

The background of the slide is a high-angle photograph of a large, modern conservatory. The structure has a complex, geometric glass and steel roof. A curved walkway with a glass railing winds through the space, where several people are walking. Below the walkway is a lush, dense garden filled with various tropical plants, including palm trees and large-leafed foliage. The lighting is bright, suggesting natural light coming through the glass roof.

# The Case for Sustainable Business Practice

HOW TO SUSTAINABLY TRANSFORM SUPPLY CHAINS

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# Introduction

*What if every business on earth did something to help?*

Climate change is a threat to our planet as we know it. Businesses need to play a pivotal role in taking measurable, decisive action, and enacting systemic change to mitigate climate challenges. Firms may have to grapple with a cluster of factors, such as meeting low-carbon targets, assessing regional shifts in the availability of water and energy consumption, to the dependability of supply chains and infrastructures.

There is no silver bullet to overcome the effects of climate change, but by advocating for change and innovating business practices, a transformational future could be within our grasp. After all, the business case for climate action is abundantly clear: thirty-five countries experienced economic growth in the past fifteen years by reducing their emissions. What’s more, bold climate choices could deliver \$26 trillion in economic benefit by 2030 and create 65 million new low-carbon jobs, as forecasted by the New Climate Economy. This begs the question, has the hiring landscape also unequivocally changed to meet increasing sustainability goals?

In our latest report, **The Case for Sustainable Business Practice**, we offer a detailed analysis of the supply chain industry; a crucial vertical that has the capacity to fuse innovation with a planet-first approach. Take a deep dive to discover what sustainable advancements are flowing throughout supply chains, how sector professionals responded to our survey series, and hear first-hand from our talent specialists about their thoughts on hiring for a sustainable-centric future.

# Auditing the Carbon Footprint

Supply chains account for more than 90% of most consumer goods companies' environmental impact, meaning businesses need to be striving for sustainable change within this sector as a priority, with fundamental opportunities lying in a net-zero end-to-end supply chain. According to the Carbon Disclosure Project (CDP), a non-profit organization that advocates for environmental disclosure, supply chains are 11.4 times higher than operational emissions, which is more than double previous estimates. Most alarmingly, the World Economic Forum discovered that 8 global supply chains account for more than 50% of annual greenhouse gas emissions.

Measuring the sustainability metrics from beginning to end in a supply chain lifecycle is incredibly complex. For example, where freight could be the largest emitter in a construction company's supply chain, manufacturing might hold the lion's share of emissions in a fast-moving consumer goods supply chain.

Overall, the sustainable cracks are beginning to show, and one thing is for certain; a substantial pitfall of end-to-end supply chains is notable in their energy-intensive production, consumption, and transportation.

To combat these sector challenges and up the ante on decarbonization strategies, organizations might look firstly, to meticulously audit the carbon footprint of their supply chains, and secondly, to increase transparency between suppliers and buyers – this offers a real chance for seismic impact.

Addressing and measuring supply chain emissions offers a myriad of benefits. From multiplying their climate impact, encouraging greater social responsibility among suppliers, to staying ahead of stringent regulations, there is a confluence of factors that can help boost a corporations environmental, social, and governance (ESG) credentials. Consequently, as markets continue to evolve and morph, businesses that fail to manage their environmental impact will certainly get left behind, not only by a damaged reputation, but by the ever-amounting expenditures set to impact major buyers, who could face up to \$120bn in increased costs in the next 5 years due to environmental risks in their supply chains. Although progress has been incremental, it's promising to see that in a 2020 survey, CDP reported advancements in the reduction of greenhouse gases (GHG) from suppliers, with 619mil tons of emission reductions and savings of \$33.7bn.



# Chain Reaction: Companies Leading the Charge

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But it's not all doom and gloom - positive sustainable momentum is filtering down the supply chain, enhancing production lines, transforming transportation by ditching fossil fuels, and digital innovations are powering sustainable supply chains. Cascading supply chain action and promising innovations are helping to fuel change, as **Matthew Wood**, Director at DSJ Global, reports, "sustainability touches all areas of the supply chain, from sustainable sourcing, the environmental impact of manufacturing processes, to how the end product is transported to customers."

Within a supply chain network, arguably the most important process is procurement – a crucial pillar with a market size value worth a whopping \$5.78bn in 2020. The opportunities with sustainable procurement sourcing are widespread and businesses can provide value-add internally by saving costs, future-proofing long-term objectives, and optimizing their revenue growth, but also externally, by genuinely improving the bottom line moving forward and ethically meeting their mission statements. Above all, **Julia Diagle**, Principal Consultant at DSJ Global, reports, "we are now seeing reputable NGOs, like The Sustainable Procurement Pledge, garner industry recognition for discussing and promoting sustainable methods and strategies."

