Building Resilience Through Better Supplier Risk Assessments

May 6, 2021

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Speakers



David Chevalier | Vice President, Alliances



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Agenda

Supplier Risk Assessments + Supply Chain

- Why assessing supplier risk - down multiple tiers - is essential to business continuity
- Lessons from the trenches
- What makes for a cohesive risk assessment program

Driving a Unified Risk Assessment Program

- How technology is playing a role
- The latest capabilities of Resilinc's Supplier Assessment Program

Q&A

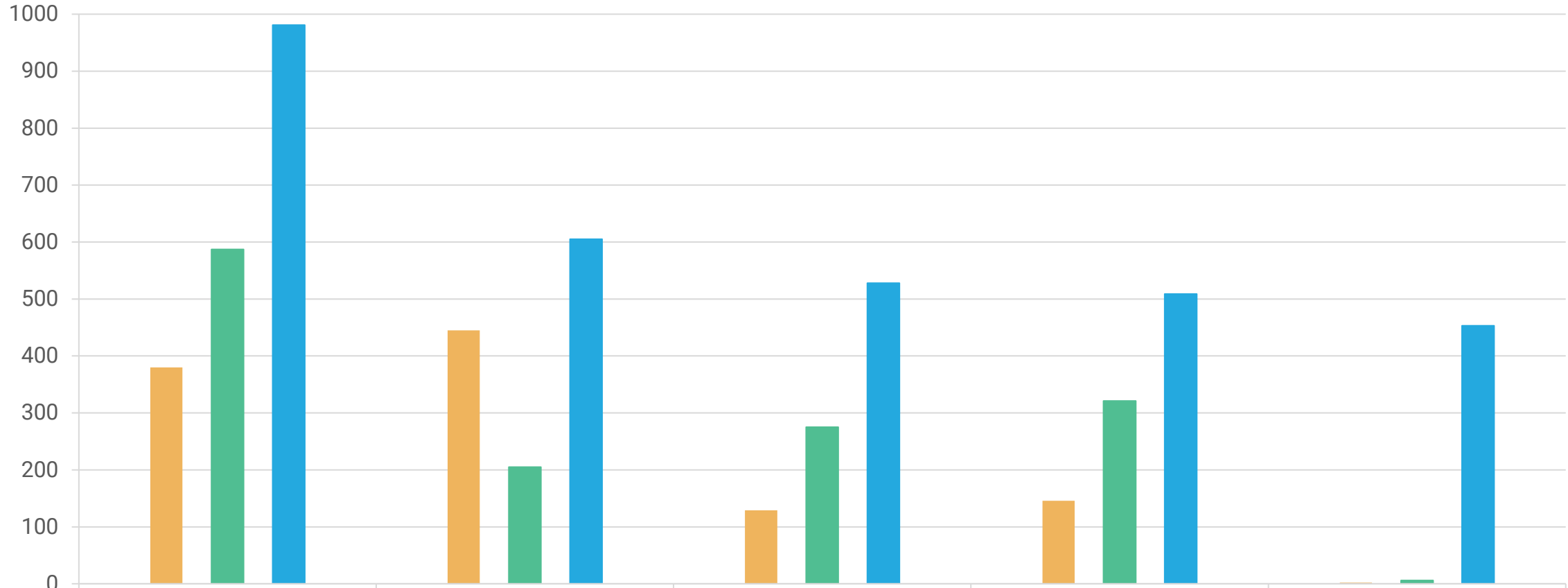
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Multiple ripples currently intersecting through the supply chain ecosystem

- COVID-19 : Still disrupting global supply chains
- Sudden extreme and widespread demand shifts
- Record hurricane season
- California fires
- Multiple large factory fires
- Texas freeze
- Semiconductor shortages
- Container shortages
- **Plastics shortages**
- Renesas fire (semiconductor)
- And now… SUEZ CANAL delays…

