

Evaluate and Mitigate Supply Chain Risks

WITH SGS TRANSPARENCY-ONE

SUPPLIER RISK MANAGEMENT

➤ BE THE BENCHMARK





SGS Transparency-One

In today's world, companies have an increasing responsibility to manage their supply chain and ensure compliance including legislation, industry standards, and client expectations. As supply chains have become more international and complex, they are more prone to disruption caused by lack of supplier visibility.

To help organizations improve performance and visibility, we have developed the SGS Transparency-One solution. It enables our clients to improve the accuracy of their supplier data through risk assessment, self-assessment questionnaires, data validation and a client/industry audit process based upon a supplier's products, services and/or region of supply if required. The solution leverages a best in class IT platform provided by Transparency-One, which is then combined with the supplier onboarding infrastructure and data validation capabilities of the SGS global network.

SGS Transparency-One utilizes a modular approach with the purpose of mitigating tier one supplier risks with the added capability of mapping the supply chain if required. This includes examples such as a supplier's ability to meet quality and capacity requirements alongside their health & safety, social, environmental and business responsibility practices.

SGS is committed to transforming the quality of supplier data and partnering with organizations to continually improve performance across their value chain, ultimately helping our clients **BE THE BENCHMARK**.





Understanding Supply

CHAIN CHALLENGES

Companies are looking for supplier optionality and business continuity, seeking a way to establish approved suppliers through a fair and consistent application of pre-qualification and on-going compliance requirements.

There is an increase of sourcing from various parts of the globe, which means that companies are looking for more effective ways to evaluate and manage supplier risk. There is also the added complexity of a post-COVID world, where there is likely to be further restructuring of supply chains and an increased demand for supplier optionality. This may lead to supply chains becoming more localized and/or regionally based. Ultimately, as supply chains become more complex, visibility into the supplier activity decreases, which can lead to customer and investor distrust.

69% of firms say they do not have full visibility into their supply chains



57% of companies believe that supply chain management gives them a competitive edge that enables them to further develop their business



94% of consumers say they are likely to be more loyal to a brand that offers complete transparency



The Value of Responsible Supply Chains

Apart from the financial and legal implications that are caused by high risk suppliers, there are other damaging factors that can negatively effect the perception of a brand (child labor, bribery, etc.). Recent studies confirm that brand perception is a key competitive advantage and is a highly effective metric for attracting new clients.

DID YOU KNOW?

A study conducted by Bain & Company found that even though 80% of companies say they provide great experiences only about 8% of customers agree.



81% of consumers must trust a brand before making a purchase



66% of consumers think transparency is the most attractive quality of a brand



64% of consumers would stop buying from a brand after one poor ethical issue





SGS Transparency-One Process

Our clients need to monitor and measure performance and compliance of their supply chains, against a wide range of legislative requirements, industry norms, standards and client expectations. SGS Transparency-One offers invaluable insight by providing up to date and validated supplier information. Our data centric methodology allows us to strategically examine supplier risks. Using a tailored approach means the individual issues, identified during our assessments, are addressed alongside the clients' broader business needs. Our unique value proposition centers around the following process.

1 GOVERNANCE

Collect and validate all data relating to all Tier 1 suppliers through our Supplier Self-Assessment Questionnaires. This data includes a range of topics, including safety, quality and sustainability.



2 PERFORMANCE

Monitor risk potential of your Tier 1 suppliers. Areas of risk are pin pointed, allowing you to instigate corrective procedures. KPIs are then calculated to provide a more scientific breakdown in relation to risk along the supply chain. KPIs can then be used to map progress in improving the supply chain.



3 INTELLIGENCE

Intelligence allows us to look in greater depth at the data generated in previous steps. Utilizing our Transparency One platform allows all supplier performance data to be centrally stored and reviewed via intelligent dashboards. This will provide insights into supply chain dynamics, allowing competitive benchmarking and identifying areas of improvement.





Evaluating Supplier Risk

This solution provides a comprehensive approach to supplier risk. Utilizing our years of technical and industry expertise, we have developed a risk evaluation methodology that identifies and categorizes suppliers into three areas. The categorization of risk will determine the level of intervention we will take with each supplier. This process and the expected steps are agreed with each of our clients during the project setup phase.

