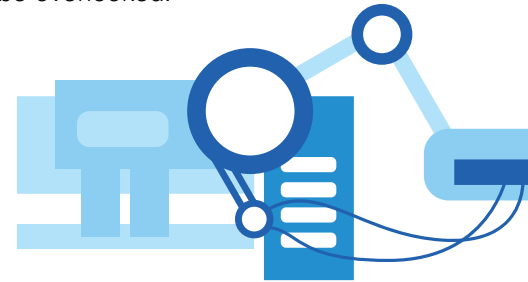


# Sustainable supply chain - a touch of business resilience

Businesses today are expected to be responsible for how their operations along supply chains may pose various risks and have negative effect on people and the environment. The list of issues to address can be daunting as there is no shortage of stakeholders ready to pile on the pressure and hold companies to account for their failings.

Building a sustainable supply chain is no easy task as some are too vast and complex for many organisations. Gaining visibility and control can be a problem as well as keeping pace with regulations and industry commitments across multiple countries. This includes understanding and responding to social and environmental issues as well as its associated risks. Purpose-built supply chains will be able to operate in an evolving world and address stakeholders' increasingly challenging questions through customer-centric offerings and demand-driven automated networks and future-ready corporate agendas.

As supply chains fall outside of a company's core operations, they are exposed to uncontrollable risks typically driven by Environmental, Social and Governance ("ESG") factors, such as natural resource depletion, human rights abuses and corruption. These issues can cause reputational damage and harm operations and financial performance. However, benefits to the actual business should not be overlooked.



## Importance of Sustainable Supply Chain Management



From ethical measures resulting in better working conditions, employment practices and labour standards in accordance with set regulations

Diversifying to avoid over-reliance on a single link and having multiple suppliers in different parts of the world

Attractive prospect for other companies looking to partner with as it opens up potential opportunities for growth

By reducing waste, managing resources, planning delivery routes, and increasing the efficiency of buildings, vehicles and machinery

Ensuring fair practices and supplier assessments with necessary measures to prevent unnecessary risk

Low lead time and better product and service quality through effective communication and measures

# Our Approach & Methodology

1

## Set Strategy & Governance Structures

With so many global supply chain standards and existing best practices, it can be intimidating and confusing to start. KPMG assists clients in understanding and developing strategies and governance structures that are tailored to your business.

2

## Determine Product Traceability

KPMG will enable clients to identify suppliers that many companies lack visibility of by improving traceability of products and resources used from its origin to the point of sale.

3

## Reduce Identified Risks

Analysing vast amounts of suppliers can be overwhelming if there is a lack of strong data management capabilities. KPMG offers a range of solutions to measure and monitor, supplier sustainability performance and provide recommendations for improvement such as the management of ethical sourcing, and risks from modern slavery to social procurement.

4

## Improve & Monitor Supplier Performance

Analysing vast amounts of suppliers can be overwhelming if there is a lack of strong data management capabilities. KPMG offers a range of solutions to measure, monitor, and report on, suppliers' sustainability performance as well as provide recommendations for improvement.

5

## Strengthen Stakeholder Relationships & Enhance Social Impacts

Building lasting relationships is critical to ensuring business continuity. KPMG provides supplier training to build capacity and drive continuous improvement across global supply chains and is able to advise on stakeholder engagements as well as design industry-wide strategic frameworks to strengthen social impact and earn trust of stakeholders.

## Why KPMG?

KPMG professionals can help organisations understand the challenges faced and have the knowledge and experience to guide you through the sustainable supply chain journey.

Here at KPMG, we have worked and advised clients across sectors and industries on ESG management and strategic roadmaps, contributing extensively in the sustainability space, helping clients articulate their ESG aspirations and effectively translating it into a thorough and performance based sustainability approach. Our expertise and in-depth understanding of corporate sustainability norms have enabled us to advise and deliver quality projects with greater impact.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[www.kpmg.com.my/sustainability](http://www.kpmg.com.my/sustainability)



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