

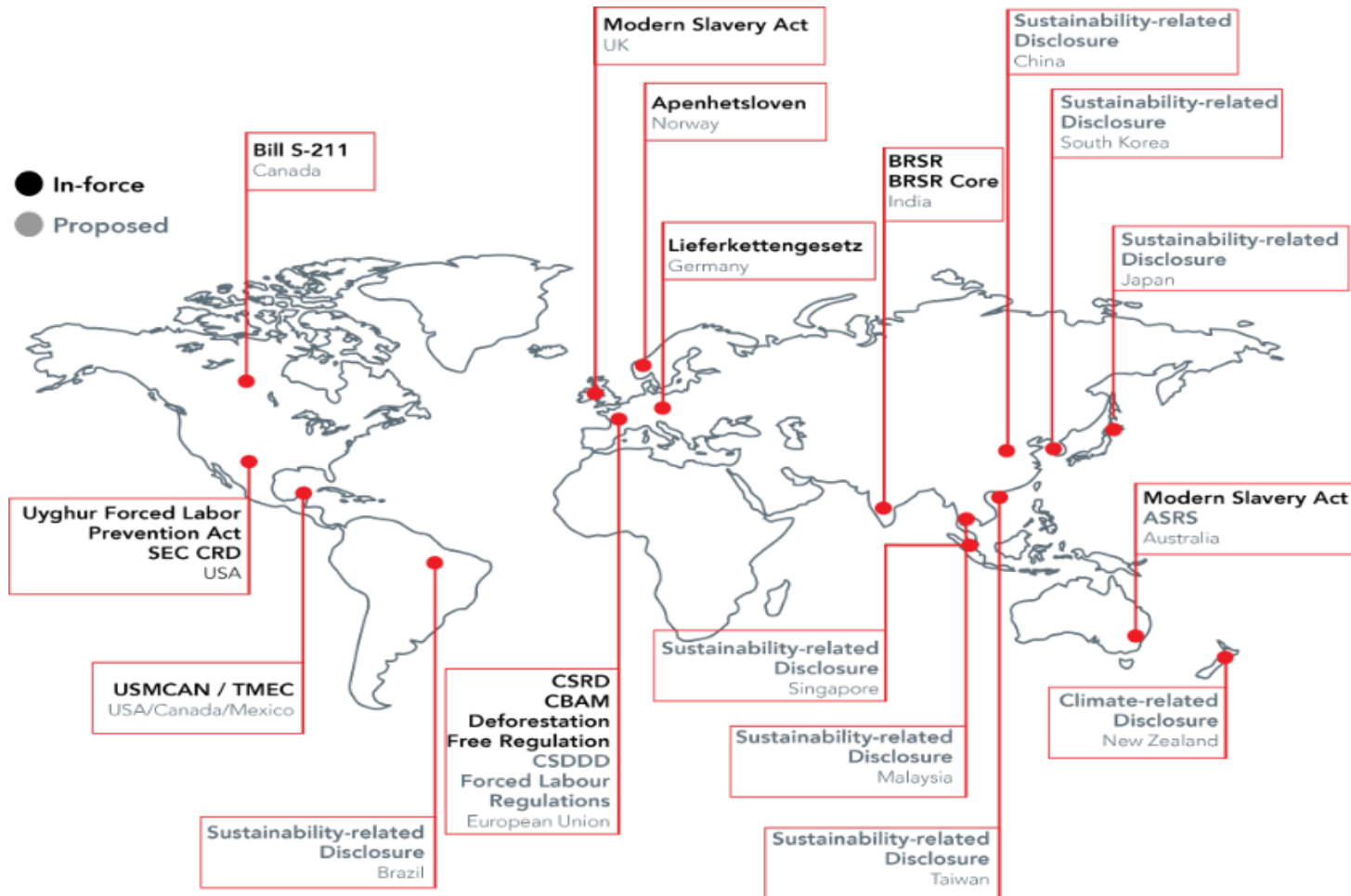
Innovation in Supply Chain Sustainability Processes

