



One step ahead of supply chain risks



1.000.000+
Suppliers

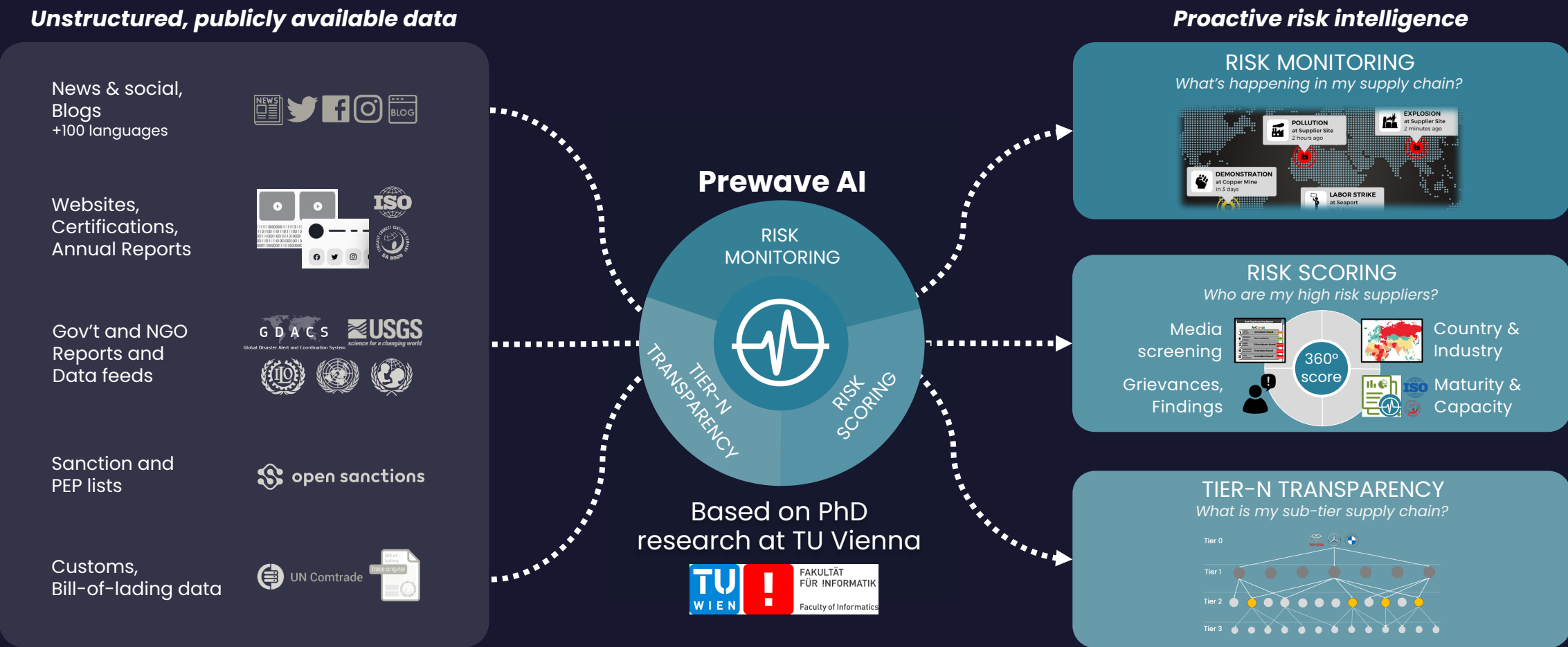
130+
Customers

100
Employees

+30m EUR
Financing

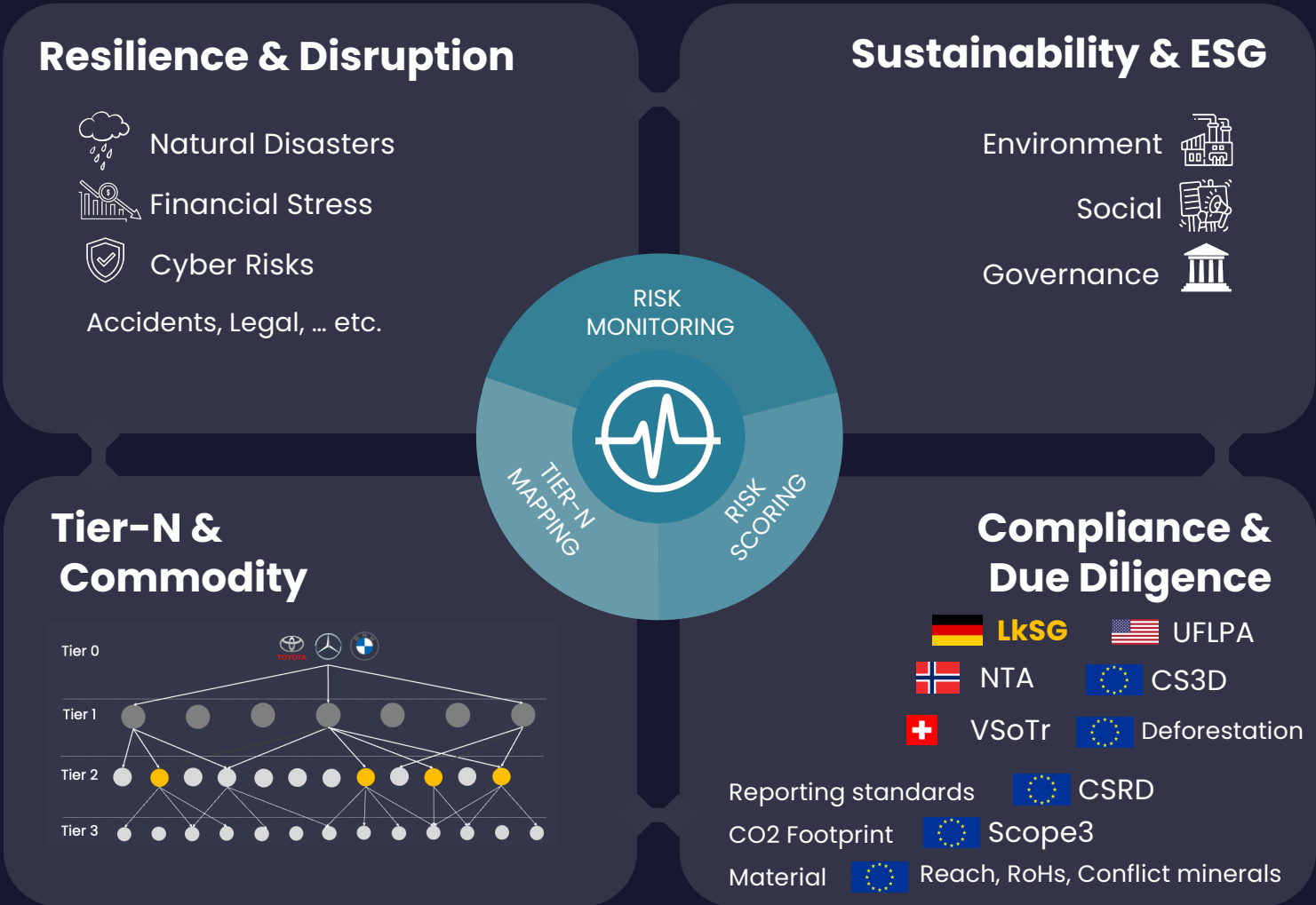
Resilient, transparent and sustainable supply chains

