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Advise

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WEBINAR

Socio-Environmental Risk Remediation Across the Supply Chain

17 November 2020

Online Meeting Instructions

Please take note of the following instructions:

- You can change your name, but it's better for everyone to know who you are!
- You are in **mute** mode – use the chat function and main presenter may invite to speak and share a question
- Your **camera is off** – so you keep the bandwidth and minimize your carbon footprint attending this event
- You are welcome to **invite other participants**
- You are welcome to use social media including **@Ksapaorg** so everyone can track the discussions
- Participant list is accessible through LinkedIn
- A short **poll** will be activated. Please contribute so we can improve and connect as necessary!



Mute



Start Video



Invite



Participants



Share Screen



Chat



Record



Introducing Ksapa

Introducing Ksapa

Ksapa (Sioux language): Discernment, Wisdom, Soundness, Reasonableness

As a mission-native company ("entreprise à mission"), our purpose is to actively contribute to shifting the economic world toward economically, socially and environmentally performant operating and investment models.

Ksapa draws on its team's sustainability and finance expertise across the corporate, investors, institutional, academic and non-profit sectors, to combine ESG, Sustainability Consulting and Innovative Impact Investment services.

Working with our clients, we design and implement scalable solutions towards building more resilient, inclusive and competitive operating models.



We Advise

Ksapa provides strategic advice helping companies and investors to generate competitiveness with resilience and inclusiveness

- ESG Prioritization
- Business Strategy, incl. Stakeholder Dialog
- ESG Risks assessment & Due Diligence



We Invest

Ksapa provides scalable innovative financing solutions and impact investing programs generating return and accelerating impact on Global Goals

- Impact Investing Fund
- Innovative Sustainability-themed Investment Program
- Active Ownership



