

## 9 Appendices

### **Appendix 1: Advantages of effective risk management process according to the International Organization for Standardization**

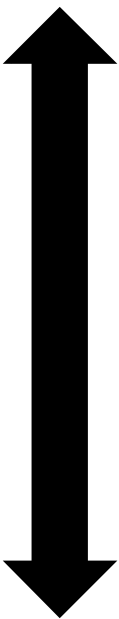
By developing a comprehensive risk management process and thus a SCRUM process, the organization could potentially benefit from the following advantages<sup>35</sup>:

- increase the likelihood of achieving objectives;
- encourage proactive management;
- be aware of the need to identify and treat risk throughout the organization;
- improve the identification of opportunities and threats;
- comply with relevant legal and regulatory requirements and international norms;
- improve mandatory and voluntary reporting;
- improve governance;
- improve stakeholder confidence and trust;
- establish a reliable basis for decision making and planning;
- improve controls;
- effectively allocate and use resources for risk treatment;
- improve operational effectiveness and efficiency;
- enhance health and safety performance, as well as environmental protection;
- improve loss prevention and incident management;
- minimize losses;
- improve organizational learning; and
- improve organizational resilience.

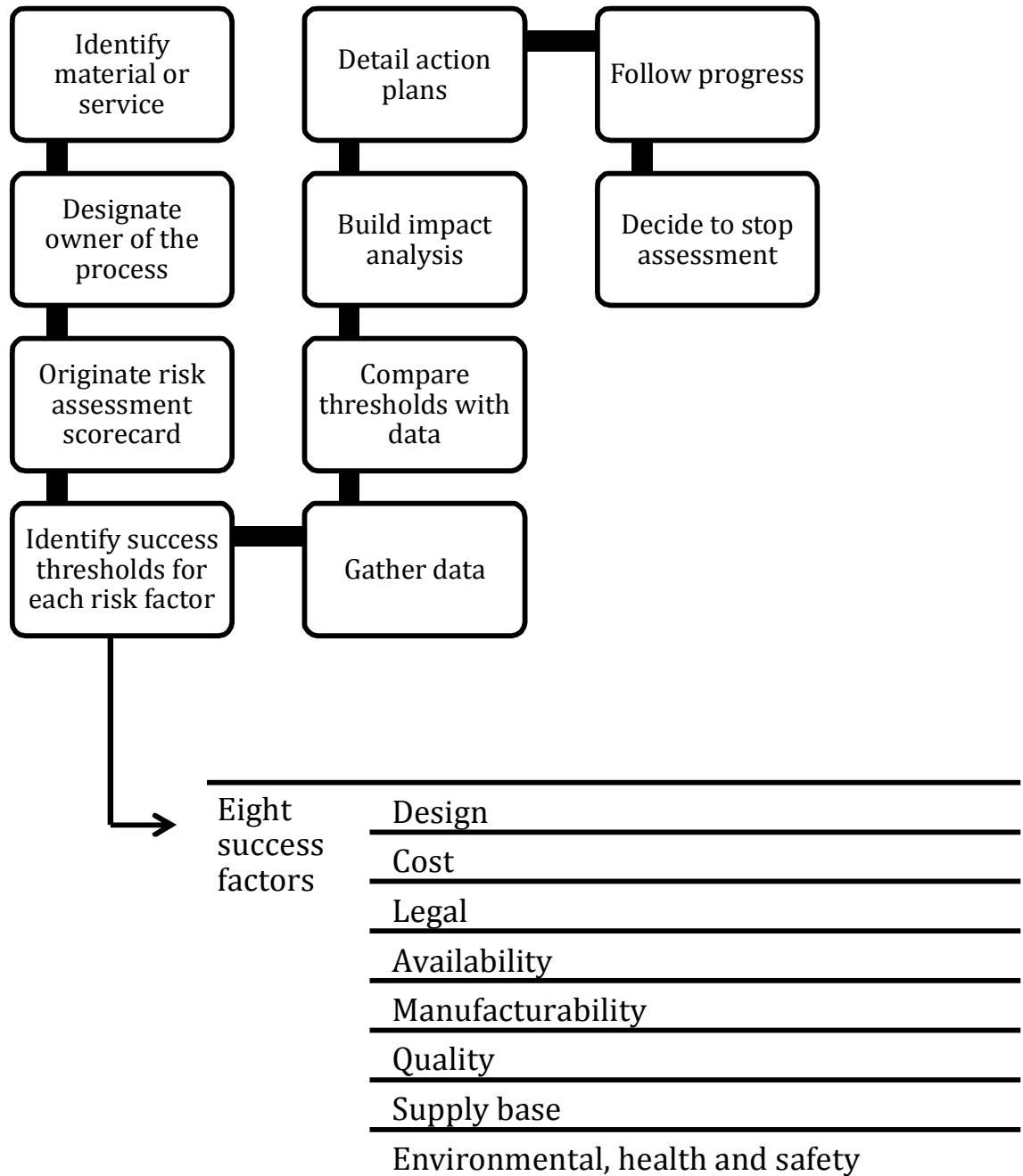
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<sup>35</sup>Retrieved from <https://www.iso.org/obp/ui/fr/#iso:std:iso:31000:ed-1:v1:en> [on line] consulted on Feb 27th 2015