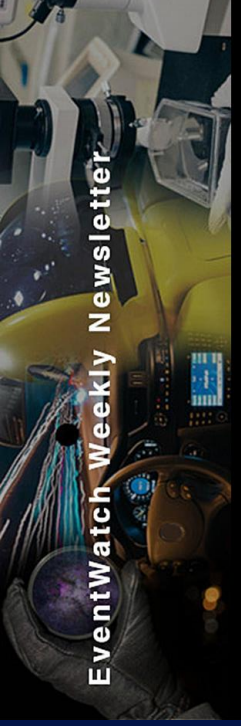
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TOP 5 SUPPLY CHAIN EVENT TYPES BY 2020 (2018 – 2020)



	Factory Fire	Merger & Acquisition	Business Sale	Factory Disruption	Human Health
2018	380	445	129	146	2
2019	587	205	275	321	6
2020	981	605	528	509	453

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September 11th, 2020

ONE WEEK IN SUPPLY CHAIN NEWS

This week, we had **202 events** that we assessed with potential as follows:

2 Severe
101 Medium
99 Low

Airport Disruption

Flights Suspended at Airport in Srinagar, Jammu and Kashmir, India	LOW

Business Sale

SABIC Completes Sale of Agri-Nutrients Investments Portfolio to SAFCO	MEDIUM
Veran Medical Technologies Completes its Sale to Olympus Corporation	MEDIUM
FLIR Systems to be Acquired by Teledyne	MEDIUM
UPDATE: Kuehne + Nagel Completes Sale of Its UK Contract Logistics Business to XPO Logistics	LOW
Magellan Health Announces its Sale to Centene	MEDIUM
Lanxess Completes Sale of its Reverse Osmosis Membrane Business to SUEZ Group	MEDIUM
SOMATEX Medical Technologies Completes its Sale to Hologic	MEDIUM
Pumping Solutions Completes Sale to DXP Enterprises	MEDIUM
UPDATE: BP Completes Sale of Global Aromatic and Acetyls Business to Ineos	MEDIUM
Vicom Computer Services Completes Sale to Converge	MEDIUM
UPDATE: Integra LifeSciences Completes Sale to Smith+Nephew	MEDIUM
ACPO Ltd. Announces Sale to Avery Dennison	MEDIUM
Takeda Completes Sale of Select Non-Core Assets to Cheplapharm	MEDIUM
International Paper to Sell Olmuksan International Paper to Mondi	MEDIUM
Al Chem Specialties and CalCHEM Sell Business to USALCO	MEDIUM
Gibson Engineering Completes Sale to Applied Industrial Technologies	MEDIUM
Mark Two Engineering Announces Sale to Incodema Holdings	MEDIUM

Chemical Spill

Leak Reported at Amazon Facility in Kannapolis, North Carolina, USA	LOW
Dichloromethane Leak Reported at Shionogi Plant in Kanegasaki, Iwate, Japan	LOW

Compliance

FAA AD Issued for International Aero Engines	LOW

Cyber Attack

T-Mobile Suffers Data Breach	MEDIUM
Juspay Hit by Cyber Attack	LOW
GenRx Pharmacy Suffers Cyber Attack	LOW
Exclusive Networks Hit by Cyber Attack	MEDIUM
Apex Laboratory Hit by Cyber-Attack	MEDIUM
Lake Region Healthcare Hit by a Cyber-Attack	LOW
Data Leak Reported at Nissan North America	MEDIUM

Earthquake

5.5 Magnitude Earthquake Strikes Near Pagar Alam, South Sumatra, Indonesia	LOW
6.1 Magnitude Earthquake Strikes Near Gorontalo City, Indonesia	MEDIUM