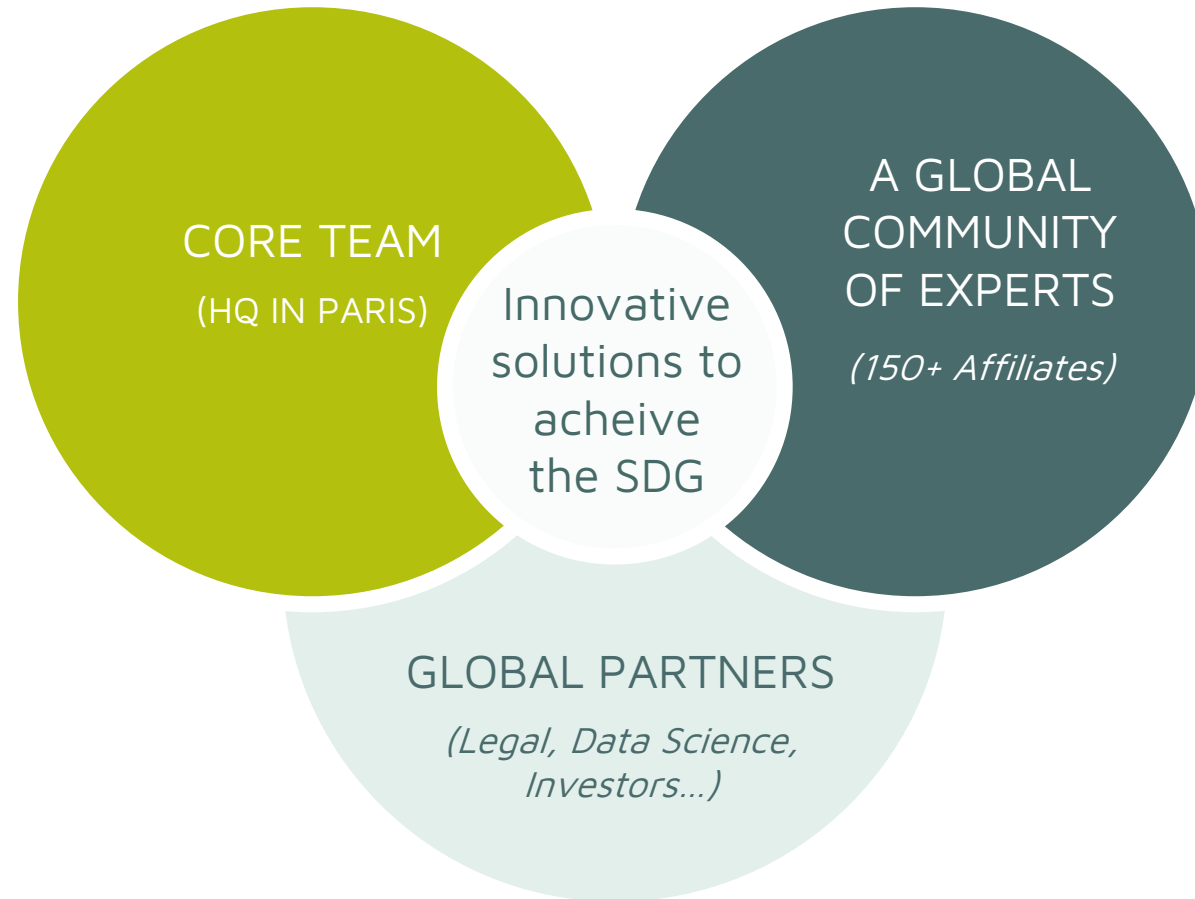
We Advocate

Ksapa is a social purpose corporation sharing insights to show businesses and investors why and how to embed resilience and inclusiveness across investment and business decisions

- Media
- Social Media
- Blog
- Reports & Briefs
- Webinars



Mobilizing for Impact



As a team, Ksapa operates through a network of partnering international organizations and affiliated experts. By working together, we provide our clients with relevant solutions to efficiently meet their needs.

Ksapa's Core ADVOCACY Services

A mission-native company, Ksapa's commitment to advocacy is inbuilt in our incorporative statutes

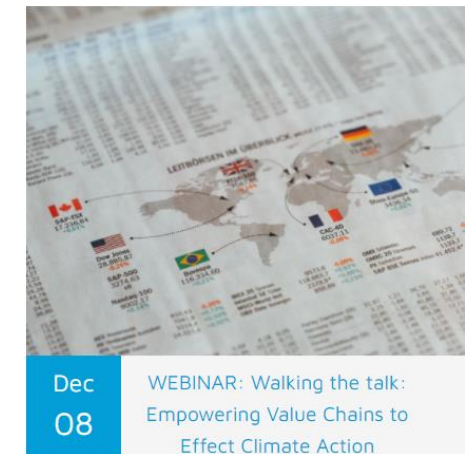
REPORTS & BRIEFING PAPERS



BLOG ARTICLES



REGULAR WEBINARS



Tune in at:

- 8-9am (SFO)
- 11-12am (NYC, Toronto)
- 4-5pm (London)
- 5-6pm (Paris, Brussels, Berlin)



Socio-Environmental
Risk Remediation
Across the Supply Chain

1

Support from
domestic legislations

- Allegations pertaining to grave Socio-Environmental impacts have led to high-profile transnational lawsuits
- Boards of Directors and C-Suites reacted by examining the corresponding implications for business & operations

2

Growing alignment
across corporate
functions

- Adopting a Socio-Environmental impact lens supports a broader internal dialog around Opex and Capex
- Proactive Socio-Environmental risk mitigation policies decrease unnecessary costs – and generate savings

3

Socio-Environmental
performance
increasingly conditions
access to capital

- The Financial Crimes Enforcement Network released guidance for financial institutions to detect and report suspicious activity linked to human trafficking
- Industry stepped up efforts after the Australian government charged Westpac bank with facilitating transactions that fueled child exploitation

