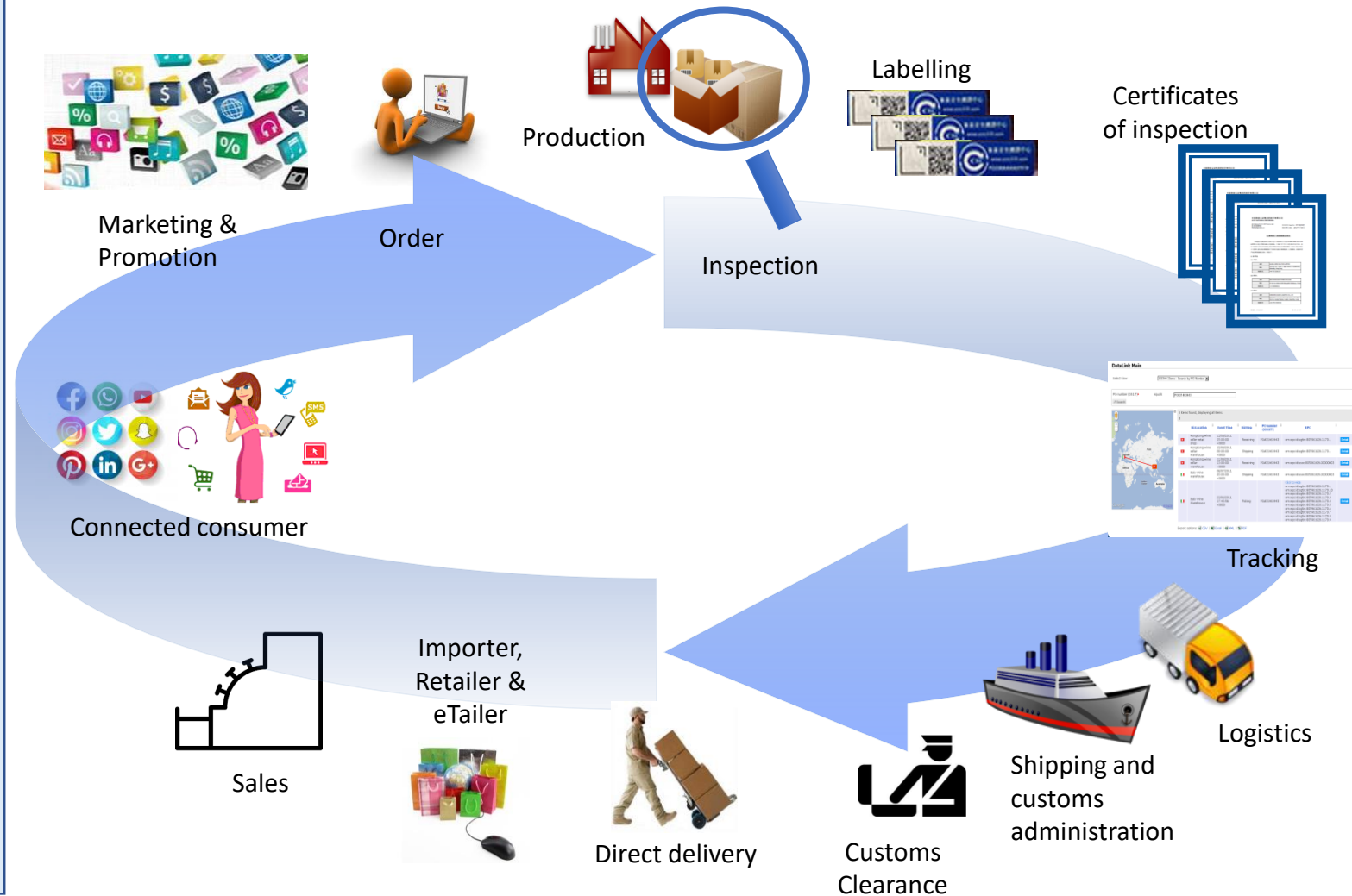


A software concept that monetizes sustainable and ethical supply chain collaboration

