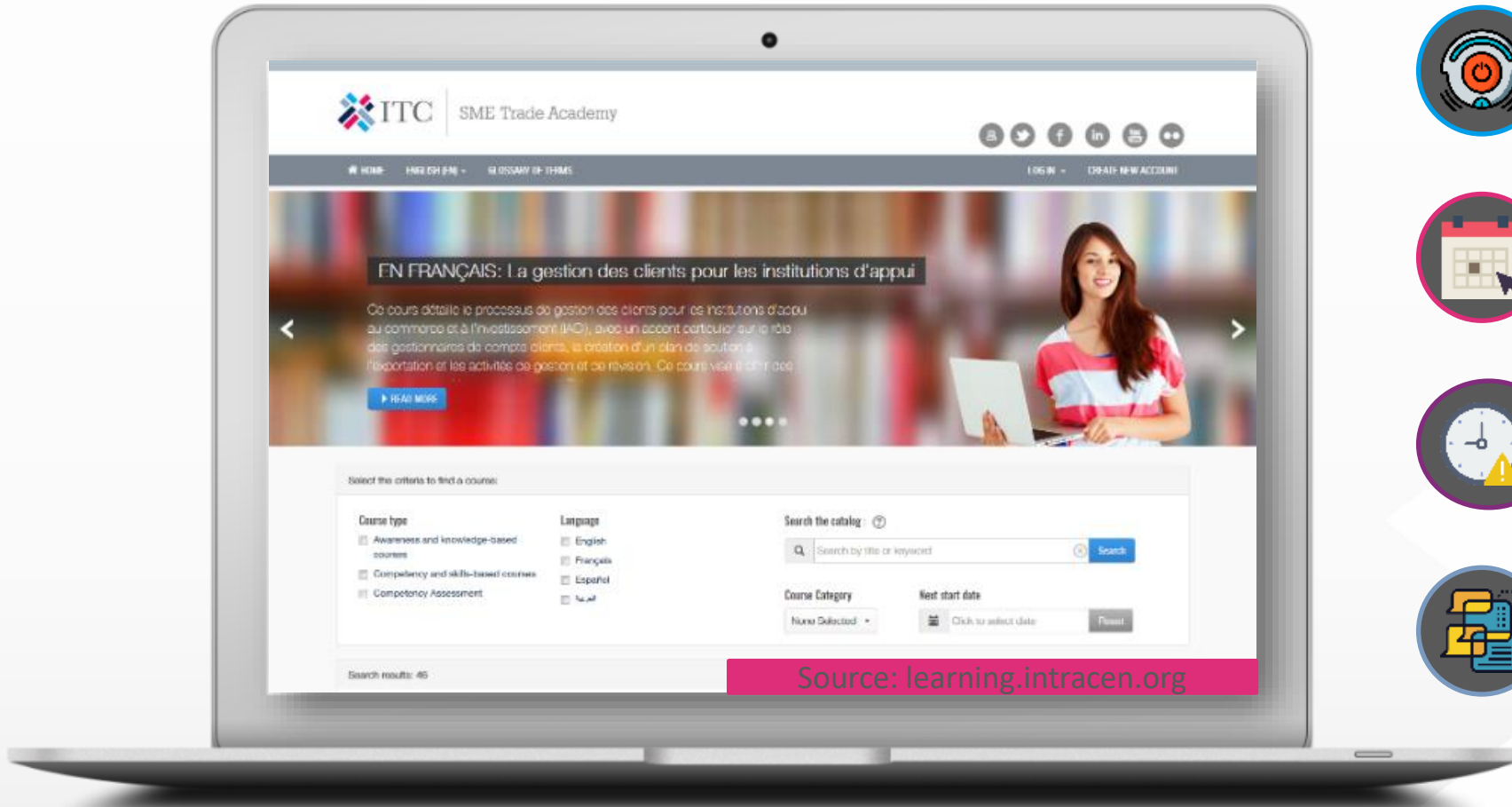




SCM and its role in society

Juan Hoyos
*Adviser Sustainable and
Inclusive Supply Chains*

AGENDA



INTRODUCTION –Overview



THE SERIES OF WEBINARS



THE SUPPLY CHAIN
MANAGEMENT PROGRAMME



SUSTAINABLE SCM

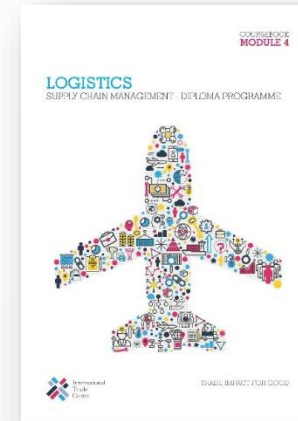
About ITC

The International Trade Centre (ITC) is the **only development** agency that is fully dedicated to supporting the internationalization of **small and medium-sized enterprises (SMEs)**.