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ESG Legislation



The Emergence of Global ESG Legislation

- Legislation directly impacts international trade and multinational companies
- Asian suppliers to US companies have been investigated already both in Canada and in Germany
- Predominantly focussed on the human rights of workers in the supply chain
- Procurement units are working more closely than ever with compliance and sustainability teams
- Similar legislation proposed for Japan, New Zealand and South Korea
- **ESG regulations have increased by 155% in the last 10 years alone**

From ESG to Supply Chain Transparency

ESG data capture and reporting is good, however, it's not a silver bullet. Society, employees and regulators expect greater transparency to reduce ESG-related issues within supply chains.

Acts and Regulations have been introduced across the globe over a number of years to help enforce greater levels of transparency:

- ✓ California Transparency in Supply Chains Act – 2015
- ✓ UK Modern Slavery Act - 2015
- ✓ France Duty of Vigilance Law - 2017
- ✓ Australian Modern Slavery Act – 2018
- ✓ Uyghur Forced Labor Prevention Act – 2022
- ✓ Norwegian Transparency Act – 2022
- ✓ German Supply Chain Due Diligence Act - 2023

The list continues to grow with the entire EU Bloc now reviewing the EU Human Rights and Environmental Due Diligence Regulations (similar to Transparency Act) and the Canadian “Fighting Against Forced and Child Labour in Supply Chains Act”.



As with the central themes of ESG, Achilles has 30-year experience. Our solutions provide transparency in supply chains.

ESG Alignment



Country	Adoption Percentage
Philippines	96%
Japan	94%
Taiwan	94%
Thailand	94%
Malaysia	88%
APAC Region	76%
India	62%

Country	Adoption Percentage
Taiwan	100%
Singapore	96%
Thailand	92%
Philippines	88%
Malaysia	80%
APAC Region	75%
India	60%

APAC alignment to reporting framework

ESG Alignment

Principles / SDGs	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
Principle 1																		
Principle 2																		
Principle 3																		
Principle 4																		
Principle 5																		
Principle 6																		
Principle 7																		
Principle 8																		
Principle 9																		

Sustainable Development Goal Alignment to BRSR Principles

Benefits

- 01 Enhance brand image, attract investors and increase customer loyalty.
- 02 Reduce risk of legal action, fines, and reputational damage.
- 03 Identify areas for improvement, optimize supply chain operations and drive efficiencies.
- 04 Attract and retain customers, investors, and employees who prioritize sustainability
- 05 Reduce environmental footprint and promote well-being of employees and communities.

What companies want to do?
What companies say they will do?