Factory Fire

Fire at SD Polymers Warehouse in Macon, Georgia, USA	LOW
Fire at Konka Electronics in Narayanganj, Dhaka, Bangladesh	LOW
Fire at a Pharmaceuticals Factory in Valsad, Gujarat, India	LOW
Fire at Vision Corrosion Control Services in Houston, Texas, USA	LOW
Fire Reported at Cabelma Factory in General Pacheco, Buenos Aires, Argentina	LOW
Fire Reported at the DuPont Plant in Rockland, Maine, USA	MEDIUM
Fire at Yamamoto Densetsu Facility in Yamamoto, Miyagi, Japan	LOW
Fire Reported at Post Foods Plant in Battle Creek, Michigan, USA	LOW
Explosion at a Scrap Metal Smelter in Karabotuwa, Kotadeniyawa, Sri Lanka	LOW
Fire Reported at a Factory in Bradford, England, UK	LOW
Fire Reported at an Industrial Warehouse in Monterrey, Nuevo Leon, Mexico	LOW

Extreme Weather

Snow Storm Causes Power Outages in Parts of Indiana, USA	MEDIUM
Winter Storm Causes Power Outages in Parts of Cape Breton, Nova Scotia, Canada	MEDIUM
SECOND UPDATE: Snowstorm Disrupts Transport Services in Parts of Ishikawa And Toyama, Japan	MEDIUM
Storm Filomena Causes Widespread Disruption Across Spain	MEDIUM

Factory Disruption

Fatal Incident Leads to Operations Halt at Hyundai Facility in Ulsan, South Korea	LOW
Hyundai to Suspend Operations at its Facility in Jeonju, Jeonbuk, South Korea	LOW
General Iron Closes Facility in Chicago, Illinois, USA	MEDIUM
Xcel Energy to Close Plant in Hayden, Colorado, USA	LOW
Security Concern Prompts Evacuation at the GM Fairfax Plant in Kansas City, Kansas, USA	MEDIUM
Closure Notice Issued to Dai-Ichi Karkaria Plant in Dahej, Gujarat, India	LOW
Honda Temporarily Suspends Production at Swindon, England Factory	LOW
Industrial Incident Reported at SAIL 's Rourkela Steel Plant in Rourkela, Odisha, India	LOW
Young Poong Corp Ordered to Shutter its Seokpo Zinc Smelter in Bonghwa County, North Gyeongsang, South Korea	LOW
Ingredion Halts Ethanol Production at Its plant in Cedar Rapids, Iowa, USA	LOW
Boeing to Close Advanced Development Composites Center in Seattle, Washington, USA	MEDIUM
Industrial Incident at Kalida Manufacturing Plant in Kalida, Ohio, USA	LOW

Fine

Reliance Industries Fined by SEBI Over Share-Trading Violation	MEDIUM
ArcelorMittal Sued for Polluting the Fensch River in Thionville, Moselle, France	MEDIUM
ArcelorMittal Fined over Safety Violations at its Plant in East Chicago, Indiana, USA	MEDIUM
Boeing to Entered Deferred Prosecution Agreement in USA	MEDIUM

Flood

Heavy Rains Cause Severe Flooding in Parts of Eastern Malaysia	MEDIUM
Heavy Rains Cause Flooding in Parts of Bicol, Philippines	MEDIUM
Torrential Rains Cause Flooding in Apia, Samoa	MEDIUM

Force Majeure

Lanxess Declares Force Majeure on Nylon 6 Copolymer Compounds in Germany	MEDIUM

Geopolitical

U.S. Capitol on Lockdown Following Electoral College Vote Count	MEDIUM
UPDATE: Curfew in Place in Washington D.C., USA	MEDIUM
WAVE 2 UPDATE 84: China, England, Scotland, Greece, Japan, Thailand, and Kuwait Announce New Restrictions	SEVERE
WAVE 2 UPDATE 85: Senegal and Japan Declare State of Emergency	SEVERE
Avian Flu Causes Culling of Birds Across Several States of India	LOW

Labor Disruption

Michelin to Cut 2,300 Jobs in France	MEDIUM
Nidec Cuts 784 Jobs in Philippines	MEDIUM
Union Workers to Strike at British Gas Facilities in Scotland, the UK	LOW
Postal Workers to Launch Strike Action in Morocco	LOW

