2019 Spring Event Recap

UCLA IoES
Corporate Partners Program

The Future of Supply Chain Sustainability

On June 4th, our Corporate Partners came together with sustainability professionals and student researchers in the Charles E. Young Research Library to discuss issues relating to supply chain sustainability. Panelists included leadership from ASUCLA Trademarks & Licensing, EnerSys, and EcoVadis. Highlights of the discussion are captured below.

Cynthia Holmes, Director of Trademarks & Licensing with ASUCLA, presented on how UCLA has worked to reduce supply chain risks by working with licensees to increase oversight of their supply chains. Development of a supply chain scorecard allowed ASUCLA to rate licensees based on their current supply chain management practices. Implemented in 2010, the scoring process was designed to be iterative- suppliers scoring poorly on current supply chain management practices are given opportunities to improve their scores in order to conditionally renew their contracts. The result was a reduction in total number of licensees by over 50%, with the remaining ones being more engaged and better representing the values of the university.

Shawn O'Connell, President of Motive Power-Americas at EnerSys, discussed the current state of battery recycling and implications for future growth. Over 99% of lead acid batteries sold are recycled and around 97% of the materials are repurposed, however, as we shift towards the use of more efficient lithium ion batteries for things like electric vehicles, the recycling infrastructure and reclamation ability is severely reduced. Shawn expressed that battery production is expected to increase dramatically in the coming years, from 200 GWH in 2018 to 4,000 GWH annual production capacity in 2040, emphasizing that the scale of this is something we have never seen in the industry. Currently, only 5% of lithium batteries are recycled, driving a need for increased raw material extraction and resulting in an expected 3.5 million tons of electric vehicle batteries stockpiled by 2022. There are companies working to develop more effective recycling techniques for lithium batteries, however the predicted scale of this issue in the coming years demands further investment and research to identify solutions.

Daniel Perry, Global Alliances Director at EcoVadis, discussed the work of his company to provide business sustainability ratings that consider entire supply chains. He emphasized the inherent difficulties companies face when trying to assess and monitor supply chain sustainability- large companies employ innumerous suppliers, while small companies lack the capacity to employ supply chain experts around the world to monitor supplier facilities. EcoVadis provides a third-party solution, putting the burden of proof for sustainability onto the supplier to drive down assessment costs. They have developed a supplier assessment methodology that covers four key areas: environment, social issues, ethics, and supply chain, with metrics that are adjusted based on the context (small or large, which industry), allowing a standardized, yet tailored, approach to assessing the supply chains of their clients. They now have 55,000 companies rated globally, touching on 1.8 billion businesses in their supply chains, and are currently working together with the UC system.

As the panel received audience questions, a focus emerged on three topics: the need for collaboration, company motivation, and the power of students. Panelists coalesced around the idea that the evolution of supply chain sustainability is best achieved in an inclusive fashion, where companies help their suppliers improve their sustainability instead of just cutting ties with poor performers immediately. Perry outlined how companies, and rating agencies like EcoVadis, provide guidance on what 'better' looks like and ultimately reward improvements with business. Companies are increasingly motivated not just by their shareholders but by their stakeholders.

O'Connell emphasized that a company's job is no longer just to make money but rather to also serve humanity. As such, we all should be working together and if there is a better solution, we all should be using it, not restricting access for competitive advantage said Perry.

Holmes stressed how consumers are big drivers of change and, on-campuses, that includes students. Students can actively help shape the future of sustainability— two specific pathways outlined by the panelists included advancing the science and technology around lithium battery recycling and being a consumer base that demands more from its products.

Each of the panelists maintained optimism about progress in the field, but also highlighted the need for an acceleration of pace. There is still a long way to go before comprehensive transparency and tracking of supply chains is a universal norm, instead of a differentiator. However utilizing the power of the consumer, streamlining standards, and adopting a collaborative approach will facilitate this advancement.

The event closed with rapid presentations from the Corporate Partners Program student research teams. This year their work focused on:

- Gamification strategies for sustainability
- An analysis of third-party supplier verification services
- Water reporting and sustainability trends within the tech industry

We were also happy to host a Sustainability Action Research team focused on evaluating the sustainability of UCLA promotional product vendors.

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Full versions of the students' reports are available online for CPP members.
https://www.ioes.ucla.edu/cpp/