This means that the agency enables SMEs in developing and transition economies to become **more competitive** and **connect to international markets** for trade and investment, thus raising incomes and creating job opportunities, especially for women, young people, and poor communities.

Established in **1964**, the International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

SCM DIPLOMA



MODULE

01

STRATEGY AND PLANNING

1. Supply chain context
2. Organisational strategy
3. Supply chain strategy
4. Purchasing and supply
5. Supply positioning
6. Supply strategy
7. Market analysis
8. Finance in the supply chain

MODULE

03

OPERATIONS

1. Contract management setup
2. Managing contracts
3. Contract disputes
4. Evaluating purchasing and supply performance
5. Implementing performance evaluation
6. Evaluating supplier performance
7. Operations management
8. Process support systems

MODULE

02

SOURCING

1. Specifications
2. Specification considerations
3. Supplier appraisal design
4. Appraising suppliers
5. Obtain and evaluate offers
6. The tender process
7. Preparing negotiations
8. Negotiating

MODULE

04

LOGISTICS

1. Logistics management
2. Quality in the supply chain
3. Inventory
4. Managing inventory
5. Warehousing
6. Packaging
7. Transportation
8. Customer relationship management

EXAMS & INTERNATIONAL CERTIFICATION



International Certificate

Strategy & Planning



International Certificate

Sourcing



International Certificate

Operations



International Certificate

Logistics



International Diploma

Supply Chain Management

NETWORK

- 63 partner institutions in 46 countries
- Alumni networks
- Trainers
- Partnerships



30,000+
participants
trained

IMPACT



3,000+
Certificates &
Diplomas



\$51 million
enterprise
savings in 2
years



Series of Webinars

Sustainable and Inclusive Value Chains

Adopting sustainability practices not only improves the social and environmental performance of suppliers, but it can also contribute to the **competitive advantage** of the whole supply chain, which, in turn, reduces costs and increases market share.

The **negative outcomes** arising out of social or environmental issues are not only limited to the focal firm that is directly involved, but extends to their first, second and lower tier suppliers



Series of Webinars

Sustainable and Inclusive Value Chains

Objective

This series of webinars aims to sensitize and prepare the private sector companies and their employees to create a framework that facilitates the adoption of inclusive business practices along the value chains.

Specific Objectives

At the end of the series of webinars, the participants will have:

- Greater awareness of the power and the responsibility business community has in the transformation of the current world situation into a more sustainable and prosper society.
- Better understanding of the power and responsibilities of large corporations along their supply chains (upstream and downstream)
- Enhanced their understanding of Supplier Development and Supplier Diversity Programmes
- Identified Opportunities through the creation or enhancement of the corporate's CSR or Sustainability strategy





SME TRADE ACADEMY

Sustainable Supply Chain Management



Webinar

Sustainable Supply Chain Management

Firms are held responsible by their stakeholders for **unethical practices in their supply chains**, so they must engage with upstream producers and downstream customers to ensure that every product they manufacture, or service they offer is sustainable. Some socially sustainable practices should be viewed as a moral responsibility and/or may be legally mandated.

Specific Objectives

In this webinar, you will:

- Improve your understanding of what is a Sustainable Supply Chains (SSC)
- Increase awareness of regular and extended stakeholders of an enterprise
- Understand the Power, Responsibilities & Challenges of a SSC
- Learn about the SSC performance measurements



SCM and Its Role in Society

Something to think about ...

- The Role of Business in Society
- Responsibility Based on Ethical Principles
- The Moral Obligations of Business and Managers
- Tensions between business and society
- Intersection between business and society