Labor Violation

Brazil's Beef Producers Linked with Forced Labor	MEDIUM

Leadership Transition

Pfeiffer Vacuum Technology Appoints New CEO	LOW
Staubli Appoints New CEO	LOW
Nelipak Appoints New CEO	LOW
Equiniti Appoints New CEO	LOW
Qualcomm Appoints New CEO	LOW
Myovant Sciences Appoints New CEO	LOW
Genesis Healthcare Appoints New CEO	LOW

Legal Action

Lawsuit Filed Against Kemira Chemicals in Washington, USA	MEDIUM
Class Action Lawsuit Filed Against SolarWinds	MEDIUM
Italian Court Orders Facebook to Pay $4.70 Million	MEDIUM
Lawsuit Filed Against Sterigenics in Santa Teresa, New Mexico, USA	LOW
Class Action Lawsuit Filed Against Ford Over Claims of Excessive Oil Consumption	MEDIUM
Data Breach Class Action Suit Filed Against Canon	MEDIUM
Belden Sued Over Data Breach Affecting Workers	MEDIUM

Merger & Acquisition

SGS Completes Acquisition of Analytics and Services Business from SYNLAB	MEDIUM
Dentsply Sirona Acquires Byte	LOW
Angelini Pharma Acquires Arvelle Therapeutics	LOW
Charles River Laboratories Acquires Distributed Bio	LOW
Khoros Acquires Topbox	LOW
UPDATE: HCL Technologies Completes Acquisition of DWS	MEDIUM
Garmin Acquires GEOS Worldwide	LOW
Quest Software Acquires Erwin Inc.	LOW
PPG Industries to Acquire VersaFlex	LOW
Genpact Acquires Enquero	LOW
CooperSurgical Acquires Embryo Options	LOW
UPDATE: Stratasys Completes Acquisition of Origin	MEDIUM

Mine Shutdown

ERA Halts Operations at Ranger Uranium Mine in Kakadu, Northern Territory, Australia	LOW

Port Disruption

Snow Removal Locomotive Derails in Akita, Tohoku, Japan	MEDIUM
Container Ship Suffers Water Ingress Off the Coast of Xiamen, Fujian, China	LOW
FOURTEENTH UPDATE: DPD UK Halts Delivery Services to Ireland due to Brexit Custom Processes	LOW

Power Outage

Supply Disruptions from Substations Lead to Power Outages in Uitenhage, Eastern Cape Province, South Africa	MEDIUM
Weather Conditions Prompt Widespread Power Outages Across Japan	MEDIUM

Recall

UPDATE: Nostrum Laboratories Extends Voluntary Recall of Metformin	MEDIUM
Medical Device Recalls for Baxter Healthcare and LINET	MEDIUM
Medical Device Recall for Ortho Clinical Diagnostics	MEDIUM
Medical Device Recalls for Boston Scientific Corporation and Smith & Nephew	MEDIUM
Essaar Inc. Rubbing Alcohol Recalled Due to Methanol Contamination	LOW
Honda Recalls 220,000 Vehicles in the USA	MEDIUM
Medical Device Recalls for Medline, Ortho-Clinical, Accuray, DePuy Orthopaedics, and Roche Diagnostics	MEDIUM

Is your supply chain at risk – What IS Risk?

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State of the Global Supply Chain - Some of the Numbers

- Disruptions up 67% Y/Y
- 97% experienced major disruptions during Covid
- 73% planning large scale changes
- 60% recommending reducing globalization
- 47% believe peak impact still coming!
- 80% of supply chain issues originate with lower-tier suppliers
- 2 quarters of profit lost EVERY DECADE
- 100-day disruption destroys 30-50% of the year's EBITDA!

