

REIMAGINING THE AGENDA

UNLOCKING THE GLOBAL PATHWAYS TO RESILIENCE, GROWTH, AND SUSTAINABILITY FOR 2030

The 12th United Nations Global
Compact - Accenture CEO Study

Special Feature: Supply Chain



United Nations
Global Compact

accenture

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A yellow and black logging skidder is positioned in a forest, surrounded by large logs. The machine has a large front-mounted log grapple and a rear-mounted log grapple. The background shows a dense forest of tall trees under a cloudy sky. The foreground is dominated by large, light-colored logs.

01

The Volatile Landscape

A dramatic rise in intersecting global challenges is forcing CEOs to navigate new levels of uncertainty

CEOs are facing a slate of complex global challenges that are disrupting their supply chains

Supply chains remain top of mind for CEOs as they face a dramatic rise in intersectional, global challenges, such as geopolitical certainty, inflation, and climate change.

93% OF CEOS ARE DEALING WITH **10 OR MORE GLOBAL CHALLENGES** TO THEIR BUSINESS



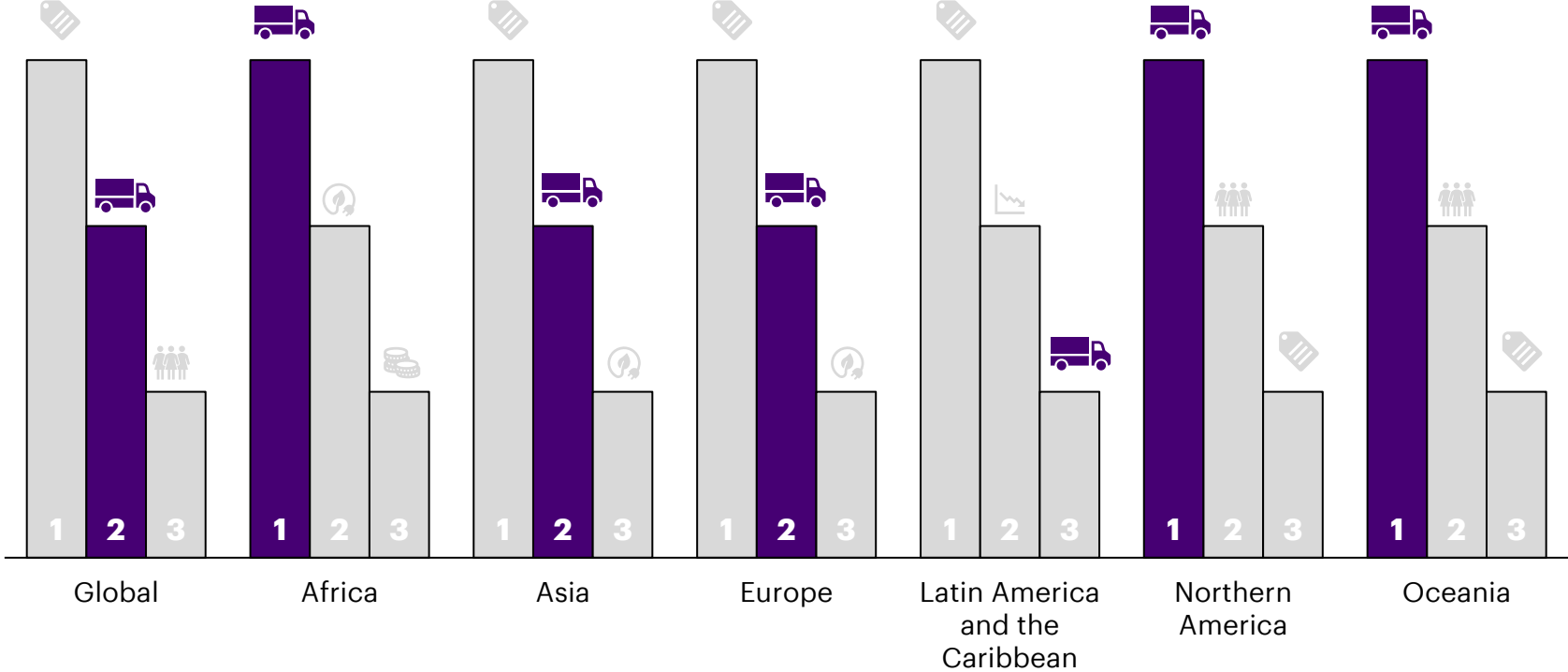
“Geopolitical instability is creating multiple externalities – it’s increasing energy costs, distorting supply chains, and restricting access to materials.”