But practice falls short of theory

Slave or child labour

Discrimination

- Gender
- Religion
- Ethnic group
- Sexual Orientation

Wage gap

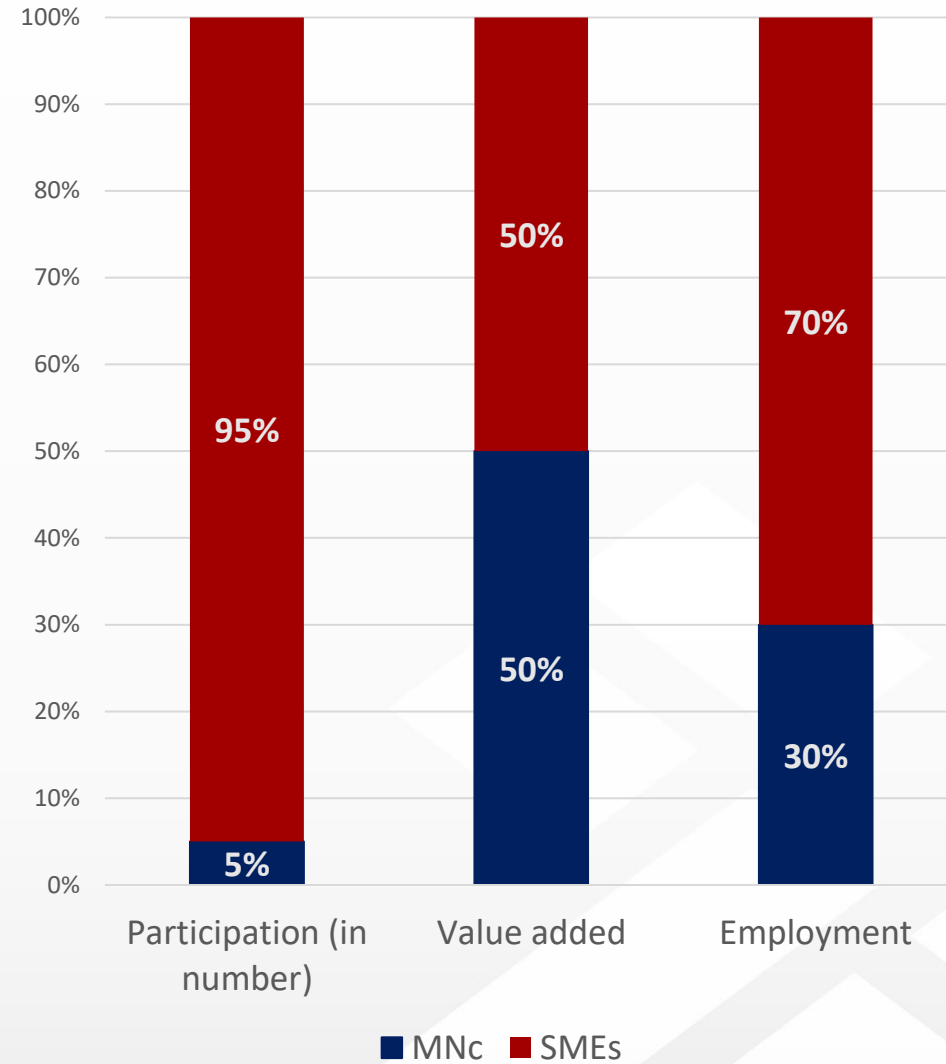
BAD PRACTICE

Lack of freedom of
association

Unsafe working conditions

The minute a company uncovers that its supply chain is compromised in this manner, it faces the possibility of a complete overhaul. That's expensive and could create production delays

MNCs Vs MSMEs



Sustainable Supply Chain Management



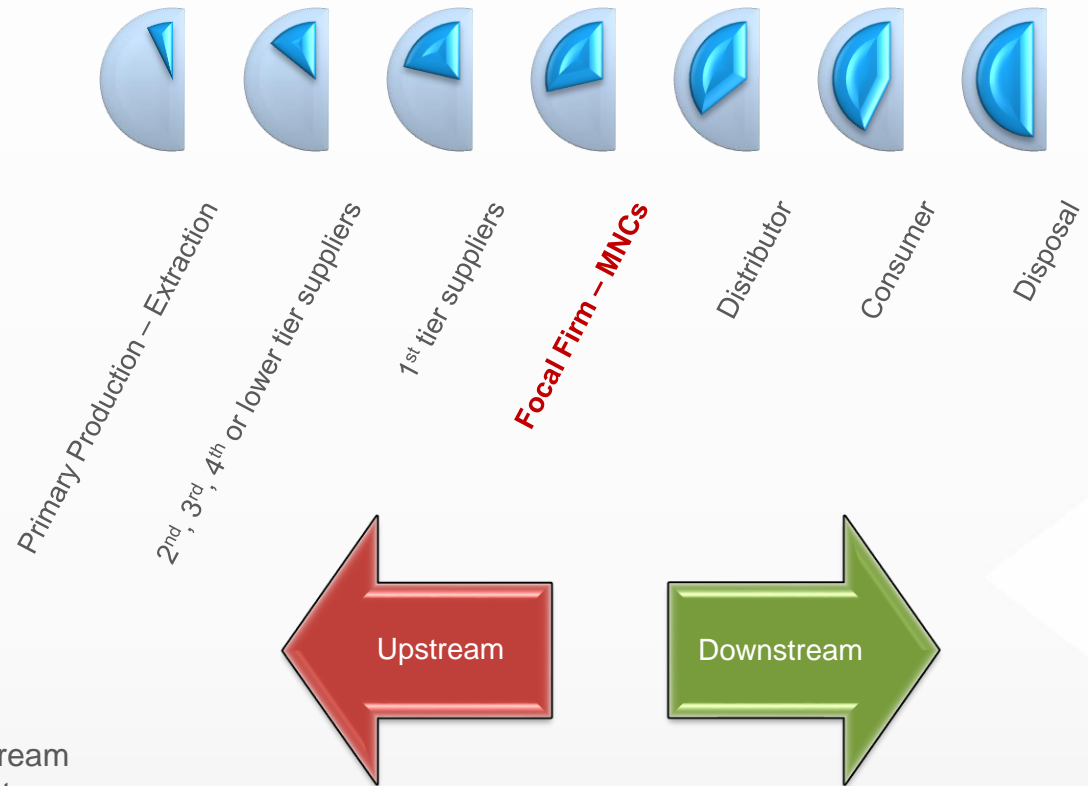
Is defined as :

