



**DON'T SIT ON  
SUSTAINABILITY**

**RECOGNIZING THE  
LINK BETWEEN  
SUSTAINABILITY  
AND  
PERFORMANCE**

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**1. WHO IS SPARQ360?**

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**2. WHAT IS SUSTAINABILITY & ESG**

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**3. THE BUSINESS CASE FOR SUSTAINABILITY**

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**4. SUSTAINABILITY CASE STUDY AND ROADMAP**

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**5. RECAP AND DR. SEUSS**

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# AGENDA

# WHO WE ARE

- Supply Chain and Sustainability consultancy
- SPARQ360 is scalable and global
- Global Supply Chain & Sustainability experts that help implement and manage continuous improvement
- On average our consultants have **20+ years** of industry and management consulting experience
- We are supply chain operators, sustainability enablers, engineers, and **LEAN experts**
- We provide customized solutions that **create momentum** and deliver results
- We supply **deep hands-on experience**, processes, and innovative technology



# WHAT DOES SPARQ360 DO?

SPARQ360 helps organizations change and innovate faster by developing solutions for critical challenges:

- Do you have a clear plan for Sustainability that engages key stakeholders – employees, customers, suppliers?
- Are you facing challenges with high supply chain and freight costs?
- Is your organization staying ahead of the competition by adapting, optimizing, and innovating at a rapid pace?
- Are you maximizing the use of your current technology and exploring new technological advancements to enhance day-to-day operations?

Our comprehensive approach integrates people, process, and technology to:

- Drive and expedite sustainability initiatives within your organization.
- Enhance the effectiveness of your supply chain, improving cost, quality, and service.
- Employ effective change management strategies to successfully implement new solutions.





# SUSTAINABILITY & SPARQ360



## What differentiates our global sustainability efforts?

Lean focused,  
global supply chain  
& sustainability  
expertise

Activating collective  
intelligence via  
engagement and  
change management

Innovation / Ideation  
Methodologies

Operating clients'  
sustainability  
program and  
initiatives

Application of  
advanced  
technologies and  
solutions

# WHAT DOES SPARQ360 DO?

We like to solve problems.



# WHAT IS SUSTAINABILITY AND WHY IS IT SO DARN IMPORTANT?

Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs.

The concept of sustainability is composed of three pillars:

- Environment
    - Water
    - Energy
    - CO2
  - Social
    - Diversity & Inclusion
    - Working Conditions
  - Governance
    - Reporting & Disclosure
    - Risk Management
- Scope 1** – Your Direct Emissions  
**Scope 2** – Your Indirect Emissions  
**Scope 3** – Emissions from Suppliers

**ESG, is in part, based upon the United Nation's 17 Sustainable Development Goals (SDGs)**



**Countries & organizations around the globe are collaborating on a scale never seen before to make substantial progress on the above 17 SDGs by 2030.**



# WHAT IS SUSTAINABILITY AND WHY IS IT SO DARN IMPORTANT?

**Over-exploitation** of natural resources that accompanied economic and demographic growth.

**Market failure:** Hidden environment costs are not reflected in market prices.

**Accelerating resource depletion, waste generation, and environment pollution** due to shortened product life-cycles (technology advances) and changing lifestyles since the industrial revolution.



An unsustainable lifestyle...





# WHAT IS SUSTAINABILITY AND WHY IS IT SO DARN IMPORTANT?

## What does sustainability mean for our world?

- Improves the quality of our lives
- Protects our ecosystem
- Preserves natural resources for future generations

## What does a sustainable workplace mean?

- A sustainable workplace establishes the goal of balancing the planet, people, and profit to produce success and viability in the long-term
- Produces happier more motivated workers, which eventually increases employee productivity



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# THE BUSINESS CASE FOR SUSTAINABILITY

Like it or not the UN's 17 SDGs are pushing countries and companies to act differently. A structured ESG (environmental, social & governance) strategy and program is becoming a necessity.

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Young talent prefers to work for companies that take their responsibility in sustainability and ESG and actively engage their employees in it.



Governmental regulations increase and change fast, forcing companies to implement sustainability and ESG programs. For example, CSRD and TCFD.



Strong increase of **global attention** for environmental actions in the fields of carbon emissions, waste reduction, energy consumption & circularity.

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Increasing **customer's demand** on sustainability performance of their suppliers that forces them to comply & collaborate in sustainability programs.