Enabled by Artificial Intelligence



Resilient, transparent and sustainable supply chains

Enabled by Artificial Intelligence





MM Group

Gesetze, Rahmenbedingungen, Kundenanforderungen: Das Lieferkettensorgfaltspflichtgesetz (LkSG) in der Praxis

Felix Forster
Corporate Sustainability Manager



MM GROUP AT A GLANCE

We are leading in consumer packaging using renewable resources

MM BOARD & PAPER

Leading cartonboard producer in Europe with an attractive range of uncoated fine papers and kraft papers.

MM PACKAGING

A leading global producer of folding cartons.

- ✓ Founded in 1888 in Austria.
- ✓ Long-term oriented core shareholders' and management.
- ✓ Operating globally in resilient and growing markets such as food and pharma.
- ✓ Continuous expansion of leadership position through value creation, organic growth as well as acquisitions.

>15,000

Employees
worldwide

3,700+

Customers in
140+ countries

71

Production sites

07/12/2023

MM Production Sites



SUPPLY CHAIN meets SUSTAINABILITY

- ❖ European Deforestation Regulation
- ❖ EU Taxonomy
- ❖ LkSG / CSDDD
 - ❖ 11 sites in Germany
 - ❖ 2340 employees in Germany
 - ❖ LkSG: 01.01.2024



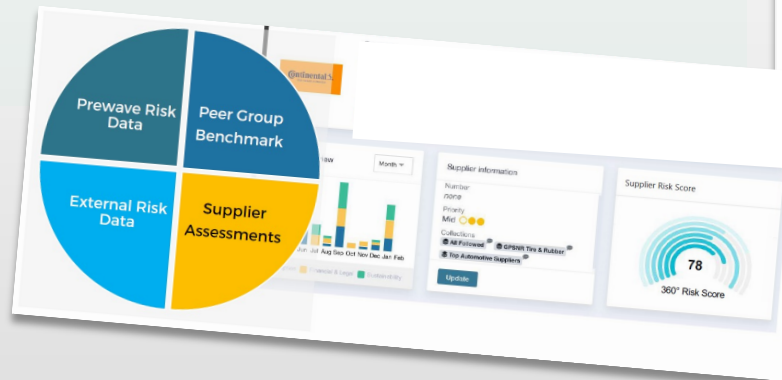
Value Chain Collaboration

Integration of MM's Value Chain

MM

Supplier Rating and Risk Assessment

- **Implementation of risk assessment tool(s)**
 - Screening of all MM suppliers regarding sustainability aspects
 - Ongoing monitoring of critical suppliers
- **Establishment of supplier code of conduct**
 - Reduction of scope 3 emissions
 - Achievement of customers' and our targets
 - Enhancement of MM's overall sustainability performance



07/12/2023

Hohe Komplexität	9	Durchführung regelmäßiger Risikoanalysen (§ 5)
	8	Präventionsmaßnahmen im eigenen Geschäftsbereich und bei unmittelbaren Zulieferern (§ 6 Abs 4)
	7	Ergreifen von Abhilfemaßnahmen (§ 7 Abs 1-3)
Mittlere Komplexität	6	Umsetzung von Sorgfaltspflichten bei mittelbaren Zulieferern (§ 9)
	5	Dokumentation und Berichterstattung (§ 10 Abs 1-2)
	4	Einrichtung eines Beschwerdeverfahrens (§ 8)
Geringe Komplexität	3	Verabschiedung einer Grundsatzerklärung (§ 6 Abs 2)
	2	Festlegung einer betriebsinternen Zuständigkeit (§ 4 Abs 3)
Basis	1	Einrichtung eines Risikomanagements (§ 4 Abs 1)

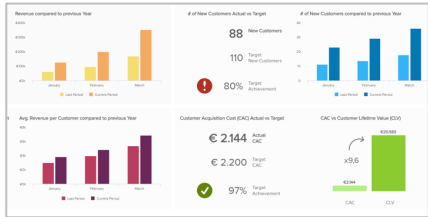
- Remedial measures as a reaction to alerts
- „Preventive measures“ based on Risk analysis
- BAFA reports
- Risk Alerts & Action planning
- Whistleblower hotline (MM integrity line)
- Code of Conduct
- Supplier Code of Conduct
- Human rights officer
- Risk management process