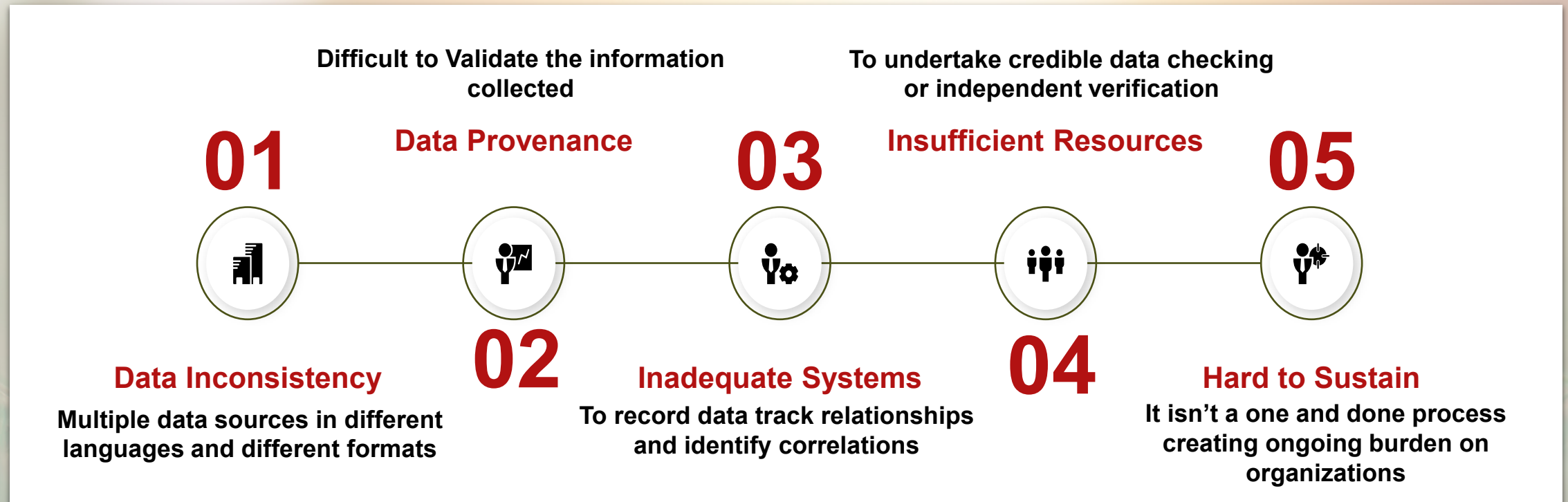


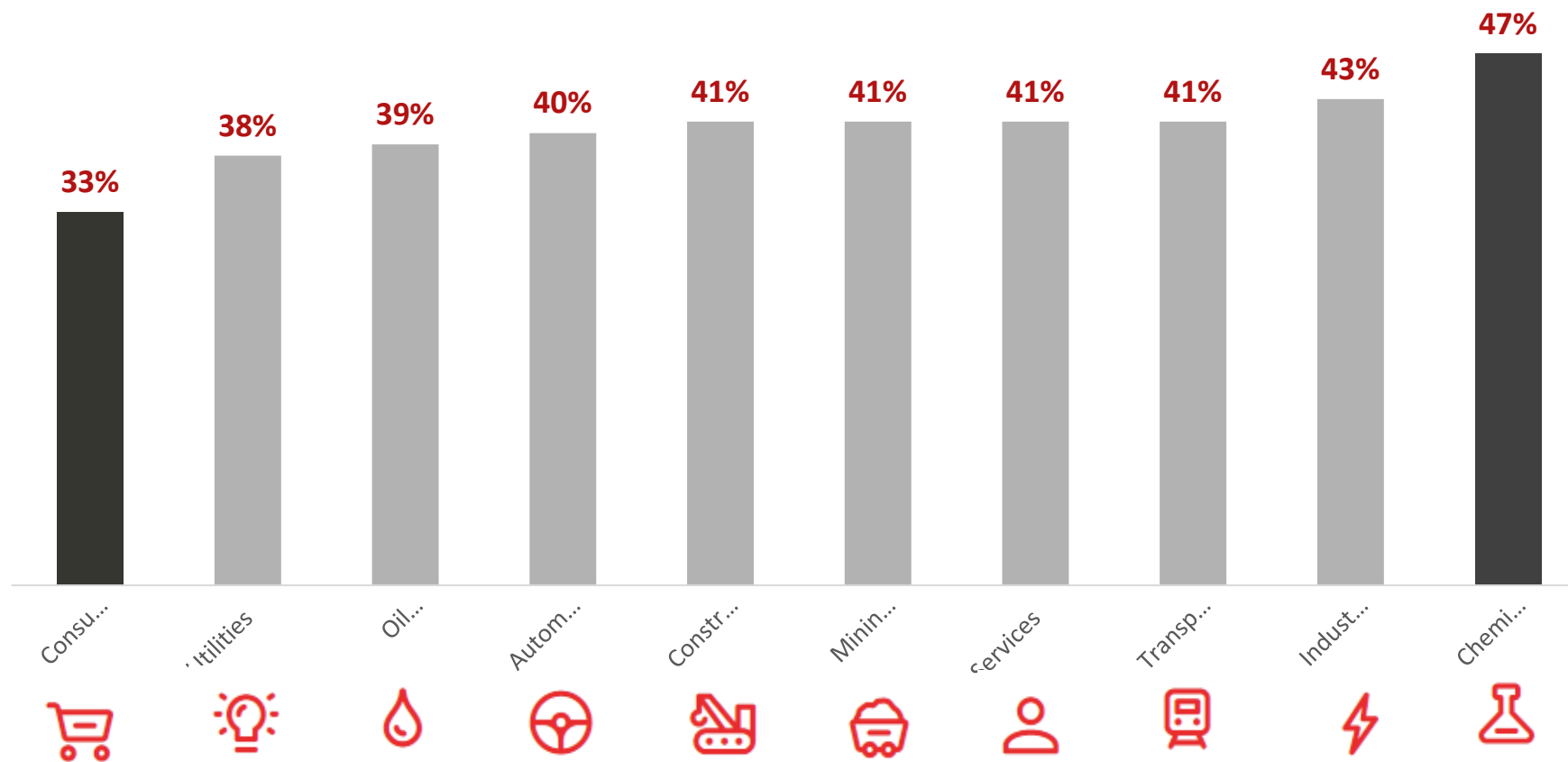
Companies' ability to do it.