A Call for Meaningful Enforcement Mechanisms

1

Lagging Risk Mapping
Across Businesses

2

Corporate Reporting
disconnected from
risk mapping

3

Unanswered
Stakeholder
Aspirations

- Most companies start by publishing public commitments and adjoining the corresponding Socio-Environmental Policies
- Yet Few are able to demonstrate they have identified the scale, scope, remendability and likelihood of adverse impacts
- Fewer can explains the steps they have taken to prevent and mitigate impacts and track the effectiveness of these measures
- Most describe enterprise-wide risk management processes and training sessions provided, without specifying how these systems address the specific socio-environmental risks they've identified
- Action plans must be detailed – or, by proxy, concrete examples may be shared to demonstrate actual implementation efforts
- Few companies can justify the appropriate level of granularity in risk mapping, strategy, action plans or enforcement mechanisms
- Fewer still have the capacity to engage with stakeholders to pinpoint risks locally, embed feedback in mitigation measures and involve stakeholders in implementing and tracking progress
- Misalignment in policy, action and reporting creates frustration and threatens the credibility of the entire organization for civil society and investors alike

A Call for Meaningful Enforcement Mechanisms: Addressing Socio-Environmental Risks Linked to Covid-19

- We are entering a massive recession due to Covid-19 related lockdown and looming stop-and-go prevention measures
- Policy-makers and business leaders may challenge socio-environmental due diligence as countries sacrifice labor laws to Covid-19
- Health concerns have accelerated the use of plastic PPE, which will likely heighten ocean/air pollution
- Social unrest to protest growing inequalities is on the rise
- More, not less, institutional and business efforts are needed, to give societies a chance to recover

Coronavirus: Black African deaths three times higher than white Britons - study

By Rianna Croxford
Community affairs correspondent, BBC News

© 1 May 2020

f b t e Share

Coronavirus pandemic



COVID-19 heightens the risk of child labour. This is how we can tackle it



India's workers face 'race to the bottom' of labour standards

Some states look to extend working hours, suspend minimum pay legislation to help companies recover coronavirus losses.

13 May 2020 f t



COVID-19 lockdowns could lead to social unrest, according to new research

By Paul Jordan, Queen Mary, University of London



3 Keys Motivations For Business To Renew the Conventional Code—Standards—Audits Triptych

The Code-Standard-Audit Triptych Is Certainly Useful And Will Continue To Be Finetuned. While It Lends Direction And Allows For Practices To Converge, It Remains Insufficient.

Sharing Writings Does Not Manufacture Supplier Buy-In

Legally-binding codes and contracts ≠ field action

1. Explain and train suppliers for them to transpose socio-environmental issues into their operating methods
2. Support local management to affect endemic issues

Recurring Issues Call for More Than Auditing

Audits alert to recurrent issues, ex: overtime

1. Address overarching purchasing practices
2. Develop complementary programs to adapt purchasing practices and productivity processes