Due diligence obligations

Holistic implementation along the risk management cycle

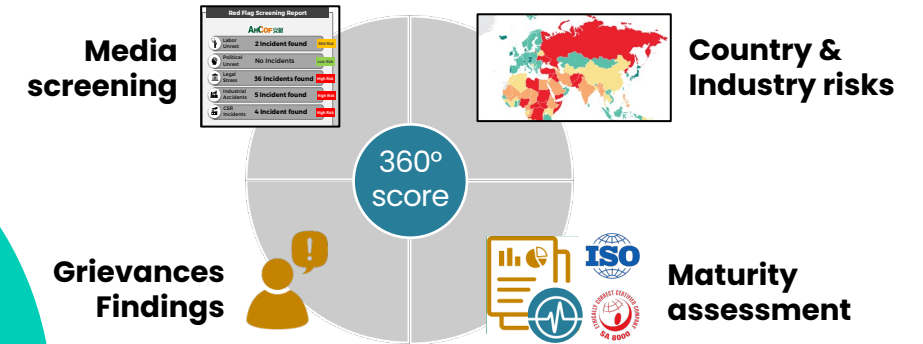


4. Reporting & controlling

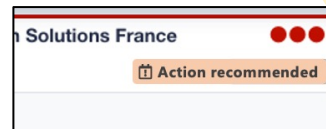


Reporting standards
BAFA, GRI, etc..

1. Risk identification



3. Actions planned and implementing

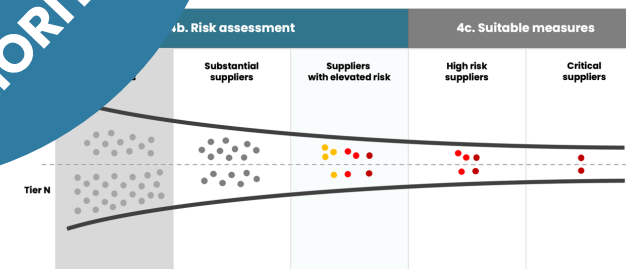


Action implementation with Action partners

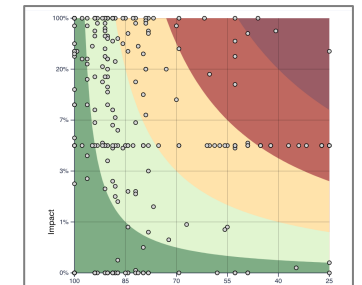


- ✓ Desk Audits
- ✓ On-site Audits
- ✓ Certifications
- ✓ Awareness Trainings

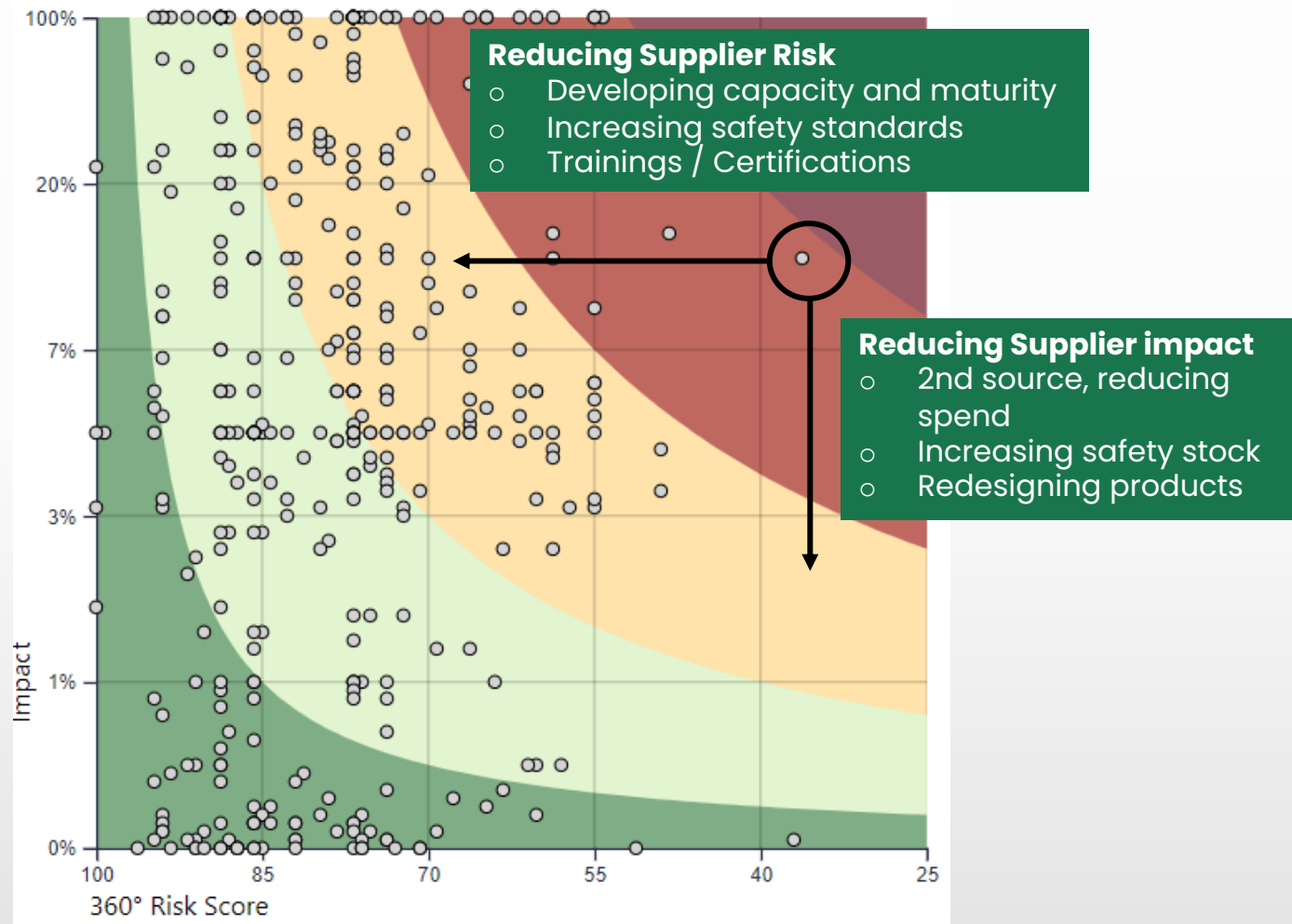
2. Weighting & prioritisation



Risk-based approach



MM Risk Analysis & next steps



Next steps

- Implement preventive measures
- Update supplier structure
- Set up internal structure

