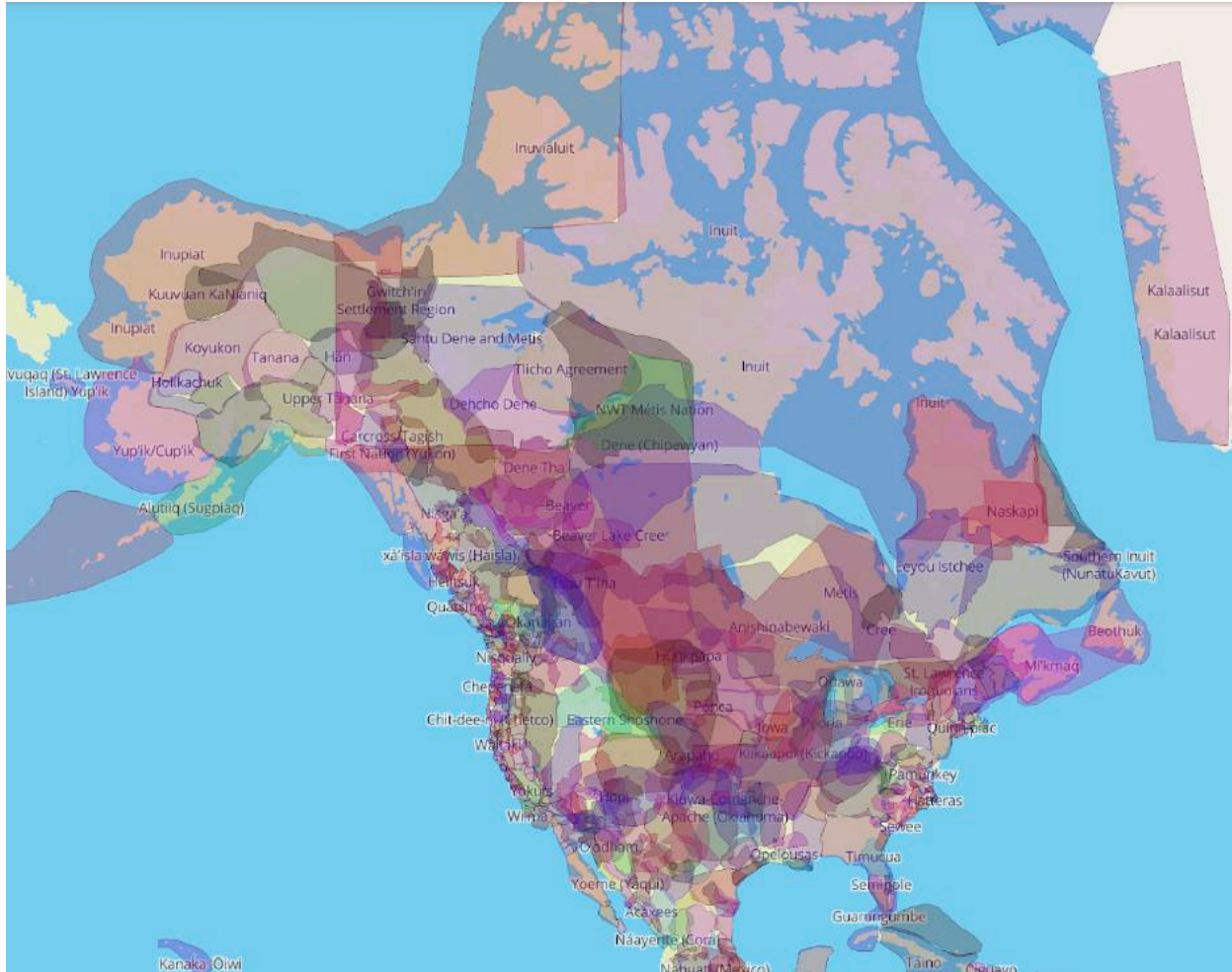




Sustainable Supply Chains

November 2020

CELEBRATING
25
YEARS
CBSR



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native-land.ca

Share in the comments where
you're joining us from today

LOOKING BACK, LOOKING AHEAD

- 2020 required hard pivots for SMEs
- Resilience of SMEs should be a concern for Canada as a whole
- Especially considering COVID-19 is only one of many other significant waves of disruption on the horizon