< The gap >

Challenges





Percentage of companies that reported identifying sustainable suppliers is a key challenge to going greener

Implementation of Sustainable Due Diligence Process



Data Collection and Automated Data Insights:

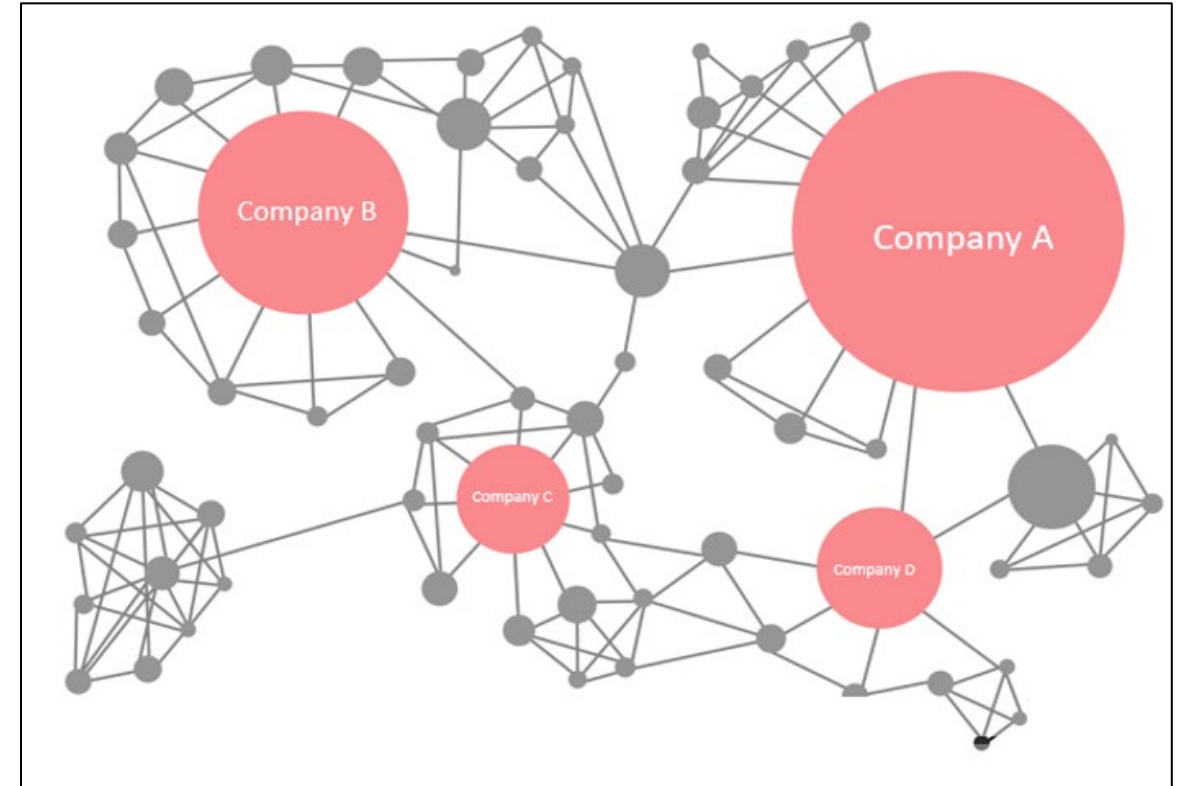
- Efficiency and Time Savings
- Improved Accuracy and Consistency
- Identification of Patterns and Trends