The management of **material**, **information** and **capital flows** as well as **cooperation** among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e. **economic**, **environmental** and **social**, into account which are derived from customer and stakeholder requirements

(Seuring and Müller, 2008, p. 1700).

An ethical supply chain focuses on the need for corporate social responsibility, working to produce products and services in a way that treats its workers and the environment ethically.

The reach of the SC or VC of a large corporation



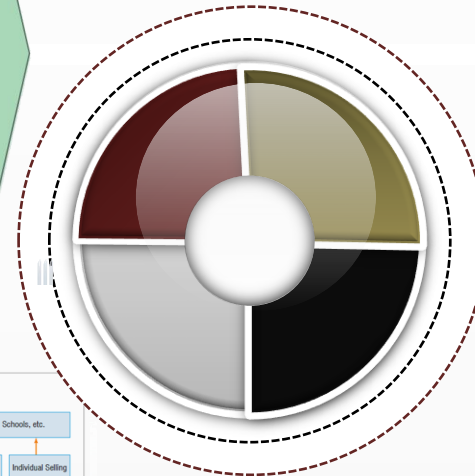
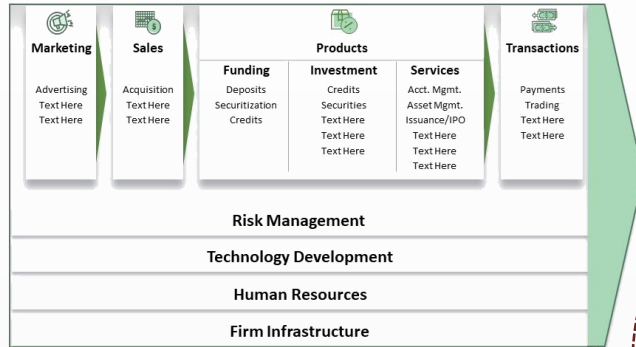
Firms must engage with upstream producers and downstream customers to ascertain that every product they manufacture is sustainable.

Ethical supply chains are everyone's responsibility, from an organization's employees to its suppliers, customers and trading partners

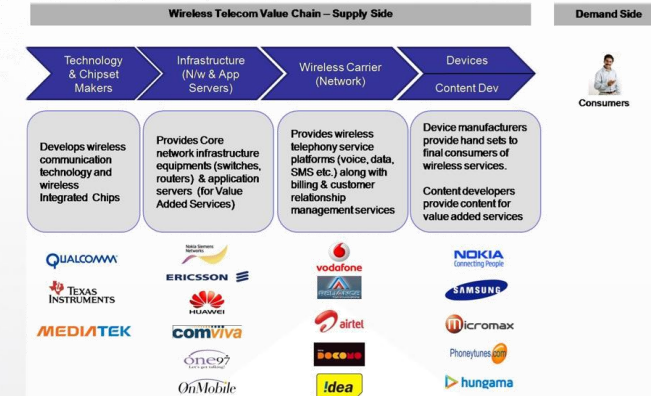
The reach of the SC or VC of a large corporation

Value Chain of Banking Industry

This slide is 100% editable. Adapt it to your need and capture your audience's attention.