Harness Disruptive Approaches, Not Just Continuous Improvement

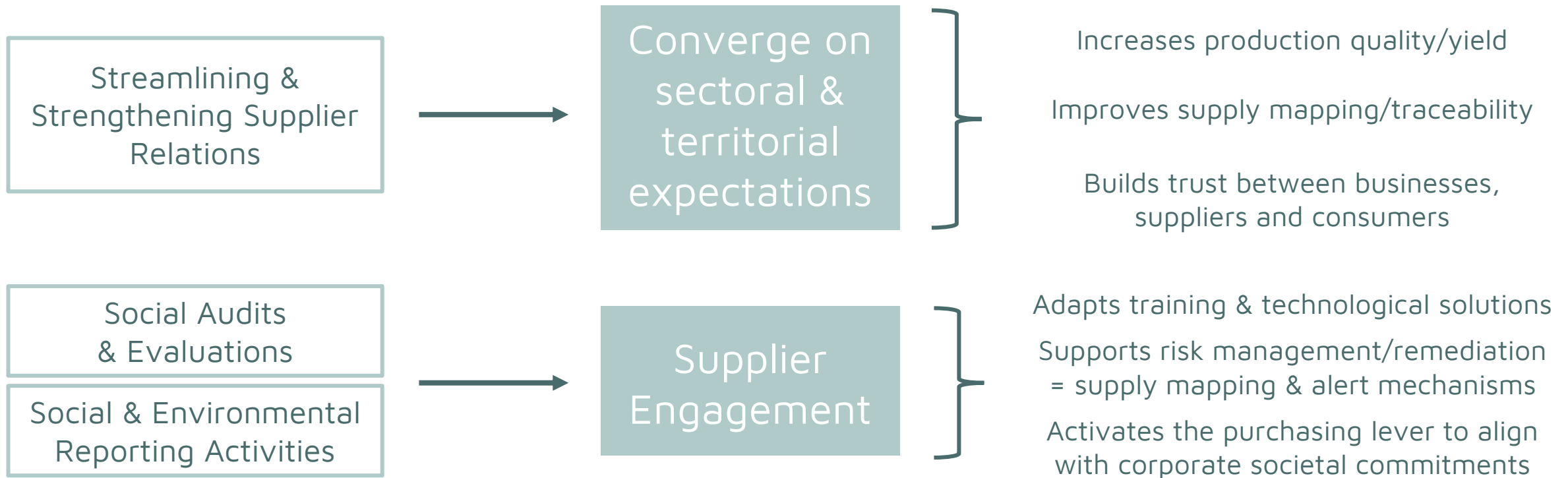
Collaborative initiatives alone ≠ innovation

1. Leverage continuous improvement to lead a large community toward best practices
2. Combine disruptive approaches to effectively address endemic, complex issues to hit your targets

The New Frontier for Business: Converging on Expectations & Supplier Engagement

Corporate accountability has drastically improved in the past 20 years, thanks to the mainstreaming of the Code—Standards—Audits triptych.

Corporate policies, supplier codes and contractual clauses structure buyers' expectations in terms of the socio-environmental practices and performance of their suppliers.



3 Solutions For Responsible Supply Chain Management To Address Real-Economy Challenges

Improve Business Models
to Cut Risks at Source

Adopt a Comprehensive Framework

1. Substitute sourcing and materials to eliminate risks at source
2. Improve business models to blend sustainability and quality together

Leverage the SDG to
Prioritize Action On
Strategic Categories

Work with strategic and vulnerable suppliers

1. Adapt to cost-cutting, innovation, quality impacts and deadlines as well as growing uncertainty
2. Secure the availability and price of strategic supplies
3. Lend supplier the capital or expertise to make required investments & adapt production facilities

Embrace Big Data, Digital
Collection and Virtual
Reality

Manage supply complexity at an acceptable cost

1. Combine contextual data and learning machines to predict the occurrence of socio-environmental risks
2. Adapt audit planning accordingly, to focus on high-risk suppliers, categories or supply references with targeted audits & assessments
3. Activate digital data collection across the value chain
4. Leverage digital technologies to transfer technical knowledge locally in combination with face-to-face coaching and mentorship

Facilitation: Farid Baddache, CEO, Ksapa

1

Improve Business Models to Cut Risks at Source

2

Leverage the SDG to Prioritize Strategic Categories

3

Embrace Big Data, Digital Collection and Virtual Reality



WÉBINAIRE  ksapa

Palier le risque social et environnemental à travers la chaîne d'approvisionnement