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How TECHNOLOGY is playing a role

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We need information on many initiatives from our suppliers across all tiers

Tier 1
100-1,000 direct suppliers
High % spend but low % revenue at risk

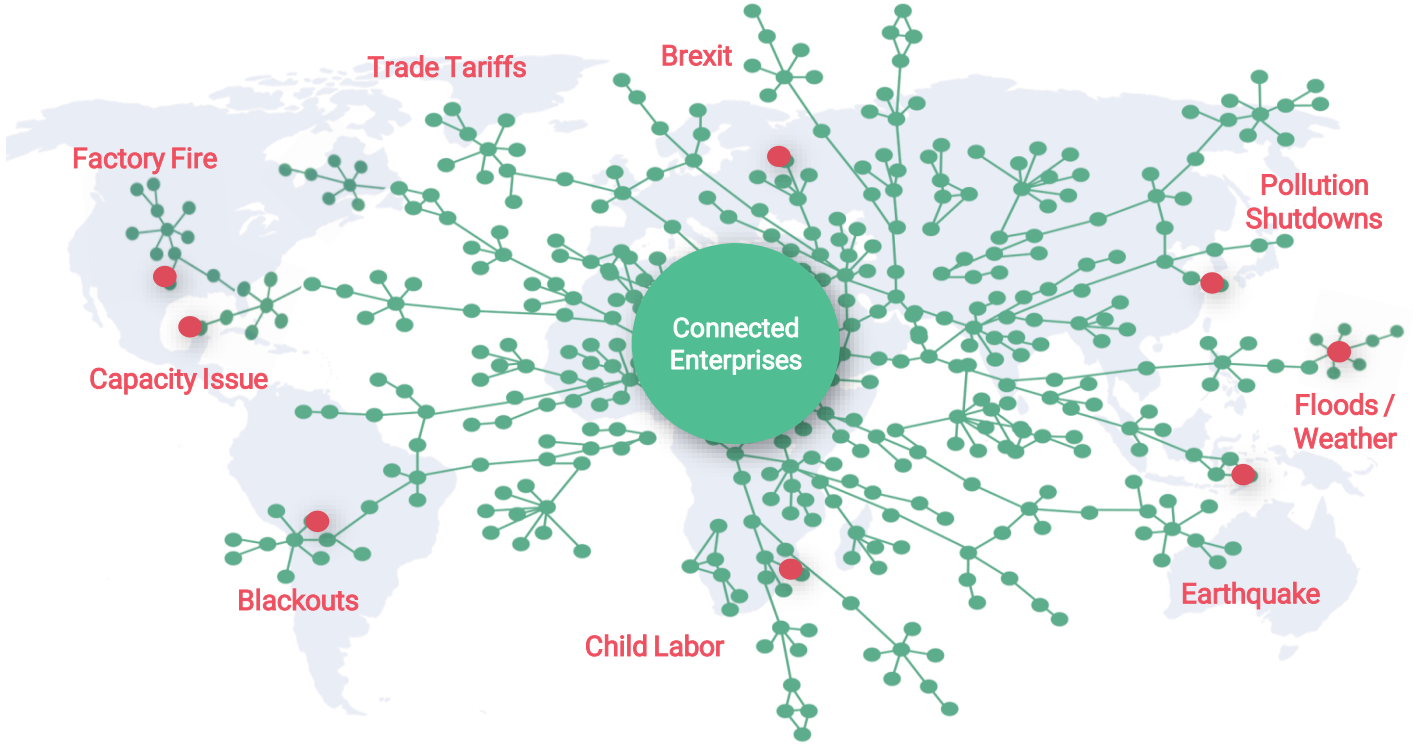
Visibility 75%
Risk 5-20%

Tier 2
Many more sub suppliers per T1

Visibility 20%
Risk: 20-50%

Tier 3+
Often low visibility in your enterprise

Visibility 5%
Risk: 50-90%



Intelligence that drives effective action is needed from sub-tiers directly!

