

The Green Supply Chain: It's all about sustainability

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SATO's green credentials

- carboNZero certified
- Members of the Sustainable Business Network of New Zealand
- Developed Fonterra's first recyclable label
- Developed ecolabel – NZ's only label solution with fully recyclable backing and zero waste

The Business Problem

- Increasing awareness and sophistication of consumers in respect of green issues and sustainability
- Decrease in price premiums for organic, fair-trade/ethical and eco-friendly products
- Customers demanding certainty about the true nature of 'green-ness', ethical/fair trade credentials and sustainability

The Business Problem

- It's becoming increasingly difficult to differentiate between companies that are doing the green/fair trade walking and those simply doing the talking
- Customers tend to want those suppliers that can prove they are walking

The Business Problem

- Transparent information across the supply chain needed to ensure product promise meets reality
 - PR disasters about recycling, excessive waste, 'sweat labour' etc
 - Customers suspicious and want to check provenance of product
 - “How do I know that the promise is real?”

The 'times are changing'

- This matters to customers and pioneers are offering full supply chain transparency....



Clothing manufacturer IceBreaker has made it easy for buyers to discover how the company's garments are made. With IceBreaker's '[Baacode](#),' customers can trace a garment through every step of Icebreaker's production process”

The 'times are changing'

- Pepsi has decided to measure and report the carbon footprint emitted from the production and distribution of its products
- Footprint size will very likely be the next measurement making its way onto the labels
- It was only in 1990 that nutritional information that we now take for granted was required on packaged food
- Carbon may well be the new calorie

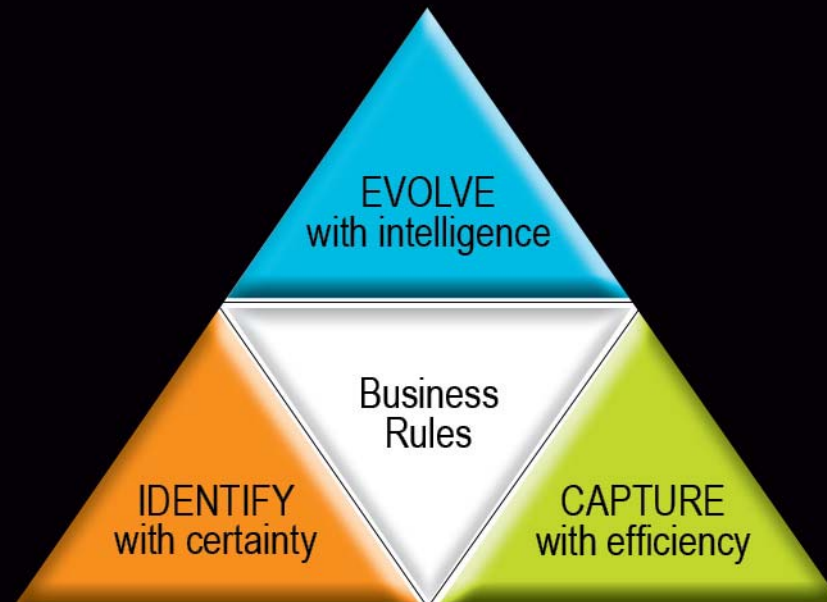
The 'times are changing'

- The Sustainable Distribution Scheme in the UK is a direct response to energy costs and demands from consumers for reduction in 'food miles'
- Currently 37 of the UK's biggest food and drink companies have signed up for the initiative, including Coca Cola, Coors, Northern Foods, Heinz and Asda
- Result in the removal of 800 trucks from UK roads this year or about 23 million litres of diesel fuel per year