How it Works

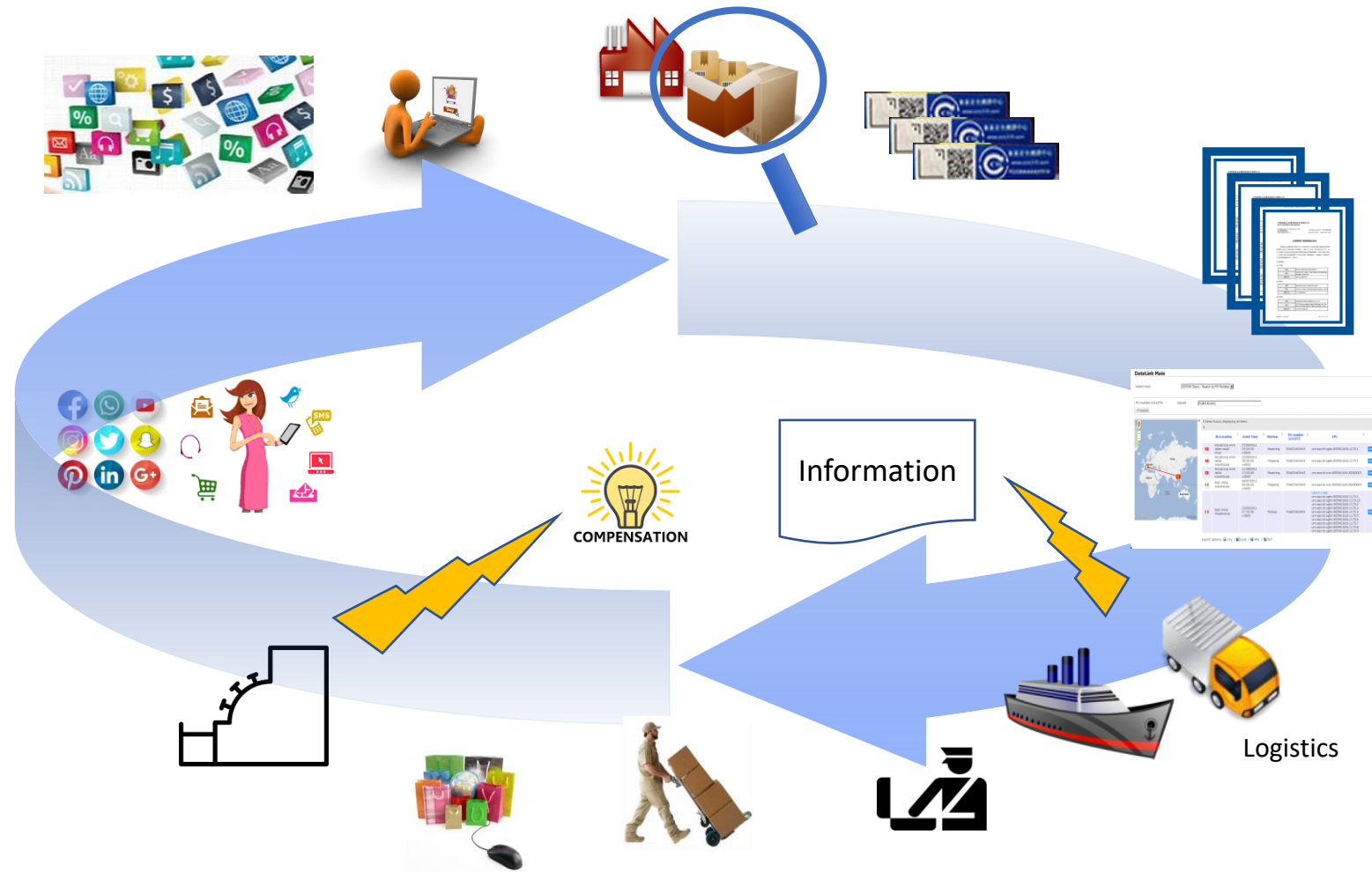
Introduction

- Nobody would deny the importance of **collaboration**. Supply chain partners will agree that, e.g., the traceability service is a key asset for their client relationship.
- However, **lack of trust** between parties generates conflicts of personal interest. Nobody wants to be the first to make the necessary changes and investments.
 - “Why should I do it? Will this help me sell more? Will customers pay more for this?”*



Imagine this **business scenario**:

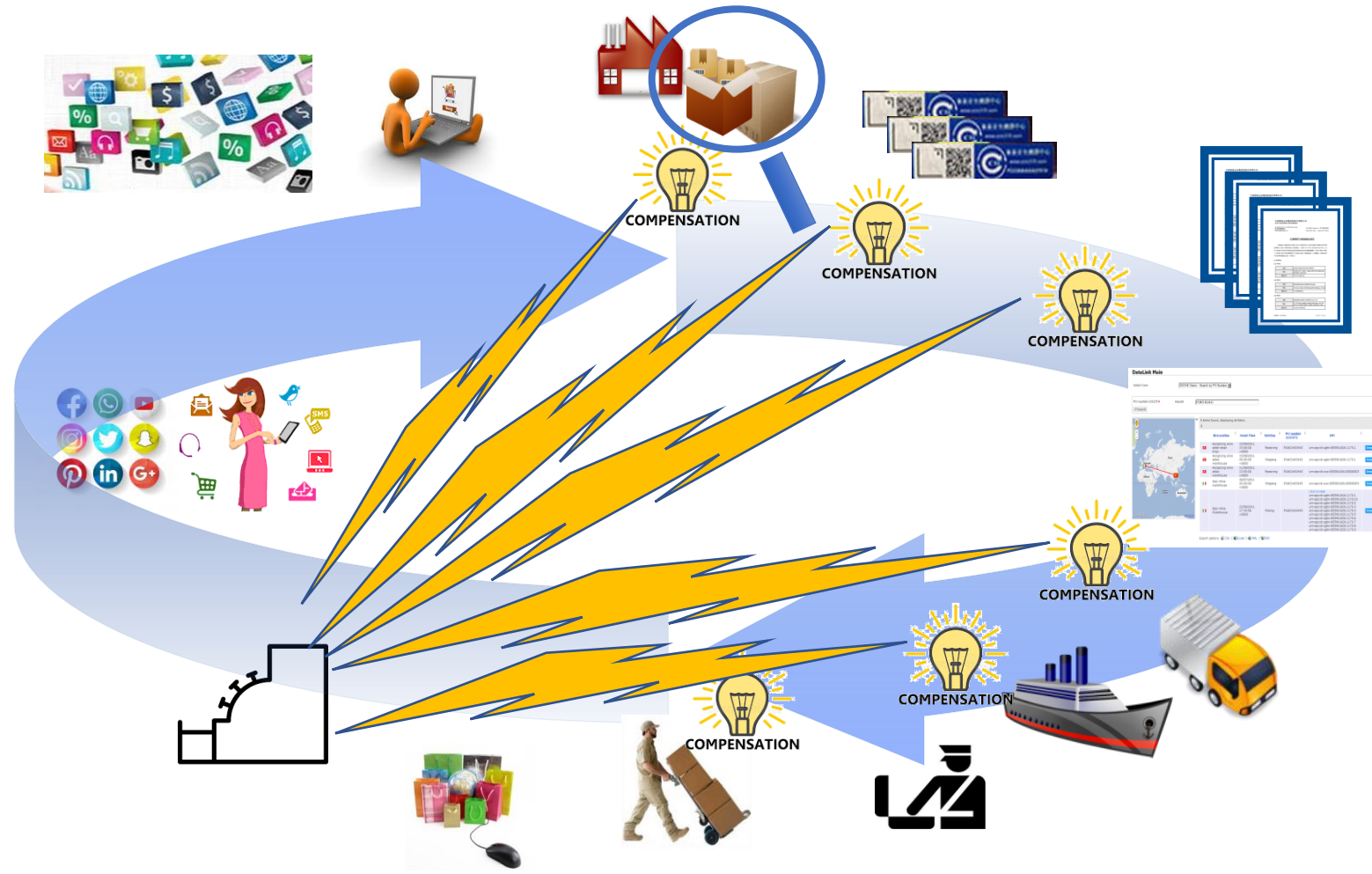
- Supply chain partners provide traceability information of a product.
- When the product is **sold**, they get **compensated** for the information.
- **Examples of compensation** may be:
 - Paybacks
 - Discounts
 - Loyalty points
 - Bonus to purchase other goods
 - Lower borrowing interest rate
- A logistics provider, e.g., would get **compensated** not only for moving and storing goods, but also for **originating information** on how, when, and where the goods were moved and stored.
- Supply chain process information is **monetized**.



The proposed solution (cont'd)

- When the product is **sold**, its digital twin **triggers** the platform to **automatically compensate** all the owners of the info digital twins collected across the supply chain.
- In conclusion, **every time a product is sold, the software compensates for the information provided.**
- This will **lower the barriers** that block **collaboration**: now everyone gets **proper compensation** for some **activity** they would otherwise not have performed because there was no perceived commercial value in it.

