LogiSYM

The Magazine for Supply Chain Executives

JUNE-JULY 2024

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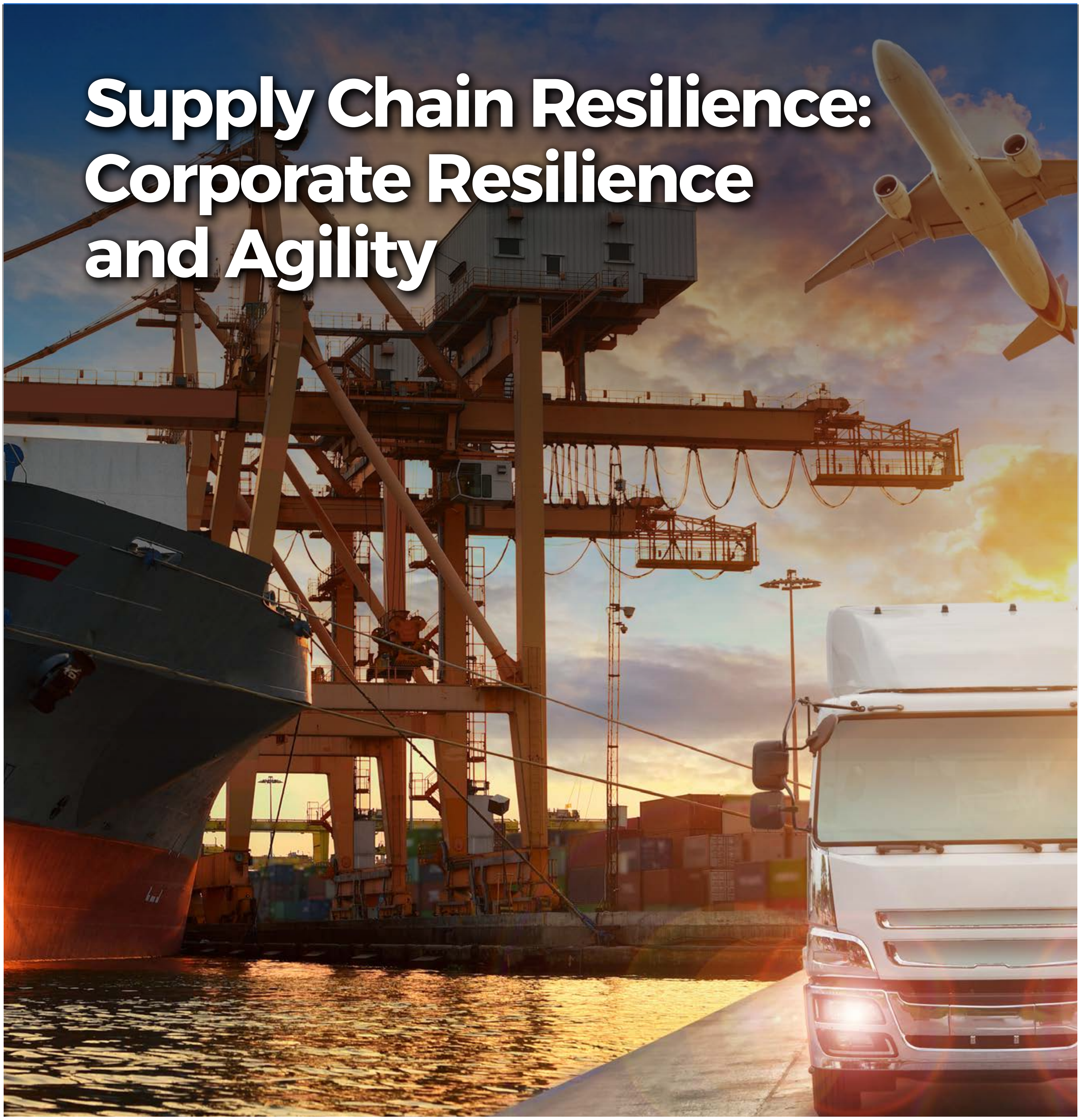
The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practicioners

The Official Journal of The Logistics & Supply Chain Management Society



JUNE-JULY 2024

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EDITORIAL MESSAGE

And off we go ...

If Logisticians thought at the start of the year that 2024 was going to be smooth sailing, we would have been sadly mistaken - and naive. The impacts of the Panama Canal congestion, Red Sea crisis and somewhat lesser incidents like the Baltimore bridge incident coupled with other geopolitical and business issues plue emerging areas of focus like ESG and AI means we have been busy, either proactively or reactively, trying to avoid disruptions to the Supply Chains we manage and make them perform better.

I do not see these constant disruptions and issues as catastrophes but rather as opportunities to embrace new and novel ways to better prepare for and respond to what's around the corner and is part of an evolutionary process all supply chains should go through. From supply chain planning to last mile delivery, every link in the chain has an opportunity to build more resilience and agility into their operations and in anything we do, the focus on ESG needs to be maintained. This month's issue focuses on the latter, especially sustainability. With all the supply chain challenges we started with this year, this has taken somewhat of a back seat these last few months so it is a good reminder that we should pay heed to this extremely important topic.

Regular readers of LogiSYM would have noticed that this is the second issue in a row that has not had an editorial message from Joe Lombardo, our founding Editor-In-Chief. Joe is enjoying a much deserved retirement (from the supply chain world) and we wish him the very best. I will be filling in as Editor-In-Chief before his successor comes on board and as always, if you have suggestions or feedback on how we can do better, please do not hesitate to reach out.

Raymon Krishnan
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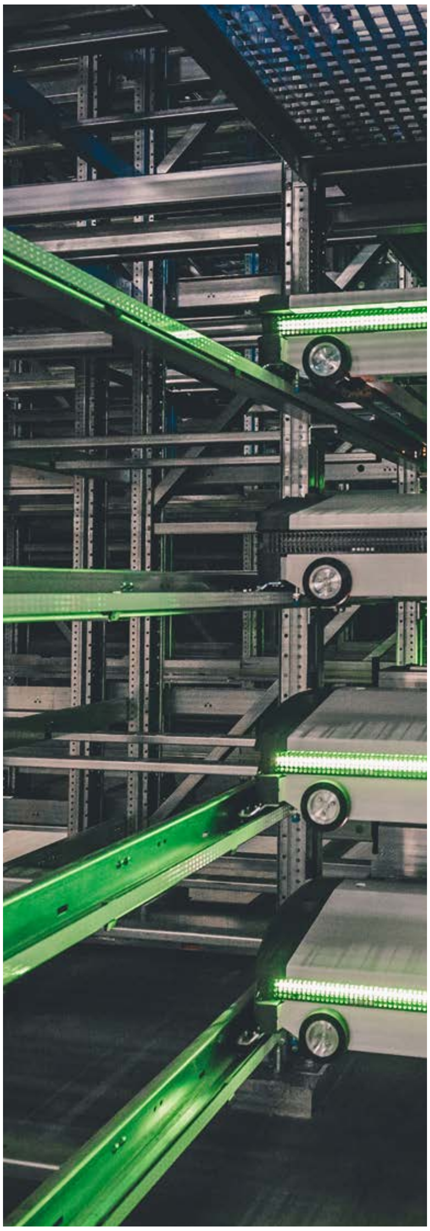
New distribution center in Echt

Arvato continues expansion in the Netherlands

Gennep - Arvato, leading provider of supply chain solutions, is building a new, state-of-the-art distribution center in the Netherlands in the municipality of Echt in the province of Limburg. The new building represents a further milestone in the company's expansion strategy.



Arvato's acquisition of the new plot demonstrates its commitment to strengthening its operational capabilities and expanding its position in the 3PL logistics sector. Martijn Nielen, Managing Director of Arvato in the Netherlands, commented, "This expansion is particularly exciting as we plan to build a state-of- the-art campus that will meet our high sustainable building standards. The new campus will, amongst other aspects, be BREEAM certified excellent, have a photovoltaic system and a green yard. It reflects our dedication to not only meet our customers' needs but also to environmental responsibility."

The new campus site, spanning almost 200,000 square meters, marks Arvato's second fully owned property in the Netherlands, like its existing site in Gennep. Operations are scheduled to commence in 2025, groundwork preparations have already started in May. Upon completion, Arvato's representation across the Netherlands will be significantly enhanced totaling almost 500,000 square meters.

Situated in the strategic location of De Loop Business Park, between Maastricht and Roermond in the south/east of the Netherlands, the new plot offers access to skilled labor as well as an excellent connectivity. De Loop is conveniently located near the A73 and A2 highways, providing easy access to both the Belgian and German borders. This prime location facilitates efficient cross-border transportation of goods, with access to key markets in Germany, Belgium, and the rest of Europe.

"The new site in Echt is not only part of our international growth strategy, it also underscores our commitment to providing strategic solutions to our clients," added Nielen. "With our expanded presence in Echt, we are well-positioned to enable our clients to achieve their growth objectives and provide the best possible support, including state-of-the-art technologies and innovative solutions."

Intelligent Order Lifecycle Management is the game changer to managing high performing supply chains.