- Toshimitsu Taiko, President & CEO of Konica Minolta, Inc.

Globally, CEOs are feeling severe impacts from these challenges on their supply chain

The cascading impacts of geopolitical instability, climate change, the COVID-19 pandemic, and trade regulation are reverberating strongly in supply chains, placing it at the top of CEO agendas.

Top 3 Impacts by Region



-  **Supply chain disruption**
-  Increased costs of raw materials
-  Increased energy costs
-  Limited access to financing
-  Loss of demand for goods and services
-  Inability to attract and retain employees

02

Actions for Resilience

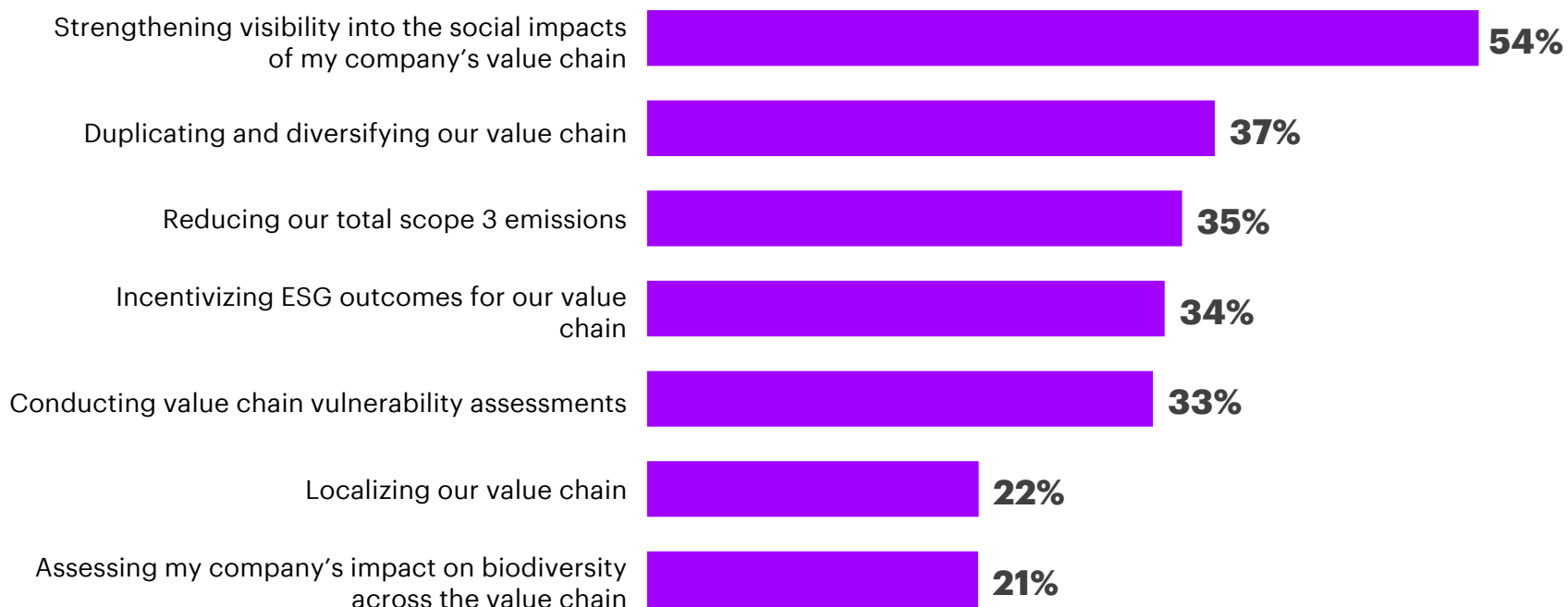
Supply chain transformation is a key action businesses are embracing to remain resilient to global challenges.