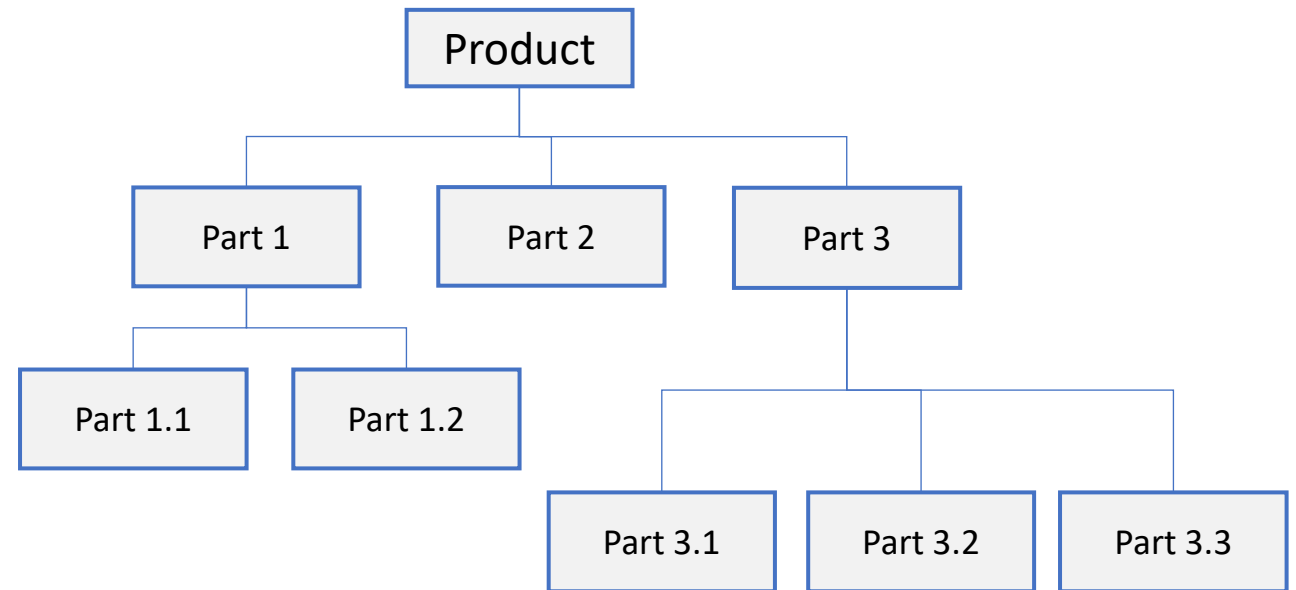
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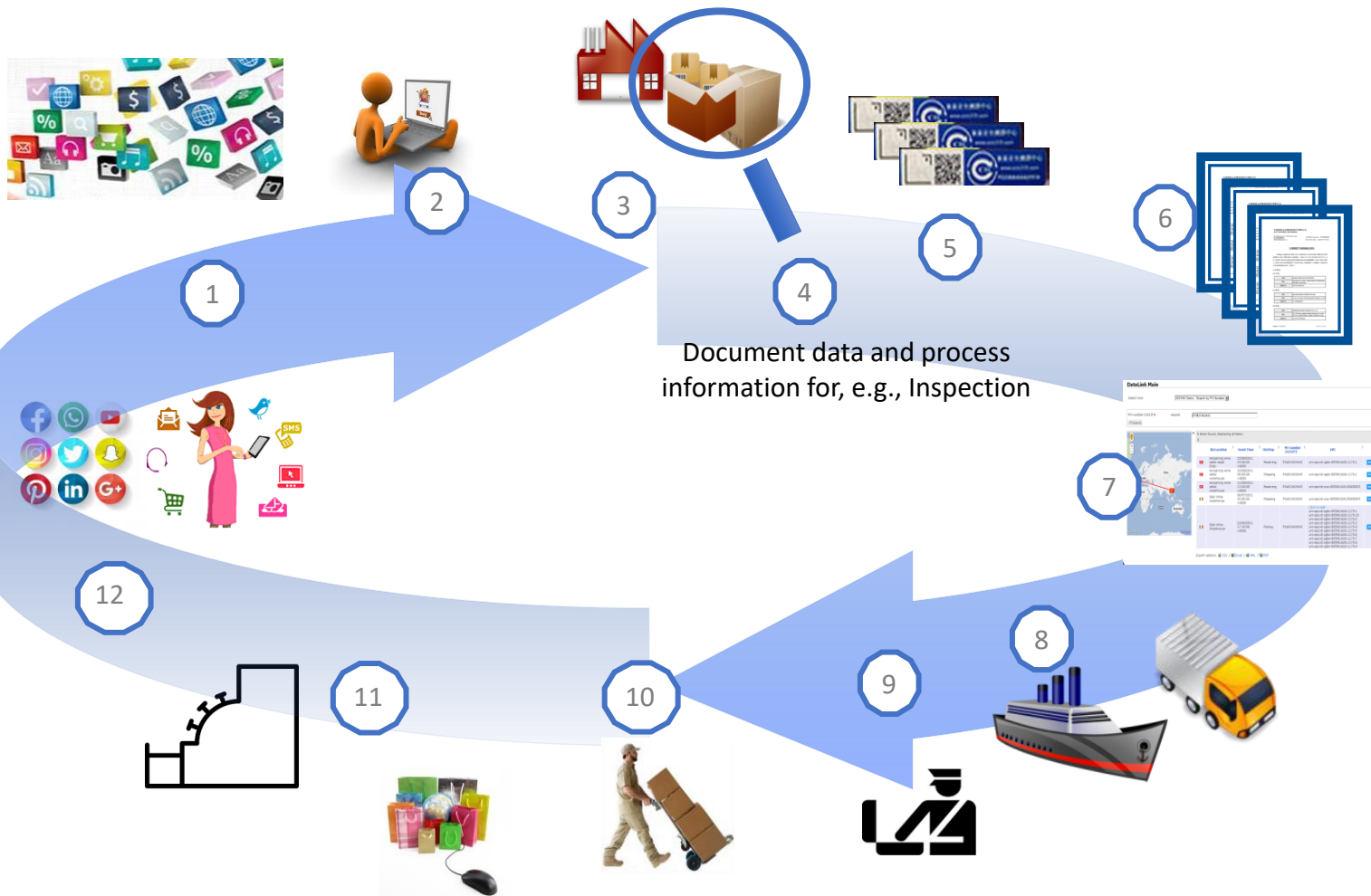