An additional muscle to sustainable supply chains is operational processes; how can a company be more efficient and shrink their consumption? From a logistics and operational standpoint, businesses have a unique opportunity, or challenge, to mitigate waste in their globally distributed supply chains, whether that's designing products which can be easily reused/recycled or sending items back to manufacturers to be upcycled. These corporate social responsibility (CSR) practices are good for the planet, and can also help businesses decrease costs, protect against reputational damage, and enhance supply chains continuity. Although there is no single narrative or sector standard on how to optimize supply chain operations, many franchises are responding by setting their own targets.

“

We are now seeing reputable NGOs, like The Sustainable Procurement Pledge, garner industry recognition for discussing and promoting sustainable methods and strategies.”

**JULIA DIAGLE**

PRINCIPAL CONSULTANT  
DSJ GLOBAL

# Digitalization of the Supply Chain

With the rise of Industry 4.0, the advancement of digital transformation such as big data, blockchain, and cloud computing, helps reconfigure business processes quickly to strengthen supply chain integration.

Digitalization and sustainability co-evolved simultaneously across many sectors, and from the onset of the global pandemic, arguably this has only accelerated. Although the latest developments might create their own set of risks or hamper an ability to manage distributed supply chains, organizations could meet these challenges and market changes head on by leveraging top technologies.

Cutting-edge blockchain technology is being leveraged by corporations to tackle greenwashing in supply chains, to standardize emissions, to aggregate and report on ESG data, and to put carbon trading – the acquiring and selling of credits – into the spotlight.

Carbon trading systems fall into the realm of crypto currency, and although controversial in terms of regulation and transparency, unlocking blockchain technology has twofold values. Firstly, carbon credits are beneficial from a consumer's point of view because they can be given back to charitable organizations or into crowdfunding campaigns. Secondly, as blockchain technology delivers traceable, accurate, authentic, and real-time results on carbon emission calculations, this drives value across the entire end-to-end supply chain, whereby manufacturers to shippers can interconnectedly work together.



# Green Jobs: New Ways to Conduct Business

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Worldwide movement to address the climate crisis, which has gripped the entire ecosphere of governing bodies, economies, and businesses, has naturally translated into a substantive growth in green jobs. But what does the colloquial phrase 'green jobs' mean specifically in supply chains?

Essentially, green careers directly contribute to tackling climate change, but it's useful to define this through a twofold criterion. Firstly, individuals that can think strategically about ESG and understand the context overall – the policy advisors and chief sustainability officers – fall into one category. Secondly, experts with highly specialised and technical fluency in low carbon fuels, sustainable procurement, solar energy, or green engineering for example, exist in a separate category.



# Sustainable Talent

The team at DSJ Global surveyed our global supply chain and procurement network, post-COP26, and found that nearly **72% of respondents reported that ESG is important when hunting for a new job**. Today, businesses face a dual challenge. Firstly, they need to enact change for the environment, as **Yohan Kim**, Sustainability Manager at Philips Morris, states, “sustainability has changed the way we view companies. The Korean Government is taking active steps by implementing new rules, such as the serious accident punishment law that came into effect from January 2022, which will alter the narrative from ‘not implementing’ to ‘how well are you implementing’ sustainability in your operations.” Secondly, if ESG isn’t at the heart of a business, mission-critical talent may not be as attracted to less sustainable firms, as **Fabian Klaes**, VP Strategic Client Partnerships at DSJ Global, confirms: “a job is not just about earning a salary to pay the bills, professionals want to make a real impact.”

We also asked our specialist community whether they would **consider switching roles if their company wasn’t environmentally forward-thinking and under half (47%) answered yes**. A key takeaway highlights that sustainability is top of the corporate agenda. For many, it could be a driving strategy or change in mindset, for others, it might be a social purpose – looking at the core business function to see if it aligns to a planet-first ethos. When asked about how important environmental policies are to candidates applying for jobs, a global category professional at a leading biotech firm shares his view, “personally, it’s a deal breaker. I will not apply for a position in an organization that does not

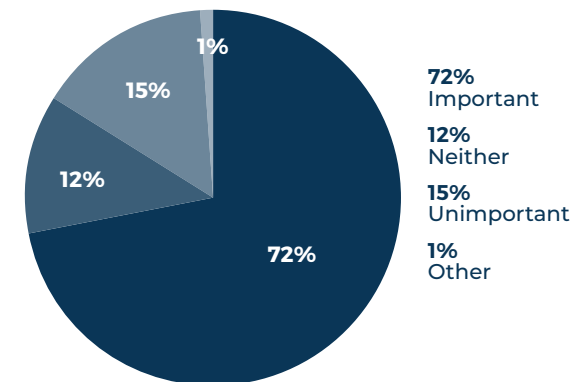
at least hold sustainability as a key concern. Presence of policies and reporting on the topic is even better.”