About Arvato

Arvato is an innovative and leading international service provider in the field of supply chain management and e-commerce. By combining deep industry expertise with the right technologies, Arvato develops innovative supply chain management and e-commerce solutions for its clients. Arvato focuses on Consumer Products, Tech, Healthcare, Automotive and Publisher industries and has aligned its organization to meet the needs of its global clients and their industries. More than 17,000 employees work at around 100 locations with state- of-the-art cloud technologies. This enables Arvato to provide its clients with the best possible support for their growth objectives.

Strategies for Meeting Regulatory Requirements Without Sacrificing Agility for Supply Chain Resilience

Opinion Editorial by Dr. Shereen Nassar, Global Director Logistic Studies

Maintaining agility in supply chains while increasing resilience is an essential balance for companies seeking to enhance their operational efficiency without compromising regulatory compliance. Achieving a delicate balance between agility and governance is key to success considering the rapidly changing business dynamics. Agility is essential for businesses to keep pace with market dynamics and innovate quickly. However, stability, compliance, and risk management provided by governance are equally crucial for sustainable growth. Regulatory compliance protects businesses from legal penalties and reputational damage by ensuring they adhere to laws and standards. Striking this balance is a pressing challenge, demanding a blend of flexibility and control for organisations to thrive.

Role of Governance in Supply Chain Resilience

Businesses have increasingly recognised the importance of having robust, adaptable, and reliable supply chains as an essential component of corporate governance. The concept of corporate governance refers to the structures, policies, and processes that govern and control companies. A governance framework for supply chain management must ensure that the chain is resilient to disruptions, such as natural disasters, geopolitical tensions, economic fluctuations, and pandemics. Supply chain resilience requires effective corporate governance practices, such as strategic oversight, risk management, and ethical behaviors that protect a company's operations and reputation, especially during times of disruption.

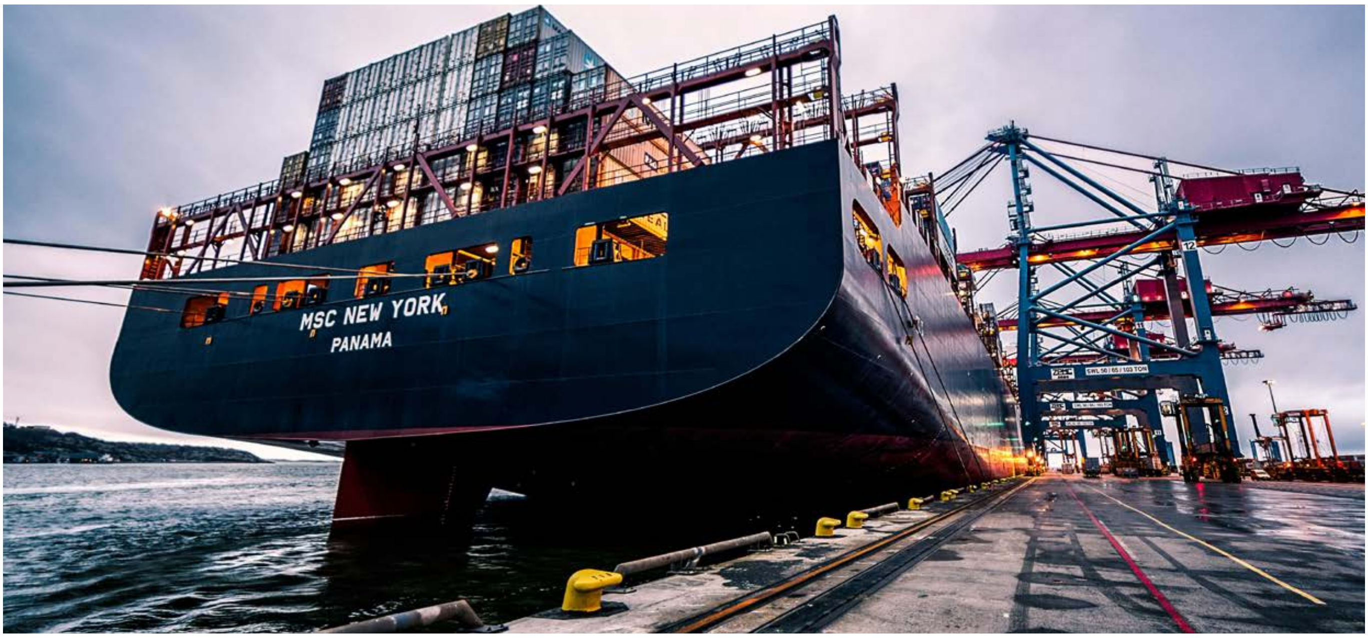
Strategic oversight requires senior management to actively oversee supply chain strategies to ensure the alignment with broader risk management principles and business objectives. Leading the culture of resilience is critical, emphasizing the importance of proactive supply chain management. Furthermore, risk management and compliance involve regular identification and assessment of risks associated with supply chain operations and ensuring compliance with local and international laws affecting the supply chain, including labor laws, environmental regulations, and trade restrictions. Communications requires maintaining open channels of communications with all stakeholders to build trust and ensure alignment. Transparent reporting and disclosure practices require implementing vigorous reporting mechanisms to disclose supply chain practices and risks transparently, adhering to standards. Effective governance requires incorporating sustainable and ethical sourcing practices and enhancing social responsibility within the supply chain to address issues related to labour practices and environmental impacts.

Governance plays a critical role in protecting businesses by ensuring that their activities comply with legal and ethical standards while managing potential risks. It establishes accountability, transparency, and compliance frameworks, giving stakeholders confidence in the reliability and ethical conduct of the organisation. It ensures that the organisation’s financial practices are transparent, accountable, and aligned with industry standards. Moreover, governance frameworks establish protocols for risk assessment, mitigation, and crisis management, enabling businesses to navigate uncertainties and potential disruptions effectively. By upholding ethical standards, governance fosters a culture of integrity and responsible conduct, enhancing the organisation's long-term sustainability. An excessively strict governance framework can hinder creativity and the flexibility necessary to adjust to fluctuating market dynamics. Hence, finding a balance between governance and agility is essential for companies to remain adaptable and responsive while maintaining ethical and regulatory compliance.

Regulations and supply chain resilience

Regulations play an important role in shaping the resilience of supply chains. Supply chain standards and frameworks influence how companies manage risks, comply with regulations, and adapt to changing conditions. Regulations can have beneficial and adverse effects on supply chain resilience, depending on their nature, the company's readiness, and their specific requirements. Changes in regulations can significantly impact supply chains, resulting in a shift in how organisations manage their supply chains. This can range from modifying safety procedures and tightening compliance requirements to ensuring adherence to new laws and standards. Large-scale disruption can occur, particularly for larger firms with complex supply chains. Hence, business leaders need to keep a close eye on the regulatory environment of their industry to anticipate any potential changes and make the necessary adjustments. When regulations change, several complexities arise, such as costly compliance, changes in tariff codes, modifications to the way global shipments are routed and tracked and shifting of trade compliance obligations on importers or exporters. It can be challenging for organisations to respond quickly and ensure they remain compliant. While some strategies remain constant, such as product delivery, others need to be adapted to comply with new requirements. For instance, with the introduction of restrictions on carbon emissions from vehicles, companies must adjust their supply chains and transportation methods to meet these requirements, which may result in additional costs or fewer available options.

To ensure that the supply chain remains agile and compliant, the initial step is to assess any regulation changes. Businesses must anticipate regulatory changes and their potential impact on the business to plan and adapt to new requirements without disrupting operations. Also, developing and



integrating robust compliance processes into the day-to-day operations. Businesses must make compliance a part of their company culture by providing regular training, establishing clear guidelines and procedures, and ensuring that everyone understands their role in maintaining compliance. Businesses should take advantage of technology to simplify their compliance processes and increase efficiency. This could involve utilising software solutions to automate compliance tasks, tracking regulatory changes and generating reports, which could save time and resources that can be redirected towards more strategic initiatives. Advanced data analytics can help in interpreting complex regulatory requirements and forecasting potential changes in the regulatory environment. It is also important to Implement strong cybersecurity protocols to protect data integrity and continuity in supply chain operations. Additionally, it would be beneficial to develop a risk management framework that can aid in identifying and assessing potential risks associated with regulatory compliance. This framework can help prioritise risks based on their potential impact, making it easier to develop effective mitigation strategies.

It is equally crucial for businesses to foster collaboration between different departments by establishing cross-functional teams that include representatives from legal, compliance, IT, operations, and other relevant departments. This ensures a holistic approach to compliance management. Furthermore, businesses must design processes with flexibility in mind to easily accommodate changes in regulations. Businesses must avoid rigid, one-size-fits-all approaches and instead build flexibility in processes to meet new requirements as they arise. Establishing open lines of communication with regulatory agencies to gain insights into upcoming changes and ensure preparedness to comply is another key step as engaging with regulators allows you to provide input on proposed regulations and advocate for your company's interests.

Continuous evaluation and refinement of compliance processes to ensure effectiveness and efficiency is a must. Moreover, seeking feedback from employees, customers, and other stakeholders is important to drive continuous improvement. Meeting regulatory requirements without sacrificing agility requires a proactive and strategic approach. Businesses can navigate the complex regulatory landscape while remaining agile and innovative by staying informed, implementing robust compliance processes, leveraging technology, and fostering a culture of compliance. These strategies ensure not only compliance with regulations but also position organisations for long-term success in an ever-changing business environment.