**Brand reputation** is strongly impacted by the performance on sustainability and ESG and this will increase further.



**ESG performance** of companies becomes more and more important in the valuation of companies.

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# INGREDIANTS OF AN EFFECTIVE SUPPLY CHAIN SUSTAINABILITY PROGRAM

Holistic Sustainability	Increase your contribution to People, Profit and Planet in a sustainable way
Customer Requirements	To fulfill customer requirements
Employer Branding	Attract new workers and increase employee satisfaction
Compliance & Regulatory	Comply with legal and regulatory obligations such as Supply Chain Act, TCFD AND CSRD
Brand Reputation	Improve your brand reputation
Company Valuation	Increase the value and credibility of your organization

**Realizing  
Your Goals**



## **CASE STUDY:**

# **SUSTAINABILITY IMPLEMENTATION**

- COMPANY ESG OR CSR OVERVIEW
- DEFINITION & SCOPE
- VISION / GOALS - WHAT ARE WE GOING TO DO?
- WHERE ARE WE TODAY?
- NEXT STEPS - CALL TO ACTION

# SUSTAINABILITY CASE STUDY OVERVIEW & GOALS



## Conduct ESG Assessment

Benchmark your sustainability performance (consider Ecovadis)

## Ambition: Create a more sustainable world by 2030

Positively impact the environment through our operations!

## Goal: Carbon Positive Operations

Set science-based carbon reduction targets by 2018 and become carbon positive in our operations

## Goal: Sustainable Water Use

Sustainably use water by mapping water risks and setting context-based targets

## Goal: Zero Waste to Landfill

Achieve zero waste to landfill in operations

# DEFINITION & SCOPE

Our sustainability initiative no longer simply seeks to reduce negative impact, but to positively impact the environment across our footprint

## ENERGY

Renewable Energy, EV-Trucks & Lifts, Alternative BioFuels, Robotics, Green Buildings, IoT, EMS

SITES  
100%  
**GREEN ENERGY**  
**10 sites**

EMISSION  
MEASUREMENT  
**150 sites**

## WATER

Water recycling system, Rainwater harvesting, Graywater system, Closed loop water cooling system

REDUCE  
GALLONS USED  
**1000000**

GALLONS PER  
SITE  
**50000**

## WASTE

Cube, Package optimization, Reverse logistics, Returns Management, Recycling & Sorting technology

ZERO WASTE  
TO LANDFILL  
**50 sites**

POUNDS PER  
SITE  
**100000**

Wastes that cannot be landfilled due to local regulations will likely be excluded  
Example: **Asbestos**

Sites that have no control over the disposition of their wastes may potentially be excluded