Positive Return On Investment

- Even during this downturn, companies addressing longer term sustainability challenges are seeing a positive return on investment
- Consumer demand for purpose driven brands is growing
- Attracting top talent depends on your ability to address the important challenges of our time

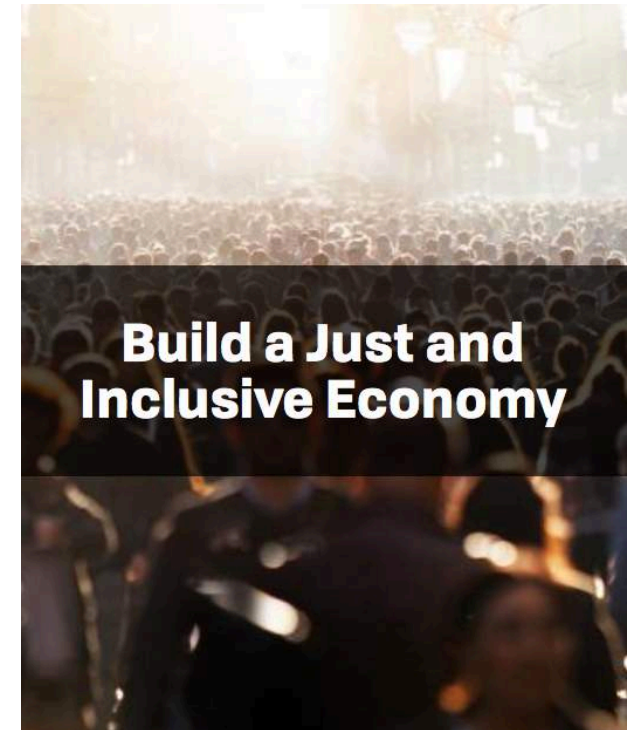
MSCI Canada ESG Leaders Index (CAD)

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (CAD)
(SEP 2007 – MAR 2020)