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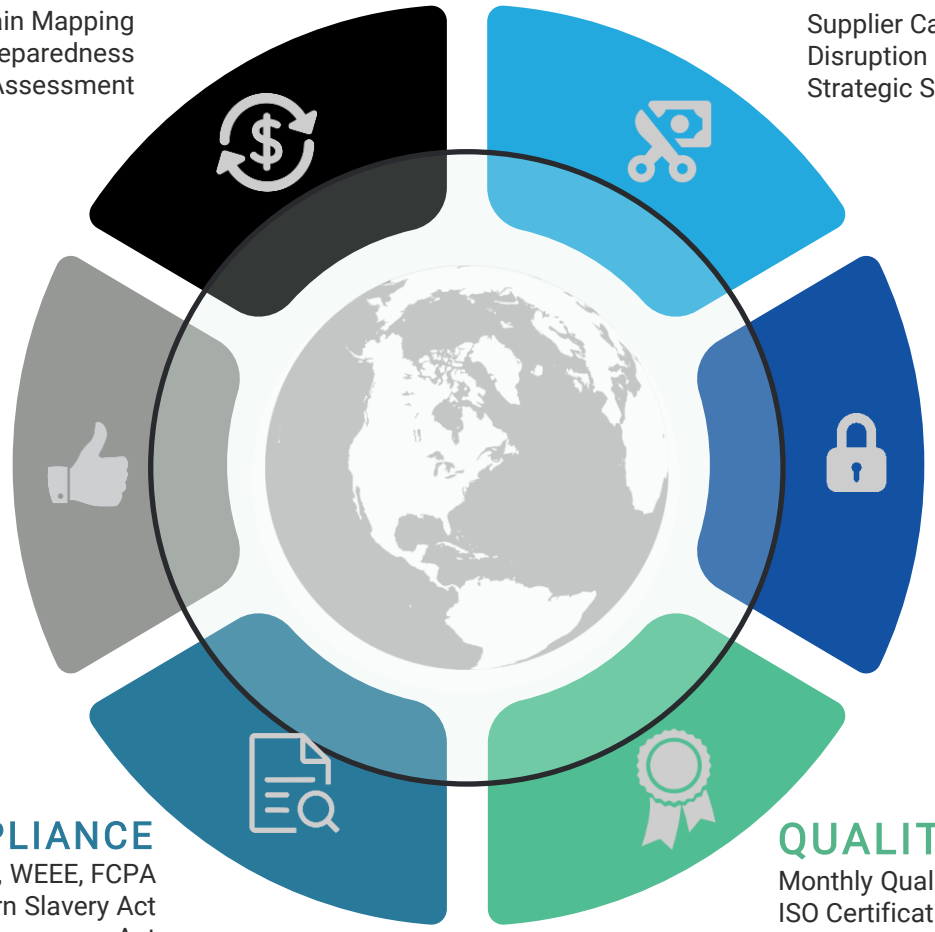
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We need a 360° view of all supplier intelligence in a single place

Our experts don't have time to check multiple systems for different pieces of the puzzle

VISIBILITY
Sub-Tier Supply Chain Mapping
Hurricane & Fire Preparedness
Country of Origin & Trade Assessment

READINESS
Supplier Capacity Mapping
Disruption Response and Recovery
Strategic Sourcing Assessment



REPUTATION
Supplier CSR
Supplier Code of Conduct
Supplier Reputation Monitoring

SECURITY
Cyber Security & GDPR
Supplier BCP Assessment & Verification
Supplier C-TPAT Assessment

COMPLIANCE
REACH, RoHS, WEEE, FCPA
Brexit Readiness Assessment, UK Modern Slavery Act
California Supply Chain Transparency Act

QUALITY
Monthly Quality Pledge
ISO Certification Compliance
Quality Management Systems Assessment

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Centralize 360º Supplier Intelligence in one platform



Quickly collect information on the fly for multiple initiatives across supply chain partners and sites

Centralized information across all tiers = well rounded, faster analysis = well informed action. Create, launch and track assessments easily and efficiently for enhanced ROI.

Improved Supplier Sentiment and Relationships

With LinkedIn model, aka, complete once share multiple, suppliers can extensively support their customer initiatives extensively without getting overburdened.