# VISION / GOALS

CARBON POSITIVE OPERATIONS

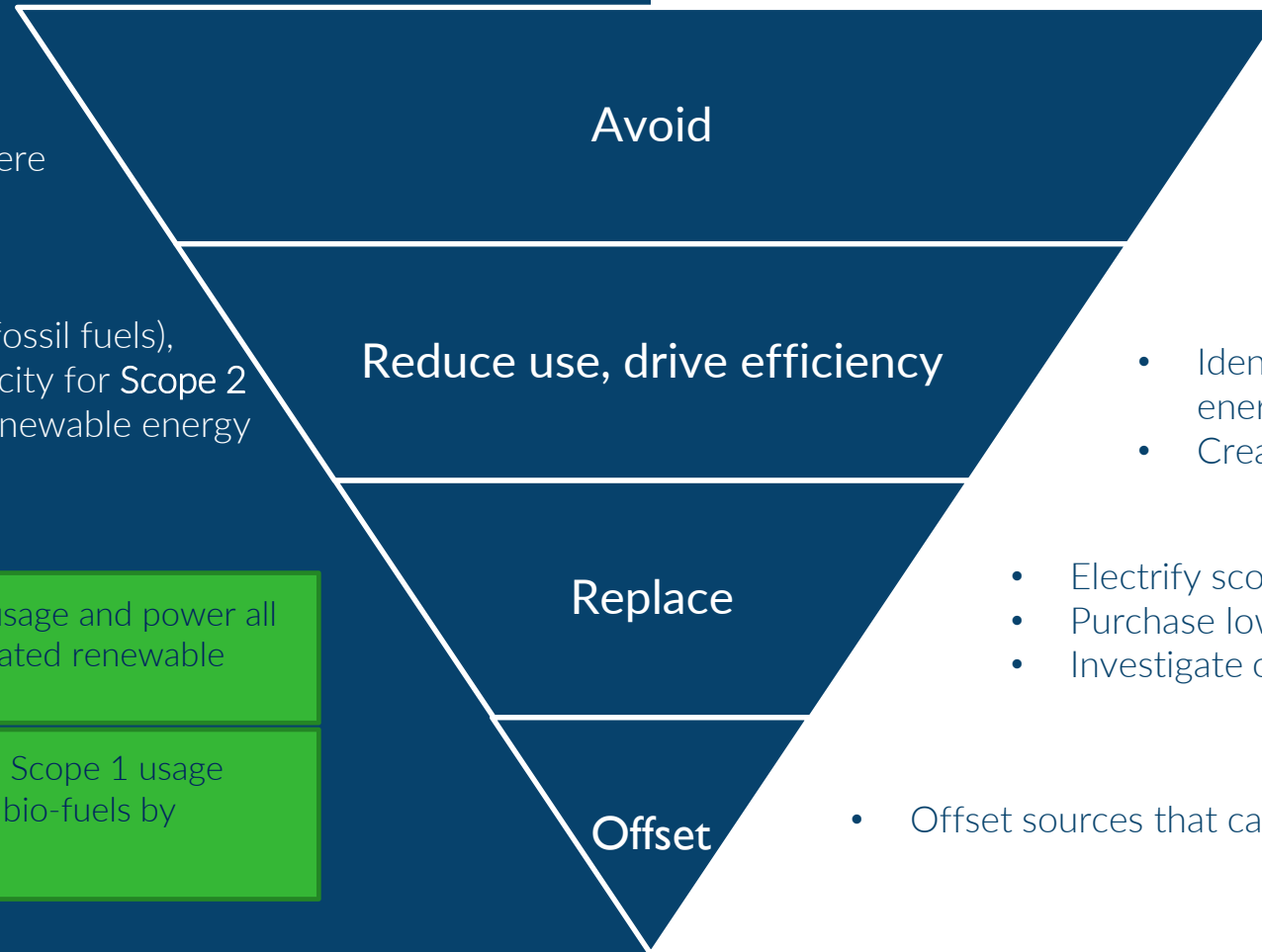
# CARBON

## Current Goals:

- Avoid and Drive Efficiency
- Investment - Determine if there are cleaner ways to invest  
**Example** - Electric vs. Fuel
- Convert **Scope 1** emissions (fossil fuels), purchasing renewable electricity for **Scope 2** operations and generating renewable energy back into the grid

**Long-term Goal:** Reduce Scope 2 usage and power all plants with purchased or site generated renewable energy by 2025.

**Long-term Goal:** Goal: Eliminate all Scope 1 usage by converting to electrical or other bio-fuels by 2025.



Avoid

- Avoid carbon intensive business strategies
- Look for lower carbon delivery models (i.e. services, rentals)

Reduce use, drive efficiency

- Identify, drive projects around energy efficiency
- Create an energy efficiency culture

Replace

- Electrify scope 1 sources
- Purchase lower-carbon grid sources
- Investigate onsite renewables

Offset

- Offset sources that cannot be replaced

# ESG TRANSPORTATION QUESTION:

**Which truck produces more carbon emissions per mile?**

**28 Ton Truck**



**44 Ton Truck**



# CASE STUDY: CARBON REDUCTION EXAMPLE



**Opportunity:** A major retail chain had a simple high-level supply chain network comprising suppliers, customers, and several distribution centers. Deliveries were made on two types of vehicles: 28t and 44t – with the larger size used for longer distances.

**Findings:** A critical finding (based on publicly available data) was that the 28t truck produced more emissions per mile driven, opening an opportunity to see if a configuration change would lead to lower emissions overall. It did.

**Solution:** Optimizing the model to cap emissions at 88m kg (nearly a million kg below the base case) led to a cost saving of around UK£2m – demonstrating how a change in configuration to reduce emissions can benefit the bottom line, too.

“ The company with the shortest supply chain wins\* ” and is the most sustainable.  
Focus on reducing lead times, distances, and optimize equipment usage.