Introducing the **Bill of Value**

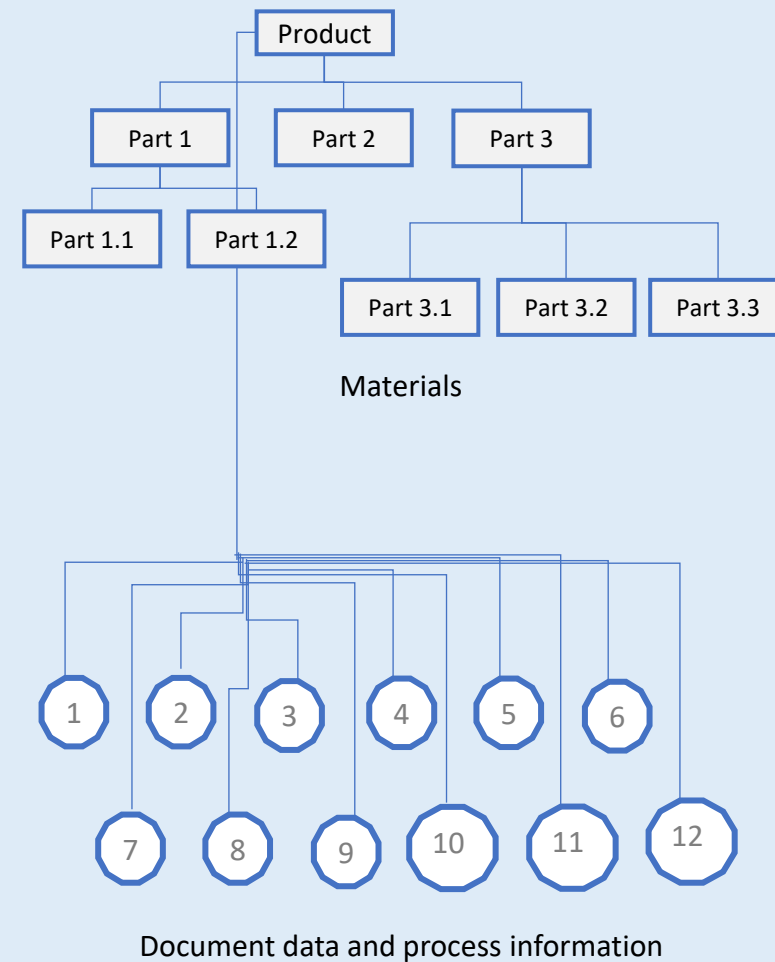
- The list of all the parts needed to manufacture a product is called **bill of materials**.
 - These parts **add value** to the product.
- Similarly, **document data** and **process information** **add value** to the product. For example:
 - Certificates
 - Purchase orders
 - Shipping documents
 - Manufacturing operations
- Materials, document data and process information are **assets** that **add value** to the product.
- This extends the bill of materials into the **Bill of Value**.

