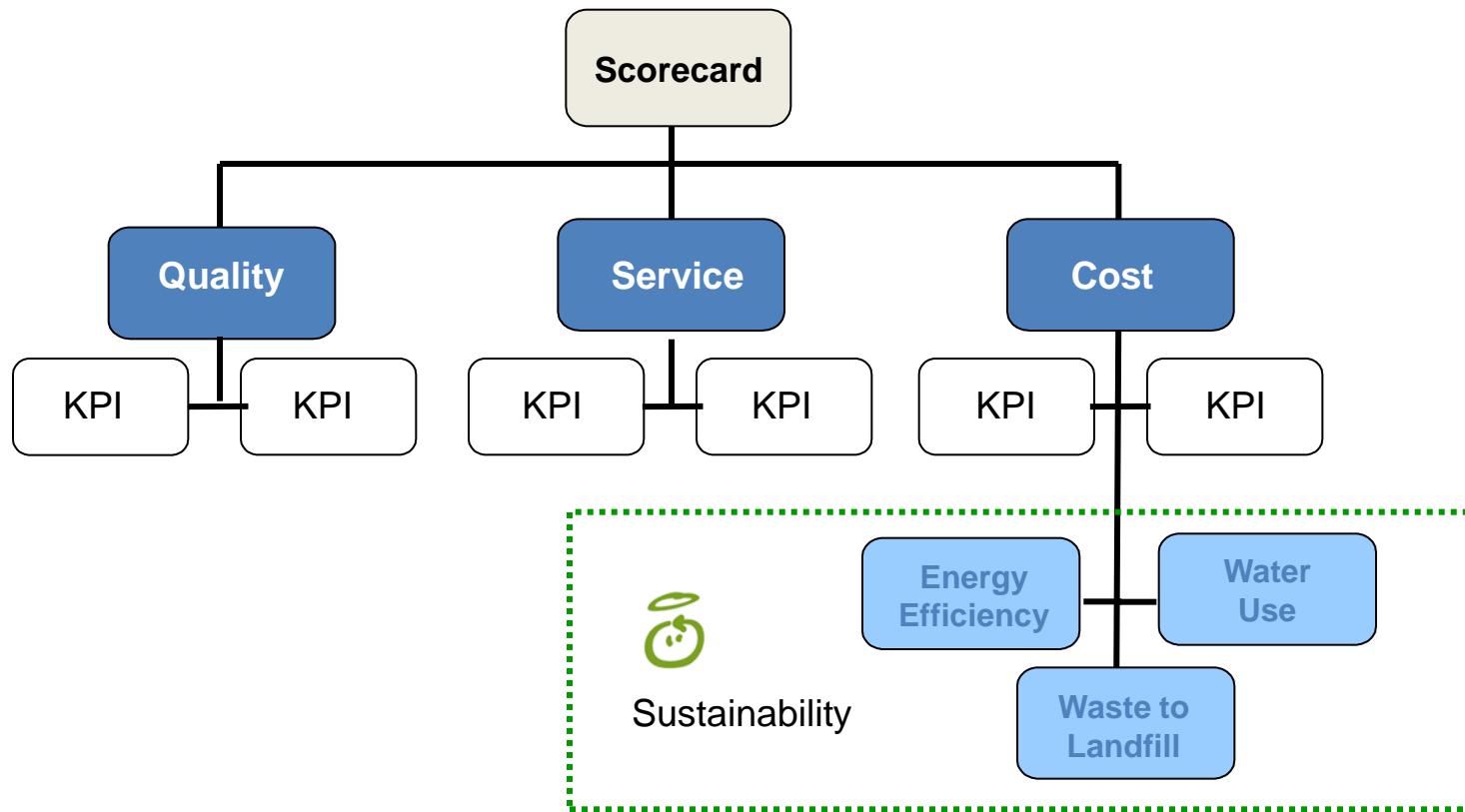
- Walmart <http://www.clearstreamolutions.ie/index.html>
- HP <http://h20331.www2.hp.com/hho/cache/605859-0-0-225-121.html>
- Apple www.apple.com/environment/complete-lifecycle/
- Innocent – Supplier Collaboration