Dr. Shereen Nassar
Global Director
Logistics Studies

Dr Shereen Nassar is the Global Director of Logistics Studies and the Director of the MSc Logistics and Supply Chain Management programs at Heriot-Watt University Dubai. Dr Shereen's main research interest is sustainability and supply chain resilience. She has published numerous research papers and book chapters in areas such as automotive recall risk and social sustainable supply chain performance, sustainable maritime logistics, supply chain information security, contemporary disruptive business applications of blockchain technology, smart cities and implementation challenges.

Dr Shereen has extensive international teaching experience across UK and MENA region. She teaches both postgraduate and undergraduate levels. Her teaching proves the diverse expertise she has developed over a decade.

Fostering Resilience in Supply Chain Operations

by Albert Tan, Associate Professor and Academic Program Director Phd and Siti Norida Wahab, Senior Lecturer

In today's interconnected global landscape, disruptions to supply chain operations pose significant risks to the stability and success of any organization. From natural disasters to deliberate interruptions, the dispersed reach of supply chains, coupled with volatile markets and shrinking product lifecycles, amplifies the likelihood and impact of such risks. While there is no fail-safe method to overcome all potential disruptions - especially those with high impact and low probability such as disease outbreaks or major terrorist attacks- certain organizations excel in managing the uncertainty of risk. What distinguishes these resilient organizations is nota secret formula or uniform processes, but rather a crucial trait, which is resilience. The concept of organizational resilience isn't novel, but its significance in supply chain operations has never been more evident. As threats grow, leaders in the field are exploring deeper to get a better understanding what makes certain companies resilient, offering valuable insights for others to follow suit.

Understanding Supply Chain Operations Resilience

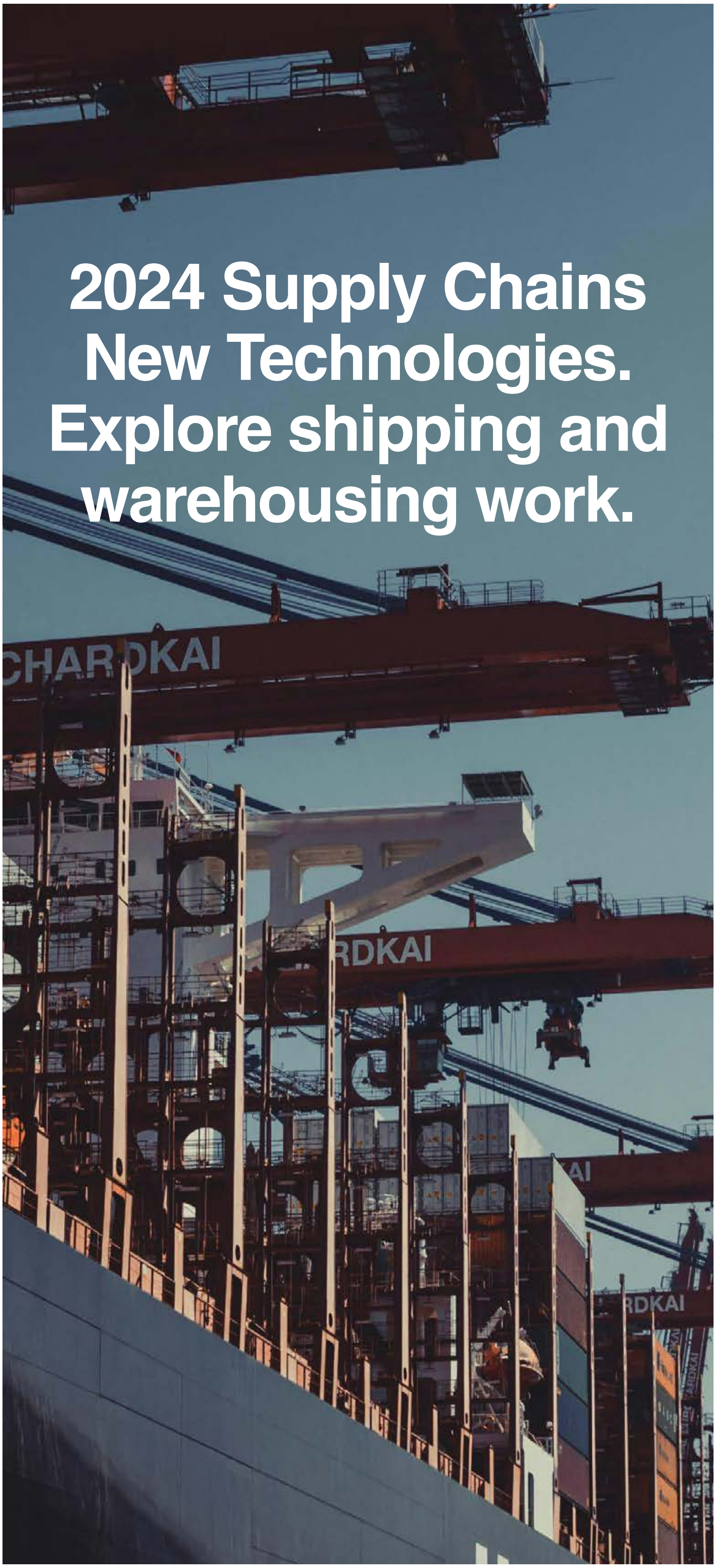
Supply chain operations resilience represents an organization's ability to flexibly adapt and rebound from various disruptions or unforeseen events within its complex network. These disruptions range from natural calamities and economic downturns to geopolitical pressures, all capable of hindering the smooth flow of goods, services, or information. At its core, resilience in a supply chain operation hinges on agility, facilitating swift responses to disruptions and minimizing operational bottlenecks. Yet, the pinnacle of resilience is achieved through proactive anticipation and mitigation of future risks.. It fosters adaptability, allowing organizations to swiftly adjust to changing market conditions or unforeseen challenges. Resilience enhances customer satisfaction by maintaining consistent product availability and timely delivery. Moreover, it reduces risks associated with single-source dependencies and enhances overall organizational agility. Investing in resilient supply chain operations not only safeguards against disruptions but also fosters long-term sustainability and competitiveness in today's volatile global marketplace.

Supply Chain Operations Complexity

The modern supply chain landscape is a multifaceted ecosystem encompassing numerous interconnected entities, from suppliers to end consumers. Globalization has expanded supply chains across borders, introducing complexities in logistics, regulations, and cultural differences. Rapid technological advancements, such as AI, IoT, and blockchain, are revolutionizing supply chain operations, offering unprecedented visibility and efficiency but also introducing cybersecurity risks. Consumer expectations for speed, customization, and sustainability further add layers of complexity. For instance, Tesla relies on over 300 suppliers for 2,000 parts in crafting its Model S, while Apple's complex network spans 200 suppliers covering 98 percent of its material expenditures. Such disruptions can halt production entirely, emphasizing the essential role of every stakeholder within this complex network. Hence, balancing cost-effectiveness with resilience and sustainability requires strategic alignment across all stakeholders. Understanding and navigating this complex landscape is essential for organizations to thrive in today's dynamic marketplace. Successfully managing this complexity demands robust planning, real-time visibility, collaboration across stakeholders, and adaptive strategies to mitigate risks and capitalize on opportunities.

Supply Chain Operations Challenges

Relying heavily on a single or limited number of suppliers exposes the supply chain operations to risks associated with supplier bankruptcies, quality issues, or capacity constraints. Moreover, market variability acts as



another main challenge in supply chain operations. Fluctuations in customer demand, seasonal changes, and unexpected spikes in orders pose challenges to inventory management, production planning, and logistics. Additionally, inefficient inventory management including balancing adequate inventory levels with minimizing excess stock remains an ongoing challenge, requiring precise management to mitigate costs and risks. Not to mention that poor visibility within the supply chain operations and a lack of comprehensive operational insights often result in delayed and ineffective responses to issues that arise. Overcoming supply chain operations challenges is crucial for sustaining business resilience and competitiveness ensures efficient resource utilization, cost optimization, and customer satisfaction.