The Bill of Materials





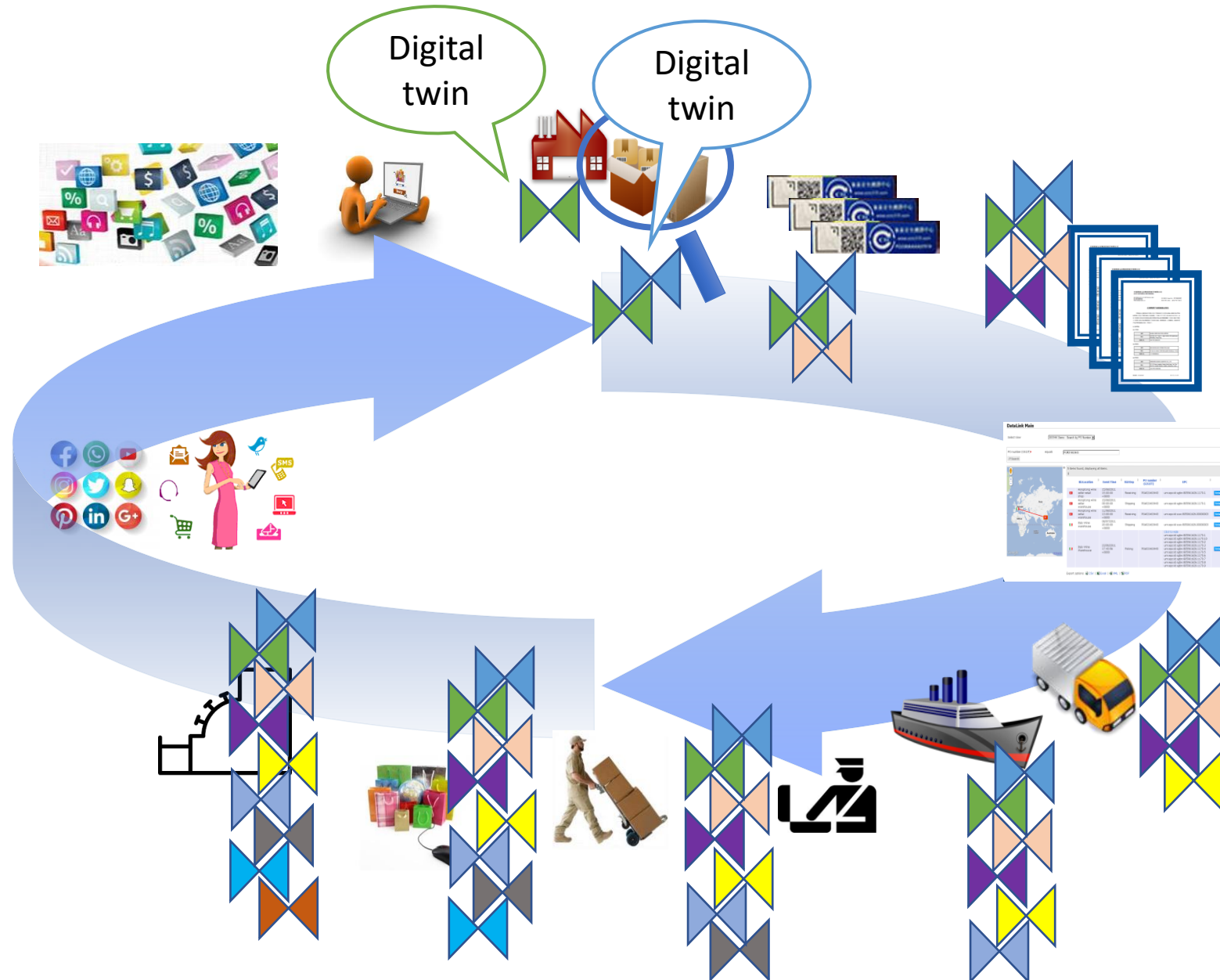
The Bill of Value



The proposed solution

- The software creates a “**digital twin**” of the supply chain process **information** (info digital twin).
- Every time an information is generated on the platform, the originator is given **title of ownership** of the correspondent info digital twin.
- The platform keeps the info digital twin **connected** to the product digital twin throughout its lifecycle in the supply chain.