**Appendix 2: Different sources of risks according to Simchi-Levi (2010)**

	<b>Uncontrollable</b>	Natural disasters
		Geopolitical problems
		Epidemics
		Terrorist Attacks
		Environmental risks
		Fuel prices
		Labor costs
		Currency fluctuations
		Counterfeit parts and products
		Transport delays
		Market changes
		Supplier performance
		Forecast accuracy
	<b>Controllable</b>	Execution problems

### Appendix 3: End-to end supplier assessment tool (Zsidisin et al., 2004)



**Appendix 4: Logistics Performance Index: methodology and comparative graphic**

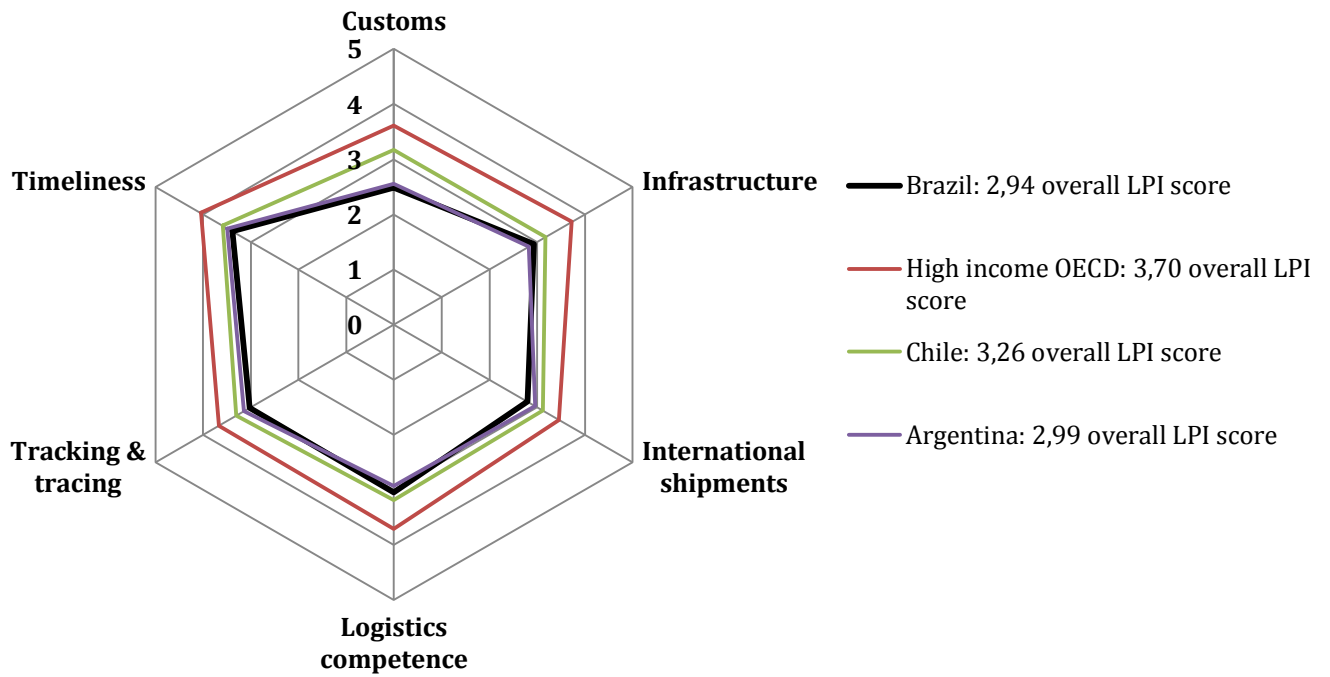
The Logistics Performance Index (hereafter LPI) is a benchmarking tool created by the World Bank to facilitate identification of challenges and opportunities users might face when doing business abroad. Data are gathered through a survey based on questions about foreign countries where logistics professional operate.