Enhancing Supply Chain Operations Resilience

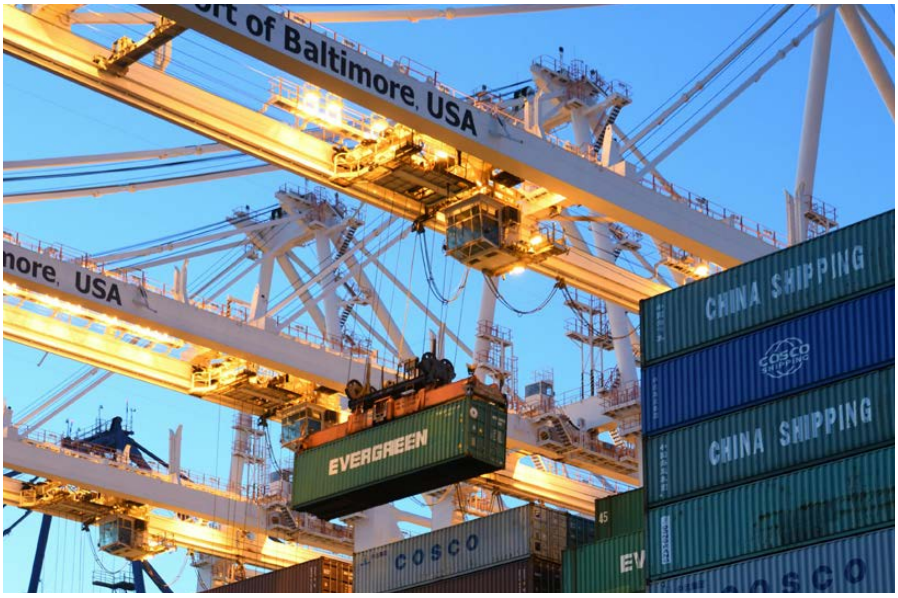
Resilient supply chains minimize disruptions, ensure continuity of operations, and enable organizations to respond effectively to unforeseen events, ultimately safeguarding against financial losses and preserving customer satisfaction. Similarly, resilience signifies an organization's capacity to bounce back from significant disruptions, including how swiftly it can return to normal performance levels. Organizations can cultivate resilience primarily through three avenues specifically building redundancy, fostering flexibility, and cultivating a resilient corporate culture.

Building redundancies throughout the supply chain may seem like a straightforward solution. However, it's often a costly and temporary measure. For instance, maintaining excess inventory, capacity, or suppliers comes with financial burdens and can lead to operational inefficiencies. Leading supply chain strategies like the Toyota Production System and lean production processes prioritize efficiency, making redundancy counterintuitive to their goals. Many companies used to implement a just-in-time approach to inventory management, which allowed them to minimize holding costs. However, it made their supply chains more vulnerable to disruptions. During the pandemic, a lot of businesses switched to a just-in-case approach and increased their inventory levels of critical components and materials. Holding larger safety stocks allowed them to buffer against supply chain glitches.

In contrast, enhancing supply chain flexibility enables companies to withstand disruptions and respond to demand fluctuations effectively. Businesses can embed flexibility into their operations via standardised processes to enable seamless production shifts across plants, embrace concurrent processes to accelerate recovery after disruptions and design products and processes for maximum postponement to adapt to changing demand. In this case, diversification of sourcing from multiple suppliers or manufacturing in different regions or countries will reduce reliance on a single source for critical components or materials. It is imperative to identify alternative suppliers, build relationships and evaluate their reliability in advance to create redundancy and safeguard procurement.

After the disruption in supply chains during the pandemic, corporate culture becomes an essential factor in recovery. Some good strategies to consider include enhancing supply chain visibility by implementing robust data collection and monitoring systems to gain real-time visibility into inventory levels, order fulfilment rates, logistics capacity, and supplier operations. This data can serve as indicators for assessing and improving resilience.

Organizations should conduct a thorough analysis of the supply chain operations to identify areas of over-reliance on concentrated suppliers or regions and prioritize diversifying critical inputs and



components across multiple sources, both domestically and internationally. Moreover, exploring dual-sourcing and multi-sourcing should become a main priority. This can provide the highest level of protection against disruptions.

Cultivating a resilient corporate culture also involves fostering supplier collaboration and transparency., and information sharing during crises. Organizations are also required to implement flexible inventory strategies. For instance, reevaluate just-in-time inventory practices and explore strategies like maintaining safety stocks, increasing buffer inventories, or implementing dynamic inventory optimization models to balance efficiency and resilience objectives. Resilience also demands that organizations conduct resilience pilots and modelling using tools like digital twins.. This can help optimize resilience investments and justify broader implementation.

While pursuing resilience, continue optimizing for efficiency through measures like supply chain integration, collaboration, and information sharing. This will strive to balance resilience and efficiency objectives through data-driven decision-making and multi-goal optimization models.

These strategies will help the organization shorten the supply chain, which, in turn, can safeguard from disruptions in international freight movement such as clogged ports or Houthi attacks in the Red Sea. In an era of escalating risks and uncertainties, building resilience isn't just a defensive strategy, it's a means to thrive in a dynamic marketplace. By embracing flexibility, fostering a resilient culture, and preparing for the unexpected, companies can fortify their supply chain operations and ensure long-term success in an unpredictable world.

***Albert Tan - A**sian Institute of Management*

Albert Tan, PhD joined the Asian Institute of Management faculty in 2022 as an Associate Professor and Academic Program Director of the Online MBA program. He has a combined 32 years of industry practice and teaching experience in Australia, Singapore, China, Dubai, Indonesia, Malaysia, and Vietnam. Most recently, he was a visiting professor at NUS-Singapore, MIT SCALE Network, Wollongong-Dubai, Mahidol-Thailand as well as in Indonesia and Vietnam. He has published his research works in numerous journals.

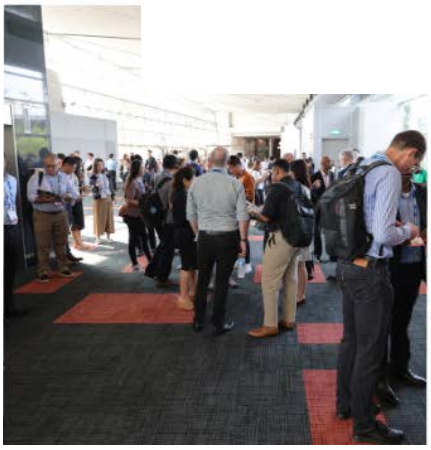
Siti Norida Wahab
Senior Lecturer in Operations Management

Siti Norida Wahab is a Senior Lecturer in operations anagement program at the Faculty of Business and Management, UiTM Puncak Alam. She has more than 15 years of experience in both the industrial and educational fields. Her previous leadership positions include roles at the managerial level in multinational logistics companies and renowned private university.

Currently, she is a professional technologist of the Malaysia Board of Technologists and a chartered member of the Chartered Institute of Logistics and Transport. Her research interest includes sustainable adoption in logistics and supply chain management. She also actively serves a reviewer for journals and academic conferences.

Our Guest of Honor, Ms. Low Yen Ling, the Senior Minister of State from the Ministry of Trade and Industry (Singapore) and Ministry of Culture, Community and Youth (MCCY), attended the opening of LogiSYM Asia Pacific 2024 and the inaugural CeMAT Southeast Asia 2024 exhibition.

LogiSYM ASIA PACIFIC 2024



The 10th Annual LogiSYM Asia Pacific was held from 15th - 16th May and this year we ran and co-located not one but four totally separate events. LogiSYM-CeMAT Exhibition saw close to 100 local and international brands exhibiting their unique products and services.

The first ever LogiSYM ColdChain was held on 16th and 17th May with close to 400 professionals registered to attend and not to be 'all work and no play', the Logistics & Supply Chain Management Society Gala Dinner and Awards was held on 16th May.

Overall the three days of 4 key events was a resounding success and the more than 5,000 professionals walked away with not just new knowledge and insights but also a stronger network of peers and professionals - all with a little bit of fun!

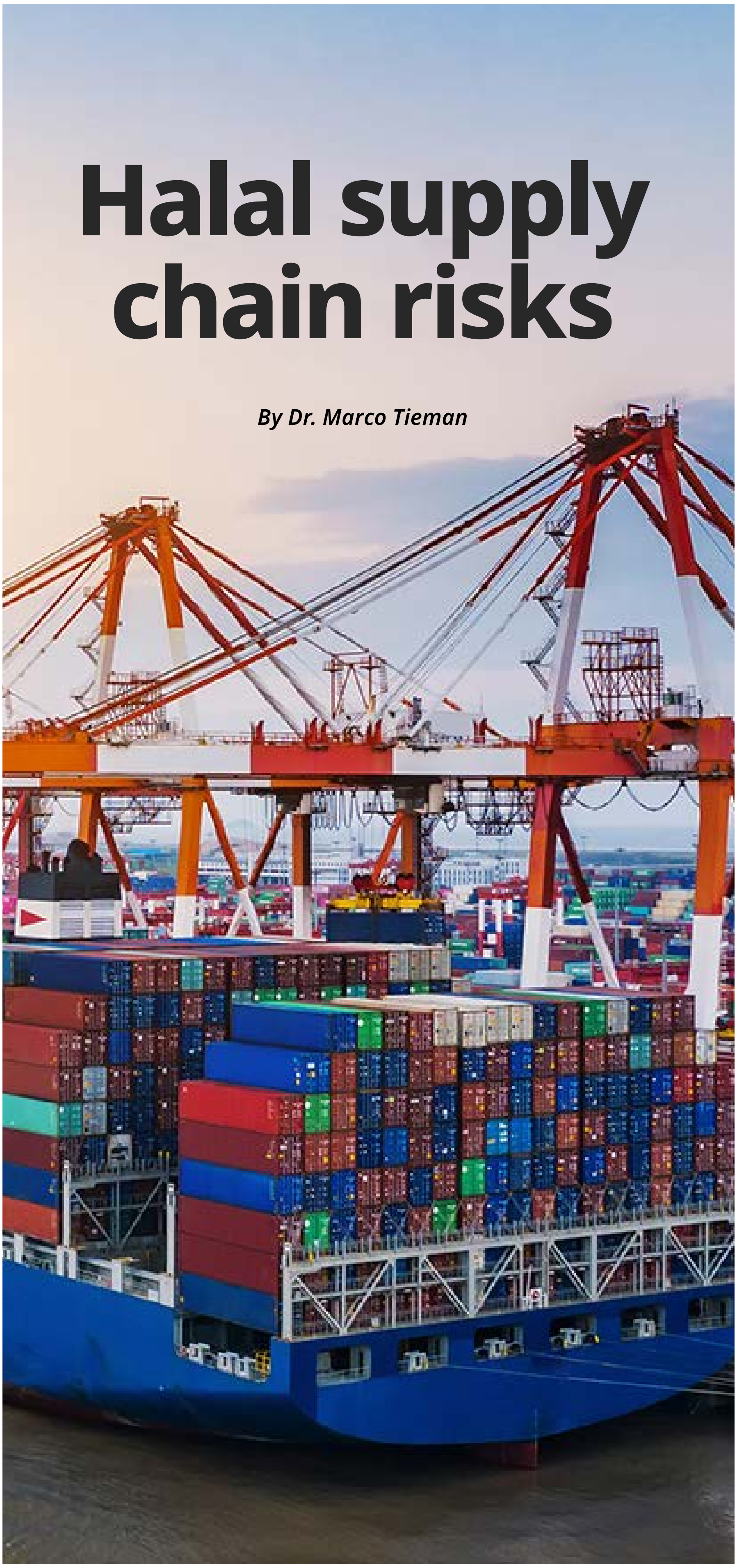
Our first-ever LogiSYM Cold Chain 2024 was a great success! With over 290 attendees onsite, the event received overwhelmingly positive feedback and reactions. This success highlights the significant impact LogiSYM continues to make in the industry.

