



Creating and Maintaining a Diverse and Sustainable Supply Chain

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AGENDA

1

Fair Access

Reducing barriers for suppliers

2

Measuring Sustainability

Collecting and managing sustainability information

3

Achieving Sustainability Goals

Delivering performance improvement

30

Years' experience

Achilles is one of the world's leading global supply chain risk management companies. We collect, validate and maintain essential supplier data through an online questionnaire and physical audits.

11

Sectors

A global solution serving 11 industries with core in energy and infrastructure.

550

Buyers

Using our services to search, source and monitor compliance with their suppliers.

175k

Suppliers

Vetted and validated network of suppliers.



~600 Employees

A global team, headquartered in the UK servicing customers in over 20 languages.



17 Locations

Offices in the Americas, Europe, Asia and the Middle East.



PLANET: Electric Vehicle & Renewable Energy Investment Rising
Demand for batteries reaches record heights



PROFIT: Nickel prices surge, adding estimated \$1,000 to the cost of your average EV



PEOPLE: Tesla 'is making its Shanghai workers sleep inside the factory'
Metro, April 2022

Why do you want to create a

Diverse supply chain?

REGULATION

Changes to the Public Contracts Regulations 2015 have widened the remit



CHALLENGES

The most common challenge, affecting 40% of companies, is a limited number of sustainable suppliers. This number goes as high as 47% in the Chemical industry, compared to only 33% in the Consumer Goods industry.



8/10

The importance of environmental management/sustainability to their organisation



71%

Said sustainability initiatives will have a bigger priority in the coming year



53%

Plan to spend up to 10% of their procurement budget on sustainability initiatives



52%

Have no carbon reduction strategy in place despite giving carbon reduction an importance rating of 7.4 out of 10 as a business goal

Sustainability: a global priority



SOURCE DIVERSE &
SUSTAINABLE SUPPLIERS



BOARD CHALLENGE

Remaining relevant and viable in today's world means reflecting the values of the consumer and navigating the complex macro environment.



PROCUREMENT MANDATE

Delivering on board objectives to source ethically, efficiently, and safely requires focus and engagement throughout the supply chain.



A SUSTAINABLE FUTURE

Through cooperation and shared goals, the mandate becomes an opportunity to secure a sustainable future, for your organisation, and the supply chain ecosystem.

THE CASE FOR SUSTAINABLE PROCUREMENT

THE DIY CHALLENGE

“The CFA Institute recently found that almost 80% of practitioners surveyed believe there is a need to improve standards around ESG products to mitigate greenwashing.”

- World Economic Forum, 2021



What is the process?

Large organisations with complex relationships struggle to maintain consistent processes, software tools, and data for managing portfolio companies and their supply chains.



What is the standard?

One-size-fits all ESG assessment isn't realistic, but custom built solutions are inefficient and difficult to scale. Leveraging proven standards drives efficiency and compliance.