Contact and funding




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Dieses Projekt wurde aus Mitteln des Bundesministeriums für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie (BMK) gefördert und im Rahmen des Programms Logistikförderung durch die Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG mbH) abgewickelt:

Gefördert durch

 **Bundesministerium**
Klimaschutz, Umwelt,
Energie, Mobilität,
Innovation und Technologie



07/12/2023

12



End-to-end risk management

Along the risk management and due diligence cycle



Article 10,11

Monitor effectiveness, Public communication



§10 LkSG
Berichterstattung



Section 5 NTA
Annual Account



Art.17 VSoTr
Berichterstattung



Article 7,8

Take appropriate measures to mitigate/minimise



§6,7 LkSG
Preventive, remedial measures



Section 4c NTA
Suitable measures



10 1.d VSoTr
Angemessene Maßnahmen



Article 6 CSDDD

Identify and assess adverse impacts



§5 LkSG
Risk analysis



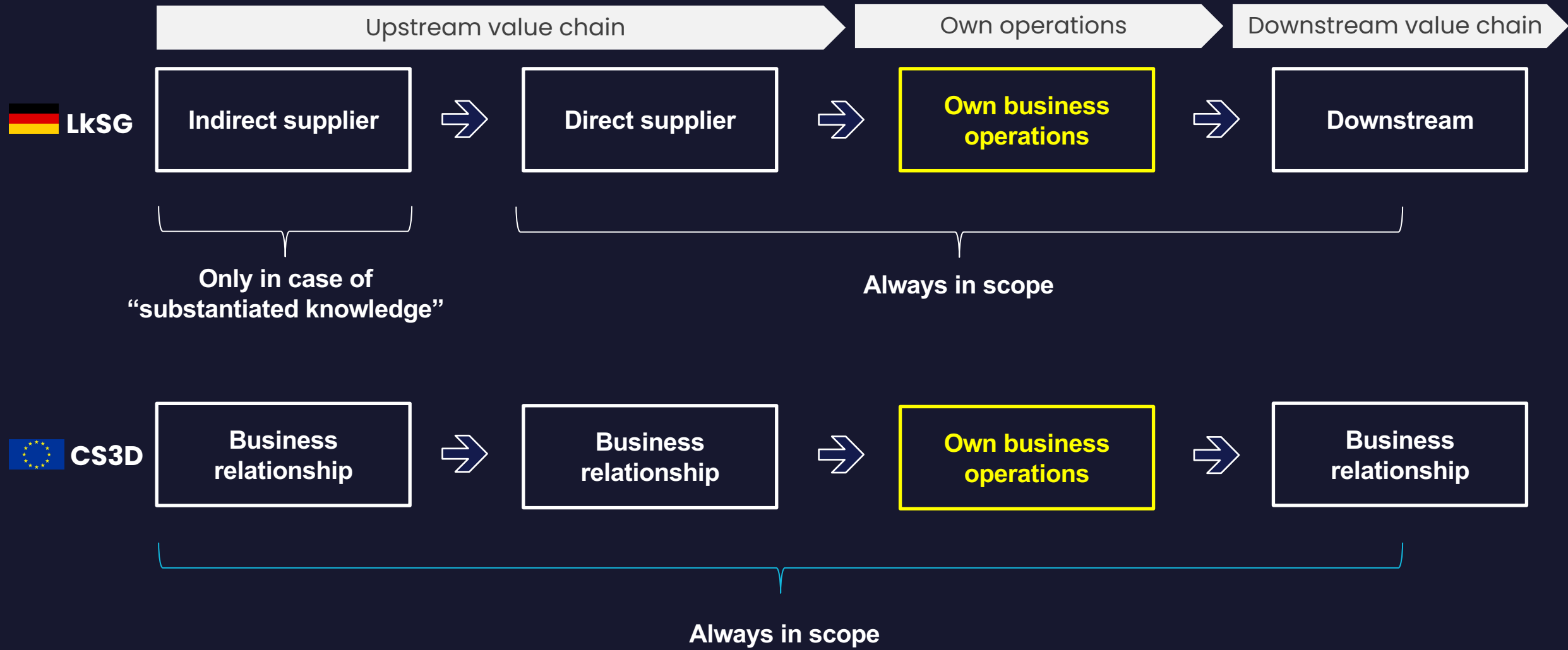
Section 4a NTA
Identify and assess...