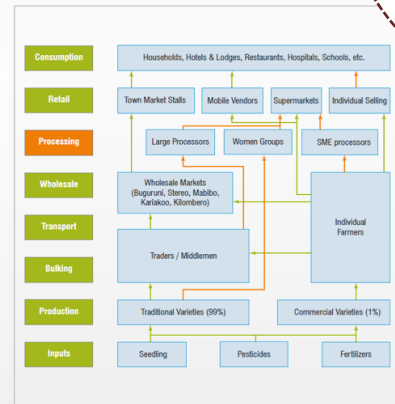


The Telecom (ICT) Value Chain



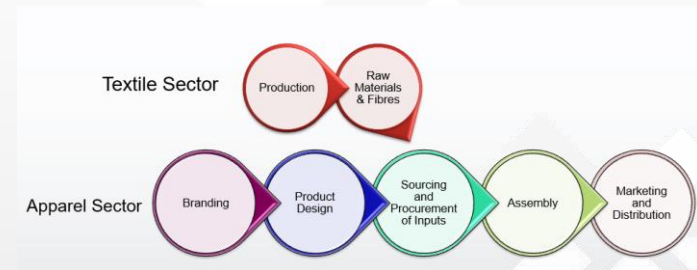
The Mango Value Chain

THE MANGO SUB SECTOR MAP IN TANZANIA



The Textiles and Apparel Value Chain

Production and distribution flow of the textiles and apparel value chain



The reach of the SC or VC of a large corporation



Shareholders - Owners
Employees
Suppliers
Distributors
Creditors
Investors
Customers
Financiers
Competitors



Communities (local, regional, international)
Government agencies (Regulatory, Legislative, Tax Collectors)
Labor unions
Industry trade groups
Professional associations
NGOs and other advocacy groups
Public at Large (Global Community)
Education institutions & Research centers
Media

Power Responsibilities Challenges



The Supply Chain Managers

Do supply chain managers and the organizations they work for value **ethics** (social and environmental) in the way they operate and conduct business?

If so,

where are they investing their **time and resources**?

Is their **performance** measured based on those ethical principles?



The Supply Chain Managers

Four dimensions that can be used to structure the overall debate on sustainable supply chains

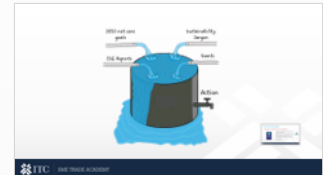


The Supply Chain Managers

Challenges for sustainable supply chain management.



- Corporate Governance - translating discussions of CSRs into serious changes in firm decision-making
- Customer - lack of final customer demand for sustainable products and services'
- Government regulations - the role of local governments and their own sourcing policies for green and sustainable public procurement
- Companies pro-actively developing sustainable products and markets
- Pressure from NGOs
- Political agenda setting



The Supply Chain Managers

Challenges for sustainable supply chain management.

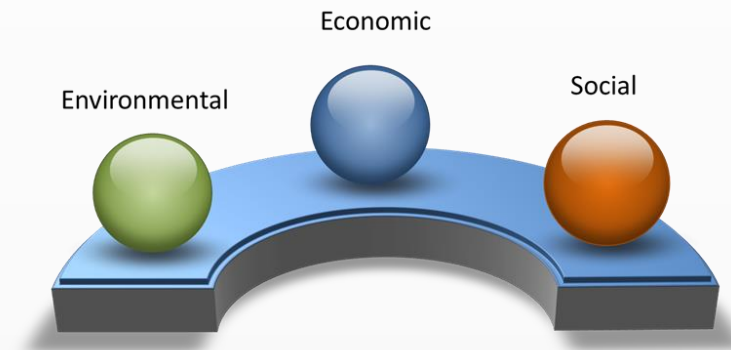


- Economic - without economic success, no supply chain will exist in the long run
- Environmental
- Social
- Integration of the TBL

Next Webinar

The Supply Chain Managers

Challenges for sustainable supply chain management.



In 1997 John Elkington introduced the well-known, accepted and used triple bottom line concept, where:

“Sustainability is equally based in three dimensions: Economic, Environment and Social.”

The Supply Chain Managers

Challenges for sustainable supply chain management.



The four categories of social sustainability



The Supply Chain Managers

Challenges for sustainable supply chain management.



- Supplier selection including environmental and social criteria
- Auditing and monitoring of suppliers
- Certification of suppliers according to environmental and social standards
- Communication and integration with suppliers.
- Lower tier suppliers monitoring