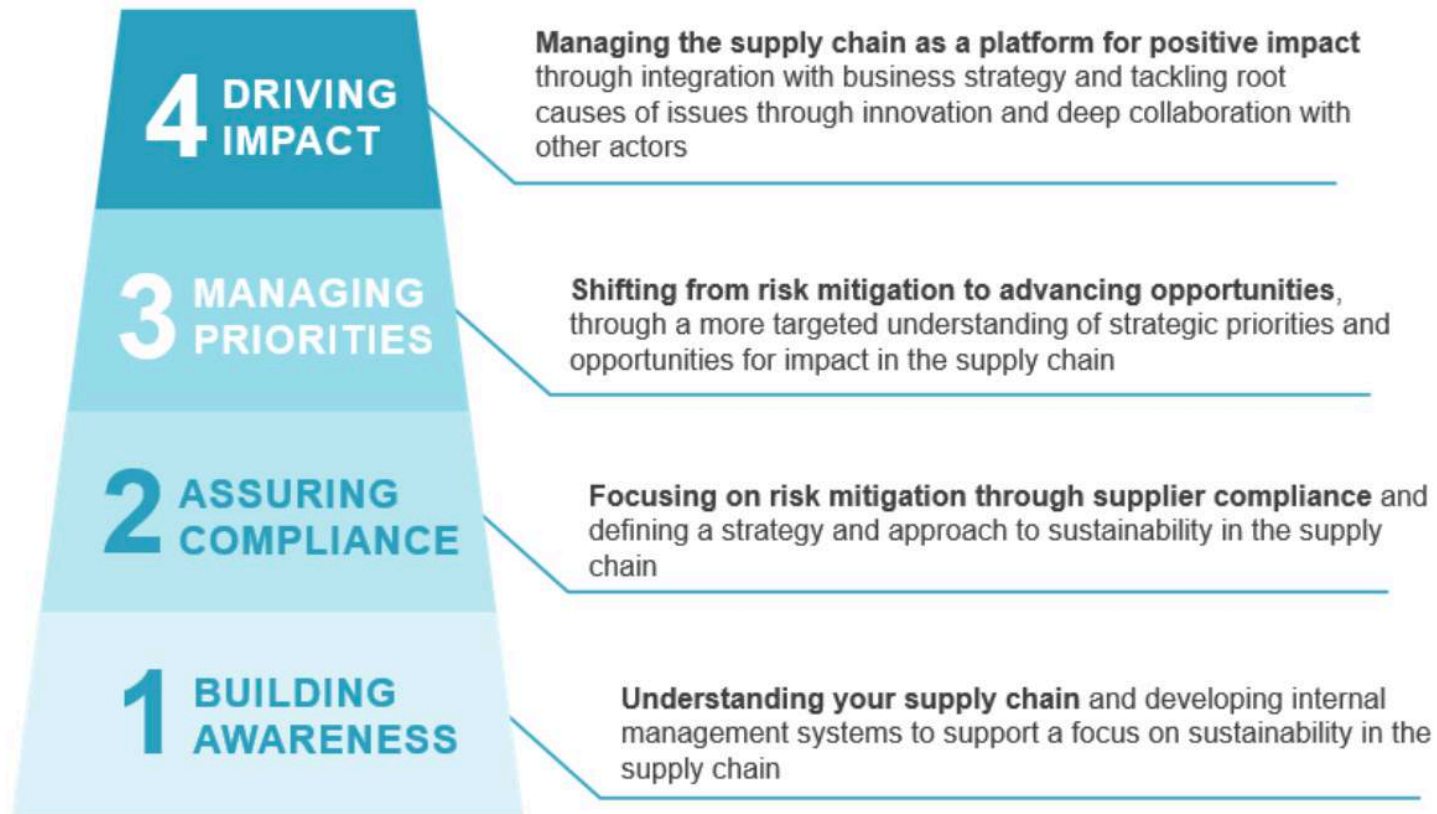


WHY THE FOCUS ON SUPPLY CHAINS

- Core to every business and culture
- Collaboration across the supply chain leads to greater reliability and identification of needs
- ESG leadership attractive and more stable for investors
- PPE shortage euring pandemic emphasized need for local suppliers
- Can open public sector and B2B business opportunities
- Purchasing is like voting and we can vote for the world we want through our purchase decisions

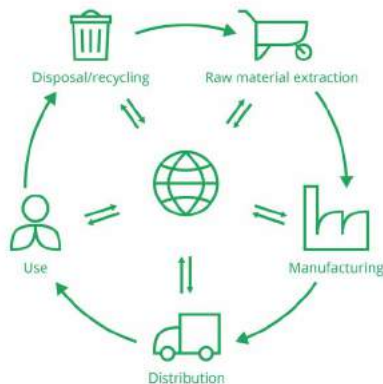


BSR SUPPLY CHAIN LEADERSHIP LADDER



UNDERSTAND YOUR SUPPLY CHAIN

Getting it right can be make your supply chain an important attribute of your brand and earn you tremendous loyalty



patagonia

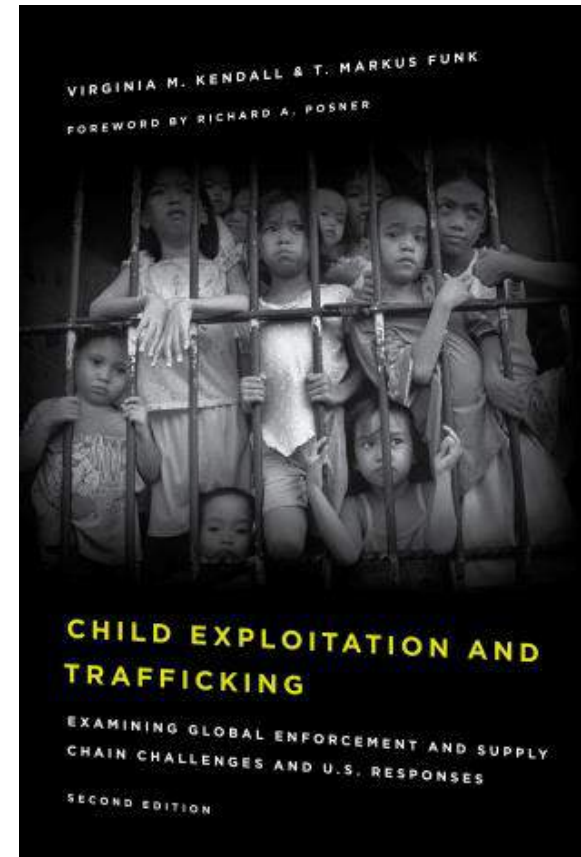
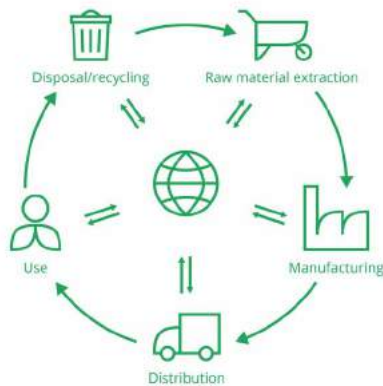
Everything we make has an **impact** on people and the planet. So does everything you buy. The clothing industry contributes up to 10% of the pollution driving the climate crisis. And apparel workers are among the lowest paid in the world. That's why we make high-quality clothes with recycled materials and promote fair and safe labor conditions for workers. There are some things you can do, too.