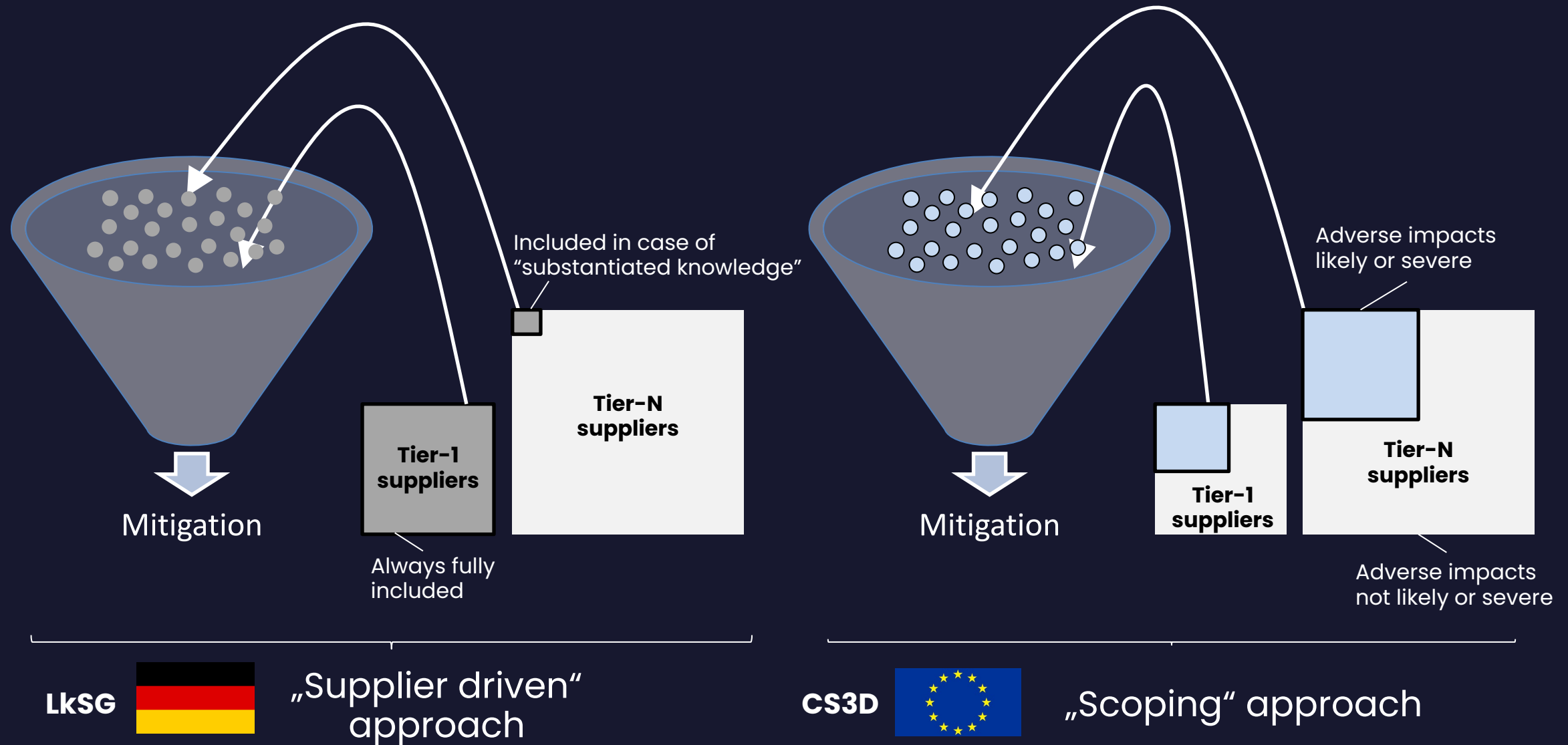
10 1.d VSoTr
Ermittelt und bewertet...



Scope of risk assessment



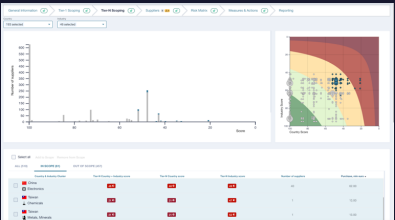
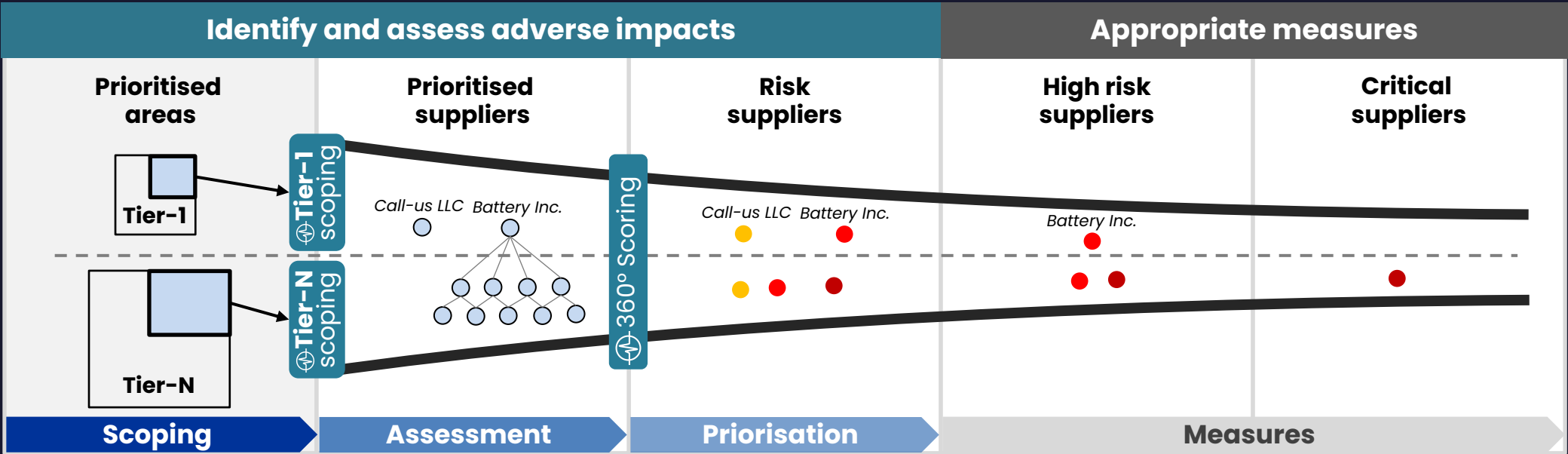
Risk assessment approaches