Messaging on Resilinc with suppliers and peers

Leverage messaging on Resilinc (internal with peers, and external with suppliers) → facilitate action, retain history and learnings within the platform.

简体中文 Bulgarian français ελληνικά italiano English türkçe ქართული magyar norsk Lietuvių .....

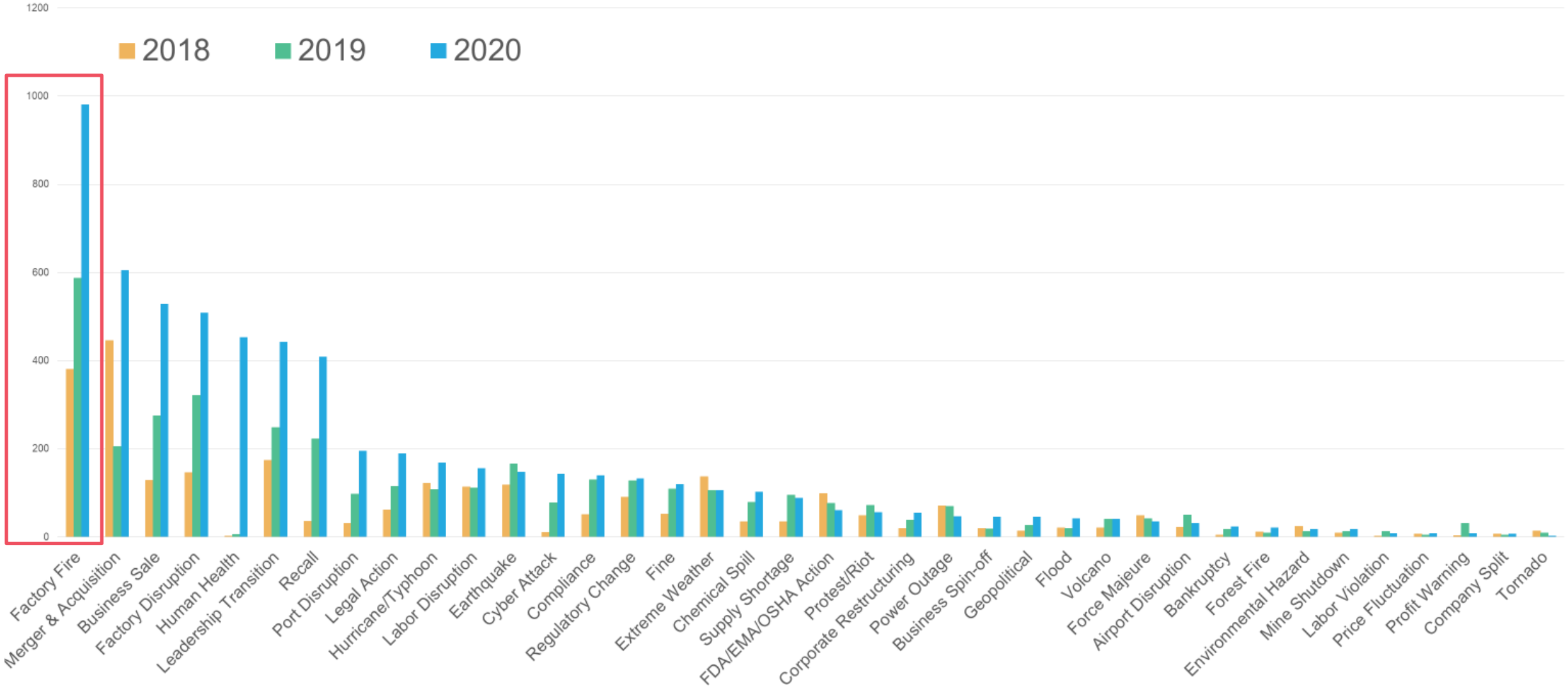
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News Alerts by Type (2018 – 2020)