\* Peter Drucker



# VISION / GOALS

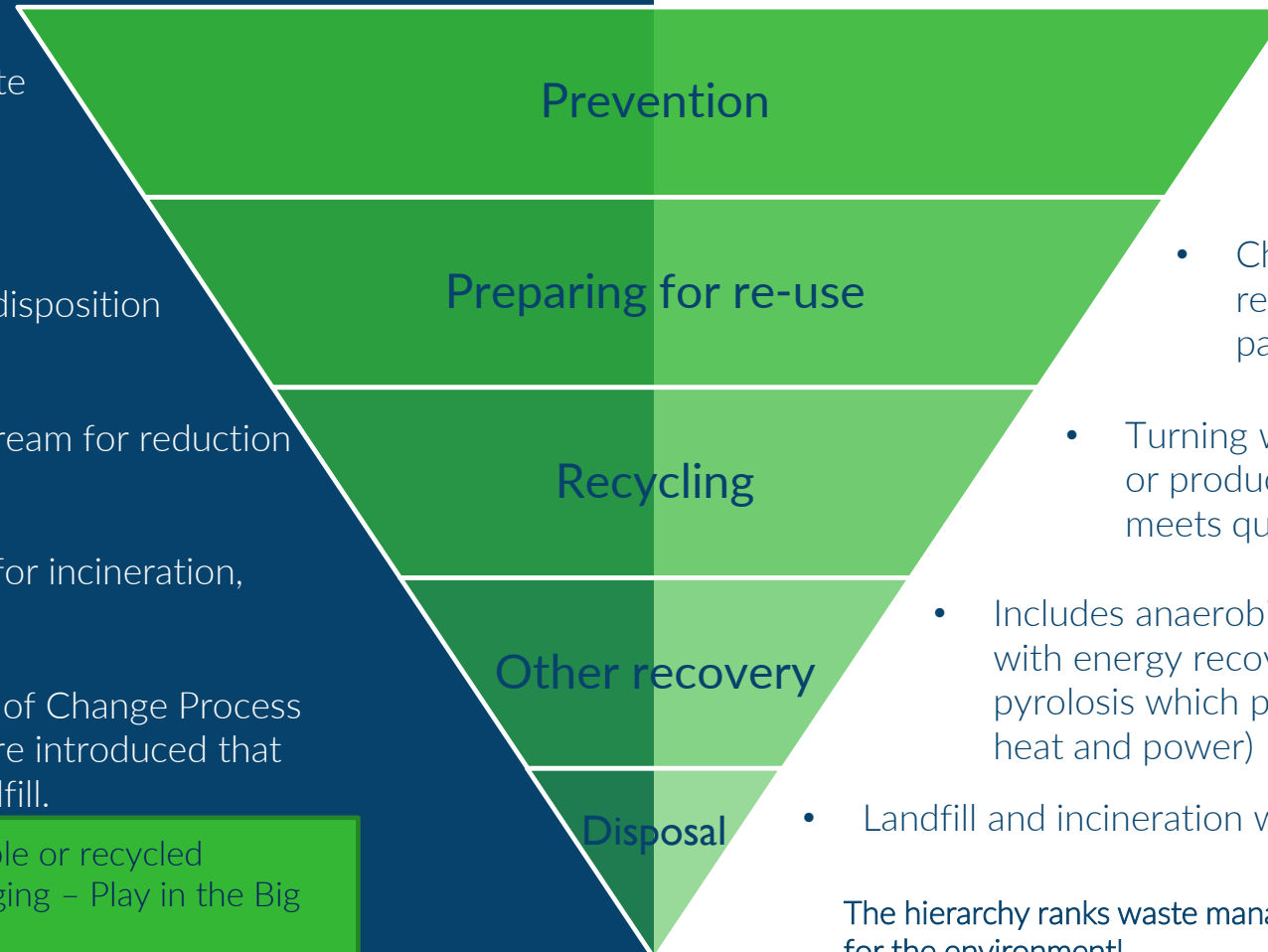
ZERO WASTE TO LANDFILL

## Current Goals:

- Adopt a culture that makes waste minimization a consideration
- Understand your Waste Profile
- Identify and confirm the waste disposition status for each waste
- Evaluate each Landfill Waste Stream for reduction or elimination opportunities.
- Identify local vendor resources for incineration, recycling, and re-use strategies.
- Establish a robust Management of Change Process to ensure that no new wastes are introduced that cannot be managed as zero landfill.

**Long-term Goal:** Use 100% renewable or recycled materials for all products and packaging – Play in the Big Leagues!

# WASTE



- Using less manufacture
- Keeping products for longer, re-use.
- Using less hazardous materials

- Checking, cleaning, repairing, refurbishing whole items or spare parts

- Turning waste into a new substance or product including composting if it meets quality protocols

- Includes anaerobic digestion, incineration with energy recovery, gasification and pyrolysis which produce energy (fuels, heat and power)

- Landfill and incineration without energy recovery

The hierarchy ranks waste management options according to what is best for the environment!