The Industry Gala Night featuring the LogiSYM Awards 2024, took place in the evening following Day 2 of the LogiSYM Asia Pacific event. With 82 nominees from both MNCs and SMEs, the night was a grand celebration filled with networking opportunities and the recognition of outstanding achievements that propel our community forward.Southeast Asia 2024 exhibition.

CeMAT Southeast Asia 2024, spanning three days, showcased cutting-edge technologies and innovations from over 100 exhibitors representing companies worldwide.Southeast Asia 2024 exhibition.

Halal supply chain risks

By Dr. Marco Tieman

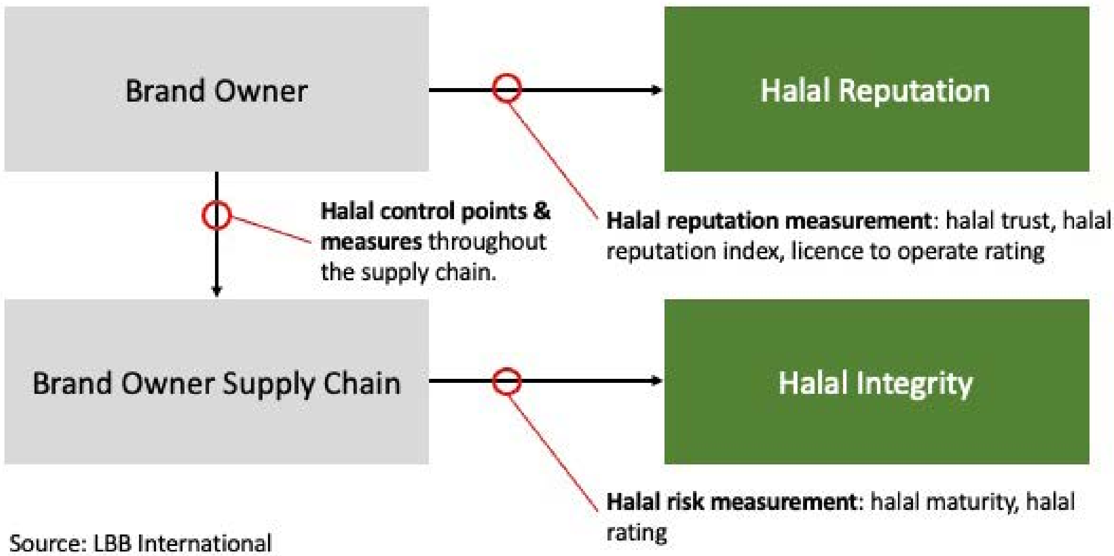


Background

The global Islamic economy, according to the 2023/24 State of The Global Islamic Economy Report , is an estimated USD 2.29 trillion industry consisting of the following key sectors: halal food, modest fashion, media & recreation, travel, pharmaceuticals, and cosmetics. As a result, the Islamic economy supported by its young and increasing Muslim population is difficult to ignore by the industry. Halal, rooted in Islamic law, is not limited to dietary guidelines but an important requirement for all aspects of Muslim life.

Evidence supports that halal requirements are moving away from a Muslim owned company (based on direct trust between buyer and seller), a product approach (the product or outlet is halal certified by an independent halal certification body), towards a halal supply chain (halal is addressed from source up to point of consumer purchase) and value chain approach (halal is addressed throughout the entire business value chain and its network). The Muslim consumer is increasingly expecting companies certified as halal in Muslim-majority countries to uphold a genuine commitment to halal principles. Muslim consumers over the past months have been boycotting several halal certified multinational companies based on a possible link or sympathy with Israel. Some multinational companies have lost revenues up to 50% in Muslim countries like Indonesia and Malaysia. As a result, brand owners need to urgently address both halal integrity and reputation risks

Figure 1: Brand owner impact on halal integrity and reputation



Source: LBB International

when doing business in Muslim (majority) countries.

The relationship between the brand owner and halal integrity and reputation risks is shown in figure 1. The brand owner defines its halal assurance system, where it establishes halal control points and control measures in halal purchasing, production and distribution. This determines how a brand owner supply chain is organised from source (raw material supplier) up to the point of consumer purchase (retail, restaurant, or consumer doorstep in case of e-fulfilment).

The halal reputation of a brand owner is based on all the actions of the company, also referred to as its halal DNA or halal value chain. To determine the halal reputation performance of a brand owner, it requires the measurement of key performance indicators such as: halal trust (trust of the Muslim consumer in the brand), halal reputation index (the halal reputation of the brand owner), and licence to operate rating (the halal reputation in relation to the market requirements of each (Muslim) market).

The halal integrity of a brand (and its products) is determined by how the brand owner organises its supply chain and choice of supply chain partners. The halal integrity of the supply chain is as strong as its weakest link. The halal integrity performance is paramount and should be structurally measured. Currently, often only the internal halal committee has halal-related performance measurements, which are operational indicators at best. The importance of halal integrity measurement transcends the internal halal committee. Halal integrity measurements require the tracking of for example the halal maturity of company (Muslim owned company, halal product, halal supply chain, or value chain approach) and halal rating (halal integrity risk profile of a company).