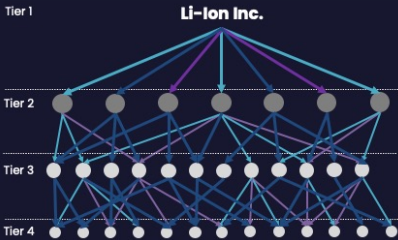
CS3D risk assessment implementation



CS3D

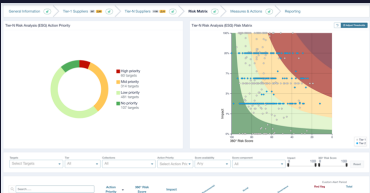


Scoping Dashboard



Tier-N Mapping

+ Validation



Tier-N Analysis



CS3D Tier-N Risk Assessment Process

Preparation

Scoping

Mapping

Validation

Analysis

Mitigation

1. Public data

Sourced from public media and international trade data

Customs 
Media 
Predicted 

2. Private data

Sourced from existing customer supply chain data



3. Supplier validated data

Validated by suppliers



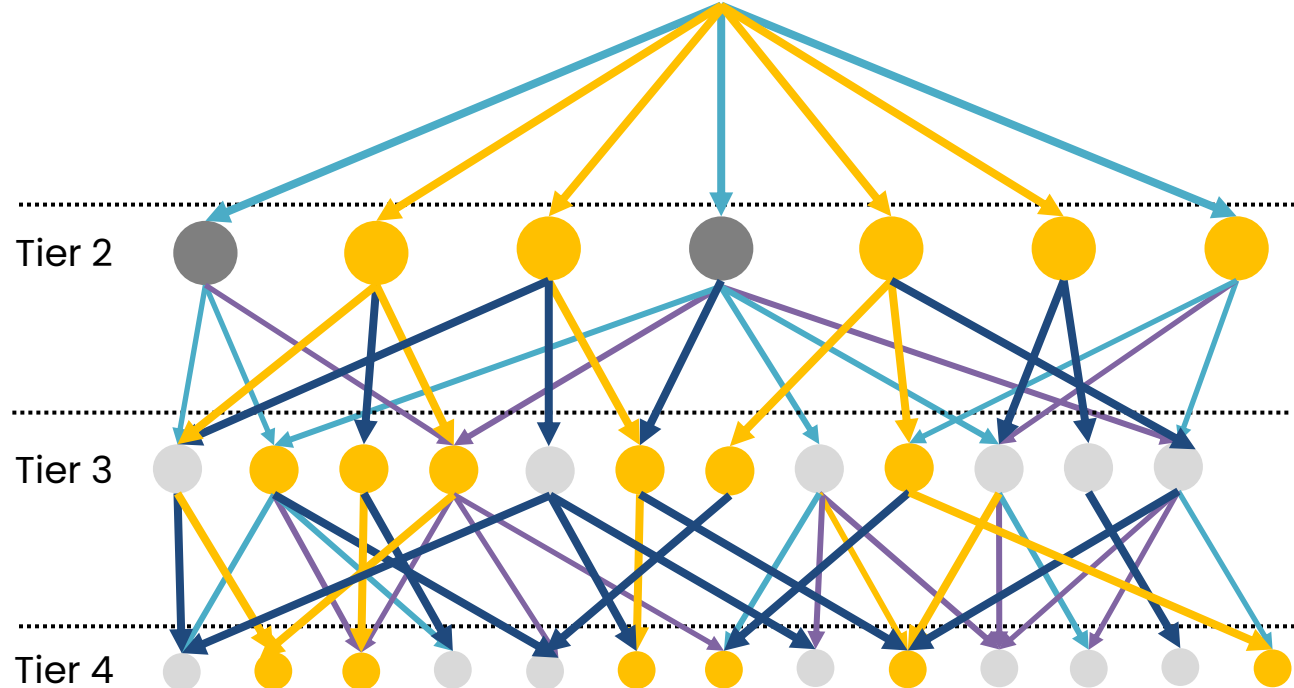
Tier 1



Tier 2

Tier 3

Tier 4





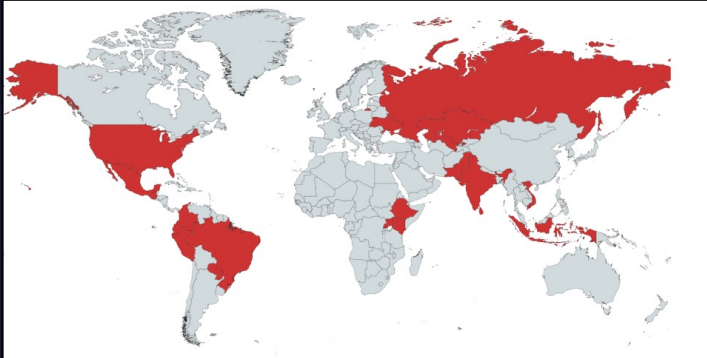