CEOs are reimagining their supply chains, including integrating sustainability, to build resilience

CEOs recognize supply chains are crucial to their businesses, and are looking to increase transparency into social impacts of their supply chain as well as diversifying to adapt to the global challenges they face.

Supply Chain Resilience Actions



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“I see more and more CEOs delving into their supply chain. What has become clear, however, is that everyone is lacking visibility. Supply chain transparency is just not there.”

Ramesh S. Ramakrishnan,
Chairman of Transworld Group

The CEOs who feel most highly impacted by supply chain disruptions are taking specific actions to build resilience

CEOs who feel supply chain disruptions the most are prioritizing **diversification & duplication**, **reducing their scope 3 emissions**, and conducting **vulnerability assessments** in their value chain.

17%

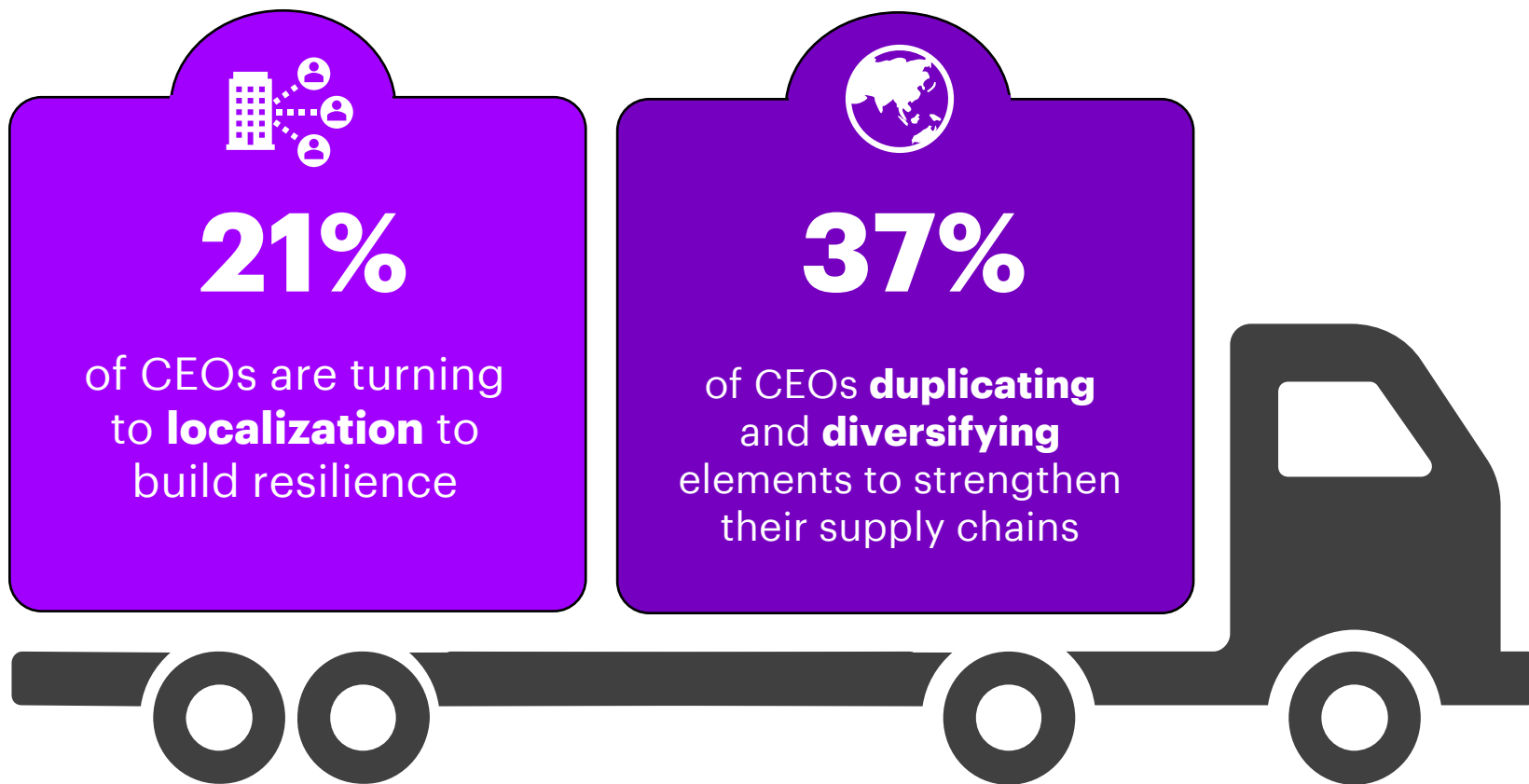
of CEOs said that **supply chain disruptions** were the **highest impact outcome of global challenges** on their business

