

Media Release

Greening Global Supply Chains - Go Green or Get Left Behind

(24 August 2022 - Global) Corporates are voting with their feet when it comes to supply chain sustainability, new East & Partners research reveals.

East & Partners latest Global Insight Report "Digitising and Greening Global Supply Chains" outlines the enormous opportunity for both incumbent Banks and challengers to offer a clear point of distinction based on their unique environmental, social and governance (ESG) credentials.

The incentive is more than simply retaining or acquiring new commercial banking customers. Corporate treasurers are voting with their feet where their Bank cannot support their ambitious sustainable financing implementation plans across their own operations and up and down their complex cross border supply chain partners.

The report not only details the level of progress by country but also key barriers to implementation across internal and external factors, ranking each response among those corporates currently implementing ESG policies.

"I'd say moving goal posts is the major problem we've encountered. We tried to get a sustainability linked bond issuance away late last year, but our advisors/arrangers changed the terms 3 times during the process, and we ended up moving on."

– CFO US\$18Bn, China Resources/Manufacturing Group

Internal issues include the absence of a defined strategic plan, lack of board support or simply too busy responding to COVID.

External issues include the challenging regulatory framework, public relations concerns and lack of shareholder/investor demand while a lack of stringent definitions/agreed measures and poor supply chain partner compliance also complicates integration and adoption of sustainability principles.

KEY BARRIERS ENCOUNTERED IMPLEMENTING ESG MEASURES ACROSS SUPPLY CHAINS

INTERNAL FACTORS

- Absent strategic plan
- Lack of Board support
- Too busy responding to Covid

EXTERNAL FACTORS

- Challenging/confusing regulatory framework
- Public relations concerns
- Lack of shareholder/investor demand

OTHER FACTORS

- Lack of stringent definitions/agreed measures
- Poor communications from Supply Chain partners

Contact East & Partners now to access our latest Global Insight Report: Digitising and Greening Global Supply Chains

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The voice of the customer insights provide a clear line of sight across differing funding methods, key trade and supply chain finance (SCF) providers, domestic and international volumes and the challenges and opportunities faced by the largest corporates in funding their global supply chain needs amid crippling supply chain disruptions and geopolitical threats.

The research also details large global corporate's top strategic supply chain management and funding initiatives for the next 12 months with historical comparisons against 2017 data detailing trending preferences towards refinancing, distributor financing, reduced DPO and off-balance sheet financing.

“Banks are actually now coming to us with ESG lending and capital management solutions, especially for our supply chains and delivering good guidance around best practice and what our peers are doing.”

– Treasurer, US\$5.5Bn German Wholesale/Distributor

The analysis is based on primary research executed by East & Partners with the Top 100 revenue ranked corporates in each of eight key global markets targeted for interview. All interviewees reported an active import and/or export function with operations headquartered in Australia, Canada, China, Germany, Hong Kong, Singapore, United Kingdom, and USA.

The latest 2022 analysis provides powerful comparisons against 2017 equivalents captured as part of East & Partners [Funding a Globalised Supply Chain](#) Global Insight report.

How many large global corporates have implemented an ESG policy within their supply chain in the last 12 months?

How many corporates are planning to?

What proportion are being left behind?

And most importantly who is winning the green "mind share" race? Which bank captures the most brand awareness for supply chain funding sustainability?

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About the research:

East & Partners Global Insight report series explores key issues identified by institutional banking customers as part of the group's long running core research programs including Transaction Banking, Credit, Trade Finance, Business FX, Equipment Finance, Merchant Payments and Customer Sentiment.

This unique global analysis provides timely 'voice of the customer' insights around which banks are getting it right, what's at risk for those failing, who's driving the change and how 'going green' is impacting banking behaviour of the world's biggest companies.

The purpose of this report is to identify and guide East's clients, including banks, financial services providers, regulators, and legislators on key value opportunities, market gaps and competitive advantages emerging within the global institutional banking market.

Direct interviews were conducted with the top 100 revenue ranked corporates in each of eight countries – Australia, Canada, China, Germany, Hong Kong, Singapore, the United Kingdom and the USA. All interviews were conducted on a direct basis with the individual responsible for the treasury and banking function. CFOs and corporate treasurers from 752 out of a defined population of 800 institutional enterprises with annual turnover of US\$725m plus participated in the research without incentive.

<http://eastandpartners.com/research/global-insight-reports/digitising-and-greening-global-supply-chains>

About East & Partners

East & Partners is a leading specialist business banking market research and analysis firm. The firm's core expertise is in the provision of analysis and advisory services tailored for the commercial, business and institutional banking markets across Asia Pacific, Australasia, Europe and North America.

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