Supplier Development Program:

- Improved Supplier Performance
- Cost Reduction and Value Enhancement
- Enhanced Relationship and Collaboration

Network Effect:

- Increased Data Quality and Accuracy
- Enhanced Insights and Predictive Capabilities
- Greater Innovation and Problem-Solving Potential



The Network Effect In Action



In response to the EU's proposed CSDDD, a paper by the Supply Chain Intelligence Institute Vienna highlights the benefits of deploying a network model:

'a market solution can reduce both the costs incurred and the risk of dealing with a non-compliant company by effectively pooling the costs of due diligence, a positive list approach significantly increases the efficiency of the monitoring system as a whole. It also increases effectiveness because non-compliance by a single supplier leads to the delisting of that supplier for the entire EU market. This multiplies the incentives for compliance.'

In the UK, Achilles has deployed such a solution for the regulated utility providers (generating and distributing electricity and water) for over 25 years.

£500,000

Average client savings

Achilles saves buying organisations, on average, £500k a year, enabling them to reduce in house resources focused on supplier qualification, and reduce time spent on tender lifecycles.

£22M

Savings in UK Utilities

Standardising pre-qualification and audit with Achilles saves the UK Utilities sector £22 million a year.



30 days

Saved per year on reduced procurement process cycles when using Achilles.

47%

Higher Sustainability Scores

Certified suppliers achieve sustainability scores that are, on average, 47% higher than the general population.

7000+

Suppliers

The likes of National Grid, SSE, UK Power Networks, Thames Water, Severn Trent Water and United Utilities have access to a pool of over 7000 prequalified suppliers via the MyAchilles platform.

Achilles Company Overview



For more than 30 years, Achilles has protected organisations' business interests and reputations by providing unrivalled levels of supply chain transparency, and performance improvement services. We are the supply chain risk management partner of choice for the world's leading global brands. We work with market-leading financial, industrial, commercial and governmental organizations across the world. All have one thing in common. They require the serious, detailed analysis and expert insight necessary to deliver exceptional supply chain sustainability and reporting confidence.



~550 Experts

A global team and global platform provides end-to-end supply chain management in >20 languages.



17 Locations

Deep understanding of local regulations, language and culture enables better supply chain risk management.



6500+ Annual Audits

Unique in-person audit capability supports the most rigorous compliance requirements.



Global, Yet Local

A 100-person strong team based across India, having been operated within the country since 2011.

ESG Supply Chain Due Diligence



We undertake rigorous supplier assessment and validation including in-person audits.



We provide detailed supply chain risk assessment to demonstrate compliance to all stakeholders