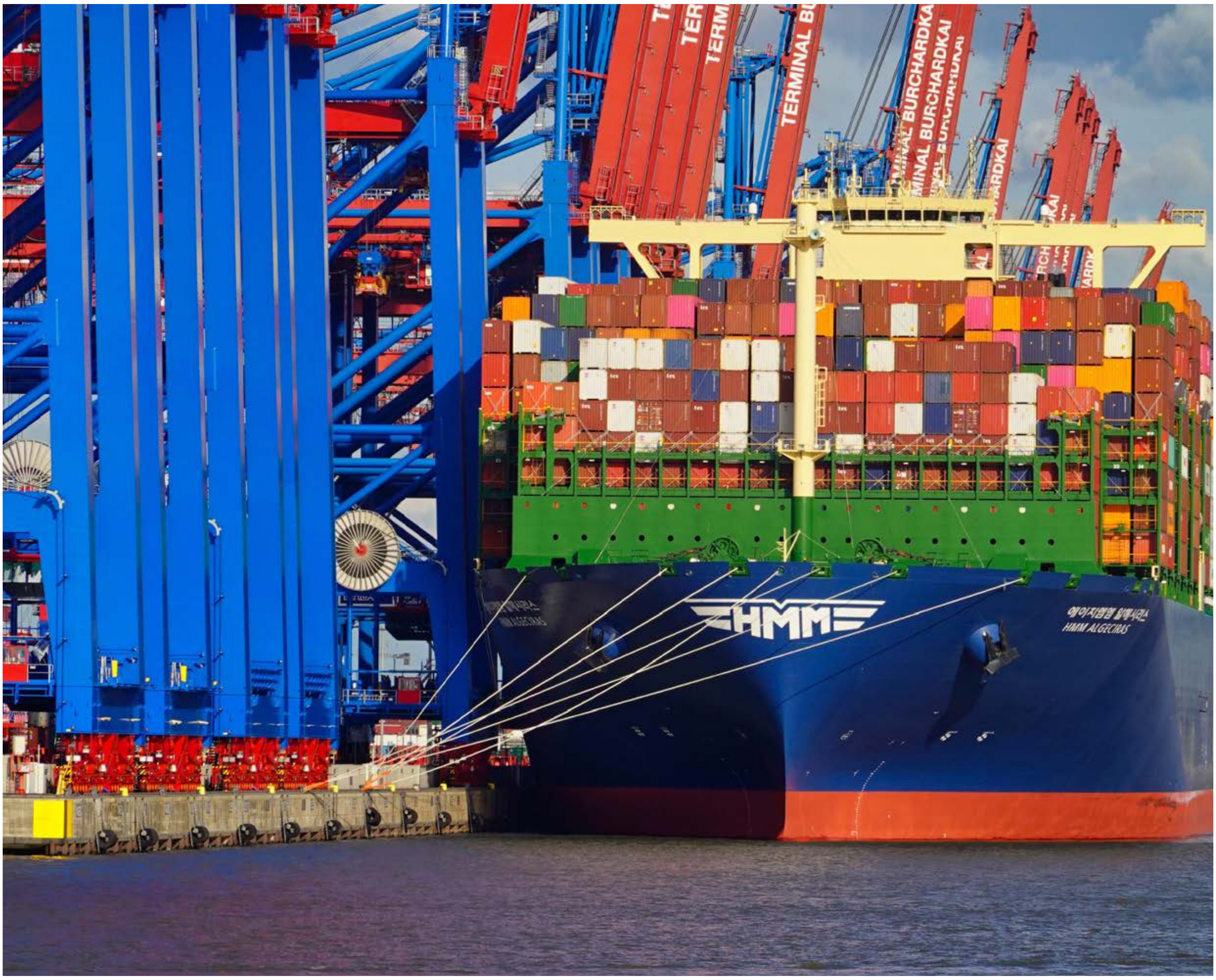
Risks in halal supply chains

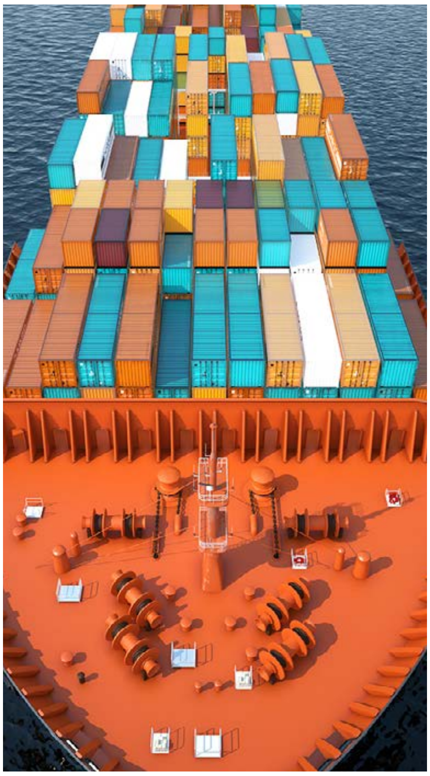
The halal integrity of a brand (and its products) is a function of its supply chain, where a breakage in halal integrity anywhere in a supply chain becomes a breakage of its halal integrity. Indonesia is implementing law 33, which requires the halal certification of the brand owner, but also its supply chain partners. This is being implemented in stages, starting with food by this October 2024. Indonesia is hereby the first country that makes halal supply chain management mandatory. It is expected that this example will be followed in the coming years by other Muslim countries with advanced halal standards, like Malaysia and Brunei. Also non-Muslim countries like Singapore and Thailand have already advanced halal standards and have been certifying logistics and trading companies.

Several leading brand owners have already started with assessing their halal supply chain and phased implementation of an end-to-end halal supply chains years ago. The remaining industry players (read: followers) need to start this process urgently in order to protect their licence to operate in leading Muslim (majority) countries. This requires first of all an audit of the supply chain: a documentation audit and physical audit. The documentation audit will assess amongst others the halal assurance system of the brand owner and contracts with its supply chain partners. To what degree addresses the halal assurance system the supply chain in both sourcing and distribution? In our role as supply chain advisor for big brand owners, we see an absence of halal control points and measures throughout the supply chain in both sourcing and distribution.

What halal clauses are mentioned in contracts with halal critical first/second tier suppliers, depending on the halal risk category of products/services/and works sourced, as well as the logistics service providers used in sourcing of raw materials, packaging, etc? I am currently involved in academic research on halal procurement strategy in Indonesia in both the food and pharmaceutical industry. Halal requirements are having far reaching consequences for the sourcing of halal critical items (products, services and works).

What halal clauses are mentioned in contracts in distribution, with logistics service providers, distributors, retailers, e-commerce players, etc? Different from retailers, e-commerce is less mature on halal, resulting in mixing halal and non-halal in its distribution centre and/or in the last mile delivery. Second, some components of the last mile delivery are visible to the Muslim consumer, where a halal issue could easily snowball into a full-flesh crisis for a brand owner. Several of these incidents happened in Indonesia





and Malaysia over the past 5 years.

The physical audit will look at halal standard operating procedures (SOPs) and practices of key supply chain partners, better known as managed process links. Upstream we talk about ingredient suppliers, slaughter houses, packaging suppliers. Downstream this relates to the national distribution centre, distributors, retail chains, and e-commerce.

The level of halal education and preparedness highly varies along the supply chain. The better halal supply chains are aligned end-to-end to the brand owner halal SOPs. The future of halal supply chain risk management will be halal supply chain blueprints founded on solid supply chain partner contracts and solid measurement of both halal integrity and reputation performance. The logistics service provider could play a critical role in organising and orchestrating end-to-end halal supply chains for the brand owner.

Halal ecosystems

As halal is moving towards a supply chain and value chain approach, halal supply chains become more complex for brand owners to organise. Hence, there is a need for halal ecosystems to simplify halal supply chains for brand owners. Halal ecosystems, through geographical, clustering of halal industries together, could create synergy advantages for brand owner's supply chain and improving halal risk control of their halal supply chains. Next to synergy also sustainability regulations can be better met when working together from a halal ecosystem.

A recent global halal ecosystem assessment study undertaken by the Islamic Development Bank shows the value of halal ecosystems for halal industries and for capacity development in Muslim (majority) countries. Solid halal ecosystems could be attractive locations, future proof, for big brand owners and well as supplying and supporting industries.

An example of an advanced halal ecosystem is Modern Halal Valley in Banten, Indonesia. This is a 500 hectares dedicated halal industrial cluster, which is connected through a halal cluster network with other halal clusters locally, regionally, and globally. Also Malaysia has dedicated halal parks, 22 in total, supported by halal park guidelines and incentives.

Conclusion

Halal supply chain risks need to be on the radar screen of companies in order to protect their halal integrity and corporate reputation. Consumer and regulation pressure have fast-tracked the importance of the end-to-end halal supply chain and addressing halal in the business value chain. Halal supply chain blueprints and key performance indicators will be critical for brand owners in the years to come to secure their licence to operate in Muslim countries.

Halal ecosystems will be important, future proof, locations to produce and cluster halal production for brand owners. Next to Indonesia and Malaysia, halal ecosystems developments are expected in other Muslim countries in Asia, Middle East and Africa.

***Dr. Marco Tieman** is the CEO of LBB International, a supply chain strategy consultancy and research firm, advising companies and governments on supply chain analysis, supply chain design, and market research. He is also an Adjunct Professor with Saito University College in Malaysia and a Senior Fellow with IPMI International Business School in Indonesia, conducting research on halal procurement strategy, halal supply chain management, and halal risk and reputation management. He is the author of 'Halal business management: a guide to achieving halal excellence'.*

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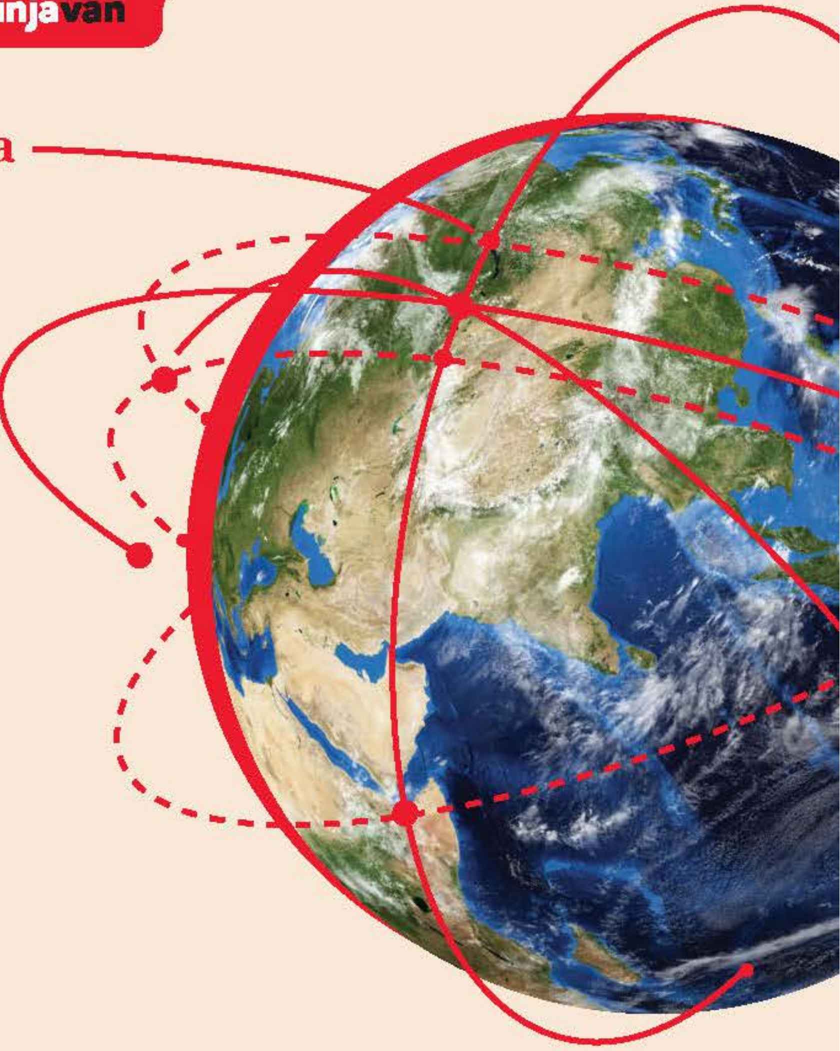