Buy less . Buy used . Repair what you wear out. Buy from brands that care for their people and the planet. Your purchases are **your demands**.

**Buy Less,
Demand
More.**

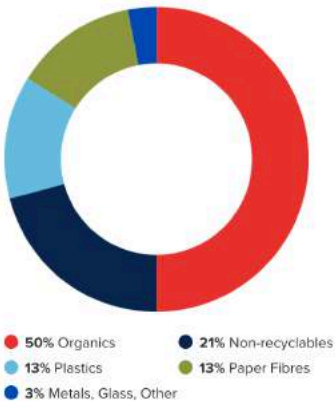
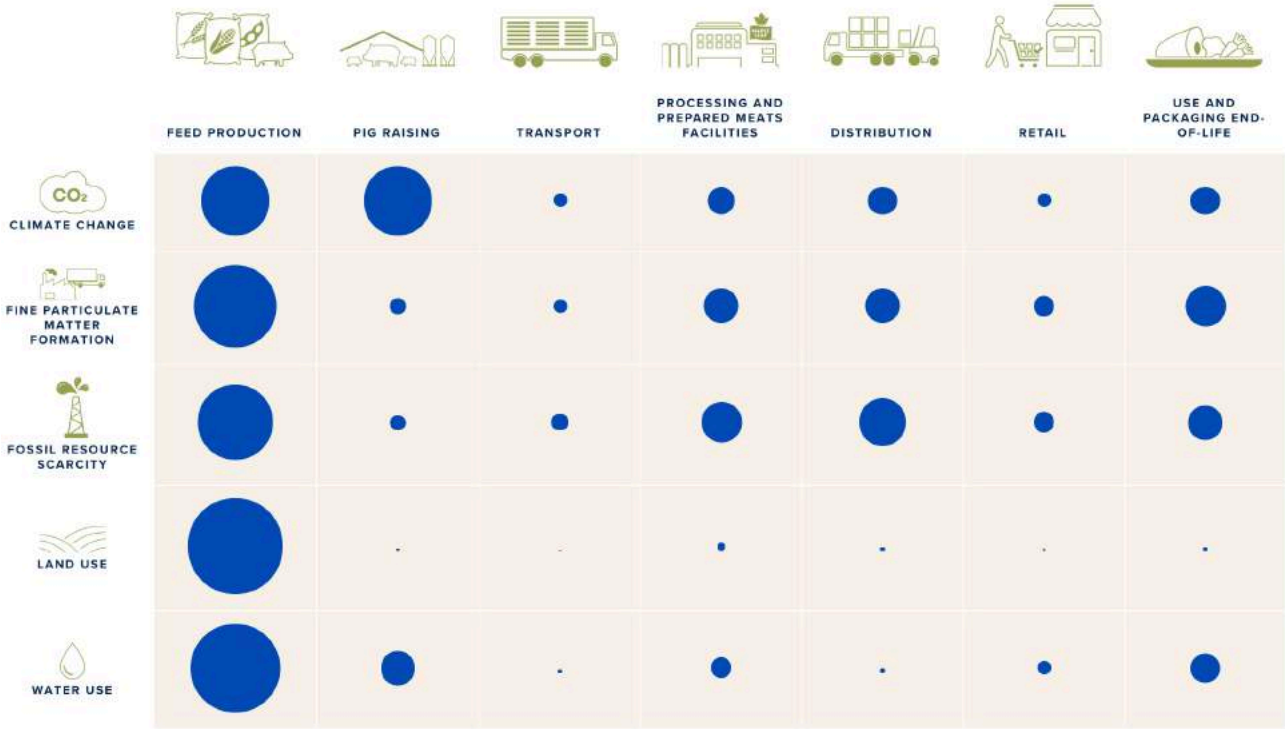
UNDERSTAND YOUR SUPPLY CHAIN