Analytics, Reporting and Assurance



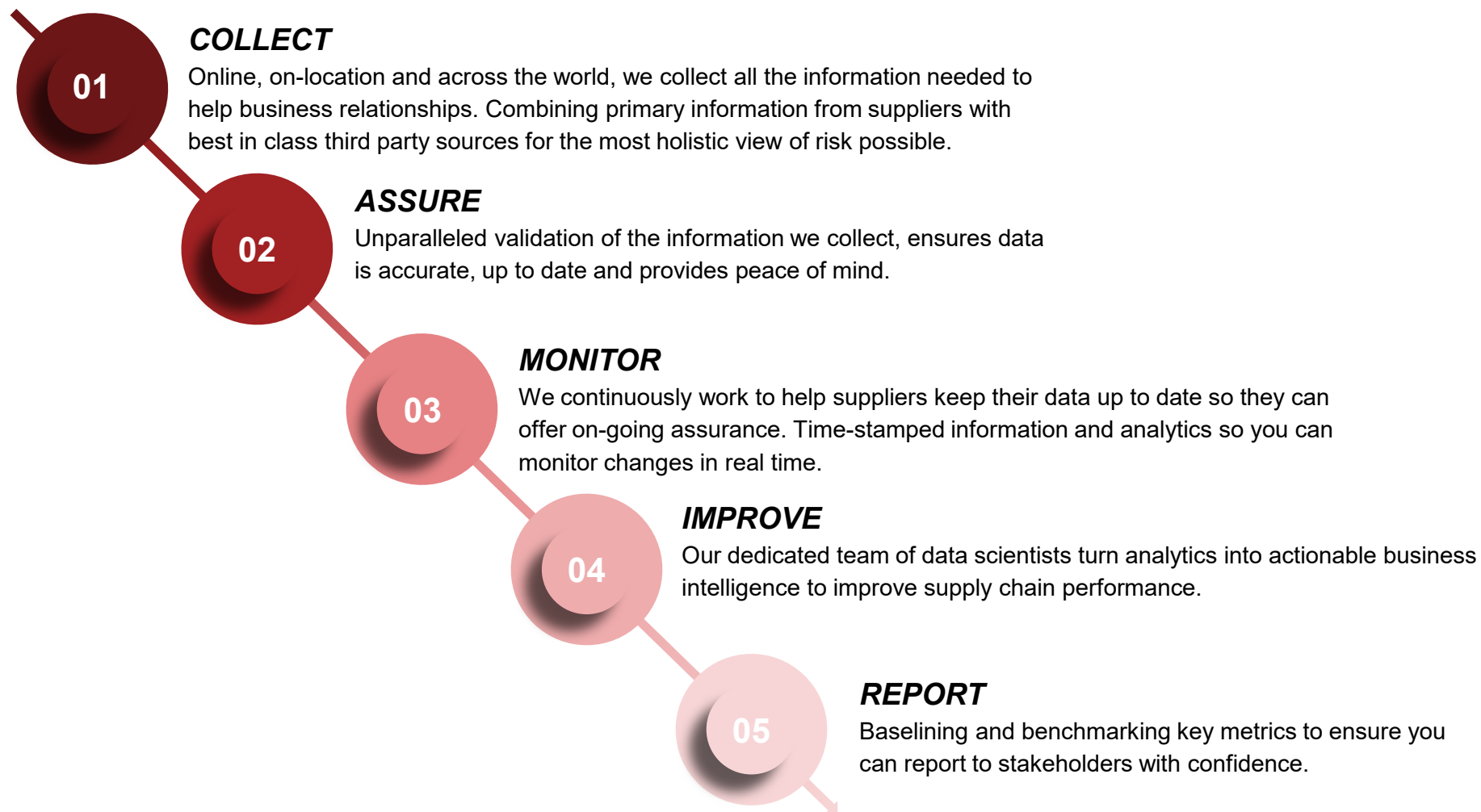
We provide analytics on individual supplier performance, as well as macro views of supply chains



We baseline and track supplier performance overtime to identify trends and monitor improved performance

Our Solution

Implementing best practice supplier risk management to create safer, ethical, and more sustainable supply chains.



Thank you

At Achilles, our purpose is to provide our clients with the tools they need to create more sustainable, cleaner, safer and fairer supply chains. We do this by sharing our knowledge and experience, built on over 30 years of international supply chain risk management.

For more information, please visit www.achilles.com . Alternatively contact us for free, no obligation ESG supply chain risk or carbon reduction consultation.

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