CS3D Tier-N Risk Assessment Process

Three step supply chain mapping

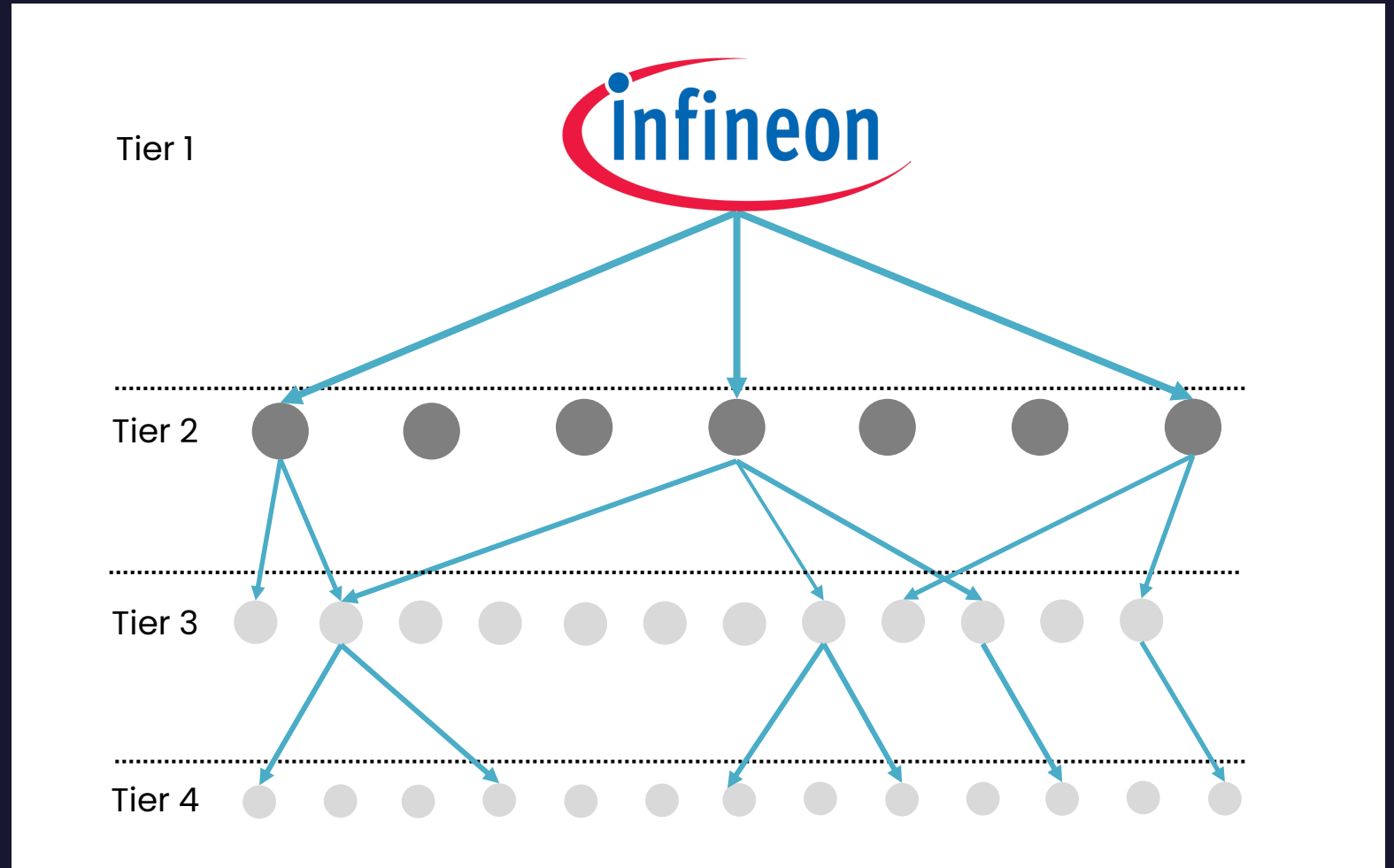
1. Public data

Sourced from public media and
international trade data

Customs



Bill of lading and customs data
from ~30 countries






CS3D Tier-N Risk Assessment Process

Three step supply chain mapping

1. Public data

Sourced from public media and international trade data

Customs 
Media 

3 May 2023

China's SICC and TanKeBlue to supply silicon carbide wafers and boules to Infineon

Honeywell Receives Supplier Excellence Award From Infineon Technologies Second Year In A Row



News reports,
Annual reports,
Reference customers,
Etc.