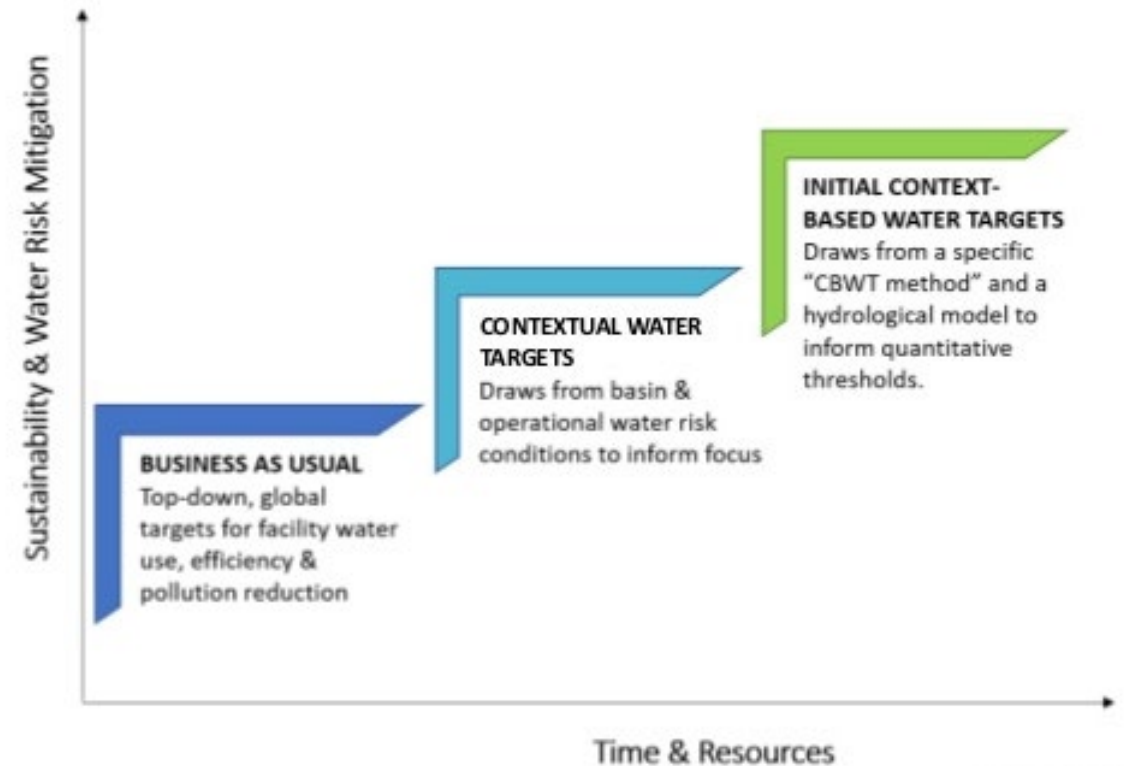
# VISION / GOALS

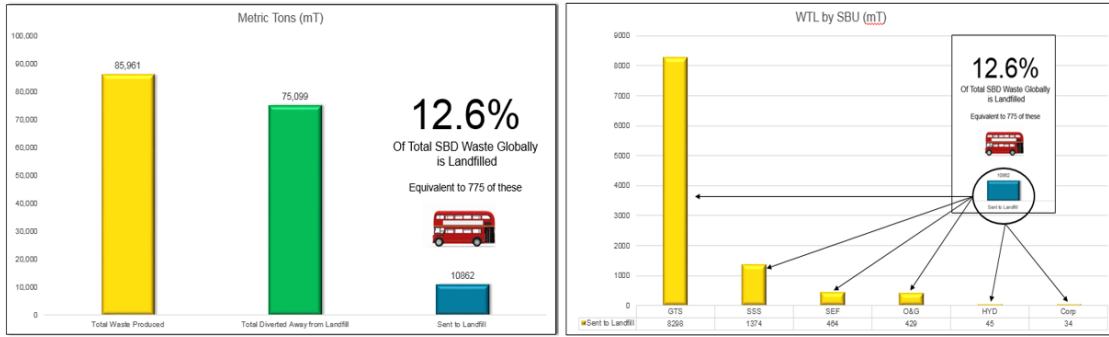
## SUSTAINABLE WATER USE

### Current Goals:

- Champion on-site reduction targets to support the goals
- Sustainably use water by mapping water waste risks and setting context-based targets

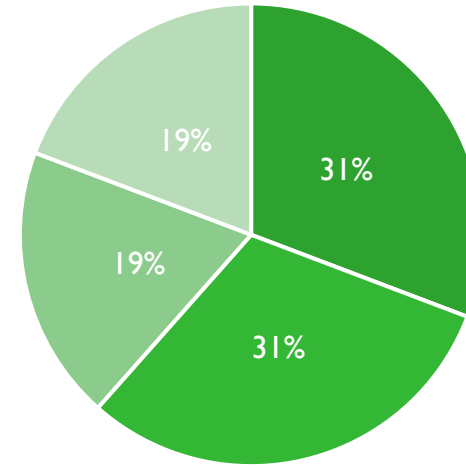
**Long-Term Goal:** 40% Reduction of Water usage by 2022 / Improve Water Infrastructure in Scarce Locations