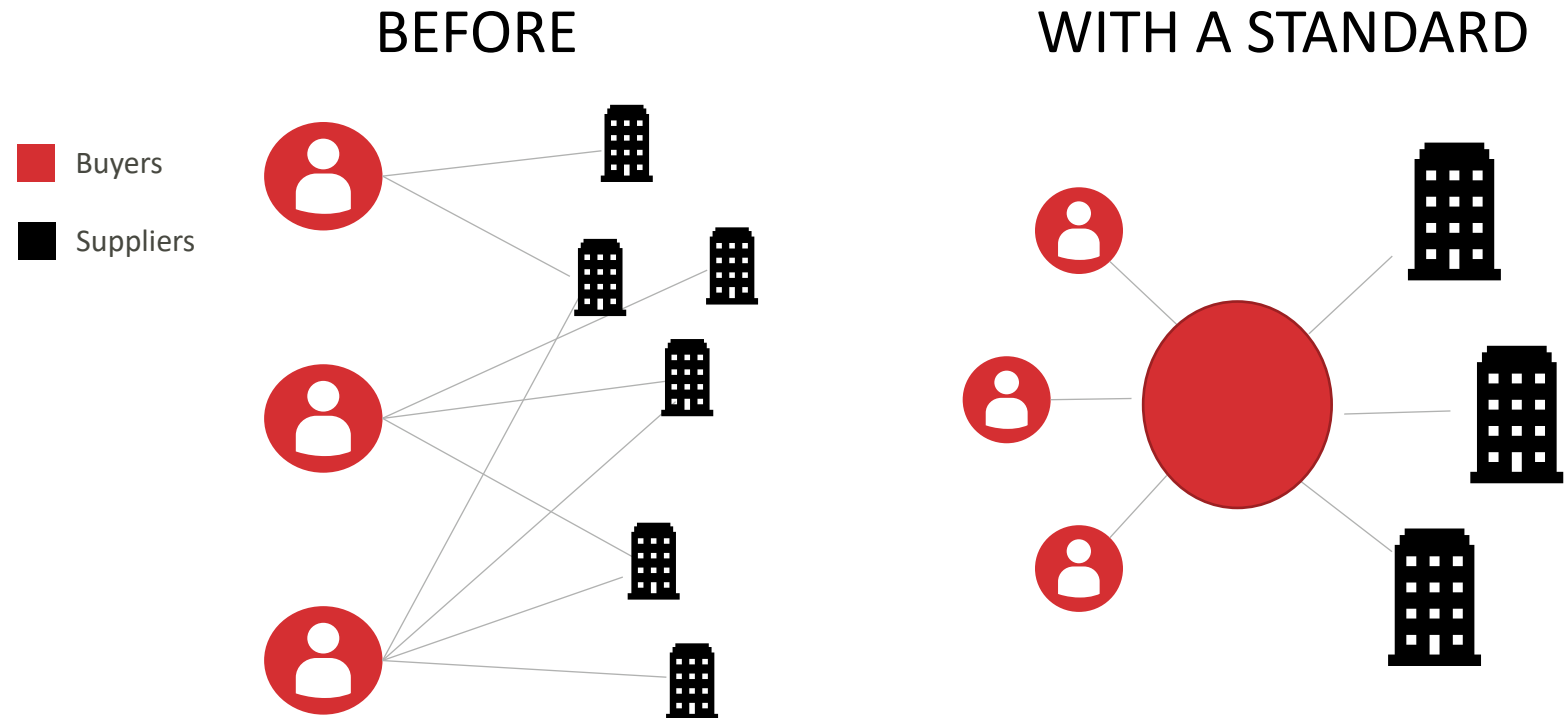
Where is my data?

It is common for organisations to manage a multitude of spreadsheets, databases, and software systems, leading to inefficiencies and inaccuracies in assessment and reporting.



STANDARD ASSURANCE

When there is a standard method for collecting and assuring consistent data, it minimises duplication and drives efficiency for both buyer and supplier organisations.





ISO, IOGP, CAS

Accepting a range of international standards reduces supplier burden.



IAF Accreditation Bodies

Allowing suppliers choice to who performs the accreditation by expertise area.



Single Source of Truth

Levels the playing field – enabling responsible suppliers, of all backgrounds and size, to shine.



