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

The 12th United Nations Global Compact - Accenture CEO Study

Special Feature: Supply Chain
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.

“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

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

CEO Survey Question: What are the top three impacts to your business resulting from these challenges today?
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.

“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.

**CEO Survey Question:** “As CEO, what level of impact are the following barriers having as you build a more resilient business?” and “What changes are you making in your business in response to these challenges?”
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.

“...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

21% of CEOs are turning to localization to build resilience

37% of CEOs duplicating and diversifying elements to strengthen their supply chains
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.

Action: **Reducing Scope 3 Emissions**

- Industry: Automotive
  - Cross-Industry: 34%
  - Automotive: 66%
- Industry: Automotive
  - Cross-Industry: 42%
  - Automotive: 58%

Action: **Assessing value chain impact on biodiversity**

- Industry: Agriculture
  - Cross-Industry: 21%
  - Agriculture: 64%
- Industry: Agriculture
  - Cross-Industry: 79%
  - Agriculture: 36%

Action: **Duplicating and diversifying our value chain**

- Industry: Chemicals
  - Cross-Industry: 37%
  - Chemicals: 67%
- Industry: Chemicals
  - Cross-Industry: 63%
  - Chemicals: 33%

CEO Survey Question: What changes are you making in your business in response to these challenges?
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.

"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."

CEOS ARE STEPPING UP AS ADVOCATES FOR SUSTAINABILITY

83% +15% 98%
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.

55% of CEOs are enhancing their sustainable data collection capabilities.

47% of CEOs state that building responsible supply chains is part of their sustainability strategy.

54% of CEOs are strengthening visibility into the social impacts of their supply chain.

34% of CEOs are reducing their total Scope 3 emissions.

“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 across 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.

“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
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.

**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.

CEO Survey Question: What level of impact will the following innovations have on transforming your industry’s ability to contend with global challenges?
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:

- Advance the collection of standardized, high-quality data
- Enhance supply chain visibility and engagement
- Apply analytics-driven planning in business processes
- Embed sustainability criteria into R&D
- Accelerate adoption of renewable energy to secure your energy supply
- Advise sustainable, climate-aligned goals
- Build and engage a representative workforce
- Enhance supply chain visibility and engagement
- Advocate for strong sustainability and resilience policy

15 INGREDIENTS FOR RESILIENCE

- Strategy
- Workforce & Organization
- Supply Chain & Data
- Ecosystem Management
- Adopt sustainable business models
- Invest in the mental and physical health of employees
- Advance the collection of standardized, high-quality data
- Engage in strategic partnerships
- Establish ambitious and aligned climate targets
- Build and engage a representative workforce
- Enhance supply chain visibility and engagement
- Advocate for strong sustainability and resilience policy
- Adopt a nature-positive business strategy
- Upskill and/or reskill your workforce for the green transition
- Apply analytics-driven scenario planning in business processes
- Include ESG impacts in investment decisions
- Align leadership incentives to sustainability-based values and outcomes
- Embed sustainability criteria into R&D
- Accelerate adoption of renewable energy to secure your energy supply
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.