Avec l'intervention de 2 experts






EDOUARD DE ROSTOLAN
RESPONSABLE RSE
GROUPE MICHELIN & SOCIÉTÉ DES
MATIÈRES PREMIÈRES TROPICALES



GUILLAUME SCHOEBEL
SVP, STRATÉGIE DE DÉVELOPPEMENT
DURABLE ET ETHIQUE

Summary: Socio-Environmental Risk Remediation Across the Supply Chain

Focus	Illustrative Action Plans	Ksapa Solutions
1 Improve Business Models to Cut Risks at Source	<ul style="list-style-type: none"> Design resilience roadmap to eliminate risks at source, e.g.: no carbon or human right risk by design Engage with stakeholders, to identify risks on the ground, design mitigation measures & track progress 	 <ul style="list-style-type: none"> Resilience Roadmap & Action Plan Stakeholder Engagement Strategy Design and Activation
2 Leverage the SDG to Prioritize Strategic Categories	<ul style="list-style-type: none"> Prioritize SDG most relevant to core business, to maximize credible & address interconnected goals Comprehensively describe potential and actual risks, mitigative measures and progress Communicate measures and progress externally, with information on enforcement mechanisms and civil liability provisions for impacted rightsholders 	 <ul style="list-style-type: none"> Socio-Environmental Risk-Mapping across Operations, Supply Chains, Communities & Customers Corporate Due Diligence Plans, Complete With Effective Enforcement Mechanisms
3 Embrace Big Data, Digital Collection and Virtual Reality	<ul style="list-style-type: none"> Adapt remediation solutions to the global pandemic, including grievance mechanisms Collaborate with industry and investors, to best adapt risk mitigation measures to key sector and the specificities of local operations Closely manage related data privacy issues 	 <ul style="list-style-type: none"> In-person and Digital Training on Covid-19 For Smallholders Innovative Schemes to Finance Adaptive Measures Collaboratively

Life Is On



Schneider Electric provides energy and automation digital solutions for efficiency and sustainability

