2025

ATCC Session

The Journey from 'Traditional' to 'Innovative' Global Trade Content



January 2025

Proprietary and Copyright of The Descartes Systems Group Inc. All rights reserved.

Agenda



Market Context & Current State Challenges



Introducing 'Innovative' Trade Content



Content Focus areas going forward



The aim was to understand the landscape of international trade, attitudes towards technology the challenges faced, and strategies used to address challenges.

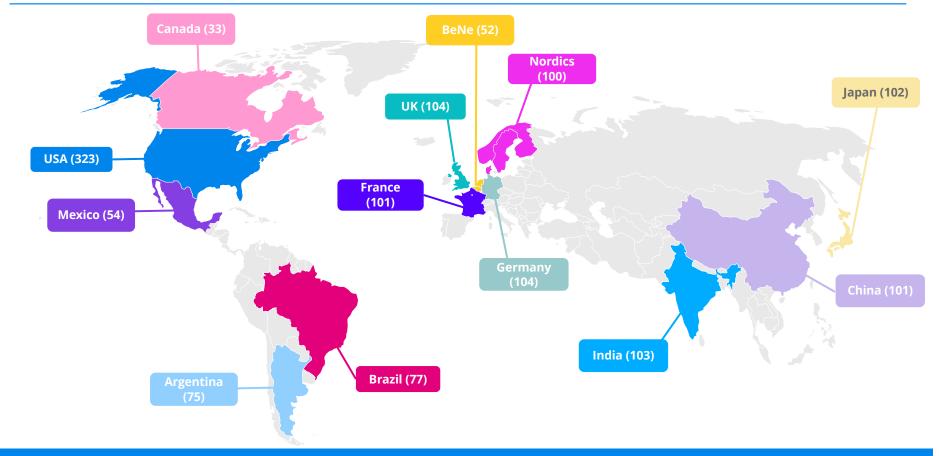
The objectives include:

- Providing baseline for future benchmarking on the global trade intelligence sector for years to come
- Understanding the importance of technology in helping organizations overcome these challenges
- Where organizations expect to gain the greatest value in international trade, and how they are measuring this.



Audience | Brand | Content Research







Audience | Brand | Content Research

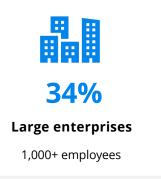
Research Audience





Supply Chain Intelligence

N= 978 | Influence over supply chain intelligence | Based across LATAM, EMEA, NAM and APAC

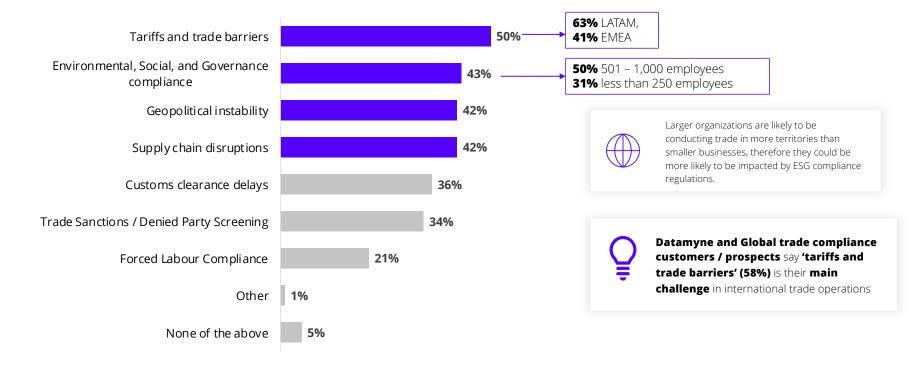




Audience | Brand | Content Research

Challenges in International Trade Operations

The top three challenges organizations face in international trade operations are **tariffs and trade barriers (50%)**, **ESG compliance (43%)**, **geopolitical instability and supply chain disruptions (both 42%)**



Q10. What are the main challenges your organization faces in international trade operations? Select all that apply

Base: 887

Conducting Compliant & Profitable Global Trade

To address international trade complexity, today's global companies need two things:



The Right Data... to help understand market, regulatory, and risk context The Right Capabilities... to navigate and leverage that data to support optimal business decisions