These CEOs, who are ranking supply chain disruptions as their biggest global challenges, are taking outsized actions compared to their global peers



CEOs are reevaluating their supply chain's global structures to respond to a shifting international landscape

With lasting effects from **COVID-19**, as well as multilateralism evolving due to **geopolitics**, business leaders are exploring how to reconstruct their supply chains for the new normal.



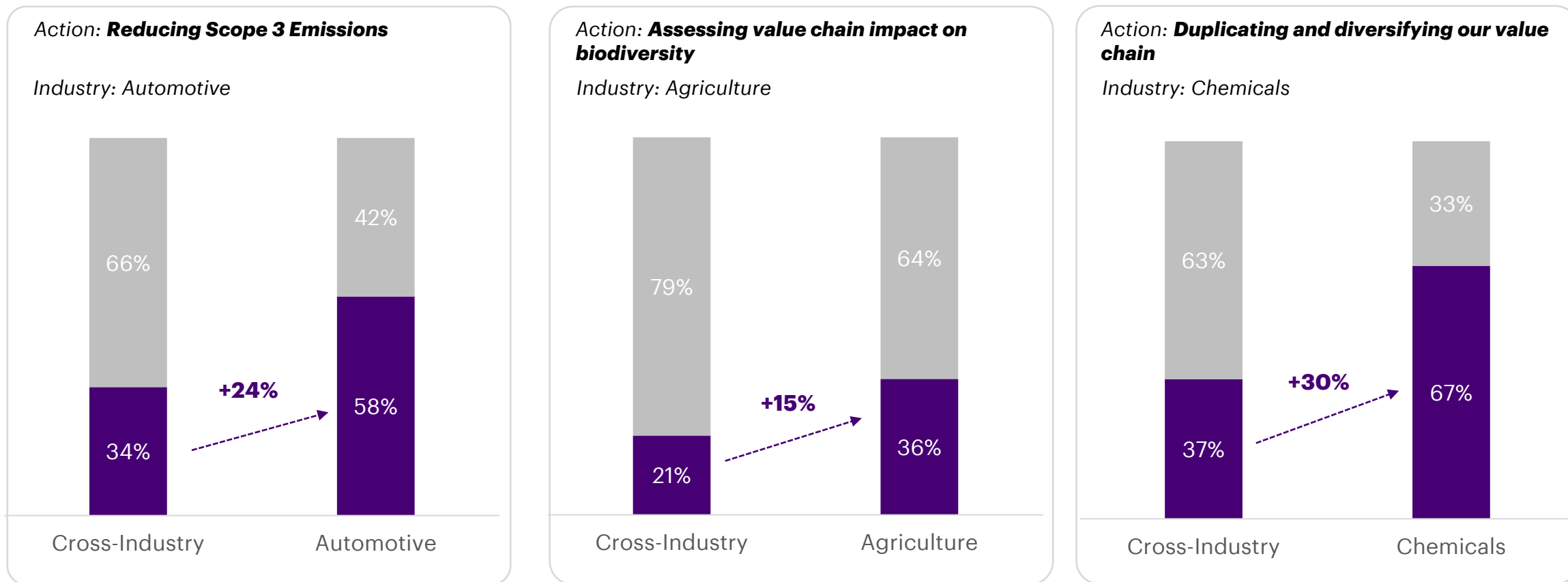
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“The pandemic made us see that the local and regional approach is more important than we thought. Now more than ever, it is important to diversify supply sources and long-term relationships with all members of the value chain.”

