

2021

# United Nations Global Compact

COMMUNICATION ON ENGAGEMENT

ASCM'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.

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

## **A Statement from ASCM CEO Abe Eshkenazi**

I am pleased to confirm that the Association for Supply Chain Management (ASCM), reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. As the largest nonprofit association for supply chain, ASCM is an unbiased partner, connecting companies around the world to the newest insights on all aspects of supply chain.

In this Communication of Engagement, we describe the actions that our organizations has taken to support the UN Global Compact and will continue to advance these as part of the strategy, culture and day-to-day operations of our organization as well as in our sphere of influence.

Sincerely yours,

A handwritten signature in black ink, reading "Abe Eshkenazi". The signature is fluid and cursive, with the first name "Abe" and last name "Eshkenazi" clearly distinguishable.

Abe Eshkenazi, CSCP, CPA, CAE  
Chief Executive Officer

## **Communication on Engagement: Overall**

We established the ASCM Foundation in September of 2019. As the philanthropic channel of the ASCM—the global leader in supply chain organizational transformation, innovation and leadership – the Foundation was established to take ambitious new actions to solve critical problems and maximize the extraordinary opportunity to create a better world through supply chain. With the support of ASCM, the Foundation collaborates with private foundations and public organizations to address pressing global challenges with a specific focus on building frontier and humanitarian supply chains, K-12 supply chain education, STEM and career awareness, workforce development, and diversity and inclusion initiatives. For more information on the ASCM Foundation and its work, visit <https://www.ascm.org/making-an-impact/>.

## **Communication on Engagement: Human Rights**

ASCM formed a public-private partnership this year with the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) DREAMS (Determined, Resilient, Empowered, AIDS-free, Mentored and Safe) is helping prevent young women in Africa from contracting HIV/AIDS by providing the supply chain skills training needed for high-quality, good-paying jobs, which research has shown is one of the best ways for disease prevention.

Supply chain skills are needed in Africa now more than ever. According to a World Bank report, 11 million youth are expected to enter Africa’s labor market every year for the next decade. Despite rapid growth in formal wage sector jobs, the majority of these youth are likely to work on family farms and in household enterprises, often with very low incomes. In addition, locations especially in central and northern African countries have a geographic advantage" for European companies trying to shorten supply chain routes (most countries in Africa are a 4-6 hr flight from Europe). Furthermore, in the midst of global shortages, disrupted supply chains, and export bans due to the pandemic, African pharmaceutical and manufacturing companies are stepping up and innovating to produce critical supplies and drugs in these regions.

The first sessions have already started in South Africa. These participants will be able to earn a certificate of completion for Principles of Supply Chain Management, which focuses on foundational principles in logistics, inventory management, and operations that will be applicable across retail, manufacturing and healthcare sectors. After completing the program, participants will be ready for immediate employment in a variety of supply chain roles including operations clerk, demand planning analyst, inventory manager purchasing manager and logistics manager. In addition, mentoring will be provided for the women throughout the program and after to assist in helping them find employment opportunities. ASCM currently has over 100 corporate members that are working in Zambia and South Africa.

Additionally, in 2019 we started a Diversity and Inclusion Taskforce to increase awareness and importance of diversity and inclusion at every level of the supply chain. We are committed to supporting and advancing diversity and inclusion in supply chain, fostering professional environments that value equality and individual differences, and inspiring people of all profiles and backgrounds to succeed in supply chain careers.

Supply chain innovation depends on applying the broadest set of perspectives to business challenges. At a time when high-quality talent drives business success, too many companies are missing out on the extraordinary potential of women and minorities to lead their supply chain strategies. The ASCM Foundation aims to help them tap into this vast talent pool in order to create stronger networks and position organizations for sustainable, profitable growth.

This moment is a critical opportunity for supply chain organizations to rethink and revise their hiring practices for the recovery and beyond. To help supply chain organizations better attract, develop and advance people of color, ASCM partnered with Gartner to develop [The Supply Chain Diversity, Equity and Inclusion \(DEI\) Survey](#). Wide-ranging DEI themes were explored, as well as topics specific to race and ethnicity in the workplace.