\* Zero Waste to Landfill (ZWTL)

High Water Risk Mapping



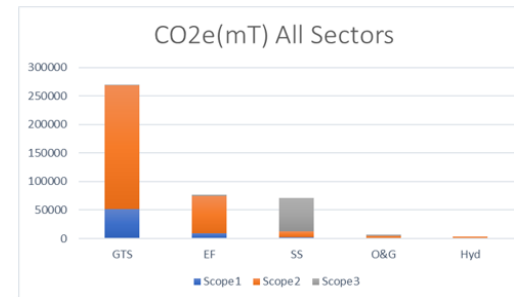
■ Extremely High Risk ■ High Risk ■ Medium Risk ■ Low Risk

WHERE ARE WE TODAY?

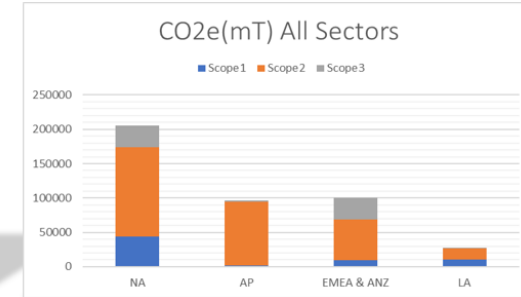


Our zero-landfill profile

Rolling 12 Month Data Through June 2018 by Business



Rolling 12 Month Data Through June 2018 by Region





# SITE ENGAGEMENT PROCESS

## 1 BUILD A PLAN

To achieve goals: Build a plan and kick off projects.

## 2 ORGANIZE PEOPLE

Get specific on what everyone is going to actually do.  
This is a topic that many people are passionate about and we will just need to point them in the right direction.

## 3 TRACK RESULTS

Track results and celebrate success.

## 4 COMMUNICATE

Recognize the people who contribute the most, communicate internally and externally, showcase our people and achievements (engagement).

## 5 REPEAT

Each year.

# SUSTAINABILITY SUMMARY

- 3 STEPS TO KICK START YOUR SUSTAINABILITY JOURNEY
- 6 THINGS TO REMEMBER
- ARE YOU READY?
- WHAT DOES DR. SEUSS SAY ABOUT SUSTAINABILITY

# TAKE 3 STEPS TO KICK START YOUR SUSTAINABILITY JOURNEY

## INITIATE

Get started

### Step 1:

- Assess the organization's current sustainability performance and program
- Double Materiality Assessment
- Register with Ecovadis to obtain rating

### Step 2:

- Develop Company ESG or Sustainability Strategy / Build Sustainability House
- Set Sustainability Goals and Budgets
- Establish Metrics

### Step 3:

- Create or Adjust = Sustainability Program / Policies

## ACCELERATE

Increase momentum

### Step 4:

- Engage Stakeholders
- Communicate, Train, and Collaborate

### Step 5:

- Implement program, policies, and procedures
- Build Business Plans – Process changes and investment plan
- Build Site Level Plans – Process changes, technology plans, investment plans

## OPERATE

Provide ongoing support

### Step 6:

- Monitor and evaluate Sustainability Program
- Measure Progress and identify areas of improvement
- Audit Progress (Assessments)
- Continually engage stakeholders and reward performance.

### Step 7:

- Improve Program
- Adapt to changing circumstances
- Set new goals
- Innovate and Improve
- Communicate Externally



# 6 THINGS TO REMEMBER ON YOUR SUSTAINABILITY JOURNEY

- 1) Keep it simple, start your journey by performing a sustainability assessment then work to **Avoid, Reduce, Replace, and Offset**
- 2) Identify and minimize carbon emissions and energy consumption from **design, manufacturing, final destination through end of life**
- 3) Decrease supply chain and manufacturing waste
- 4) Continue to push for eco-friendly sourcing & manufacturing
- 5) Increase collaboration with all parties involved
- 6) Monitor regulations to help improve supply chain sustainability transparency via related KPIs



Minimize waste and maximize resource efficiency by promoting the reuse, recycling, and responsible management of materials throughout their lifecycle, creating a sustainable and regenerative economic system.



# ARE YOU READY?



Do you have a Sustainability or ESG program in place that is based on the future needs and risks of your organization and it's internal and external stakeholders?



Are your employees, customers, suppliers and direct communities engaged in your sustainability programs and do you use their ideas as an inputs to become better?