Hector Hernandez-Pons Torres,
CEO of Grupo Herdez

Certain industries are leading the charge and taking outsized action to build resilience into their supply chains

CEOs of the automotive, agriculture, and chemical industries are outperforming other industries in taking measures to improve their supply chains relative to the global average.



03

The Future Outlook

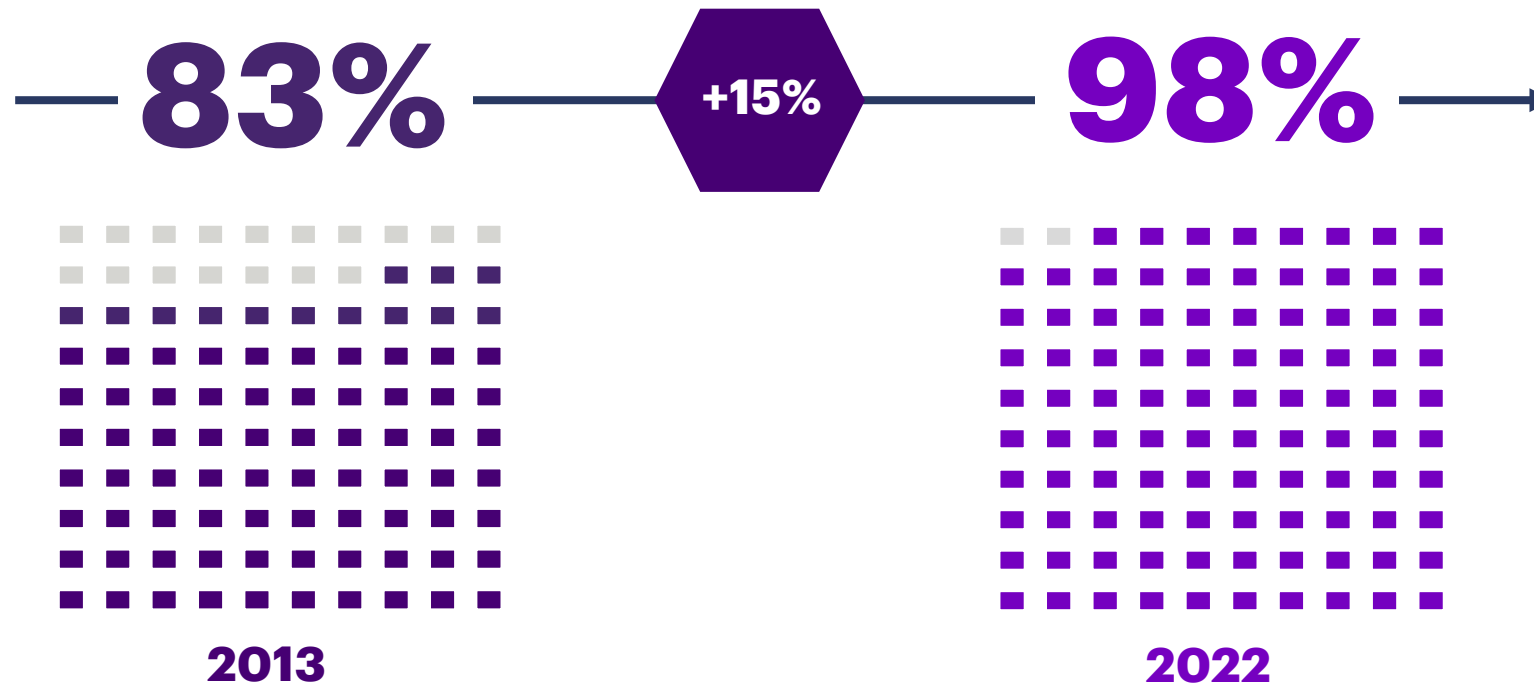
Businesses are transforming, turning to sustainability and innovation to reimagine their supply chains.



