



Collaborative Sustainable Supply Chains

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Supply Chain Definitions

Green Supply Chain: the logistics supply chain that transports physical products, and its efforts to reduce power consumption (fuel, electrical), carbon footprint, etc.

vs.

Sustainable Supply Chain: adding environmental and social performance characteristics of the suppliers that ship to, and products that flow through, the physical supply chain



Product Sustainability in Supply Chains

The “Pioneer” Phase

- Large global companies initiated, often ethical / fair labour focus
- Creation of proprietary guidelines/ criteria
- Burden of overhead expenses to implement the program
- Onus to educate, train, track supplier
- Benefits: Risk management; Recognition for leadership



Product Sustainability in Supply Chains

The “Mainstream” Phase

- Quickly will become the baseline expectation
- Companies could incur significant costs to implement
- Mass redundancies
- Costs saddled onto supply chain for compliance



Indicators of the Need for Collaboration

Note: Most companies yet to implement systems, many who have focused on labor performance 1st (not environmental), still...

- >1,000 different ethical and labor codes/criteria/standards globally (GSCP)
- no environmental standard, numerous competing to fill void
- pioneering companies built up large in-house teams & overhead
- audit fatigue among suppliers: 20-30 or more differing audits per year
- are “sustainable” supply chain systems to-date only creating expertise in passing audits?
- companies embarking now: face this and the escalation in these challenges with each new initiative

Many Emerging “Pieces” in Supply Chain Sustainability “Infrastructure”



	Criteria	Compliance	Tracking
Food Safety	GFSI, ^{incl} SQF	Existing	ICIX; Red Sky Creative
Environment		Emerging	SEDEX, Fair Factories Clearinghouse
Ethical / Labor	GSCP, ETI, SA8000, ILO, WRAP	Emerging	



Transactional / Product Data: Product Registries (UPC bar codes) GS1



Example of Collaboration in Supply Chains

The Global Food Safety Initiative

The GFSI Objectives are:

1. **Convergence** among food safety standards (BRC, IFS, Dutch HACCP, & SQF) through maintaining a **benchmarking process** for food safety management schemes.
2. **Improve cost efficiency** throughout the food supply chain through the **common acceptance of GFSI recognized standards by retailers** around the world.



Sustainability in Supply Chains:

The Mainstream Phase = Collaboration on “Infrastructure”

- Not anti-competitive / not anti-trust: “pre-competitive”
- Cost Reduction
- Risk Management
- Acceleration