The LPI score represents the weighted average of each country and is based on six dimensions:

1. Customs: Speed, simplicity, formalities
2. Infrastructure: ports, railroads, roads, IT
3. International shipments: Ease of organizing competitive shipments
4. Logistics competence: Quality of logistics services – Transport operators, customs brokers
5. Tracking & Tracing
6. Timeliness: ability to deliver within expected time

The Brazilian LPI score confirms what has been stated by the Global Competitiveness Report 2015. As a matter of fact, Brazil scores lower than the average of the OECD countries and lower than two of its neighbors, Argentina and Chile, as it is displayed on the following comparative graph:

## Brazil has room for improvement in terms of logistics performance (2014)



Source: Logistics Performance Index, The World Bank (2014). Online <http://lpi.worldbank.org/international/scorecard>

## Appendix 5: Semi-structured interview guide

Company:

Number of employees:

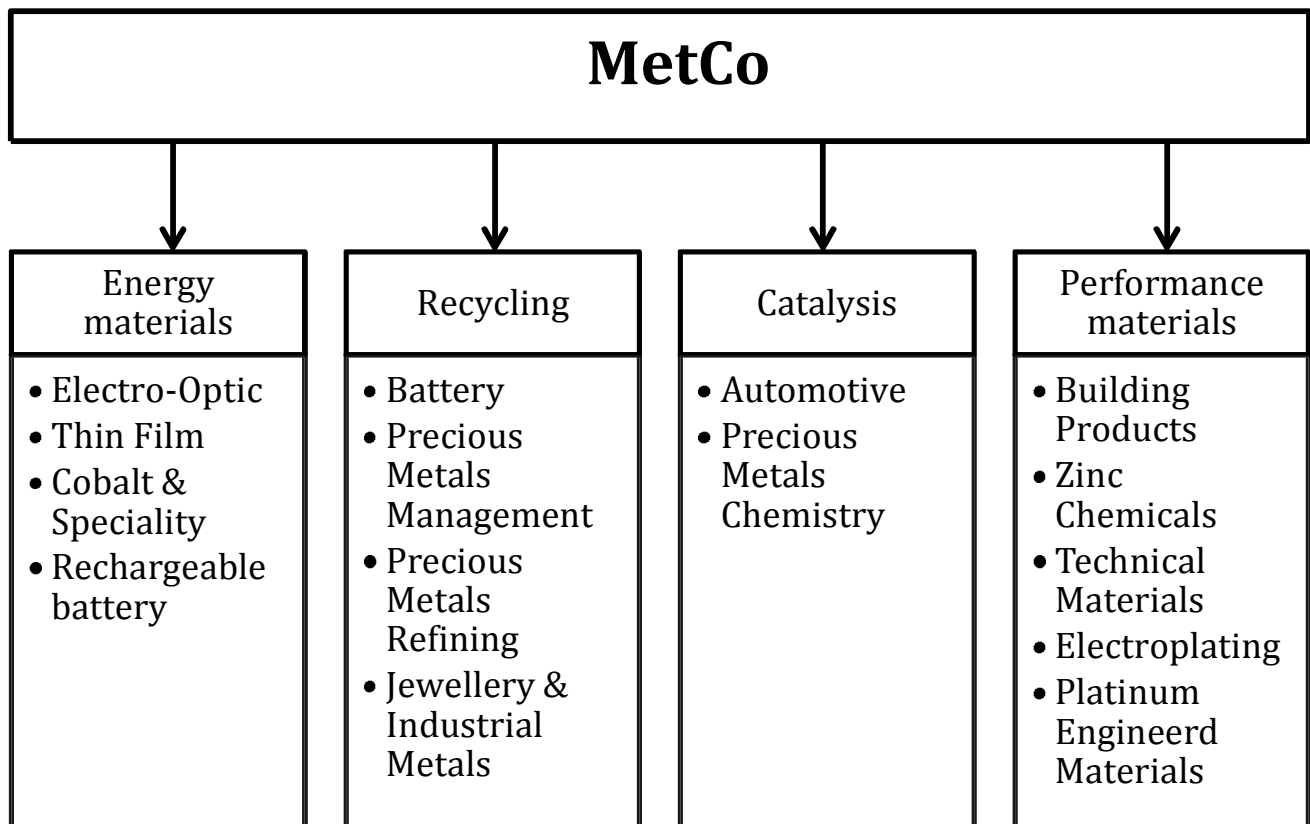
Annual revenues:

Position:

Date:

General questions on emerging markets	What type of products do you source on emerging markets?
	What is your global sourcing strategy and why are you sourcing on emerging markets?
Supplier selection and evaluation	What criteria are of importance when selecting suppliers? Who has last call for supplier selection?
	What measures do you apply to verify those criteria? (CSR, quality, cost...) ⇒ Differences between emerging and developed countries? Is there something specific about Brazil?
	How do you evaluate suppliers during the relationship? ⇒ Differences between emerging and developed countries? Is there something specific about Brazil?
	How do you handle your relationship with suppliers in emerging markets (joint development/risk transfer/...)?
SCRM	How do you deal with suppliers not matching the standards of your company? ⇒ Differences between emerging and developed countries? Is there something specific about Brazil?
	Could you describe the way supply chain risks are managed? What specific risks could you identify when sourcing on emerging markets? Is the ethical risk one of them? ⇒ Differences between emerging and developed countries? Is there

	<p>something specific about Brazil?</p> <p>Do you think that Brazilian business environment is a source of supply chain risks?</p> <p>What are the types of losses you feel threatened by?</p> <p>Do you assess risks? How? How often? What are the tools at your disposal?</p> <p>What is the risk tolerance of your company?</p> <p>Once assessed, how do you manage those risks? What are the procedures, the tools?</p> <p>⇒ Differences between emerging and developed countries? Is there something specific about Brazil?</p> <p>What is the strategy for risk mitigation?</p> <p>⇒ Differences between emerging and developed countries? Is there something specific about Brazil?</p> <p>What operational procedures do you use to mitigate risks?</p> <p>⇒ Differences between emerging and developed countries? Is there something specific about Brazil?</p> <p>If a crisis at one of your most important supplier occurs, what is the reaction (who? how?)</p>
Opinion on global improvement of SCRM	In your opinion, what are the areas the company could address in order to improve the whole process of supply risk management, strategically and operationally? (Cost saving vs risk hedging).

**Appendix 6: Business unit breakdown at MetCo**

## **Appendix 7: MetCo's sustainability procurement charter**

The sustainability procurement charter defines a number of engagements that the supplier has to respect in order to be selected as a trusted partner. The charter identifies 6 poles:

1. **Environment**: compliance with local environmental laws, minimize relevant environmental impacts, willingness to improve environmental performance.
2. **Labor practices and human rights**: abolition of child and forced labor, freedom of association and collective bargaining, elimination of discrimination, fair treatment, compliance with local laws, health and safety protection.
3. **Business integrity**: application of the highest standards of business and personal ethics, commitment to work against all forms of corruption, extortion and fraud, commitment to transparency and accountability.
4. **Supply chain**: promotion of the principles of sustainable procurement in their own supply chain.
5. **Assessment and monitoring**: maintenance of necessary documentation to demonstrate compliance, willingness to respond to inquiries, acceptance to respond to self-assessment, acceptance of site audits.
6. **Non-compliance**: In case the aforementioned elements are not met, the supplier might be required to provide explanation and/or evidence that action plans are in place to correct the problem and prevent recurrence.

**Appendix 8: FruitCo's platforms**

FruitCo organizes its activities in platforms, operating as distinctive business lines. There are currently 13 platforms and even though they do not plan to add a string to their bow in the foreseeable future, this is not unchangeable. As a matter of fact, they have added multiple platforms (e.g. orange juice has been added in 1980) since their creation in 1850:

Platforms (2014)	Oilseeds
	Grains
	Rice
	Feed
	Freight
	Finance
	Coffee
	Cotton
	Sugar
	Juice
	Fertilizers & Inputs
	Metals
	Dairy