



How can your bold vision
be transformed into a
sustainable reality?

■ ■ ■
The better the question. The better the answer.
The better the world works.





By improving environmental, social and governance (ESG) performance throughout the supply chain, companies can reduce costs, heighten visibility, increase productivity, enhance innovation, and deliver differentiated business outcomes. The ESG Sustainable Supply Chain solution from the EY-Pega Alliance combines the industry-leading risk management framework from EY with Pega's intelligent technology and advanced process AI capabilities to drive better results for manufacturing clients across their sourcing and procurement functions. By incorporating sustainability criteria, supplier performance management, and traceability into their supply chains, EY-Pega clients are realizing increased value in their sustainability strategies.



Overview

Today's supply chains are global and highly complex. Building and maintaining a resilient supply chain is crucial in creating long-term stakeholder value and achieved by embracing opportunities and managing risks resulting from social, environmental and economic factors. By deploying digital technology solutions, businesses can enable comprehensive supplier performance assessments and increase internal alignment around supply chain performance metrics, procurement decisions and economies of scale. The EY-Pega ESG Sustainable Supply Chain solution empowers organizations to build and change business applications faster with Pega's intelligent automation platform and scalable low code capabilities and to strengthen engagement with key stakeholders, such as suppliers, investors, regulators, employees, customers and society at large.



50%

of consumers intend to prioritize the environment and climate change in what they buy

12%-23%

Approximate revenue added to the value chain in sustainable supply chain investments

133%

greater return on procurement investments than a typical business who doesn't focus on having a diverse supply chain

Sources: Nielsen 2014; EYGM Limited 2015; EYGM Limited 2019, ICCR Institute 2015; Hendricks and Singhai, Harvard Business Review 2017, CDP

Environmental, Social and Governance (ESG) Sustainable Supply Chain Solution

Delivered by EY, powered by Pega

Key features

- ▶ Results-oriented business insights to evaluate supplier performance and risk that drive actionable outcomes
- ▶ Extensive supply chain management, risk management and sustainability domain knowledge
- ▶ Outcome-first digital transformation approach that enables businesses to be more productive, more agile, and better prepared to provide the insight, action and transparency of ESG commitments
- ▶ Automation of supplier lifecycle management, sourcing and procurement processes aligned with sustainability criteria and transparency covenants
- ▶ Accelerated change and transformation at market speed with low-code application development enables faster app building, smarter working approaches and the ability to scale with confidence

Benefits

The overall goal of sustainable sourcing is to strengthen long-term relationships with suppliers at all tiers, addressing risks and building capabilities within supplier operations integrating ESG performance factors. The EY-Pega Alliance addresses these needs through its joint skills in consulting and intelligent technology solutions.

Sustainable supplier management

- ▶ Incorporation of environmental and social supplier performance criteria into supplier management and product lifecycles
- ▶ Creation of actionable data through workflow orchestration and case management
- ▶ Improved supplier collaboration processes and platforms that foster supplier innovation and support eco-design
- ▶ Increased value of sustainability and supply chain strategies
- ▶ Tighter orchestration of workflows across silos, bringing together people, processes and systems

Sustainable procurement and raw materials sourcing

- ▶ Improved ethical sustainable sourcing and visibility, traceability and resiliency across the supply chain from end to end
- ▶ Reduced cost, waste and resource consumption and improved quality, productivity and other environmental efficiencies
- ▶ More rapid progression toward carbon-neutral footprint
- ▶ Reduced risks through the implementation of an alternative sourcing strategy
- ▶ Enablement of more informed purchasing decisions through predictive analytics

Compliance, measurement and evaluation

- ▶ Improved supplier performance management and sustainability reporting
- ▶ Enhanced tracking and reporting on sustainability initiatives and improvements
- ▶ Out-of-the-box dashboards, portals and KPIs to quantify environmental impacts for manufacturer, suppliers and government/regulatory authorities
- ▶ Efficiently manage risks and build reputations to maintain a social license to operate and grow

Impact

Enterprises that digitally transform their supply chains are more responsive to customers, capable of measuring their environmental impact, able to keep their operating costs lower and enjoy higher employee engagement.

EY CONTACTS



Jason Ladurantaye

Executive Director
Technology Consulting
Supply Chain Practice
Ernst & Young LLP
jason.ladurantaye@ey.com



Sourav Chakraborty

Senior Manager
Technology Consulting
Ernst & Young LLP
sourav.chakraborty1@ey.com



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2022 EYGM Limited. All Rights Reserved.

ED 2203-4004175

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com