partnership

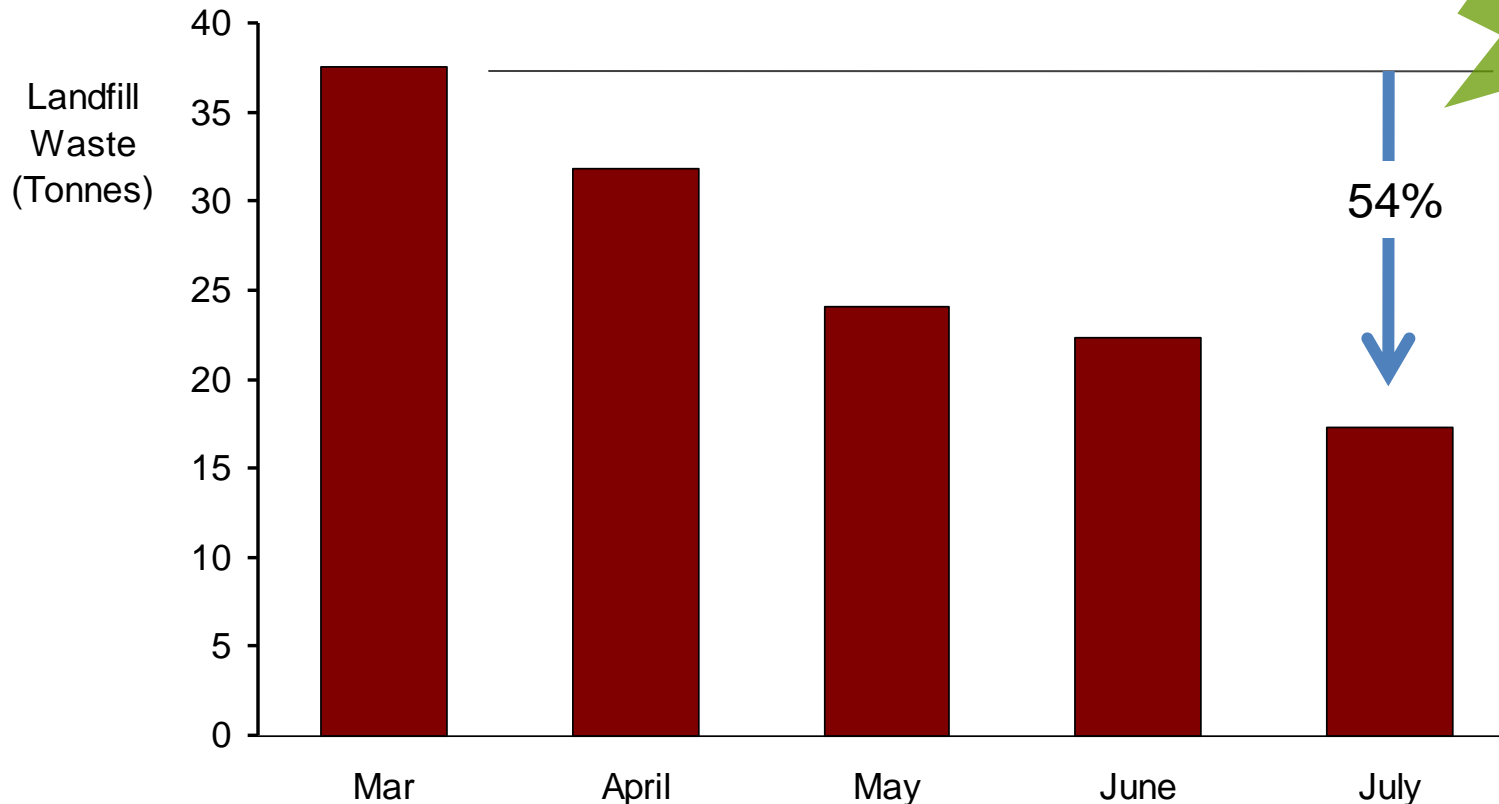
We work closely with suppliers, set joint plans with suppliers and regularly review performance



suppliers going green

“Just asking the questions has a big impact”






In 6 months, one manufacturer halved their use of land fill ...



85% of
their waste
is now
recycled



sustainability

				
Sustainable Nutrition	Sustainable Ingredients	Sustainable Production	Sustainable Packaging	Sustainable Legacy
<i>what we make</i>	<i>what's in it</i>	<i>how we make it</i>	<i>how we deliver it</i>	<i>what we give</i>



Walmart Sustainability

Energy and Climate: Reducing Energy Costs and Greenhouse Gas Emissions

- Have you measured your corporate greenhouse gas emissions?
- Have you opted to report your greenhouse gas emissions to the Carbon Disclosure Project (CDP)?
- What is your total annual greenhouse gas emissions reported in the most recent year measured?
- Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets?



Walmart Sustainability

Material Efficiency: Reducing Waste and Enhancing Quality

- If measured, please report the total amount of solid waste generated from the facilities that produce your product(s) for Walmart for the most recent year measured.
- Have you set publicly available solid waste reduction targets? If yes, what are those targets?
- If measured, please report total water use from facilities that produce your product(s) for Walmart for the most recent year measured.
- Have you set publicly available water use reduction targets? If yes, what are those targets?



Walmart Sustainability

Natural Resources: Producing High Quality, Responsibly Sourced Raw Materials

- Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices and product/ingredient safety?
- Have you obtained 3rd party certifications for any of the products that you sell to Walmart?



Walmart Sustainability

People & Community: Responsible and Ethical Production

- Do you know the location of 100 percent of the facilities that produce your product(s)?
- Before beginning a business relationship do you evaluate the quality of, and capacity for, production?
- Do you have a process for managing social compliance at the manufacturing level?
- Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements?
- Do you invest in community development activities in the markets you source from and/or operate within?



Principles of Sustainable Supply Chain

“The way we do things around here”

We.....