The survey found that supply chain organizations have twice as many DEI initiatives today than they did in 2019. Large, global supply chain organizations are more likely to prioritize DEI as a business imperative by setting goals and aligning projects and initiatives to reach them. They also benefit from better access to diverse talent and are making strides toward leadership development and succession planning.

Still, minorities represent only 30% of the full-time supply chain workforce in North America and Europe. Furthermore, there's a steep drop-off in representation in management and leadership, with only 9% of supply chain vice presidents being people of color. Yet, with only one-quarter of DEI survey respondents saying they have formal targets in place, the current degree of change is just not getting us where we need to go. The most successful businesses know that the more people they include, the more successful they will be. The global supply chain community must spotlight these leaders and learn from their examples if we are to achieve genuine DEI progress.

### **Communication on Engagement: Labor**

ASCM is an equal opportunity employer that includes an ethics code that all employees and association members must sign that encourages the respect of fundamental rights and dignity of all individuals, as well as an anti-harassment policy.

Since the pandemic hit, the rapid growth of e-commerce has generated an unprecedented demand for skilled supply chain workers. Hundreds of thousands of professionals are needed right now to meet demand. Here in ASCM's home state of Illinois, there are nearly 2,000 supply chain job vacancies. Meanwhile, the state is facing an unemployment rate of 7.6%, largely a result of COVID-19.

To close the supply chain talent gap and help people secure rewarding career opportunities, the ASCM Foundation is proud to announce a new partnership with the Illinois Department of Commerce and Economic Opportunity (DCEO). The training program will match unemployed and underemployed residents with real jobs in the state's growing logistics, transportation and distribution industries.

The initiative will be piloted in some of the state's largest supply chain hubs. An initial 250 participants will embark on the virtual training program, with industry-aligned curriculum from ASCM covering principles of inventory management, consumer distribution and much more.

Those who complete the training will receive a certificate in Essential Supply Chain Management Skills. Then, they can access local workforce agencies and apply for supply chain jobs. Several Illinois companies have committed to the pilot program, including Continental Tires, Geodis, DB Schenker, Worldwide Technologies, PepsiCo, and Phoenix Elevator.

### **Communication on Engagement: Environment**

This year we commissioned research with the Economist Intelligence Unit to look at how companies in three sectors have adopted resilience-capabilities to manage real-time and longer-term risks, and how they performed over the past year. The executive report [Ready for Anything? Turbulence and the resilience imperative](#) notes that benchmarked companies rank supply chain sustainability as a top way to build resilience over the next three-to-five years — yet there's a gap between rhetoric and reality. Less than half of surveyed companies have set targets to reduce supply-chain-related carbon emissions, even though climate change is among the biggest risk factors of the 21st century.

Target-setting is followed by more difficult tasks, such as establishing baselines and monitoring performance. Climate risk awareness - including scenario planning, understanding the impact of climate change on suppliers and readiness for carbon pricing - is one of the lower performing categories in the benchmark.

### **Communication on Engagement: Anti-Corruption**

A key finding of our work with the Economist Intelligence Unit on The Resilient Supply Chain Benchmark showed that over half of companies lack end-to-end visibility into their supply chains because they rely on a picture of supply and demand that is based only on internal data from the company itself. This leaves many vulnerable to unexpected risks such as corruption.

The end-to-end supply chain refers to the entire process starting at the procurement of materials from suppliers and ending when the product reaches the customer. According to the EIU research, just over half of the companies benchmarked rely on their own internal data. In addition, 37% of companies in the benchmark reported that their visibility was hampered by either internal siloes or was not data-driven at all. This limits their ability to detect emerging threats or calculate how a disruption will unfold across supply chains and business units.

In addition to improving visibility, data from across the supply chain can unlock higher-level capabilities that lead to greater supply chain resilience and supply chain innovation. The benchmark shows that high performers build an 'outside-in' picture through the integration of supply chain partners into demand forecasting and planning as well.

While each industry faces unique supply chain dynamics, in a time of increased turbulence it has become critical to reconsider the balance between efficiency and resilience. The Resilient Supply Chain

Benchmark provides both data and analysis to better understand the critical capabilities driving resilience, where the most common vulnerabilities lie, and how to strengthen operations for the future.