United Nations Global Compact

COMMUNICATION ON ENGAGEMENT



APICS's position as a source of supply chain industry thought leadership enables it to inform members and the public about issues in supply chain which relate to the 10 principles of the UNGC.

APICS actively supports the UNGC principles through the policies and procedures in place for its own staff and the association's operations.

A Statement from APICS CEO Abe Eshkenazi

APICS, the premier professional association for supply chain management, supports the ten principles of the United Nations Global Compact (UNGC) with respect to human rights, labor, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the UNGC and its principles part of the strategy, culture and day-to-day operations of our organization.

APICS requests reinstatement in the UNGC. We did not submit a Communication on Engagement (COE) as requested in 2015 because we did not receive the communication. The UNGC contact at APICS was in transition to retirement. We appreciate your consideration and look forward to working with you on this important initiative.

We recognize that a key requirement for participation in the UNGC is the submission of a COE that describes our organization's efforts to implement the ten principles. Following is a description of our activities in 2016 and 2017.

Abs Eshkenazi, CSCP, CPA, CAE Chief Executive Officer

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Communication on Engagement: Human Rights

Several articles from the November/December 2016 Corporate Social Responsibility issue of APICS magazine focused on human rights and labor:

- Loose Threads: Reinforcing human rights inside the fast-fashion industry, was the cover story and focused on the state of worker safety in Bangladesh in the years since the 2013 Rana Plaza factory collapse which killed over 1,100 workers.
- Tipping the Scales of Supply Chain Justice was another feature story from that issue of the magazine which examined slavery and human trafficking laws.

APICS is leading an initiative to research ways to strengthen global health and humanitarian supply chains. The program has engaged commercial companies, government agencies, international organizations including United Nations Population Fund (UNFPA), NGOs, and academia to identify solutions, based on leading practices from across diverse industry sectors, to some of the most pervasive challenges facing health and humanitarian supply chains in lower middle income countries (LMICs). The initiative began in late 2015.

APICS provides superior benefits to ensure quality of life for its employees. Due to these efforts, APICS was awarded the **Great Place to Work**® seal by the Great Place to Work Institute. Each year, APICS encourages professional development and employee training to engage employees in learning to advance their skills and prepare them for meaningful career experiences. The company ensures its employees have access to the materials and tools needed to perform their jobs and grow their areas of expertise. Some of the programs APICS employees highlighted last year in the employee engagement survey include: flexible work scheduling, 401(k) matching, family care, college tuition reimbursement, and a casual work environment.

Communication on Engagement: Labor

APICS informs its readers about critical labor issues. Recent publications include:

- Worker Safety and Supply Chain Audits, January 27, 2017
- Samsung Takes Steps to End Contract Worker Abuse, December 2016

APICS is dedicated to advancing women in the supply chain and manufacturing industry. Through its partnership with Deloitte and The Manufacturing Institute, APICS supports research into the role women play in the industry and strategies to advance women in supply chain and manufacturing. The most recent report explored how companies can effectively recruit, retain and advance talented women in manufacturing, and illustrates ways that women in manufacturing are making an impact in the industry.

Women in Manufacturing: Stepping up to make an impact that matters, April 2017

APICS also publishes a variety of content on other platforms supporting women in the industry:

- Women's Influence in Manufacturing and Supply Chain, March 2015
- <u>STEP Up.</u> July/August 2016
- Achieving Gender Parity in Supply Chain Careers, November/December 2016

APICS is an equal opportunity employer that embraces diversity. The organization encourages inclusion in the workplace, and expects employees to do the same. An excerpt from the APICS ethics code which all employees and association members must sign:

- In your professional capacity, respect the fundamental rights and dignity of all individuals. You must demonstrate sensitivity to cultural, individual, and role differences, including those due to age, gender, race, ethnicity, national origin, religion, sexual orientation, disability, language, and socio-economic status.
- In your professional capacity, not engage in behavior that is harassing or demeaning to others based on factors including, but not limited to, age, gender, race, ethnicity, national origin, religion, sexual orientation, disability, language, or socio-economic status.

Communication on Engagement: Environment

APICS frequently highlights sustainability in the content it produces:

"Working Green" is a sustainability column which runs is every issue of *APICS* magazine. The APICS Thinking Supply Chain blog also features sustainability content regularly. Some blog articles include:

- Elevate your Supply Chain's Visibility by Highlighting Sustainability Initiatives, March 22, 2017
- Sustainability Initiatives that Make an Impact, April 13, 2017

The newly-launched STEM (Science, Technology, Engineering and Math) youth education program from APICS, specifically the Lemonade Game, includes a reuse/recycle component to reinforce the importance of this circular supply chain concept for future supply chain managers.

In addition, John Mackey, CEO of Whole Foods has been engaged as a keynote speaker for the APICS 2017 conference, the largest gathering of APICS members each year. He will discuss how to do business grounded in ethical consciousness.

Staff at APICS headquarters also take an active role in staying "green." Work is kept paperless whenever possible. There is an extensive recycling program in place. Employees are given high quality reusable mugs to curb the use of disposable drinkware.

Communication on Engagement: Anti-Corruption

APICS offers a Risk Management certification which educates candidates on the risks involved with various forms of corruption.

Other APICS publications have covered anti-corruption activities as well:

- The Trouble with Tricky Suppliers, November 2016
- Prescription for Product Safety, September/October 2016
- Cars and Cartels: Ethics and Supply Chain Professionals, August 2016

In the workplace, APICS fights corruption by informing employees and members about ethical behavior and distributes policies which employees must sign. Employees must disclose any conflicts of interest in their work.