Our findings from both LinkedIn polls exemplifies that a major pendulum shift in the talent community has already begun – with many placing environmental policies at the crux of their career-defining next steps. A clear example of this, observed by **Tom Willis**, Head of DSJ Global, was in a recent interview process in the manufacturing space, “which saw a raw material manufacturer lose several candidates at the later stage of an interview process due to evidence of illegal deforestation coming to light.”

Over the next decade, as new climate policies and commitments develop, the specialist team at DSJ Global expect to see exponential growth in the creation of sustainable jobs, especially at all aspects of the supply chain. With this boom in ESG roles, companies need to be mindful about the appropriate steps to get talent on board. One thing is for certain, supply chains are only as strong as the workforce, and with the unique sentiments of workers dynamically changing, talent will be the kingmaker to push the dial on ESG.

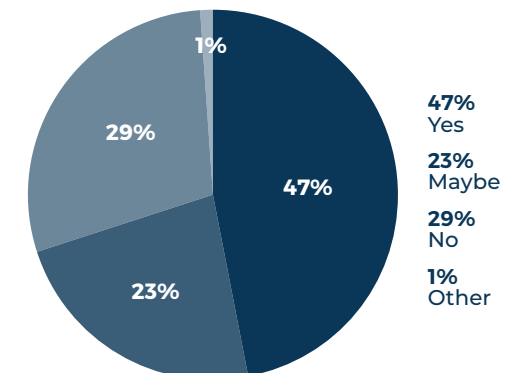
## dsj-global – Poll

Supply chain, logistics & procurement professionals, how important is ESG when looking for a role?



## dsj-global – Poll

Would you consider switching roles if your company wasn't environmentally forward-thinking?



# Accelerating the Transition

Gwyneth Fries, Expert Senior Manager, Sustainability at Bain & Company

As an Expert Senior Manager at Bain & Company, Gwyneth Fries has witnessed first-hand how sustainability is transforming the talent landscape, with organizations proactively building out their sustainability teams for the future. Gwyneth Fries provides outside expertise and is an internal expert on corporate sustainability and the team at DSJ Global are delighted to share our exclusive interview with Fries in this report.

When we analyze supply chain sustainability, the primary focus is reducing emissions and decarbonization - that's where the real crisis is. According to our research at Bain & Company in the [Southeast Asia's Green Economy 2021 Report: Opportunities on the Road to Net Zero](#), the region faces a ~3-4Gt gap to 1.5°C aligned emissions levels in 2030 based on latest NDCs.

There is an urgency to move beyond core business, to accelerate the transition to alternative fuels – electric or hybrid solution – trialling 'green lanes' for zero carbon shipping, or adopting an internal price on carbon.

The only way to really make progress is together, across industries, and that is why collaborative skillsets are incredibly important. We all need the industry

to shift into a different way of thinking, and through this collaboration, we can build transparency and trust.

Many think that they need a sustainability or ESG professional, but the individual calculating your carbon footprint is not the same as the ones who know the new type of aviation fuel that works best for your business for example. You need people that can think strategically about sustainability and understand the context overall, but also professionals with technical expertise in low carbon fuels, solar energy, or engineers for example. Companies now have recognised that they must do this because there is no business or future if you don't manage sustainability perceptibly going forward – hiring one person isn't going to get you there either.

For a confidential discussion with Gwyneth Fries, or the team at Bain & Company, contact: Bain & Company Global Sustainability Innovation Center [gsic@bain.com](mailto:gsic@bain.com)



# Conclusion

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There are many industry challenges to prioritizing sustainability and ultimately striving to combat the climate crisis. In many ways, challenges can be an enabler for opportunity – the creation of more ESG and/or CSR positions emerging on the horizon, coupled with a need to sustainably transform business models as an avenue for growth, will certainly set the cornerstone for businesses in the near future, and the world beyond.

With this in mind, supply chain transformations are turning the tide on how the industry can put a sustainable foot forward and contribute to net-zero policies. No doubt talented supply chain professionals have indeed been symptomatic of change, as indicated in this report, with many expecting their employer to be completely transparent and authentically committed to ESG.

With ears and eyes in the talent community, we are uniquely positioned to help with your talent challenges. Sustainability is here to stay and the team at DSJ Global are having daily conversations with business-critical talent who place a firm emphasis on ESG. Want to be part of the discussion? **[Reach out to one of our specialist consultants today.](#)**

# About DSJ Global

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The DSJ Global team attracts and secures top performing talent in the industry, ranging from Fortune 500 companies to rapidly growing start-ups.

DSJ Global is a leading talent specialist and a subsidiary of the award-winning Phaidon International group, specializing in end-to-end supply chain. Today, we provide a permanent, contract, and multi-hire talent offering across supply chain, procurement, logistics, technical operations, and engineering.






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## Contact us

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