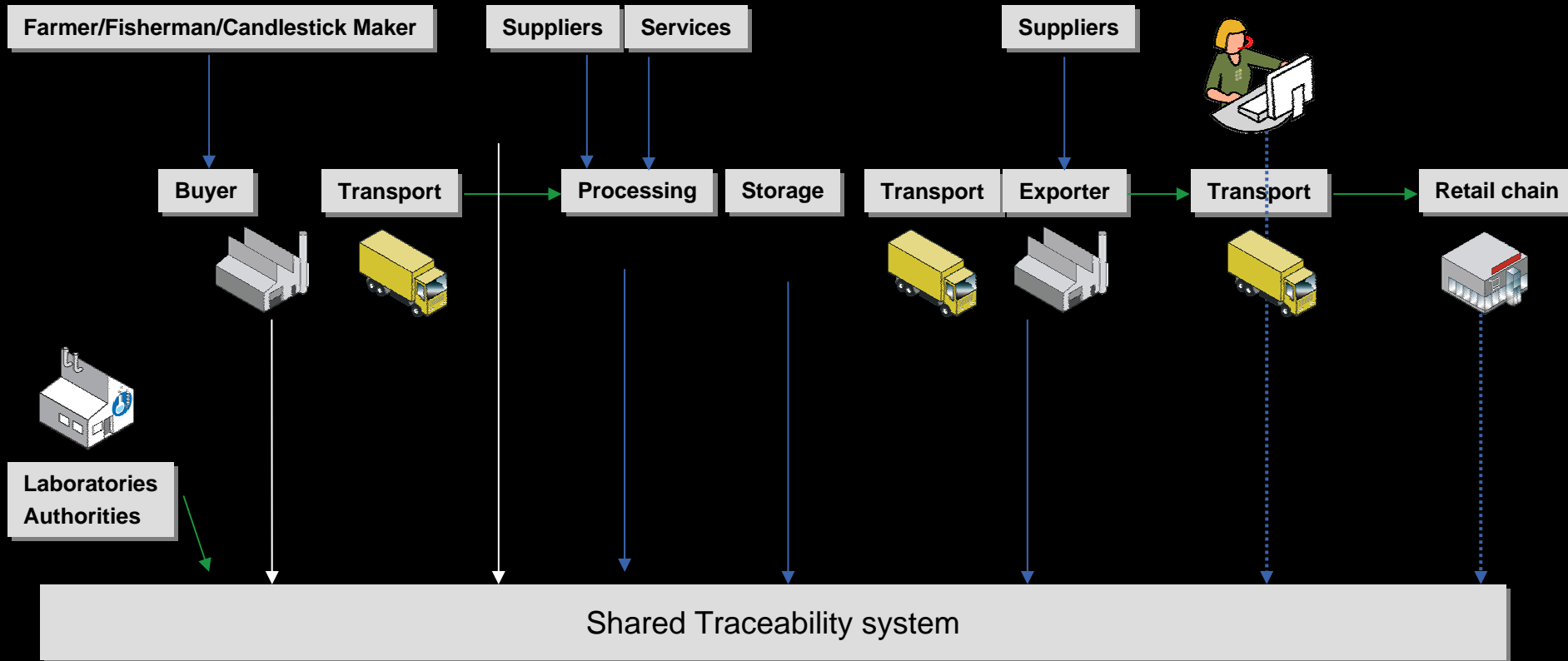
The 'times are changing'

- Consumer demand for proven sustainable products on the rise
- In his inauguration speech, President Barack Obama not only signaled significant work to be done around energy, climate, and transportation; he also evoked a sense of personal and collective responsibility by encouraging us to become part of the green solution
- Many consumers will listen to him

The basis of traceability



The Solution



Solving the problem

- Full granular traceability across the supply chain
 - Standards based identification solutions (GS1, EPC)
 - Sharing of data between companies and systems
 - Reporting to customers

Solving the Problem

- Use of defined rules to determine ingredient mixes (what's good and what is not); best route for carbon footprint; origin of ingredients etc
- Fact is, some products will choose to be 'bad' and will not earn a price premium or demand advantage
- But most will respond to consumer demand for transparency and certainty by tracking their entire supply chain
- It's the new supply eco-system

Solving The Problem

- Business rules to reduce process friction and improve efficiency
- It's no good reporting a disastrously inefficient supply chain or losing a link in the reporting of the supply chain
- Using data to improve business processes to improve the reality behind the “green promise”

Only then...

- Only after sharing data across the supply chain, testing the efficiency of the supply chain using the data gained, addressing process friction or excessive waste can you open the kimono to the customer