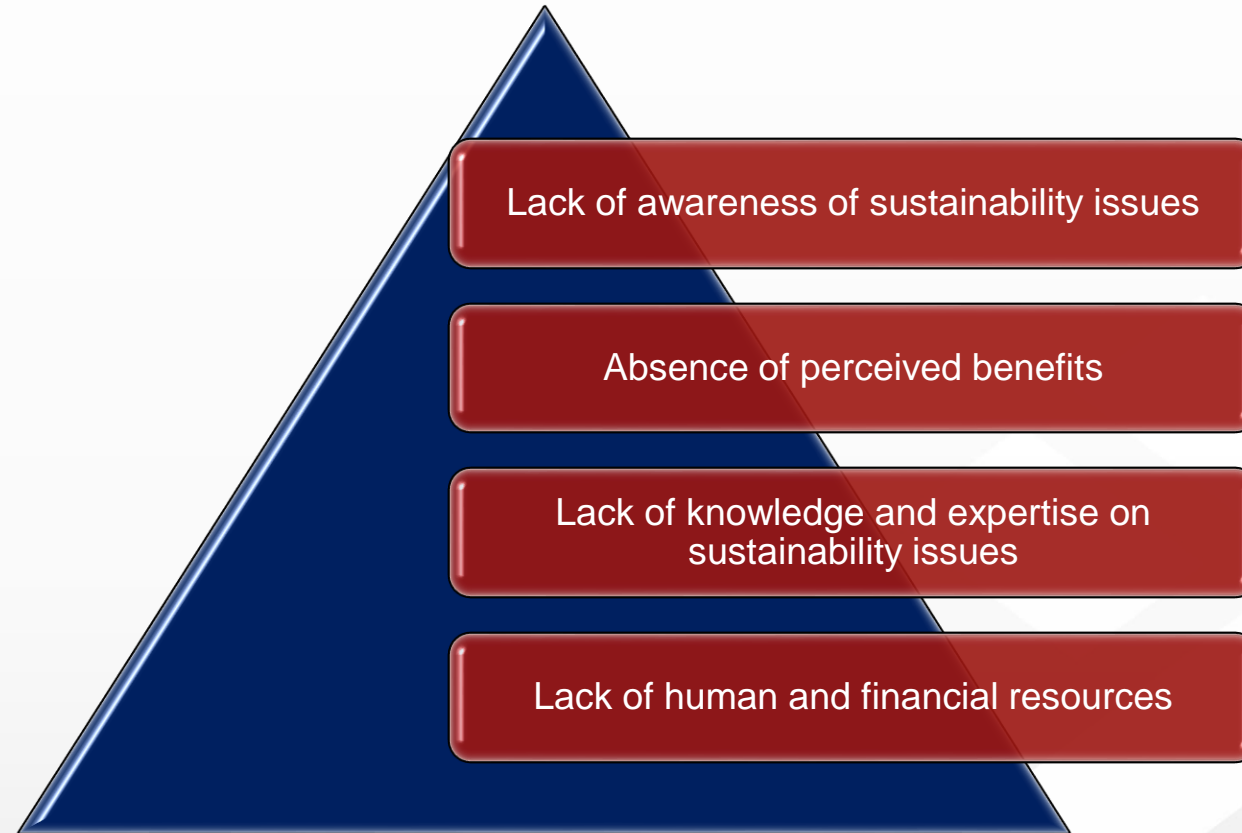
The Supply Chain Managers

Challenges for sustainable supply chain management.



- Cooperation and communication between supply chain members
- Risk management across the supply chain (so that environmental and social problems are identified before they are exposed publicly, which might damage the brand reputation of the company)
- The total life-cycle of the product has to be taken into account
- Learning and innovation
- Codes of conduct are widely discussed as a policy measure to reduce the risk associated with such sourcing and supply chain activities
- Integrating such measures into the sustainability strategy of companies

Barriers for implementation - From the Supplier Perspective





SME TRADE ACADEMY

Performance measurement & Sustainability management tools

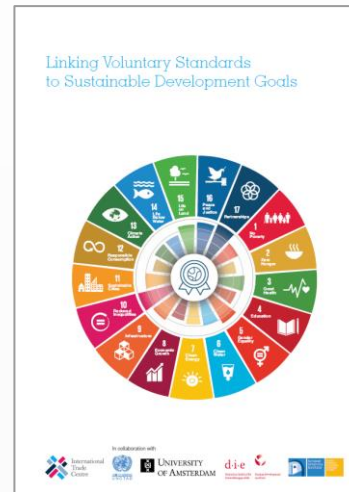


Performance measurement

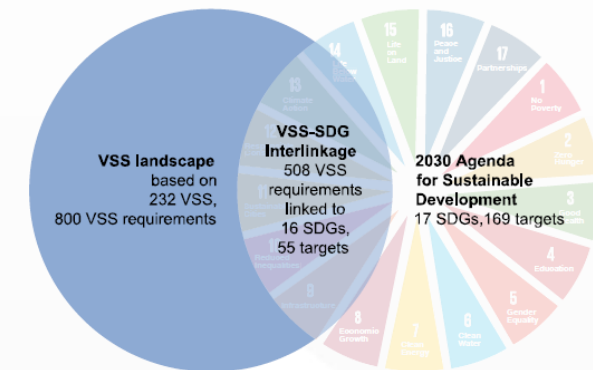
Voluntary Sustainability Standards (VSS)

Vs.

Sustainable Development Goals (SDGs)



Links between voluntary standards and SDGs



Using original data, the report tracks the extent to which sustainable practices promoted by voluntary standards align with the SDGs.