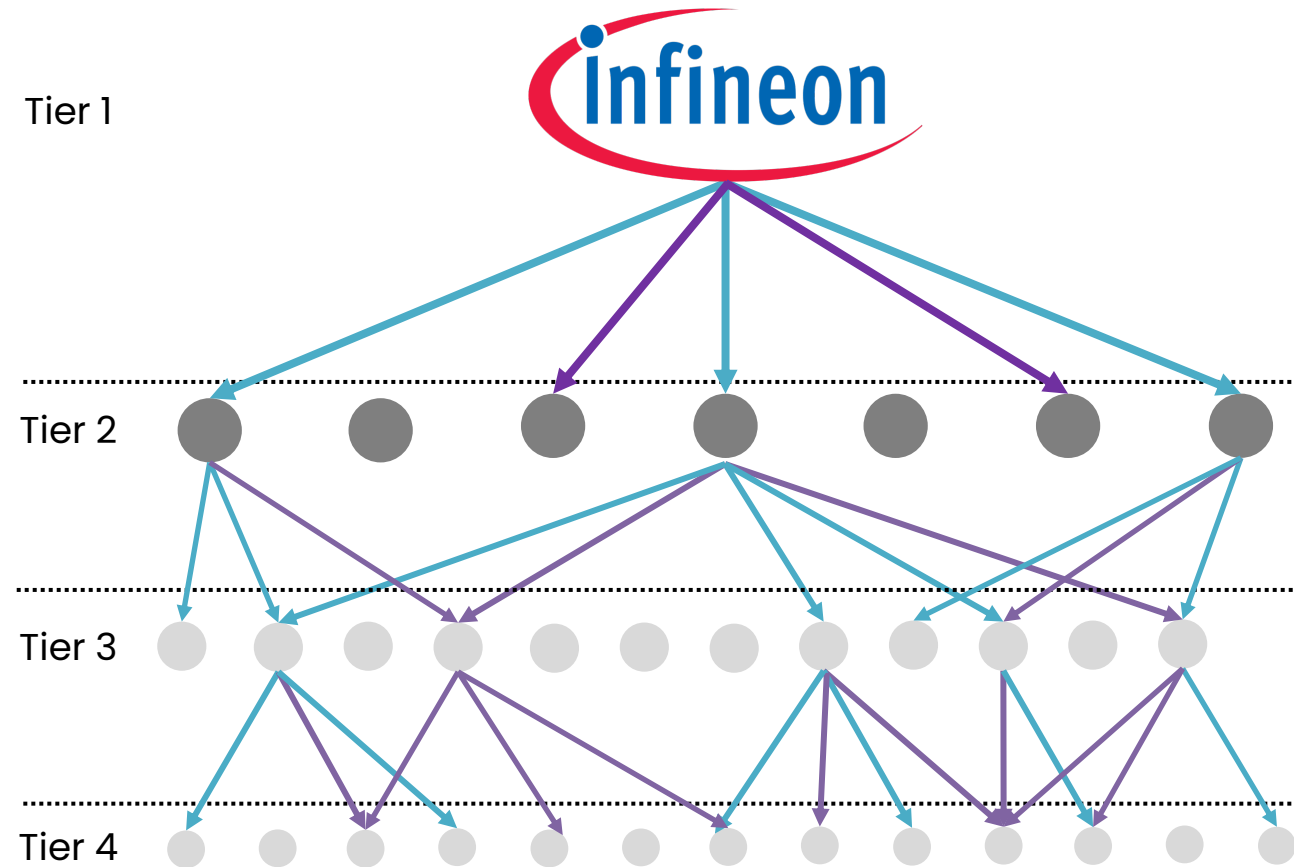
Tier 1



Tier 2

Tier 3

Tier 4






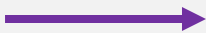
CS3D Tier-N Risk Assessment Process

Three step supply chain mapping

1. Public data

Sourced from public media and international trade data

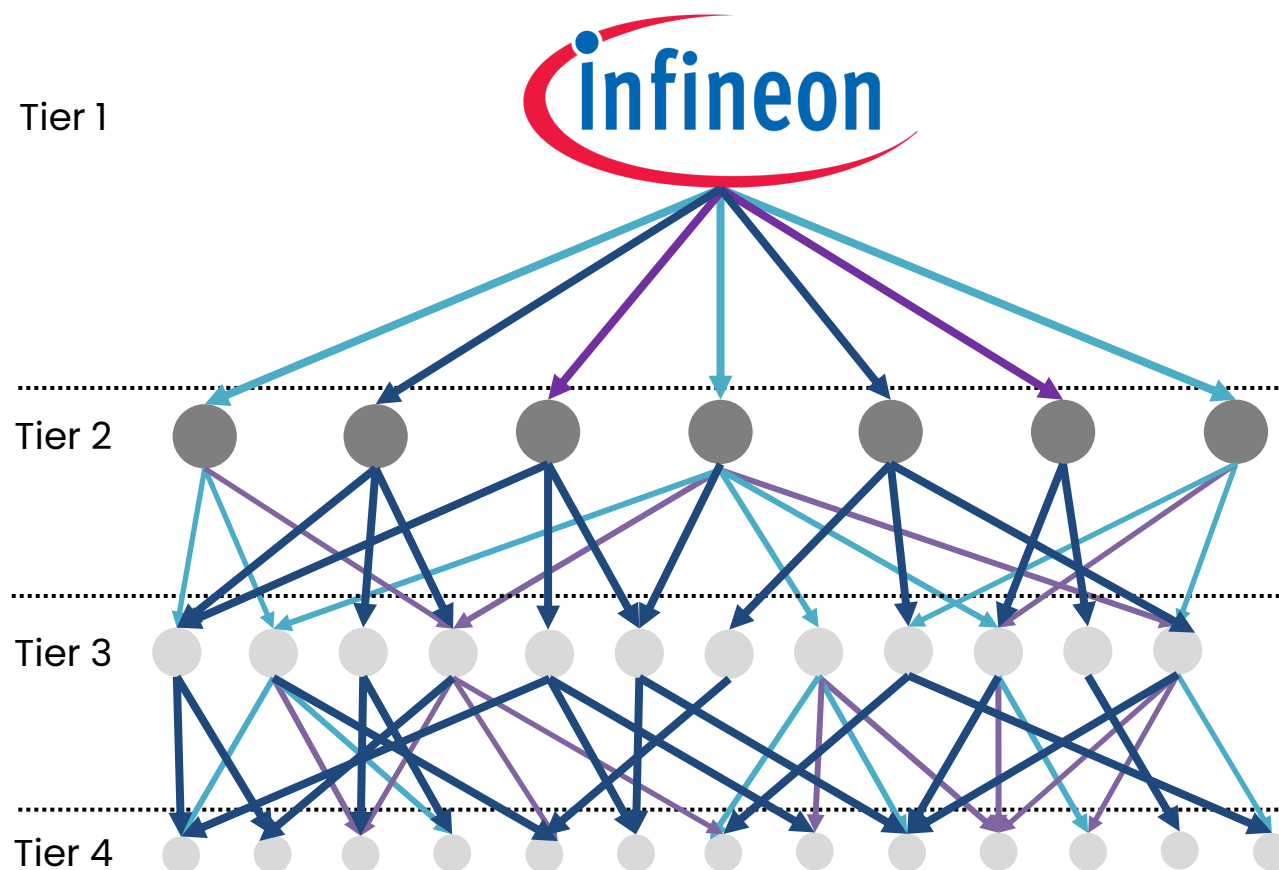
Customs 

Media 

Predicted 

Machine-learning based predictions based on

- Peer group similarity
- Regional similarity
- Commodity similarity
- Etc.



Case Study: Tier-N Mapping Results

Tier	Source	Electronics Sites
Tier-1	Customer input	156
Tier-2	Customs	203
	Predictions	3.632
	Media	376
	Tier-2 identified	4.211
Tier-3	Customs	17.195
	Media	541
	Predictions	11.671
	Tier-3 identified	23.791

Thank you



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„Prewave **enables us to find out about supply chain risks much earlier** on, so we can respond more quickly“



Marco Philippi
Head of Procurement Strategy

„Thanks to Prewave, **we are well prepared for the future!**“



Andreas Schön
Head of Sourcing & Procurement Governance

„Working together with Prewave we are **identifying risks along the entire supply chain.**“



Gunnar Büchter
EVP Procurement & Sustainability