Sustainability has emerged as the core of resilience

Sustainability has risen to the top of CEOs agendas as a competitive differentiator and promising business model. It is not only a climate imperative, but also the foundation for security, growth, and resilience.

CEOS ARE STEPPING UP AS ADVOCATES FOR SUSTAINABILITY

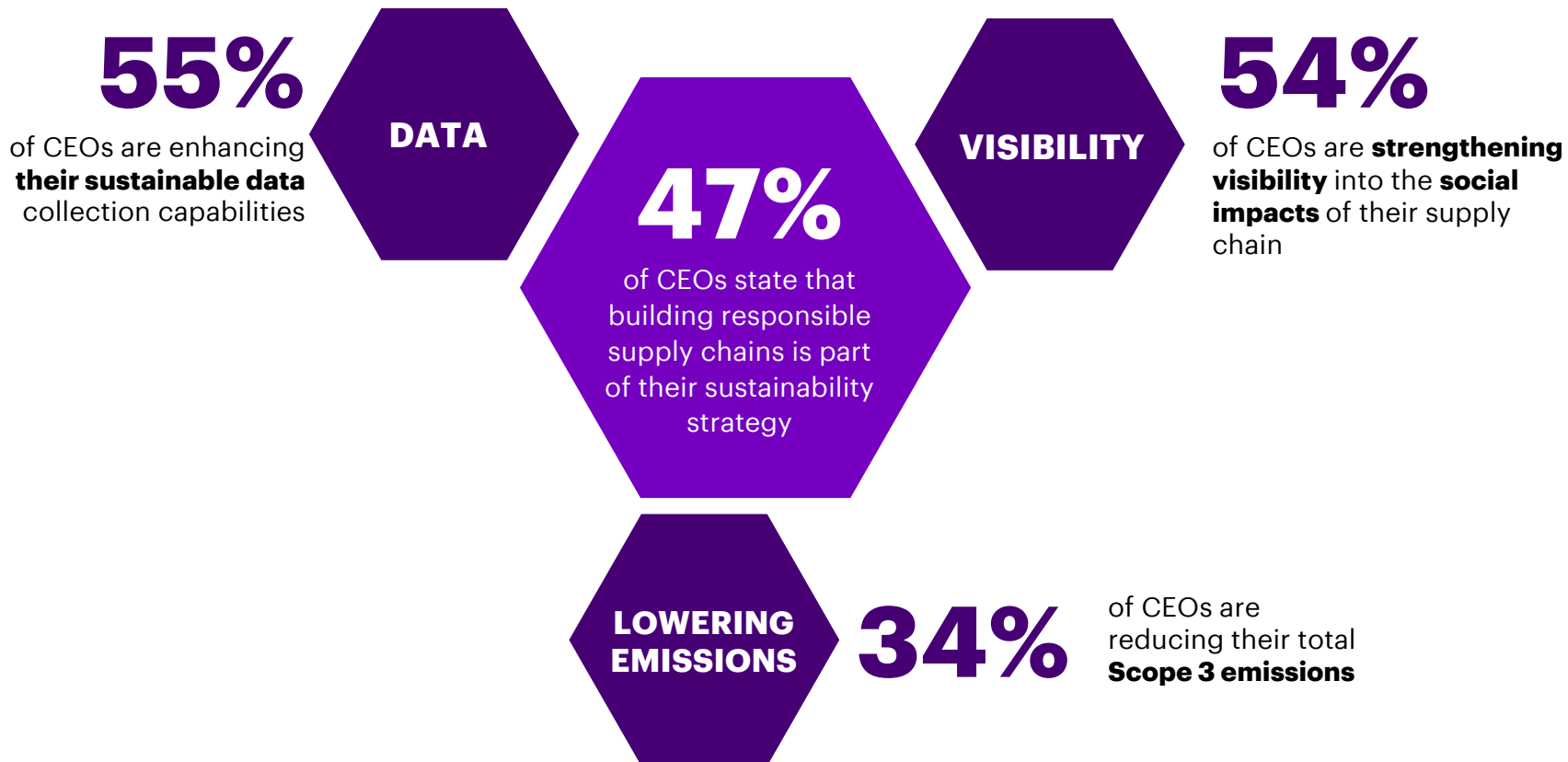


"As CEO, I am accountable for the sustainability performance of my company."

"It is the role of a CEO to make my business more sustainable."

To embed sustainability into their operations, CEOs are building responsible supply chains

CEOs recognize that supply chains powered by data and digital technology can advance progress on their sustainability goals by identifying high value actions and unlocking emissions nested throughout the value chain



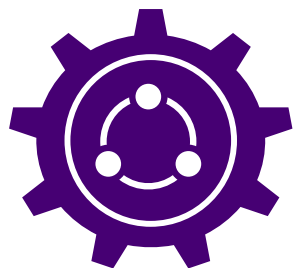
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“I see more and more CEOs delving into their supply chain. What has become clear, however, is that everyone is lacking visibility. Supply chain transparency is just not there.”

Ramesh S. Ramakrishnan, Chairman of Transworld Group

CEOs are recognizing circular business models as a powerful lever to achieve sustainable supply chains

CEOs across all industries are adopting circularity into their supply chains. Some industries are taking particularly advanced approaches to circularity with modular components and product IDs.



Cross-Industry

49% of CEOs cross-industry are **transitioning to circular business models** as a guardrail to protect against market and geopolitical volatility, as well as proactively mitigate resource availability risk



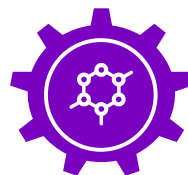
Automotive

62% of automotive CEOs feel that **circular vehicle lifecycle management** will have a high impact on their industry



Natural Resources

53% of natural resources CEOs feel that **circular business models of production to limit material extraction** will have a high impact on their industry



Chemicals

52% of chemicals CEOs feel that circular business models of production **to limit virgin inputs** will have a high impact on their industry



Construction & Materials

48% of construction & material CEOs feel that **modular components designed for circularity** will have a high impact on their industry



Energy

46% of energy CEOs feel that **circular energy systems** will have a high impact on their industry



Retail

33% of retail CEOs feel that **digital product IDs to enable circular business models** will have a high impact on their industry

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“The localization of supply chains supports circularity, and can also help boost job opportunities in local markets. Circularity can be a great force of equalization in the world.”

- Malek Sukkar, CEO of Averda

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Some CEOs are going a step further and exploring other innovations to embed sustainability into their supply chains

As they look to the future, CEOs in varying industries see certain innovations as particularly pertinent for their sector's ability to transform