Are you ready to comply with the new governmental regulations, such as the new EU Corporate Sustainability Reporting Directive (CSRD) 2023?



Do you feel your company isn't making sufficient progress even though there are several sustainability initiatives across the organization?



Are you ready to meet your (future) customer demands on sustainability?



Are your competitors getting more recognition for their sustainability efforts?

# SPARQ360

# THANK YOU!!



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“

Unless someone like you cares a whole awful lot, NOTHING is going to get better.

*It's not!*

”

**Dr. Seuss, *The Lorax***



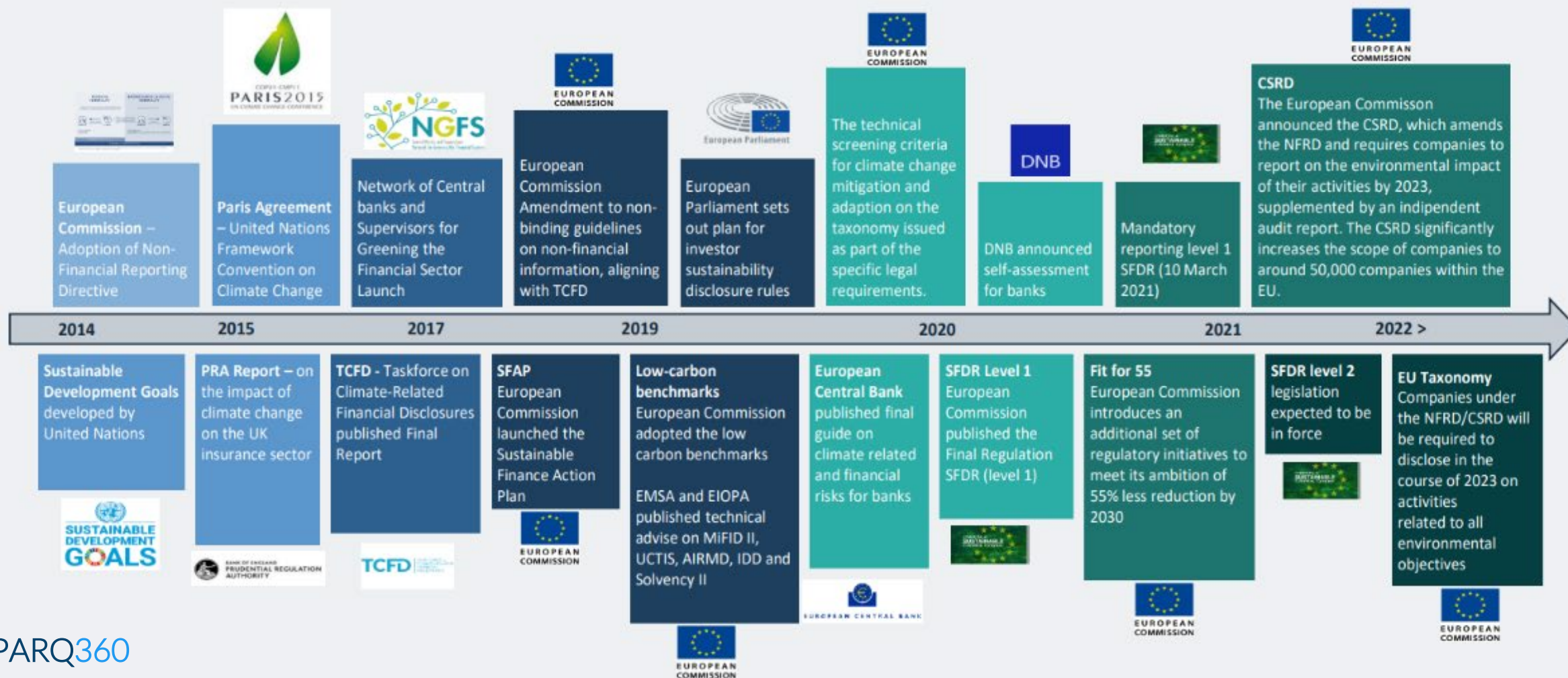
# APPENDIX

Resource	Description
<a href="#">Ecovadis</a>	The World's Most Trusted Business Sustainability Ratings
<a href="#">TCFD</a>	US Task Force on Climate Related Financial Disclosure
<a href="#">CSRD</a>	European Commission - Corporate Sustainability Reporting Directive
<a href="#">CDP</a>	The world's economy looks to CDP as the gold standard of environmental reporting
<a href="#">CSCMP</a>	State of Supply Chain Sustainability 2021 report
<a href="#">SAFA</a>	Sustainable Air Freight Alliance
<a href="#">CCWG</a>	Clean Cargo Working Group
<a href="#">Climate Group</a>	EVI00, helping to make EV transport the new normal by 2030
<a href="#">REI00</a>	Renewable Energy
<a href="#">WBCSD</a>	World Business Council on Sustainable Development
<a href="#">WEF</a>	World Economic Forum alliance for clean air World Economic Forum first movers' coalition World Economic Forum road freight zero
<a href="#">UN Ocean</a>	UN Ocean Stewardship Coalition