- **Principle 1** – Always consider whether a product is needed, sustainability as a factor in investment decisions.
- **Principle 2** – Purchase a product based on various environmental impacts over its life cycle - from extraction of raw materials to disposal.
- **Principle 3** – Select suppliers who make a conscious effort to care for the environment.
- **Principle 4** – Collect environmental, social and financial information on products and suppliers.
- **Principle 5** – Engage with stakeholders, review legal obligations, measure and review our performance.



Supply Chain Initiatives

- Sustainability Policy Statement
- Product or Corporate Sustainability focus
- Ask open sustainability questions in tenders
- Cradle to Cradle – Design for end of life
- Visibility through tiers - trickle down effect
- Compliance audit
- Reporting – Sustainability report, Business reviews?

Some initial areas of focus:

- Transportation and fuel consumption
- Product and waste recycling
- Packaging materials and processes
- Employee / H&S
- Buildings
- Certifications
- IT



Recognising Sustainable Suppliers

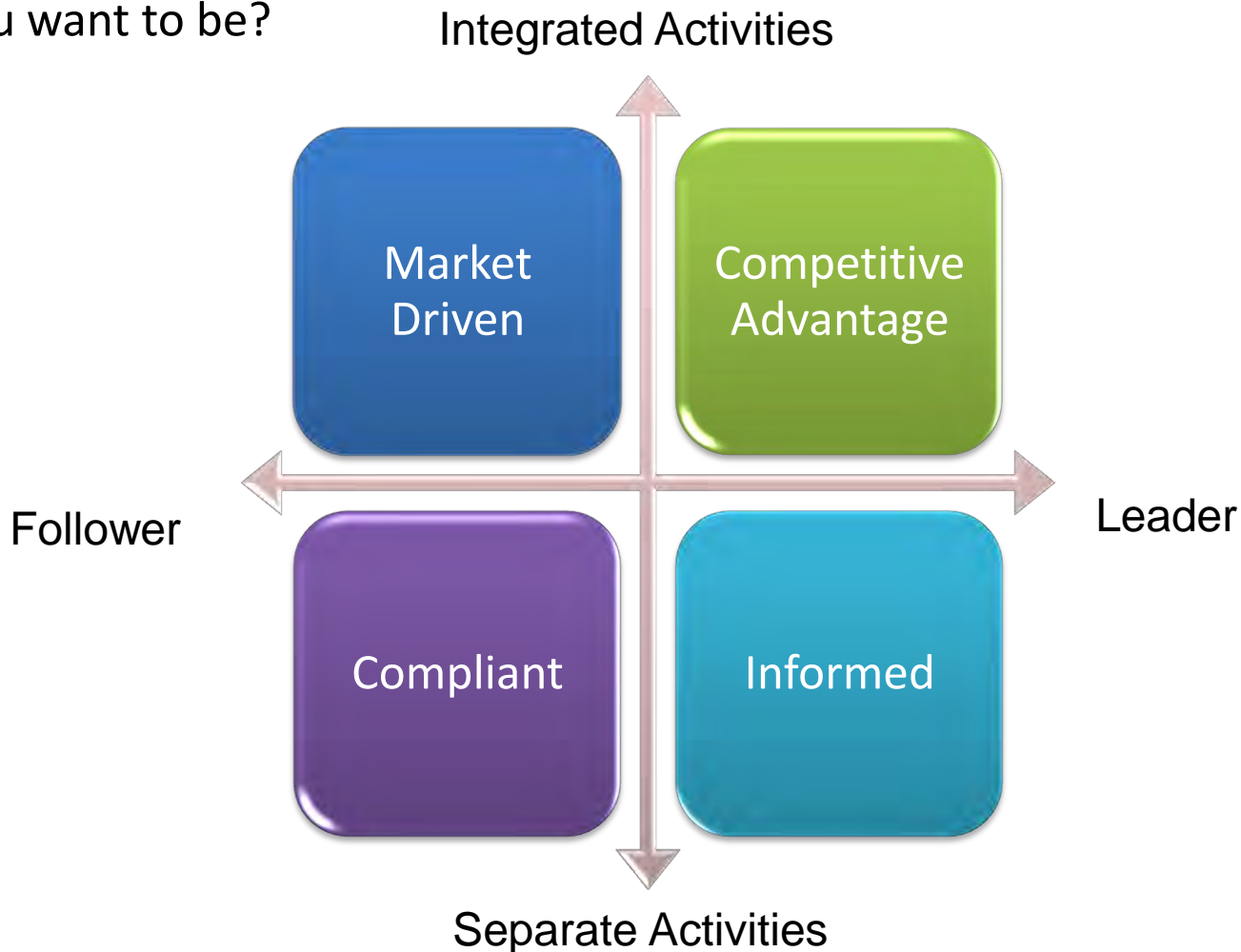
- How to recognise sustainable suppliers:
 - SMS
 - Employees engaged
 - Awards
 - Measurement (Carbon, Eco Metrics, Risk matrix)
 - Engagement, openness and transparency – willing to share.
 - Safety
 - Financials
 - Sustainability Report
- Review their tenders, RFQs and Contracts.
- Products: Labels, Certs, CoC, Greener materials
- Check carbon claims ‘I’m Carbon Neutral’



The Sustainability Journey

Where are you?

Where do you want to be?



Thank you !

