



## COLOR YOUR SUPPLY CHAIN

### INTRODUCTION TO SUSTAINABILITY

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#### LESSON NO 1 –

Welcome to this first lesson of the Introduction to Sustainability. In this lesson I will discuss the need for sustainable supply chain management. If we go back in the history that we see a change of distribution models. In the 80s the focus was very strongly on rationalization. So, we created suppliers, wholesalers who will distribute their products to distribution centers. And from there it's going into, let's say the Metropolitan areas, in the supermarkets, in the shopping malls and superstores. In the 1990s it changed from rationalization of our distribution network to global sourcing. Suddenly our supply chains were globally. So, we started to procure materials from the Far East, bringing it into our country. And from there we are going to distribute it to the shopping malls and all our stores. When the 20th century started we had those computer power. We started to use the internet of things and the age of digitalization started. Global supply chains were there. We started to bring in goods and making use of evil film. E-commerce came up and we were making use of parcel hubs, sortation centers, parcel delivery centers, local depots and bring it directly to the customer's homes, collection points or delivery points. Our supply chain has become more spread and that has impact on the total world. If we look from the, let's say 70s on we started to use global containerized trade. In this picture you will see that it's changing a lot. We had maybe only one dip in 2009 due to the financial crisis. But every year it grows. We are going to ship out more and more goods all over the world. We also see a change in transport flows. So, if we have that ecommerce scenario, we see still that transportation overseas is increasing and the total outcome of that part, that increase is having impact. But what will be that impact on our total planet? Just if we look to a simulation of the change of temperature on Earth. So, in 1800, the end of the 19<sup>th</sup> century we still had some industrialization going on. But after the 50s we see suddenly that the global temperature is going to rise and emissions are going up. It is for sure that the Earth's temperature will rise. The only question is how much. So, there are different scenarios. The reference scenario we are always taking is that by the end of 2100 the Earth temperature will be risen with 4.2%. Based on the national plans at that time, the Paris Treaty, we are still focusing on 3.3 and also that one is high, it's still increasing the Earth's temperature. So, if we are looking by having a schedule where we are on 1.5 or 1.8 degrees by 2050, that is very ambitious. The problem of this part is that measures I'm taking now will determine the long-term outcomes. So, if I'm not acting now it will be influencing how far, how much there will be in maybe 50 years time. The other one is that the ones who are most affected do not have any forest at this moment because the decisions we have to make our decisions which we are taking for our children, for our grandchildren, but not for ourselves and that makes it for some parts very difficult to make those decisions.

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