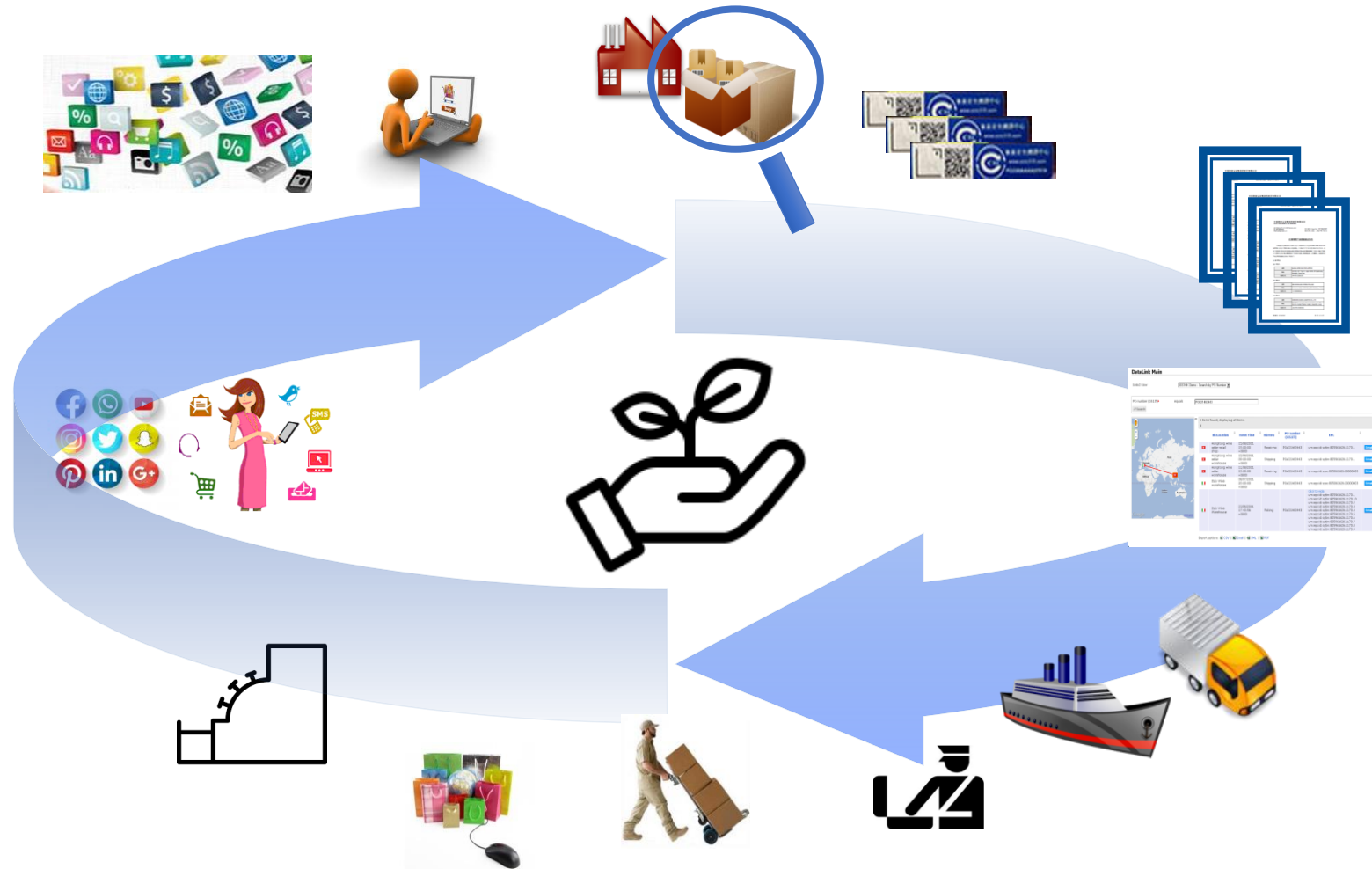
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The proposed solution (cont'd)

- This applies also to **data documents** and **process information** related to **sustainability programs**.
- Big brands are **responsible**—in the eyes of the client—for the **sustainability compliance** of the **entire** supply chain.
- They must ensure that the supplier network provides products and processes **compliant** with sustainability protocols.
- The info digital twin can be created also for **document data** and **process information** related to **sustainability programs**.