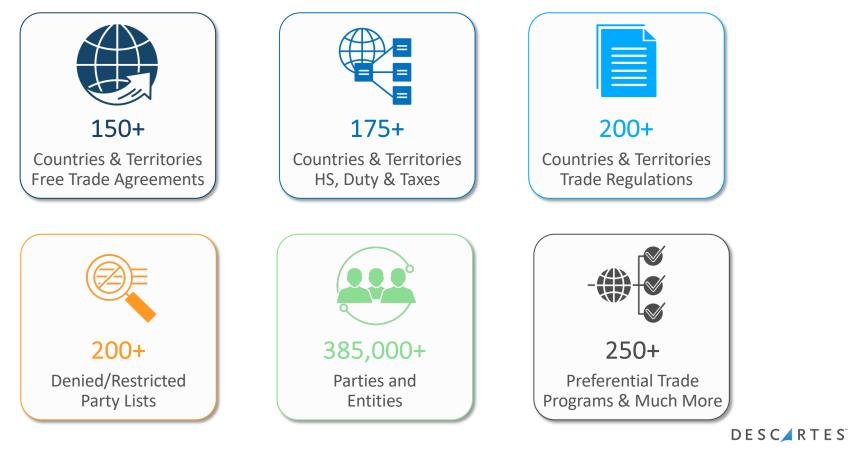
 $D \in S \subset A \cap R \cap E S^{n}$

What Does Global Trade Content Encompass?



 $D \in S \subset A \cap R \cap S$

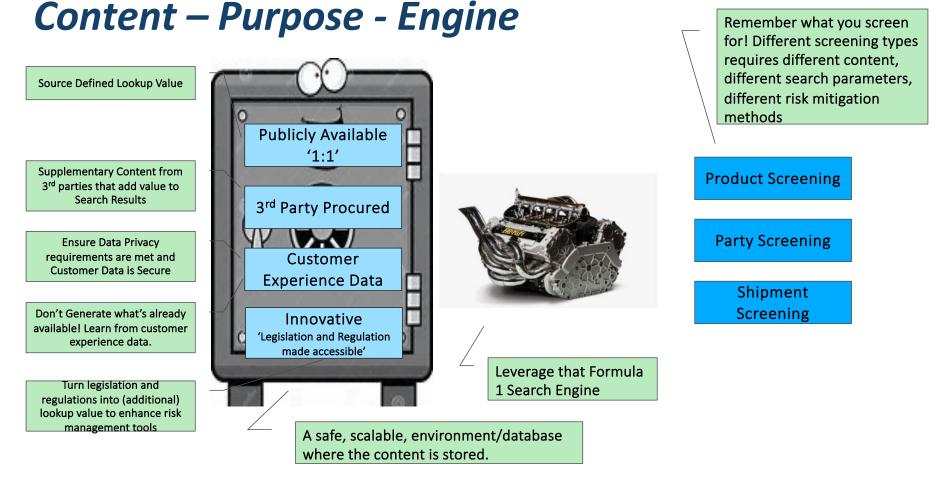
Descartes – A Single Source for Trade Content



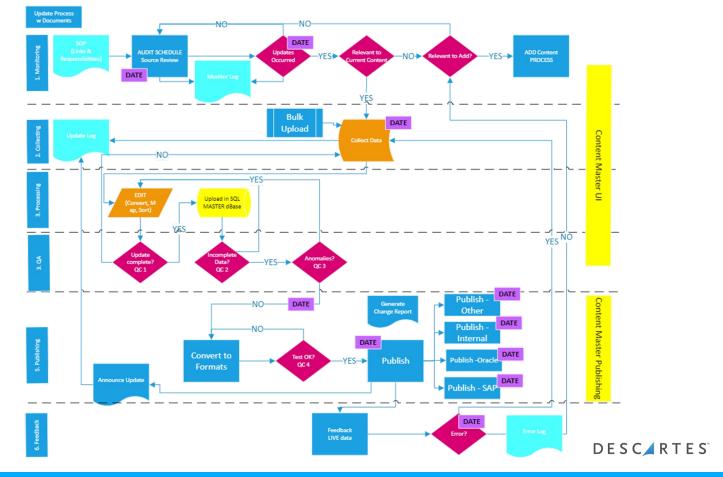
Concepts

- Like shoes, the content must fit
- Documented Workflow
- Dates! For reporting and confidence
- Access
- Security
- Al, anyone?