Getting it wrong can cause significant risks to your brand and have devastating effects on the lives of others



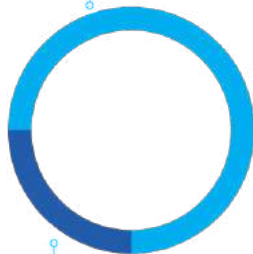
CASE STUDY #1: ENVIRONMENTAL FOOTPRINT

ENVIRONMENTAL IMPACT OF MAPLE LEAF BACON (375 G)



CASE STUDY #2: CIRCULARITY

The circle is a direct representation of our business model: We make plastic circular.



The dark blue section of the circle is the work we do with you to close the plastic ecosystem.

LAVERGNE

Lavergne's font is extra bold, just like our presence in the market.

Plastic waste from facility sent to supplier

Recycled plastic resin sold back to company for use in brewing machines



B2B OPPORTUNITIES AS CORPORATIONS SET AMBITIOUS LONG-TERM TARGETS

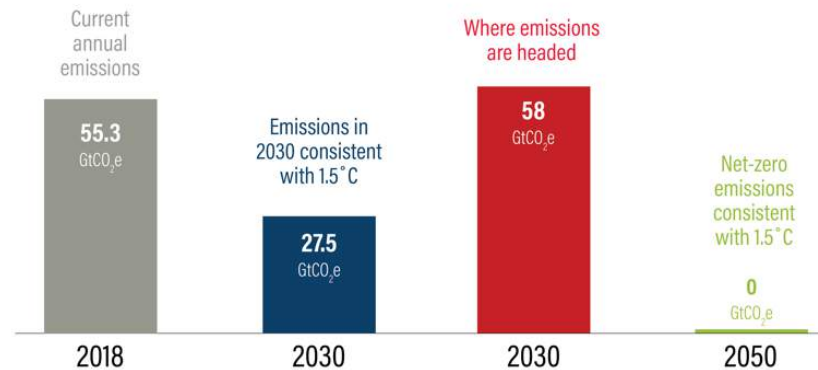
The Growing Emissions Gap

Deepening Public Pressure

Broad Scale Investor Interest

Minimal Progress on the Sustainable Development Goals (SDGs)

Scale of emissions reductions required



SDG Progress Report calls on companies to:

“Move away from mapping existing activities to the goals to a more integrated practice of directing and disclosing on investment activities that create more impact and contribute to progress towards the SDGs.”



Formal Supporters: 1027 organizations representing \$12T in market cap

>

RELEVANT CERTIFICATIONS



What Is Social Procurement?

"Every purchase has an economic, environmental and social impact, whether intended or not. Social procurement is about capturing those impacts and seeking to make intentional positive contributions to both the local economy and the overall vibrancy of the community." - David LePage



CASE STUDY #3: SUPPLIER CODES OF CONDUCT

OUR VALUES - Responsibility • Respect • Community

SUPPLIER CODE OF CONDUCT

Piper & Skye requires that all of our partners within our supply chain adhere to our Supplier Code of Conduct. This ensures that we choose partners whose values and objectives align with our own. [Learn more here.](#)

GREEN OFFICE POLICY

Environmental stewardship is a shared responsibility for protecting the environment and minimizing the impact of our daily decisions. Piper & Skye is committed to continuously reducing our environmental impact in our journey towards sustainability. View our [Green Office Policy.](#)

MANUFACTURING CODE OF CONDUCT

[Learn more here.](#)

INTERNAL CODE OF ETHICS

[Learn more here.](#)

EXTERNAL CODE OF ETHICS

[Learn more here.](#)

HARVEST AND TRADE OF PIRARUCU IN THE BRAZILIAN AMAZON

CITES & Livelihoods Case Study, 2019

TRANSPARENCY POLICY

[Learn more here.](#)

ENVIRONMENTAL POLICY

[Learn more here.](#)

PRODUCT CIRCULARITY

[Learn more here.](#)

PIPER & SKYE

OUR PURPOSE - To be a leader in responsible luxury.