RISK CRITERIA

HIGH RISK

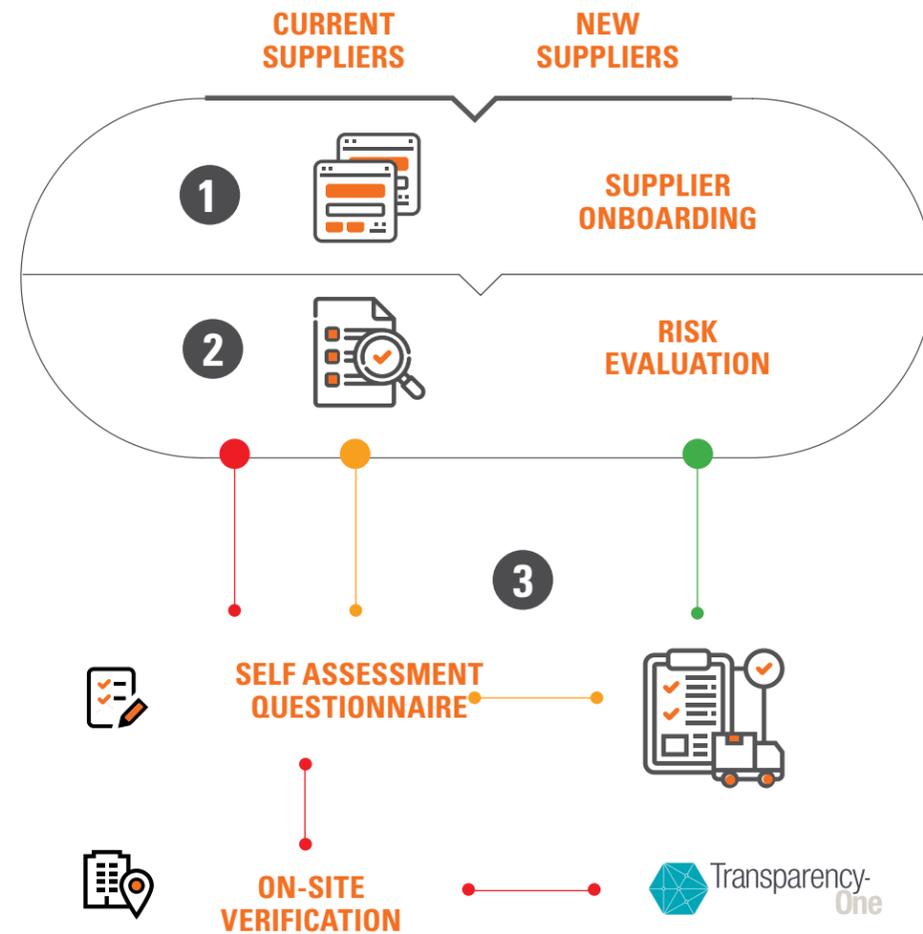
- Providing high risk products and/or services
- Situated within high risk regions
- Likely to import high risks into client operations (health & safety, etc.)

MEDIUM RISK

- Providing medium risk products and/or services
- Situated within regions which have a medium risk rating
- Likely to import some risks into client operations (health & safety, CSR)

LOW RISK

- No direct risk being presented to the client or their products, services or operations





Digitizing Supplier Risk Management

SGS Transparency-One enables companies to discover, analyze, and monitor suppliers, and facilities in their supply chain and uses real-time data to reduce risk. Using cutting edge, cloud-based technology and our global experience in supplier evaluation and certification, SGS Transparency-One helps organizations continually drive performance improvement. To meet growing demands, digitization of supply chain data is becoming a requirement. Digitization results in increased visibility, greater efficiency, and better risk management. SGS Transparency-One provides businesses with a single source of truth to support business commitments around transparency, sustainability, safety and compliance.

SOLUTION BENEFITS

GLOBAL REACH, LOCAL SUPPLIER SUPPORT
 Access to the SGS global network, providing local supplier support around the world



ACCESS TO SUBJECT MATTER EXPERTISE
 With 89,000 employees operating across multiple sectors, SGS can provide the right subject matter expertise for your industry and specific program



BROAD SERVICE SCOPE
 With a broad scope in our services we can provide regulatory, legislative and country specific compliance across your supply chain



CLIENT SPECIFIC RISK EVALUATION AND CUSTOMIZATION OF CONTENT
 By establishing strategic partnerships with our clients, our risk profiling content is tailored to your specific needs



SUPPLIER & BUYER DATA ANALYTICS
 Through a series of powerful dashboards, and customizable data points, supplier and supply chain analytics are available at your finger tips

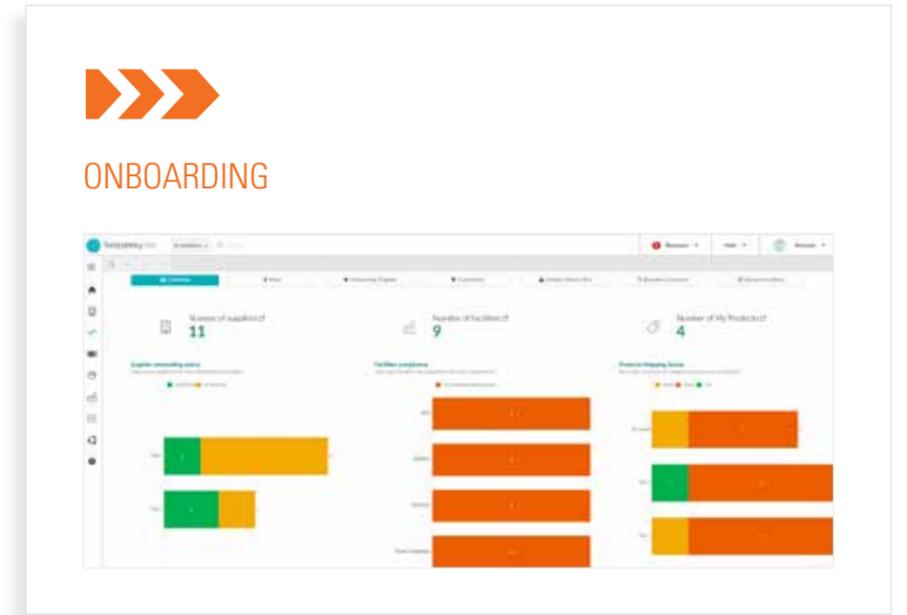


BEST IN CLASS IT PLATFORM AND DATA VERIFICATION
 Through our technology partners our customers have access to a state of the art, blockchain enabled platform




Supplier Data & Analytics Reporting

Assess your suppliers based on exposure to safety & social issues, quality, IT security and business continuity risks with a variety of data and analytics reporting dashboards.



-  View Supplier compliance in **single dashboard**
-  Benchmark suppliers to **identify potential risk** exposures
-  Identify **tailored training requirements** based upon supplier compliance

-  **Track and monitor the onboarding process** of all suppliers
-  **Evaluate gaps in compliance** and improve supplier communication
-  **Identify target regions** to improve supplier engagement

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WHEN YOU NEED TO BE SURE

SGS