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SEAMLESS SOLUTIONS, BEYOND BORDERS

THE GREEN CORRIDOR

Biodiversity – More Species are Better than One

Biodiversity is Key for Our Planet's Resilience

By Timothy Foote

This month I had the pleasure to join my fellow volunteers at Singapore Wildcat Action Group to work the booth at Singapore's annual Festival of Biodiversity at One Punggol, Singapore. National Parks Singapore organises this event in order to share with the communities in Singapore what biodiversity our natural environment has, why its important to treasure it and what is being done to protect it.

When communities today talk about sustainability the word "biodiversity" can often come up. There is good reason for this, because protecting biodiversity is really about protecting our future in the long term as well as enriching the very air we breathe and water we drink today. This month, I want to share with you why biodiversity is important and some actions that you can take as logistics leaders to help protect it.

Societies generally create spaces that exclude other living creatures to minimise interaction with other species. Human beings naturally start to feel more stress when other creatures enter into their environments. A person can squeal when a cockroach passes in front of them. Others can brisk walk at the sight of a dog being walked on a leash near them (I've seen this when I've walked my own doggies in the neighbourhood). Judging from these reactions, it seems that people are most comfortable when they only live in a people-centric environment.

On a planetary scale though we are only one species in a much larger environment. It's a good thing that we are not alone though. Here's why - key outputs of that larger environment are fresh air, clean water and a diverse assortment of food – all of which we need to survive. On our planet, supply for these outputs are best generated when there are many species living together in the same environment. It is for this reason that we should all be interested in and focused on biological diversity.

The Office Analogy

When diversity is talked about in organisations these days, it is generally referring to growing the workforce into a group of people with diverse perspectives and talents. Having different economical backgrounds, different races, different ages, different genders and points of view can all equate to stronger business decisions and thus more resilience for the organisation on the whole.

In Supply Chain as well, having numerous suppliers and transport options that can sustain the supply of raw materials and secure distribution channels are seen as critical for keeping businesses protected for the future. Having diverse suppliers and transport options can keep an organisation in business and therefore resilient.

Diversity in Nature

Organisations that gain resilience from diversity are similar to the natural world we live in. Eco systems in nature gain resilience from the diversity of life inhabiting its area. This is true on two levels. On the first level, the output of fresh water and oxygen is higher. On another level, the resilience or ability to survive is higher.

For most people, it may be hard at first glance to recognise a healthy eco-system. Driving through a lot of the country-side of Asia one can see fields of food, plantations of trees and acres of golf courses – all of which are green with plants. We tend to see green as positive, but not all green is the same. Biodiverse eco-systems support more diverse life forms and those life forms create more healthy outputs in greater quantities. Rainforest produce more oxygen and clean water compared to golf courses.

In Southeast Asia, the rainforest has evolved to home the highest number of species. On the resilience level, the rainforest is number one as well. Because of the diverse life forms, one invading pest alone will not decimate the entire forest. By contrast, one can compare this resilience level to the more fragile agricultural areas which constantly need to battle against disease and particular pests because they are protecting just one specific crop.

How You Can Bolster Biodiversity

Healthy eco-systems that supports societies by providing clean water and fresh breathable air should be a top priority. But because air and water are part of a planetary system, we can be fixated on our local growth at its expense.

In order to locally protect what biodiversity you have, here is a list of some actions you can take:

• Avoid clearing forest for your logistics facilities. Use existing industrial areas and modify before tearing down existing structures.

• Pay attention to environmental impact studies associated with your growth plans and try to use a reputable environmental impact assessment company to help.

• Put in place mitigation strategies for your transport management when traveling through known environmentally sensitive areas (see article: https://events.logisym.org/the-green-corridor-saving-whales-in-california-a-case-study-in-regional-collaboration/)

• Support growth of protected areas where you live.

• Support greater diversity of species in the green places you control.

• Encourage your colleagues to learn more about their natural environment and the benefits it provides to them.

Our industry is already working hard to clean up our emissions. Let's also support nature to help with that by protecting its diversity. By doing this, we boost the amount of oxygen in while we are reducing the amount of green house gas emissions.

As in nature, more ideas are better than just one! Let me know ideas your organisation is working on for boosting biodiversity. I would love to hear from you.

Timothy Foote

Director Transportation and Network APAC at Asendia and Founder of **Susymbio**

Tim has worked in management positions at multiple MNCs for more than 25 years, gaining expansive expertise in logistical operations. Tim continues to craft delivery solutions for many e-commerce clients at Asendia. Once a regional Head of Go Green at DHL eCommerce, Tim now works for customers to decarbonize their logistics by managing Asendia's 100% carbon-neutral network.

To further promote a net zero future for the logistics industry, Tim created MOVE GREEN. This is a movement committed to greening the logistics industry during this time of transformation. Please join the companies making a pledge to become net zero by going to Susymbio.com for more details.

Introducing Maestro: The First AI-Infused Supply Chain Orchestration Platform from Kinaxis

Company's platform evolution combines proprietary technology to enable faster, smarter supply chains at lower total cost

Singapore – June 18, 2024 – Kinaxis® Inc. (TSX:KXS), a global leader in end-to-end supply chain orchestration, today introduced the Kinaxis Maestro™ platform, the only AI-infused supply chain orchestration platform with a powerful combination of proprietary computational technologies and techniques that provides full transparency and agility across the entire supply chain — from multi-year strategic planning to last-mile delivery. An evolution of the company's flagship platform, RapidResponse, Maestro incorporates new, modern AI technologies to help teams move faster and smarter to master the complexities of today's modern supply chains.

The Maestro platform comprises three layers: a supply chain data fabric connecting internal and external data sources into a single source of truth, an always-on intelligence engine that delivers real-time insights, predictions and adaptive solutions, and a seamless user interface, enabling business leaders to make faster and more valuable decisions than ever before, from anywhere and from any device. For example, in response to skyrocketing demand of a new EV following a high-profile celebrity endorsement, an automaker concerned about component shortages might ask 'How do I prevent a stockout?'. Without missing a beat, Maestro's generative AI-powered intelligent assistant will provide guidance based on supply chain best practices to ensure disruptions are absorbed and managed in real-time.

"It's a challenging time to be a business leader in supply chain. Managing the complexities of global and regional supply chains, balancing agility, cost reduction, and sustainability, and handling a steady stream of geopolitical, economic, and environmental disruptions amid a data explosion," said Andrew Bell, chief product officer at Kinaxis. "Yet, with the right technologies, there's unprecedented potential to resolve this complexity and master uncertainty. Maestro provides total supply chain transparency, aligns advanced technology with specific challenges, and integrates diverse data—from social media sentiment to government regulations—bringing clarity to chaos so business leaders can sleep soundly at night."

National Instruments took part in the beta phase of Maestro's generative AI capabilities and Ed Scott, chief program manager said, "From the moment our team deployed Maestro's intelligent assistant, it was clear it would be a gamechanger. We've been able to significantly cut down on the amount of time it takes for users to maximize the value of the platform and we are eager to build on these initial successes as Kinaxis continues to roll out the full breadth of its AI capabilities."

What makes Maestro different:

• Seamless synchronization. Unmatched agility – Gain a comprehensive, always-on digital view of your supply chain, ensuring continuous synchronization of data, people, and processes for unmatched agility.

• Be ready. Whatever happens. – Predict future scenarios with smart modeling and make informed decisions quickly to confidently navigate uncertainties and drive success.

• Strike the perfect balance of accuracy, efficiency, and speed – Fuse machine learning,

heuristics and optimization for unparalleled problem-solving, keeping your supply chain at the cutting edge.

• Take your productivity to the next level – Automate routine tasks with AI and predictive algorithms, allowing you to focus on strategic priorities and boost productivity.

• Empower your people to do more with more – Empower your teams with an intuitive tool that simplifies complex tasks and enhances efficiency, enabling greater satisfaction and achievement.

• No data wrangling required – Achieve faster time-to-value by easily ingesting data from various sources without the need for schema definition; just drag, drop, and go.

"Supply chain leaders need technology that helps them navigate and understand the growing complexity of supply chain environments and the sheer amount of data that is now accessible to them," said Phillip Teschemacher, President, APAC at Kinaxis. "Maestro – which puts people at the center and augments them with technology – seeks to address those challenges by freeing up users to focus on more strategic and value-driven decision making so they can master uncertainty – not just manage it."