YOUR SUPPLY CHAIN

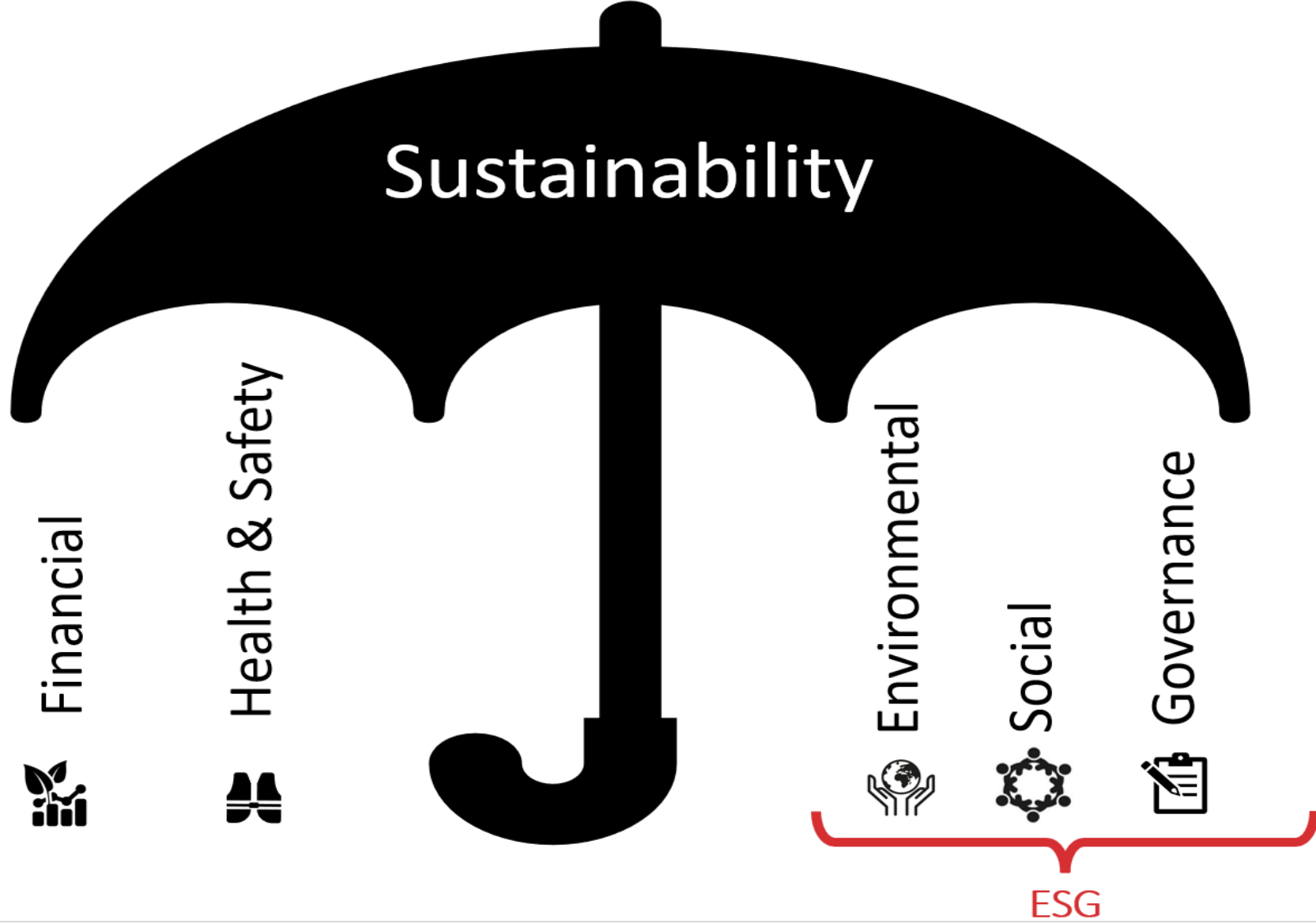
With a common standard, suppliers benefit from

THE NETWORK METHOD

Defining Sustainability

Whose ESG Definition should I use?

Achilles assesses suppliers against a range of regulatory and internationally accepted standards, and we leverage that assessment to provide Achilles' Sustainability Scores.



DRIVING SUSTAINABILITY

*A better world, one
supply chain at a
time.*



FINANCIAL

Practices that support long-term economic growth without negatively impacting social, environmental and cultural aspects of the community.



ENVIRONMENTAL

responsibly interacting with the planet to maintain natural resources and reduce negative impact.



SOCIAL

identifying and managing business impacts, both positive and negative, on people.



GOVERNANCE

conducting business effectively, compliantly and transparently.



HEALTH & SAFETY

keeping colleagues, contractors, and suppliers safe in the workplace.