CBSR RESEARCH FINDINGS



Gaps in Supply Chain Management at Canadian Companies

1. Financial risk assessment of supply chain, specifically measuring the financial risk of not pursuing a sustainable supply chain strategy
2. Reporting on Living Wages as defined by the International Labour Organization (ILO) and consideration of family well-being for supplier employees
3. There is a mismatch between procurement strategies, supplier Codes of Conduct and providing support and training to suppliers that empowers them to meet sustainable development goals

11% of companies reporting on living wages

58% reported on sustainable procurement

68% had a Supplier Code of Conduct

32% provided training and support to suppliers

SUPPLIER DIVERSITY PROGRAMS

- Businesses at least 51% owned and operated by group or individual that is part of a traditionally underrepresented or underserved community.
- Common classifications: B Corp certified, minority-owned enterprises (MBEs), and woman-owned enterprises (WBEs), also Indigenous-owned, businesses owned by LGBTQ+, and proprietors with disabilities.
- Supplier diversity programs seen as effective opportunity to improve economic opportunities for disadvantaged groups as well as make supply chains more resilient and agile.
- Opportunity for SMEs to differentiate themselves among large corporations who seek to expand social impact, gain market access, and increase diverse customer base.
- Supply of



CASE STUDY #4: SOCIAL PROCUREMENT

Every business can, and should, make the world a better place.

We acknowledge that we have a significant role to play in our community. It drives us to create opportunities for everyone. And, take diverse ideas and perspectives into consideration – even incorporate them into our projects.

Much of our work follows community benefit agreements. This ensures that a portion of project investments is put back into the community we're building in.

This strategy allows us to:

- provide employment opportunities for local people
- expand diversity in local businesses
- reduce poverty
- utilize first source hiring
- eliminate social isolation and incorporate local purchasing
- secure work, offer skills training and provide fair wages to underrepresented groups

As a B Corp, we look at all the ways we can use our business to make a positive impact on the world.



- 5% of all business spend



Public Sector Procurement



Krchnava, Lenka <Lenka.Krchnava@tbs-sct.gc.ca> on behalf of
Xenos, Nick <Nick.Xenos@tbs-sct.gc.ca>

Thu 11/26/2020 9:46 AM



(La version française suit)

The **Greening Government Strategy** has been recently updated including:

- A new target to be net-zero emissions by 2050, in-line with the target announced for Canada in the 2019 Speech from the Throne;
- An expanded scope for the new target, beyond just real property and fleet, to include procurement of goods and services, air travel, commuting and national safety and security operations;
- A commitment that all new federal buildings (including build-to-lease and public-private partnerships) will be net-zero carbon unless a life-cycle cost-benefit analysis indicates net-zero-carbon-ready construction;
- All major building retrofits will require a greenhouse gas (GHG) reduction life-cycle cost analysis to determine the optimal GHG savings - the life-cycle cost approach will use a carbon shadow price of \$300 per tonne;
- New commitments to retain and restore biodiversity on real property holdings;
- Commitments to understand the impacts of climate change to federal assets, services and operations across the country by 2021 and by 2022 to take action to reduce climate change risks.