Key figures for 2019

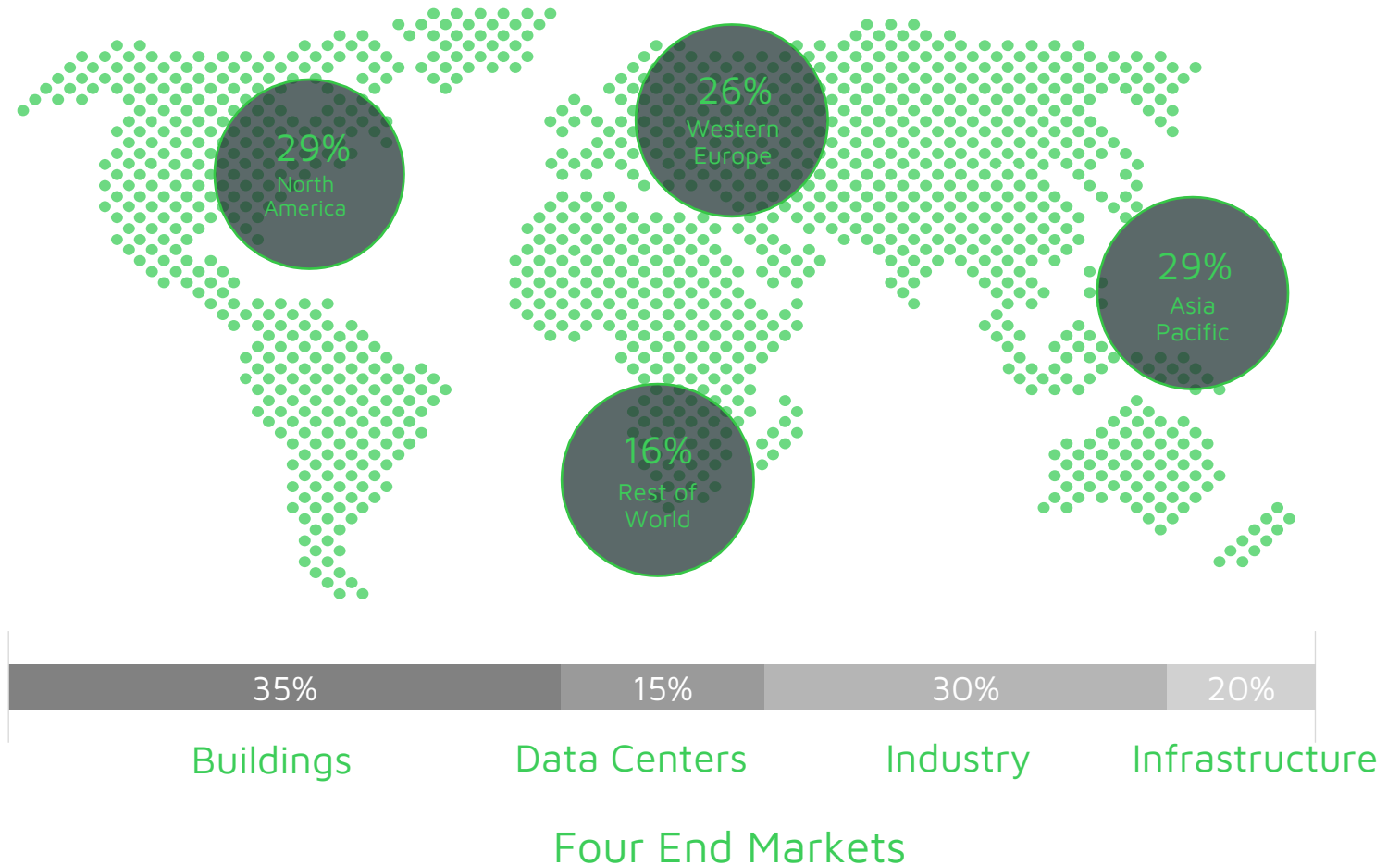
5% of revenues devoted to R&D

€27,2 billion
2019 revenues

41%
of revenues in new economies

135,000+
Employees in over 100 countries

A well-balanced global presence 2018 Revenues breakdown



Life Is On

Schneider
Electric

Vigilance Plan



Life Is On



Vigilance Risk Matrix

Our detailed risk analysis has been summarized in the matrix on the right. It is important to remember that this is a broad view of the risk that we as Schneider put on our ecosystem and environment, BEFORE considering the impact of mitigation actions. After accounting for the impact of mitigating actions, the level of risk shown here may be significantly reduced.

Considerations

Schneider sites where we found a higher level of risk for carbon dioxide (CO₂), greenhouse gasses and particle emissions, tends to be production and service sites. A significant risk was also found in cybersecurity, as our offers and systems are increasingly connected to third-party products and solutions.

For suppliers, risk levels tend to be more evenly spread across the different categories, with some peaks in the case of specific industrial processes like metal work, or battery manufacturing. What's more, we found that transportation and shipping is subject to a higher level of risk, inherent to the sector.

At customer sites, we found risk to be specific to the nature of the project or the industry of our customer. For example, the high-labor activity required on construction sites, would see a supplier carry a medium to high-level of risk.

		Schneider Electric Sites							Suppliers				Contractors	
		Offices	Travels, Sales Forces	Factories LV & Elec.	Factories Medium Voltage	Project Centers	Field Services	Travels & Hospitality	Transportation & Shipping	Metallic Components	Batteries	Other Components	On Schneider Sites	Off Site & Products Execution
Human Rights	Decent workplace							●	●	○	○	○	○	●
	Health & Safety		○	○	○	●	●	○	●	●	●	○	○	●
Environment	Specific Substances Management			○	●	○	○			●	●	●	○	●
	Waste & Circularity			○	●	○	○		○	●	●	○		●
	Energy, CO ₂ & GHG Emissions	○	●	●	●	●	●	○	●	●	○	●		●
Business Conduct	Ethical Business Conduct		●			●	○	●	●	○	●	○		●
	Whistleblowing	○	○	○	○	○	○	●	●	●	●	●	○	●
Offer Safety & Cybersecurity	Offer Safety					○	●						○	●
	Cybersecurity	●	●	○	○	●	●	●	●	○	○	○	○	●

*When the box is blank, the risk level is non-significant.

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Dec
08

WEBINAR: Walking the talk:
Empowering Value Chains to
Effect Climate Action



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QUESTIONS AND ANSWERS

Getting in touch

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