



## Press release

# Standard Chartered launches new sustainable supply chain benchmarking tool

***Online tool allows companies to compare their performance with peers on key sustainability and resilience indicators – based on survey of more than 900 companies’ supply chain priorities***

**15 June 2021, Singapore** – Companies can now benchmark the resilience and sustainability of their supply chains, based on comparisons with peers across regions and sectors, using a new sustainable supply chain benchmarking tool developed by Standard Chartered.

The Supply Chain Performance Indicator allows companies to do a “health check” on their operations and highlights which areas they need to focus on to achieve their aspirations. The assessment is based on five indicators: environmental soundness and transparency of direct suppliers and of indirect or deep-tier suppliers; financial robustness; flexibility and adaptability; and collaboration and connectedness throughout the ecosystem<sup>1</sup>. Clients can use the results to identify their areas of weakness and seek advice and solutions from the Bank to help achieve their goals.

The issues exposed by COVID-19 have prompted companies to rethink their supply chains, as the world looks to build back a more sustainable global economy. The tool is developed based on insights from Critical indicators of sustainable supply chains, the Bank’s report which surveyed close to 1,000 global companies, and looked at the resilience and sustainability of supply chains across regions and sectors based on the same five indicators - it also offers actionable insights for companies.

While 90 per cent of the respondents said sustainability and resilience are strategic imperatives, the survey revealed a significant gap: nearly two thirds of companies said their actual performance lags the importance they place on meeting each of the indicators.

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<sup>1</sup> See section under *Note to editors* below for more details on the five indicators

Other key highlights include:

- Environmental and social practices in the supply chain may potentially be a major source of risk. Only 40 per cent of those surveyed indicated confidence that they perform highly when understanding and monitoring environmental standards and labour practices.
- Indirect or deep-tier suppliers appear to be the weakest link. Only 43 per cent of companies view environmental soundness and transparency of indirect suppliers as highly important.
- Financial resilience of supply chains is uncertain – only 2 in 5 companies view providing finance to indirect suppliers as highly important.
- Around 80 per cent of companies are deploying technology solutions to address supply chain challenges.

While the findings show that there is much to be done, the report also highlighted a strong willingness among respondents to work with their financial institutions to address the gaps. They will need to expand their approach to supply chain management beyond operational efficiency, to improve their flexibility and financial robustness, while also managing ESG-related risks. This includes enhancing access to finance for more financially resilient supply chains, particularly for lower tier suppliers who often do not get adequate financing; by making trade finance transactions more transparent and secure for better supply chain visibility; and by driving the adoption of sustainable practices across entire supply chains.

**Simon Cooper, CEO of Corporate, Commercial and Institutional Banking & CEO, Europe & Americas, Standard Chartered**, said: “As we try to build back to a more sustainable economy, we can help our clients with tools and solutions to make their supply chains more sustainable, more resilient and future-proof. Sustainable trade finance products are one way to ensure that complex supply chains adhere to sustainable best practices, and help companies achieve their sustainability goals as they grow their businesses.”

The new tool follows the launch of Standard Chartered’s Sustainable Trade Finance proposition in March, strengthening its ability to help companies implement more sustainable practices and build more resilient supply chains. In addition to a growing suite of sustainable trade finance products, the Bank also offers trade finance at cost to companies that meet the criteria of its USD1 billion COVID-19 financing commitment, launched in March 2020.

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## Note to editors

### About the five indicators of a sustainable and resilient supply chain

For each indicator, we tested companies' views on its importance and their own performance across ten elements that contribute to the sustainability and resilience of supply chains.

<b>Environmental soundness and transparency of direct suppliers</b>	Ensures that all participants, direct and indirect suppliers, through the chain maintain ethical standards in the way they conduct their businesses, including labour practices, environmental standards, and social impact.
<b>Environmental soundness and transparency of indirect or deep-tier suppliers</b>	Having clear and collaborative scenario planning and business continuity plans in place to ensure that if a break occurs, or a significant external event happens, the impact to individual corporates and the supply chain as a whole is minimised.
<b>Flexibility and adaptability</b>	Adequately funded and financed from the smallest supplier to the largest corporates, with financing easy to access throughout the entire supply chain, when needed.
<b>Financial robustness</b>	Having open communication, shared objectives, timely information sharing and a fair value exchange between supply chain partners, backed by trusted relationships.
<b>Collaboration and connectedness throughout the ecosystem</b>	

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