



# Building sustainable supply chains

**How KPMG can help**

[kpmg.com/sustainability](https://kpmg.com/sustainability)



# Pressure is increasing for businesses to build transparent supply chains

## KPMG professionals can help

Today's big businesses are expected to take responsibility for how their suppliers affect people and the environment.

The list of issues to address can be daunting: from ensuring safe working conditions to paying fair wages; ending child labor to improving product traceability; using water responsibly to avoiding corruption. And there is no shortage of stakeholders ready to hold companies to account for their failings; regulators, journalists, lawyers, customers, consumers, communities and others are all piling on the pressure.

What's more, building a sustainable supply chain is no easy task. Modern global supply chains are so vast and complex, that many companies just don't know where their inputs come from. Gaining visibility and control can be a problem as can keeping pace with regulations and industry commitments across multiple jurisdictions.

KPMG professionals can help. Sustainable supply chain specialists working in KPMG member firms around the world understand the challenges you face and have the knowledge and experience to guide you through the sustainable supply chain journey.

**Contact us to find out how KPMG member firms can help you.**



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Santhosh is an expert in helping large companies reduce the environmental and social impacts of their complex global supply chains. He works with international clients to map their supply chains, to identify and manage risks, and to implement and enforce effective supplier codes-of-conduct.



### **Jerwin Tholen**

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Jerwin works with corporates to improve the visibility of their supply chain structures, and identify and address risks across their operations. He specializes in helping companies map and trace agricultural commodities including cocoa, soy, tea, coffee and cotton.

# How we can help

**KPMG sustainable supply chain specialists can help your business no matter what stage you are at on your sustainable supply chain journey.**



01

## **Set strategy and governance structures:**

There is no one-size-fits-all solution to improve a business's supply chain sustainability. With so many global supply chain standards and best practices available, it can be confusing to know where to start. KPMG professionals help clients understand and develop supply chain strategies and governance structures that are tailor-made to their business.



02

## **Map supply chains and track product ingredients:**

Many companies lack visibility beyond their direct tier 1 suppliers, which is why KPMG member firms identify and map your suppliers to deeper levels. KPMG specialists also help companies improve the traceability of their product ingredients from origin to the point of sale.



# How we can help (continued)



03

## Identify and reduce risks:

Supply chains are more geographically dispersed than ever before. This makes them vulnerable to threats such as extreme weather, civil unrest and human rights abuses. KPMG professionals help companies identify and manage these risks.



04

## Monitor and improve supplier performance:

Analyzing vast amounts of supplier data can be time consuming if a company has not built in strong data management and analytics capabilities. KPMG member firms offer a range of solutions to help companies measure, monitor, and report on, the sustainability performance of their suppliers. KPMG specialists also provide recommendations to help suppliers improve their sustainability performance.



05

## Strengthen supplier relationships:

Building lasting relationships with suppliers is critical to ensuring business continuity. KPMG professionals provide supplier training to build capacity and drive continuous improvement across your global supply chain.



# Client stories

01

## Helping the world's leading food companies tackle deforestation

The Consumer Goods Forum (CGF), and its 400 members – retailers and food manufacturers – have committed to mobilize resources to help achieve zero net deforestation by 2020.<sup>1</sup> Production of soy, a key ingredient in animal feed and thousands of other products, is one of the key drivers of deforestation. In order for CGF's member companies to deliver on their zero net deforestation commitments, they therefore need to understand how much soy is in their products and where it comes from.

KPMG in the UK developed a framework that helps food producers and retailers understand their soy usage better and determine the extent to which their soy footprints are causing deforestation. Four top UK retailers worked with KPMG member firms to trial the tool and found it helped them gain a better understanding of the soy volumes in their supply chains, including the origin, level of certification and suppliers. This helped them assess risks and develop a roadmap to achieve the CGF's zero net deforestation goal.

For more information, visit <http://www.kpmg.com/soyframework>



02

## Identifying risks in IKEA's supply chain

KPMG member firms around the globe conducted an in-depth analysis of social and environmental risks linked to IKEA's key raw materials, activities and assets. KPMG specialists helped IKEA to set priorities for risk management and monitoring by assessing the impact and likelihood of each risk and aligning with the existing risk definitions and scoring criteria of IKEA's Enterprise Risk Management framework. The results of the assessment were compiled in an interactive risk register.

The interactive risk register provides users with a dashboard where they can plot risks based on their impact and likelihood, and visualize connections between the risks and global megatrends, countries and the different divisions of IKEA Group. It enables IKEA to discuss risks with internal and external stakeholders, to experiment with different assumptions and scenarios, and to proactively manage risks related to specific raw materials and activities.



<sup>1</sup><https://www.theconsumergoodsforum.com/initiatives/environmental-sustainability/key-projects/deforestation/>

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Designed by **CREATE**. | CRT100544A | October 2018