This innovative research provides a clear picture of how the private sector can work towards the SDG targets by adopting voluntary sustainability standards.

<https://www.intracen.org/publication/Sustainable-Development/>

Performance measurement

Overview of Performance Measurement and Management Tools in SSCM

	Environmental	Economic	Social	Integrative
Instrument	Life cycle assessment (LCA) Eco-audit Environmental benchmarking Environmental reporting	Cost-benefit analysis Economic input-output analysis Financial reporting Risk analysis	Social LCA Social audit Social benchmarking Stakeholder dialogue Social reporting Corporate citizenship	Sustainability audit Sustainability benchmarking Sustainability reporting
Concept	Design for the environment	SCOR framework		Sustainability balanced scorecard (SBSC)
System	Environmental management system (EMS)	Quality management system (QMS)	Social management system (SMS) Occupational health and safety system (OHS)	Integrated management system
Standard (corresponding tool)	ISO 14001 (EMS) EMAS (EMS) ISO 14040 (LCA) ISO 14064	ISO 9001 (QMS)	SA 8000 (SMS) OHSAS 18001 (OHS) ISO 26000 B Impact Assessment	Global reporting initiative (Report) UN Global Compact B Impact Assessment

Adapted from: Beske-Janssen, Philip, Matthew Phillip Johnson, and Stefan Schaltegger. "20 years of performance measurement in sustainable supply chain management—what has been achieved?." Supply chain management: An international Journal (2015)..

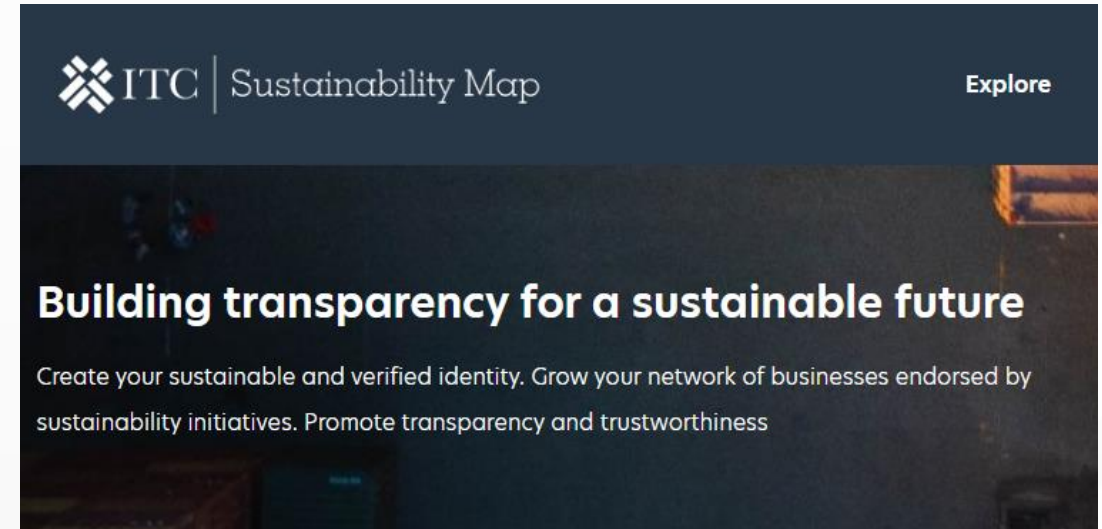
Performance measurement

ITC' Tools



The banner for the ITC Standards Map features a teal header with the ITC logo and the text 'Standards Map'. Below the header is a dark background with a green leaf pattern. The main text reads: 'The world's largest database for sustainability standards' followed by a paragraph: 'We provide free, accessible, comprehensive, verified and transparent information on over 300 standards for environmental protection, worker and labour rights, economic development, quality and food safety, as well as business ethics.'

<https://standardsmap.org/en/home>



The banner for the ITC Sustainability Map features a dark blue header with the ITC logo and the text 'Sustainability Map'. In the top right corner of the header is a white 'Explore' button. Below the header is a dark background with a faint image of a person. The main text reads: 'Building transparency for a sustainable future' followed by a paragraph: 'Create your sustainable and verified identity. Grow your network of businesses endorsed by sustainability initiatives. Promote transparency and trustworthiness.'