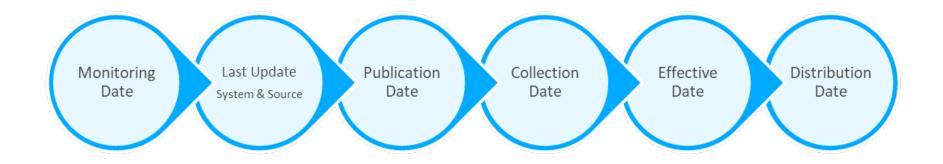
 $D \in S \subset R \in S^{\circ}$



Track, Trace, Process, QA, Release

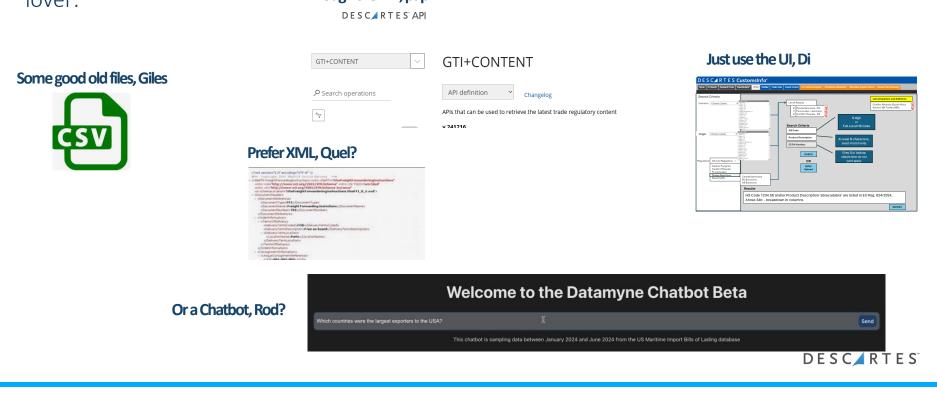


Dates Dates Dates



Access

Allow Access to the Content in as many ways as Simon & Garfunkel claim you can leave your lover: Through the API, papi



Role of AI

- Content Collection Support:
 - Scraping, sorting, cleansing
 - QA scripting, error detection
- Capability to expand search capabilities:
 - Python libraries, e.g. for synonyms
 - ML in Search Engine
 - o Confidence Rating for Search Results
- Access:
 - o Chatbot
 - o Focused Search

Data Becomes Information For Automation & Research

Global data from varying sources and formats synthesized for multiple use cases:

Data is pushed in a variety of formats.

- Research Lookup Tool
- Item /Product Master Classification Solutions
 - Rules-based Classification
- ERP/GTM Data
- Landed Cost for ecommerce
- Proprietary Integration
 - Cross Referencing Between Solutions
 - API Calls
 - Managed Services



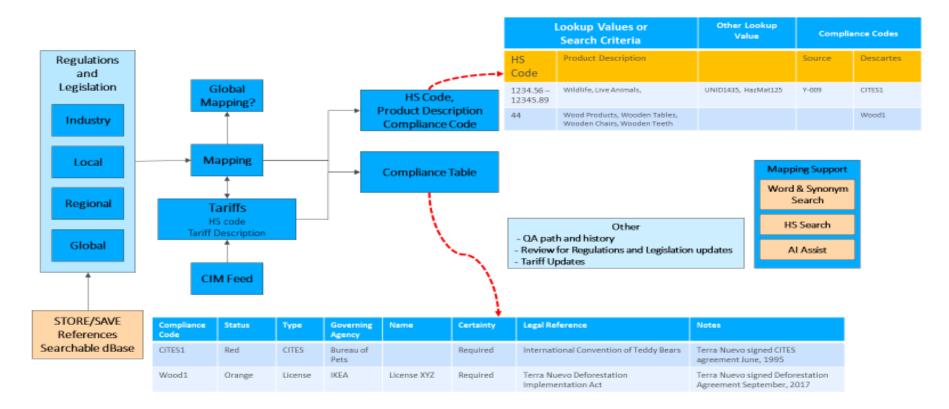
Which perspective do you want?

What is "Innovative Content"?

Innovative Content is what Descartes defines as <u>trade content specifically designed</u> to support customers' risk and compliance requirements in relation to their partners, products, locations, and transactions.

- This trade content cannot be directly retrieved/extracted/collected from a single source (i.e., static table from a government website) and distributed without adding additional data elements to it.
- 2) It is value added trade content where Subject Matter Experts combine -
 - Publicly Available Content;
 - 3rd Party Procured Content
 - Customer Experience Data; and
 - Legislation

What does Innovative Content look like?



DESCARTES

Examples

- Russia Sanctions
- Conflict Minerals
- Import Regulations
- 301 Tariffs in combination with Low Value exemptions and Compliance Regulations
- Forced Labor
- -> Turn 'Descriptive Regulations' into Lookup Values (Search Parameters)

 $D E S C \land R T E S^{"}$

Produce Compliance – Russia Sanctions Use Case

- G-7 Countries rolled out product-based sanctions for Russia and Belarus due to conflict with the Ukraine. This was in addition to static tables that are commonly used for sanctions compliance such as the sanctioned party lists.
- These product-based sanctions included both import and export prohibitions and had noticeable gaps in the data, which required additional content and technology for customers to navigate them.
 - > No ECCNs to track EAR99 software and technology
 - > No HS codes mapped to export controlled items
 - > Many product descriptions without ECCNs and/or HS codes
 - Product exclusions not mapped to controlled HS codes/descriptions

 $D E S C \land R T E S^{T}$

Open Discussion

- Does the Innovative Content concept resonate for your business? Are we trying to solve the right problems?
- Are we approaching this the right way from a prioritization perspective?
- What else should we consider as future content development priorities?

DESC RTES

UNITING THE PEOPLE & TECHNOLOGY THAT MOVE THE WORLD