Public Contracts Regulations 2015

Permits more flexible and non-economic approaches – environmental protection and social values

- Must not restrict competition
- Must not breach Procurement Principles
- PCR 2015 legally permits a wider range of social and environmental criteria

Public Procurement Sustainability

- "Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment".

REGULATIONS
AND
SUSTAINABILITY

REGULATION 40

Pre-Procurement Engagement

- May "seek or accept advice from independent experts, authorities or market participants".
- Advice obtained in a preliminary market consultation can be used in the subsequent planning and conduct of the procurement procedure.

PRELIMINARY MARKET CONSULTATIONS

REGULATION 18

Procurement Principles

- Transparency
- Equal Treatment
- Non-discrimination
- Proportionality

RIGOROUS DATA CAPTURE

Supplier insights cover a range of critical topics, and data can be submitted and validated through supplier online entry, desktop audit, or onsite audit.



COMPANY INFORMATION

- Company Profile
- Registration
- Innovation & Development
- Financial, Ownership, Stability
- Core Financial
- Insurance
- Operating License
- Trade Controls



ENVIRONMENT

- Environmental Management Systems
- Carbon Emissions
- Water
- Waste & Recycling
- Plastics
- Hazardous Substances
- Energy



HEALTH, SAFETY, & QUALITY

- HSSE Policy
- HSE Performance Management
- Management of Workplace H&S
- Medical Provision
- Occupational Health
- Quality Assurance & Management



SOCIAL

- Labour Practice & Modern Slavery
- Local Content
- Land Rights
- Conflict Minerals



CYBER & IT

- IT Systems Integrity
- Data Systems
- Data Governance
- Cyber Exposure



GOVERNANCE

- Ethical Business
- Responsible Political Involvement
- Equality, Diversity, & Inclusion
- Workforce Management
- Supply Chain Resilience
- Disaster Recovery

TURNING RESPONSES INTO INSIGHTS

RIGHT QUESTIONS

Question architecture is our **priority**. Gaining insights and driving decisions is dependent on asking appropriate questions to the right suppliers and collecting answers in the right way.

VALIDATED RESPONSES

Risk differs by region, sector and company, providing the right level of validation is critical to success. Achilles offers a range of validation tools, from system response type (i.e. type of data entered), to desktop assessment by a qualified assessor, through to on-site audits.

ANSWERS = DATA

Data enables **decision driving insights** for both buyers and suppliers.



How does good data management
translate into action?

| Through the power of Insights



600 RI Events

In the last 3 months, buying organisations surveyed the supply base over 600 times.

up to **8,000**

Buyer Searches per day

Last month, buyers searched for suppliers on MyAchilles more than 85,000 times.

SEARCHING

Make search and selection of diverse suppliers easy

57%

Committed to Ethical Sourcing

The majority of Achilles Network members are committed to ethical sourcing. As focus shifts into multi-tier supplier management, ensuring your suppliers share your code of ethics will be critical.



£500,000 in savings per supply chain

On average, Achilles saves purchasing organisations £500,000 per year in time and resource spent on responsible sourcing.

15%

Average Overlap

On average, when we onboard a purchasing team, 15% of their suppliers are already registered.

50%

SME Suppliers

Over 50% of the suppliers in our network are Small or Micro enterprises.



Achilles supports a network of suppliers and buyers representing every major region across the globe.

3x

More likely to enforce labour standards

Certified suppliers are 3 times more likely to enforce labour standards.

50%

More likely to have CSR standard

Suppliers audited by Achilles are 50% more likely to hold their supply chains to a CSR standard.



The world has changed – sustainability & diversity are now key business metrics and value drivers.



Consumers are now demanding that companies demonstrate transparent, ethical and sustainable supply chains.



Effective management of your sustainability efforts starts with successful measurement.



Good data = great insights and standardising the data management means that you gain competitive advantage and your customer has complete confidence.

INSIGHT IS BETTER THAN HINDSIGHT