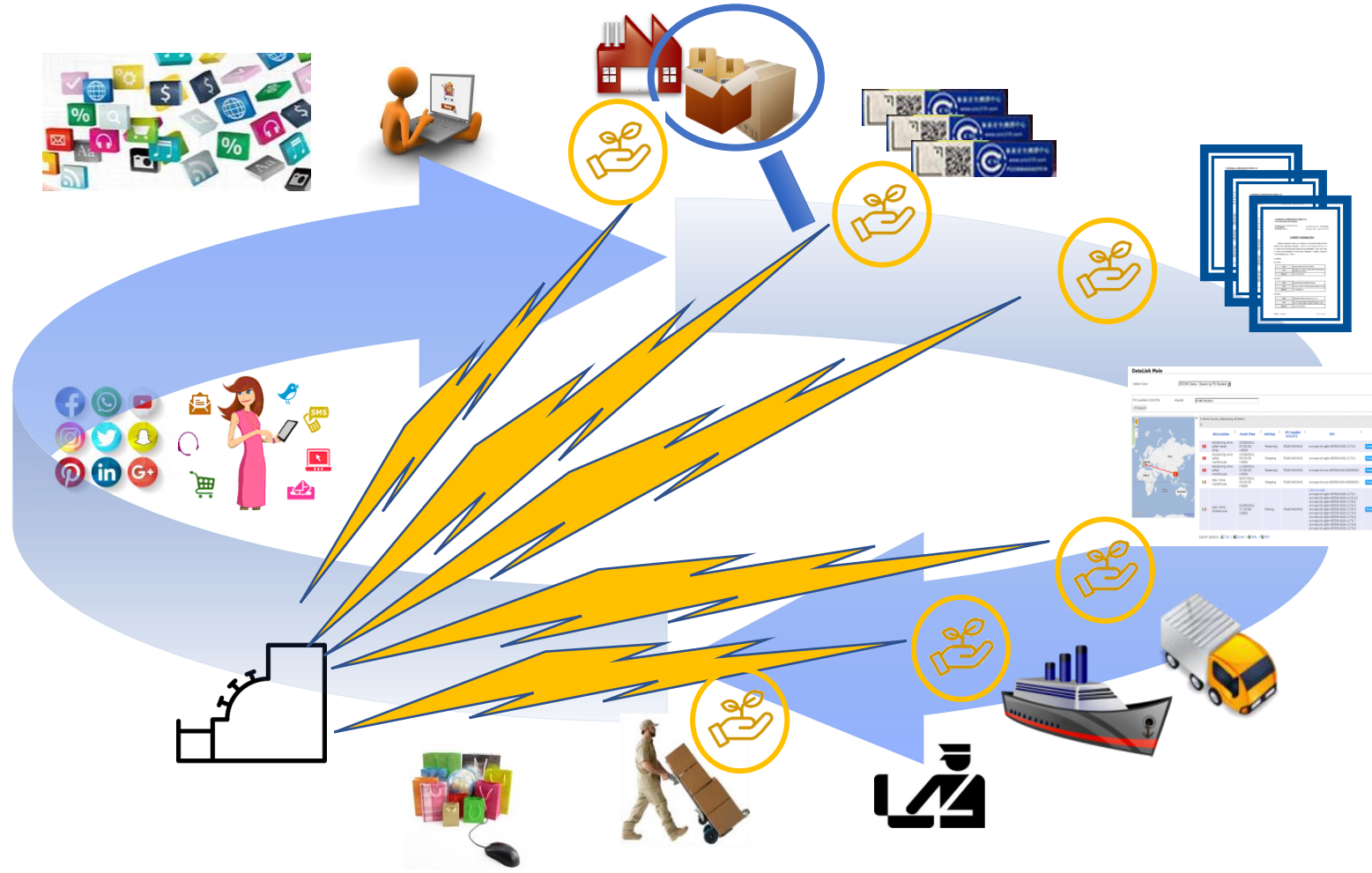
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The proposed solution (cont'd)

- Through the platform, the Big brand compensates the owners of (sustainability) info digital twins with “**sustainability points**”.
- The owners of these points can offer **tangible evidence** of their collaborative effort and strategic relevance to the Big brand’s sustainability program.
- This **improves the risk profile** (i.e., the “sustainability profile”) of the Big brand’s supply chain partners.

(continues)



The proposed solution (final)

- **Supply chain finance** providers can rely on such “sustainability profiles” to offer **favorable financial conditions** to the Big brand’s worthy **sustainability partners**.
- By collaborating in sustainability programs, supply chain partners receive compensation for activities they would have otherwise not performed, unless forced by the big brands.
- This is the opening to the **ETHICAL Supply Chain Finance**.

The proposed software monetizes sustainable and ethical supply chain collaboration