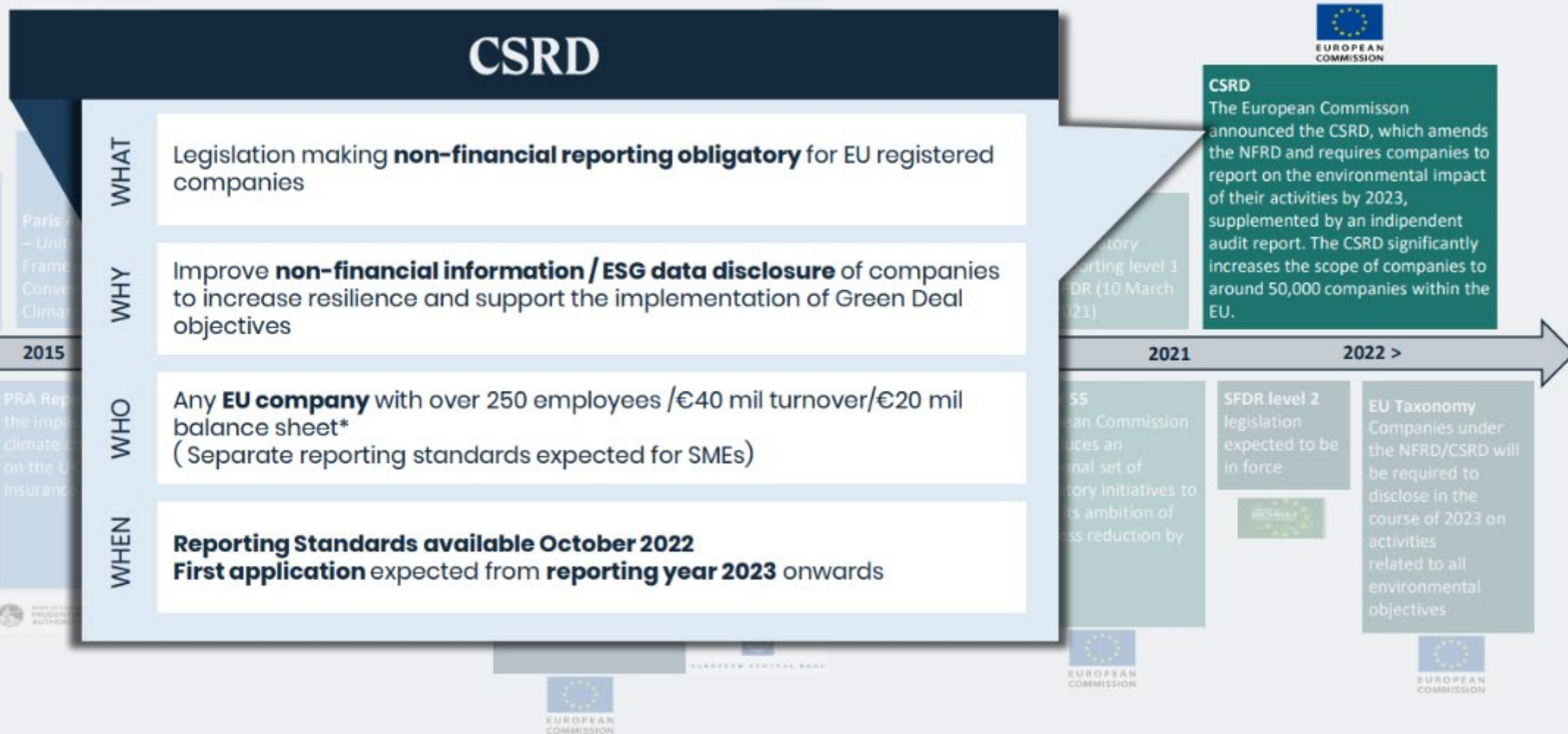
**CHECK OUT THE  
FOLLOWING  
SUSTAINABILITY  
RESOURCES TO  
LEARN MORE**



# INCREASING ESG REGULATION & INITIATIVES



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