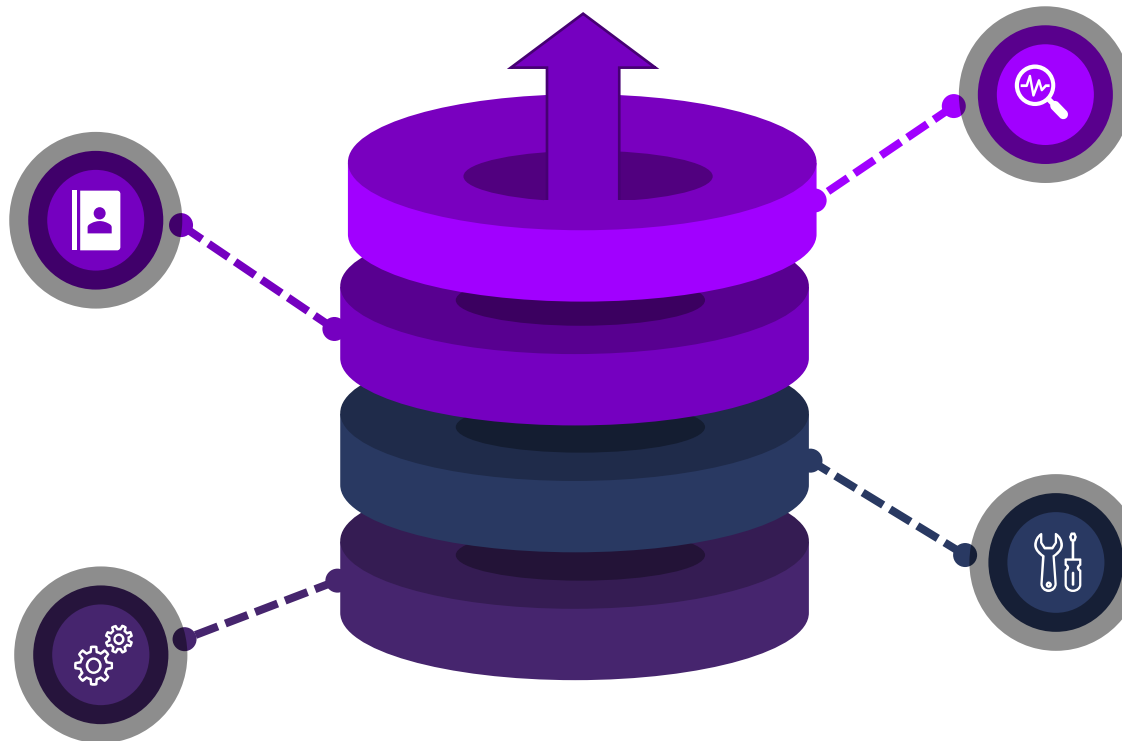
Supply Chain Innovations by Industry

Material Passports
Industrial

34% of Industrial CEOs feel that **materials passports for value chain transparency** will have a high impact on their industry

Data Integration across value chain partners
Software & Platforms (S&P)

56% of S&P CEOs feel that **data integration** across their value chain partners will have a high impact on their industry



Geolocation Technology
Consumer Products & Goods (CPG)

24% of CPG CEOs feel that **geolocation technology to map supply chain risks** will have a high impact on their industry

R&D for Material Inputs
High Tech

46% of high tech CEOs feel that **R&D to identify substitutes for existing material inputs** will have a high impact on their industry

04

About the CEO Study



CEO Study Ingredients for Resilience

This study's research yielded a set of core initiatives CEOs should embrace to embed sustainability across their strategy, workforce, supply chain, and greater ecosystem of their business, building their business resilience.



A third of the ingredients have a direct supply chain focus:



About the UNGC-Accenture CEO Study on Sustainability

2,600+

CEOs Engaged

130+

CEO Interviews

128

Countries

18

Industries

ABOUT THE CEO STUDY PROGRAM

The CEO Study Program, developed by the UN Global Compact and Accenture, is an effort to enhance understanding and commitment between the United Nations and the private sector. The program is an extensive review of the advancing corporate sustainability movement, and the publications coalesce dominant views of CEOs, business leaders and UN executives to track developments in sustainability.

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 17,000 companies and 3,000 non-business signatories based in over 160 countries, and 62 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world. For more information, follow @globalcompact on social media and visit our website at unglobalcompact.org.

ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Technology and Operations services and Accenture Song — all powered by the world's largest network of Advanced Technology and Intelligent Operations Centers. Our 738,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at accenture.com.