Global market intelligence firm IDC previewed Maestro prior to launch and Eric Thompson, IDC Worldwide Supply Chain Planning Research Director, noted, "IDC has been discussing end-to-end supply chain integration, and Kinaxis is making moves forward with Maestro. The platform's progress in combining end-to-end concurrency with smart, user-friendly AI, is a promising step in supply chain orchestration."

From building the first in-memory material requirements planning (MRP) engine in the 1980s to adopting a SaaS model years before its peers and launching the first cloud-friendly planning platform in the 2000s, Kinaxis has been at the forefront of every major technological innovation within the supply chain industry for the past four decades. The company has consistently prioritized designing products to meet the evolving needs of its customers, focusing on pillars of connectivity, intelligence, adaptability, and user-friendliness. In the previous five years alone, the company's patent portfolio has grown by more than 500%, with over half of those patents awarded for AI and ML-based innovations.

Celebrating its 40th anniversary in 2024, Kinaxis helps companies that supply the agricultural industry with 40% of the world's tractors, that keep more than 110 billion teeth clean each year, and that ensure more than 35 million pets are fed nutritious meals each year.

About Kinaxis

Kinaxis is a global leader in modern supply chain orchestration. We serve supply chains and the people who manage them in service of humanity. Our software is trusted by renowned global brands to provide the agility and predictability needed to navigate today's volatility and disruption. We combine our patented concurrency technique with a human-centered approach to AI to empower businesses of all sizes to manage their end-to-end supply chain network, from multi-year strategic planning through down-to-the-second execution and last-mile delivery. For more news and information, please visit kinaxis.com or follow us on LinkedIn.

ETIHAD CARGO REINFORCES COMMITMENT TO NORTH AMERICAN MARKET WITH INCREMENTAL CAPACITY

• To address the growing demand to the US, Etihad Cargo will offer incremental capacity beyond its belly hold capacity via 30 passenger flights per week to the US and seven passenger flights per week to Canada, demonstrating the carrier's commitment to facilitating increased air freight between the East and West.

• Etihad Cargo will offer partners and customers an incremental capacity of 250 tonnes per week to New York, Chicago, Washington, Boston and Toronto in partnership with network airlines, with a dedicated SOP to ensure seamless connectivity.

Abu Dhabi, United Arab Emirates – Etihad Cargo, the cargo and logistics arm of Etihad Airways, has strengthened its commitment to the US market. The carrier will offer incremental capacity beyond its belly hold capacity in cooperation with network partner airlines to meet the growing demand for air freight to the US.

Etihad Cargo currently offers 550 tonnes of wide-body capacity to North America. The carrier provides 445 tonnes ex US via 30 flights per week through four major gateways: New York, Chicago, Washington, and Boston. Etihad Cargo also offers 105 tonnes ex Canada via daily flights to Toronto.

To address the increased demand for air freight between the East and the West, Etihad Cargo, in partnership with network airlines, will introduce an incremental 250 tonnes of capacity per week for North American destinations, including New York, Chicago, Washington, Boston, and Toronto, with connections via European gateways such as Lisbon, Barcelona, Madrid, and Rome. The flights will operate in adherence to Etihad Cargo's dedicated Standard Operating Procedures (SOP), ensuring seamless connectivity for partners and customers.

Stanislas Brun, Vice President Cargo at Etihad Cargo, commented, "Adding depth to the carrier's US network and introducing incremental capacity for the North American market demonstrates the importance of this market and Etihad Cargo's commitment to meeting customers' needs and supporting global trade. Etihad Cargo recognises the vital role that air freight plays in connecting economies and is dedicated to providing seamless and reliable services to remain the air cargo partner of choice."

This expansion is part of Etihad Cargo's broader strategy to enhance its global network and offer comprehensive air cargo solutions to its customers. By continuously adding capacity and collaborating with strategic partners, Etihad Cargo is well-positioned to support the evolving demands of international trade.

About Etihad Cargo

Etihad Cargo is the cargo and logistics arm of Etihad Airways. Since its establishment in 2004, Etihad Cargo has grown rapidly to become one of the leading air cargo carriers in the world, offering customers a range of cargo products and services to five major continents. Its hub in Abu Dhabi is strategically located at the centre of the world's busiest trade lanes, providing an integral link between Asia, Europe, North America, Australia and Africa.

In addition to general cargo, Etihad Cargo offers a wide range of specialty products including live animals, dangerous goods, valuables and vulnerables, personal effects, as well as its market leading cold chain products (the latter holding IATA's stringent Centre of Excellence for Independent Validators certifications for both Pharmaceutical and Perishables Logistics, as well as Live Animals Logistics).

C.H. Robinson Expands Presence in South-East Asia with New Office in The Philippines

Global logistics provider C.H. Robinson expands its presence in the Asia-Pacific region with the opening of its Filipino office. The strategic move will bolster support for the burgeoning logistics and transportation sectors in the country, aligning with C.H. Robinson's commitment to providing unparalleled, tailored services in key markets worldwide.

As one of the most vibrant economies in Southeast Asia with a forecasted economic growth of 6 percent in 2024, the Philippines' demand for freight and logistics services is quickly escalating due to higher levels of international trade and export. In particular, the country's logistics industry contributes 4 to 6% to its overall gross domestic product (GDP) and is expected to reach a market size of P1.160 trillion by 2027.

"C.H. Robinson has long held a presence in the Philippines via our partners' logistics network. The opening of an office here elevates our commitment to the country and the region, and further facilitates our customers' access to our expansive global network. Looking ahead, the office will provide customers in the country with global scale and connectivity to key trading partners, such as the United States, Singapore, South Korea, Germany, and China (including Hong Kong SAR)," said Andrew Coldrey, vice president, APAC, C.H. Robinson.

In addition, existing and potential customers can tap into C.H. Robinson's vast North American trucking network to offer seamless delivery for end customers. The new office, located in Manila, will be led by Bobo Yang in her new role as General Manager. Bobo will be responsible for developing the Filipino business as well as securing opportunities for regional and global sales.

"We see tremendous growth opportunities within the Filipino economy, particularly with the logistics and transportation sector set for accelerated growth," said Stephen Ly, vice president, Southeast Asia, C.H. Robinson. "Our new office is a strategic response to growing market demand, and we are committed to driving a new era of supply chain processes to transform the logistics trade in the Philippines. This expansion will enable us to better serve our existing customers in the Philippines and attract new customers looking for a company with established local roots backed by global capabilities. We look forward to providing our customers with more freight options, greater visibility of movement and deeper expert insights."

C.H. Robinson's multimodal transportation management system and specialized expertise will also cater to major manufacturing industries in the Philippines, with a particular focus on automotive and high-tech sectors such as semiconductors and integrated circuits. By delivering tailor-made solutions, C.H. Robinson aims to play a pivotal role in fostering sustained growth and efficiency within the Philippine logistics industry.

About C.H. Robinson

C.H. Robinson solves logistics problems for companies across the globe and across industries, from the simple to the most complex. With $30 billion in freight under management and 20 million shipments annually, we areone of the world's largest logistics platforms. Our global suite of services accelerates trade to seamlessly deliver the products and goods that drive the world's economy. With the combination of our multimodal transportation management system and expertise, we use our information advantage to deliver smartersolutions for our 100,000 customers and 450,000 contract carriers on our platform. Our technology is built by and for supply chain experts to bring faster, more meaningful improvements to our customers' businesses. As a responsible global citizen, we are also proud to contribute millions of dollars to support causes that matter to our company, our Foundation and our employees. For more information, visit us at www.chrobinson.com. (Nasdaq: CHRW)

Grow Your Brand Through
Platform Partnership

Consumers trust recommendations from third parties more than they trust a brand itself. 70% of people will trust a review from a complete stra nger as opinions and recommendations are by and large more influential when they do not come from the source itself. Additionally, most marketers include company logos and testimonials as proof on materials pages to strengthen trust and influence visitor behaviour.

LogiSYM offers marketers a range of promotional options to reach your target audience, generate quality leads and increase conversion rates.

The combined magazine platforms of LogiSYM and CargoNOW offer one of the largest circulations globally and are the biggest in the Asia Pacific region. Coupled with this, LogiSYM and CargoNOW hold world-class symposiums in various parts of Asia and the Middle East and have been doing so for more than 8 years.

The online presence of the brands is second to none and this is further strengthened by our high visibility on social media such as Facebook and LinkedIn.

In this Influencer or Platform Partnership, LogiSYM will provide significant influencer reach across the supply chain industry which include the following platforms:

- Articles in two of the largest circulation supply chain publications globally
- Press-releases
- Webinar sponsorships
- Online advertising
- Industry led symposiums across the region
- Surveys & survey analysis
- Advertisements in two of the largest circulation supply chain publications
- Online articles
- Content syndication
- White label reports and thought leadership articles
- eDMs
- Social media – LinkedIn, Facebook, You Tube

When working on the Influencer / Platform Partnership, partners have the opportunity to choose which options they feel will give them maximum reach and success and planning and pricing will be structured along the desired activities. Contact Harjeet@logisym.org for more information.