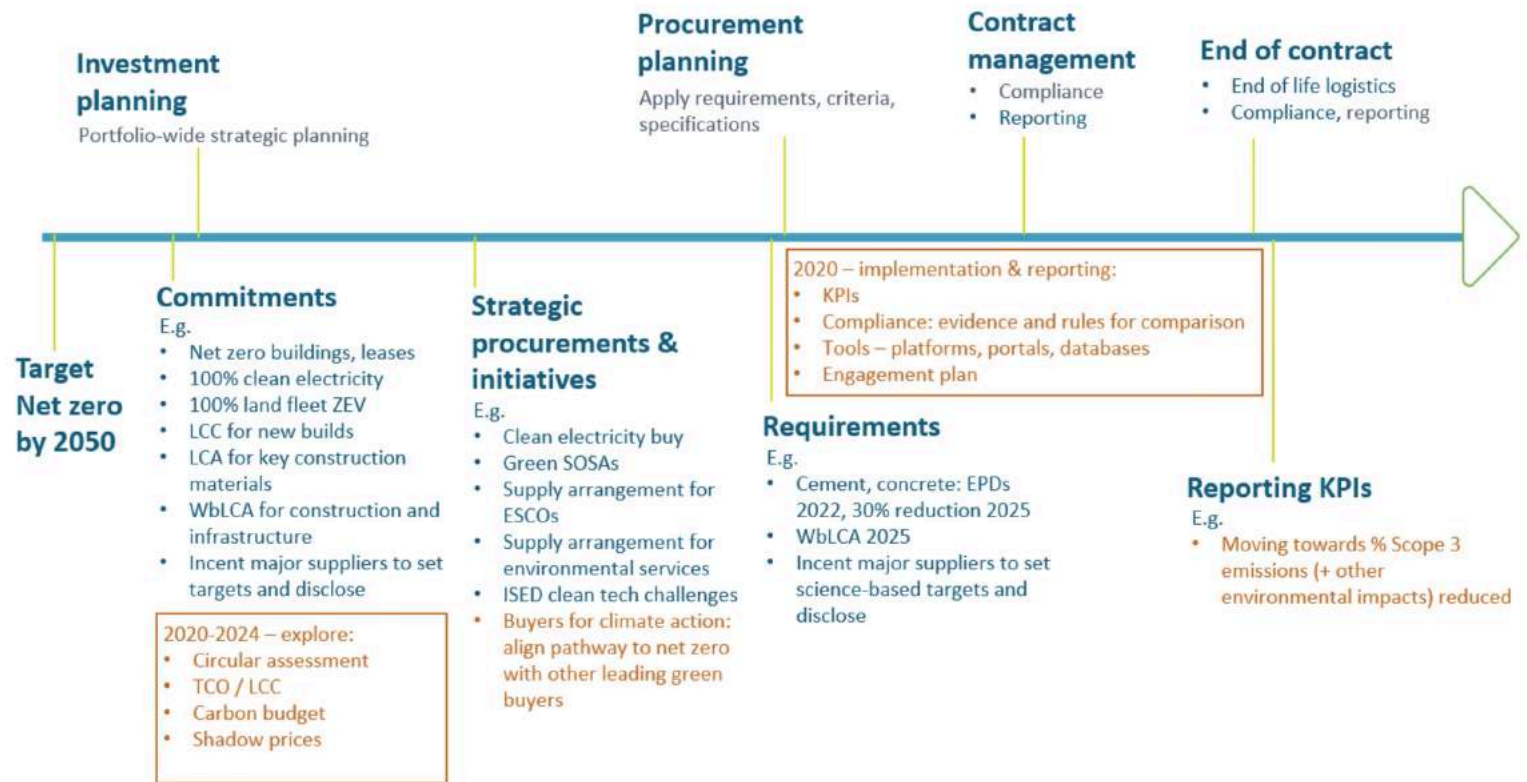
The updated Greening Government Strategy is now live on the web:

[Greening Government Strategy: A Government of Canada Directive - Canada.ca](#)

[Stratégie pour un gouvernement vert : Une directive du gouvernement du Canada - Canada.ca](#)

Public Sector Procurement

- Feds have a new “greening government” procurement strategy that includes net-zero target
- Looking at circularity and total cost of ownership in coming years
- Opportunity for enviro leaders hoping to bid on gov’t contracts



CLOSING QUESTIONS

- What risks exist in your supply chain?
- Are there opportunities for you to position your business as a solution provider for corporations or government bodies looking to diversify their supply chain and reduce emissions?

The background features several abstract geometric elements. On the left, a grey diagonal line intersects a red diagonal band. A light grey curved bar arches over the 'THANK YOU!' text. On the right, a vertical red bar is positioned above a red-to-orange gradient bar. In the lower right, a large grey arc and a smaller red arc are visible.

THANK YOU!

Leor Rotchild
Executive Director
CBSR
leor@cbsr.ca
cbsr.ca