<https://www.sustainabilitymap.org/home>



SME TRADE ACADEMY

Invitation to a Mindset Change



Invitation to a Mindset Change

- **Leverage capabilities with external organizations**
 - *UN Global Compact, ITC, International Labour Rights Forum,*
 - *BSOs as Chamber of Commerce, Women associations,*
 - *Universities, NGOs*
- **Leverage capabilities with Standards**
 - *GRI, Rainforest Alliance, Fairtrade, Travelife, Cerise*
- **Develop capabilities and share resources with current and potential suppliers (*this is the third webinar*)**
- **Extend your awareness ... and actions over lower tier suppliers, and customers of costumers until disposal**
- **Increase transparency and accountability along the whole value chain.**

It is pro-active companies who are the ones developing sustainable products and supply chains; this development does not arise from customer demand

What is an ethical supply chain?



**From stakeholders to shareholders
prosperity**

Q & A





SME TRADE ACADEMY

Next Webinar

The flyer background features a photograph of a person's hands typing on a laptop keyboard. The laptop screen displays a webpage with the text 'SME trade academy' overlaid in yellow. The flyer has a large green diagonal overlay on the left side containing text.

 International Trade Centre

Free online webinar

DIPLOMA PROGRAMME

Sustainability & Corporate Social Responsibility

Date: **13th October 2022**

Time: **10:00H – 11:30H CET**

Language: **English**

Facilitator: **Juan Hoyos**

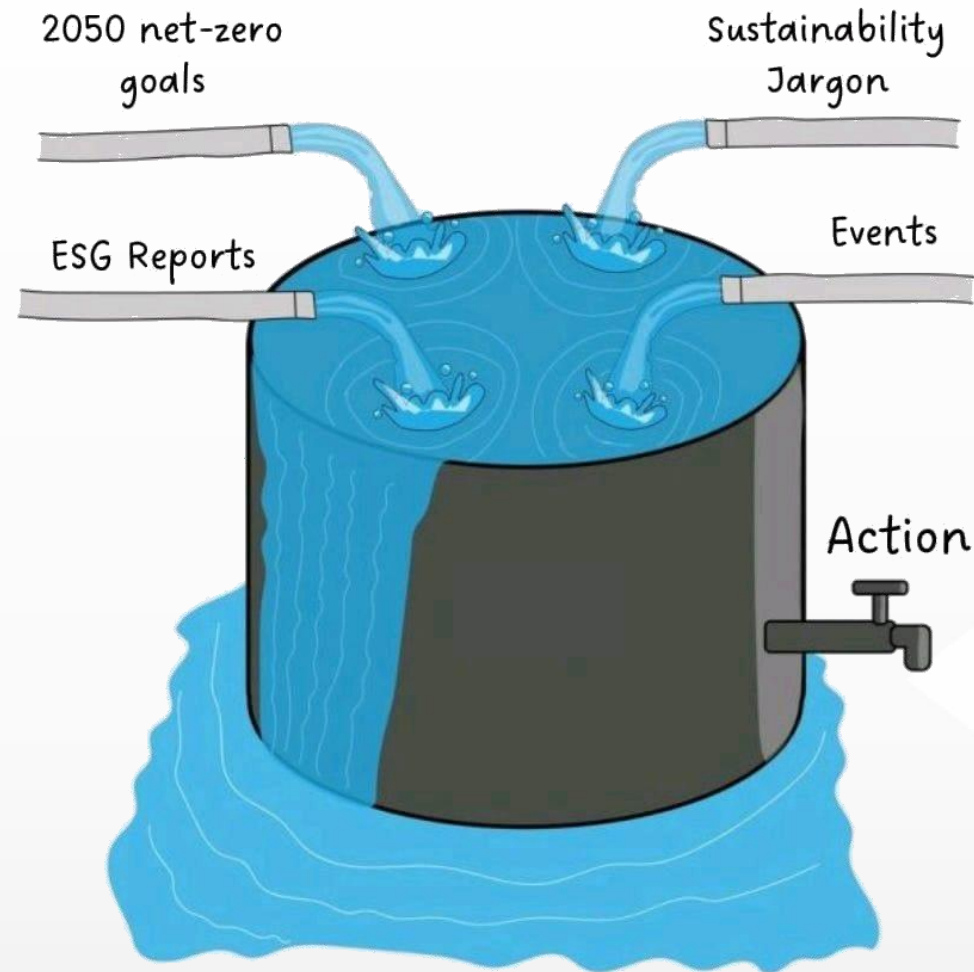
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GRACIAS 谢谢

THANK YOU

ありがとうございました MERCI

DANKE धन्यवाद

شُكْرًا OBRIGADO



The Supply Chain Managers

Challenges for sustainable supply chain management.

- Climate Resilience: Increasing Resilience of GDPs to service changes in the demand side.
- Customer: Lack of full customer demands, sustainable products and demand.
- Government regulations: The role of government and other non-market related government policies and programs.
- Consumer awareness: Developing sustainable products and markets.
- Presence of NGOs.
- Global agreements.

ITC - Let's Make it Green!