Across All Industries Covered by Resilinc

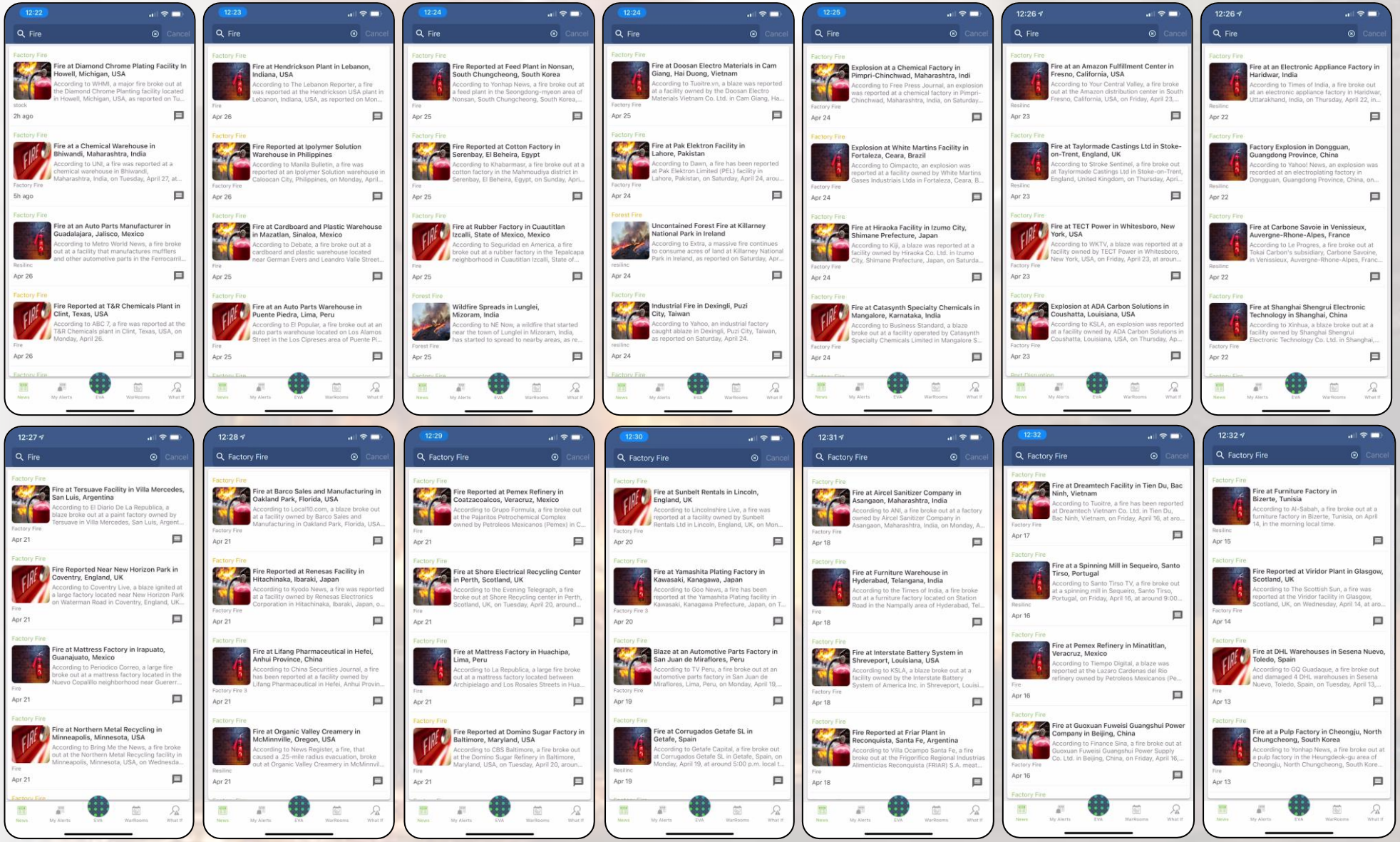


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2021 April:

2 weeks of Factory fires reported by Resilinc EventWatch



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Supplier BCPs Have Many Gaps

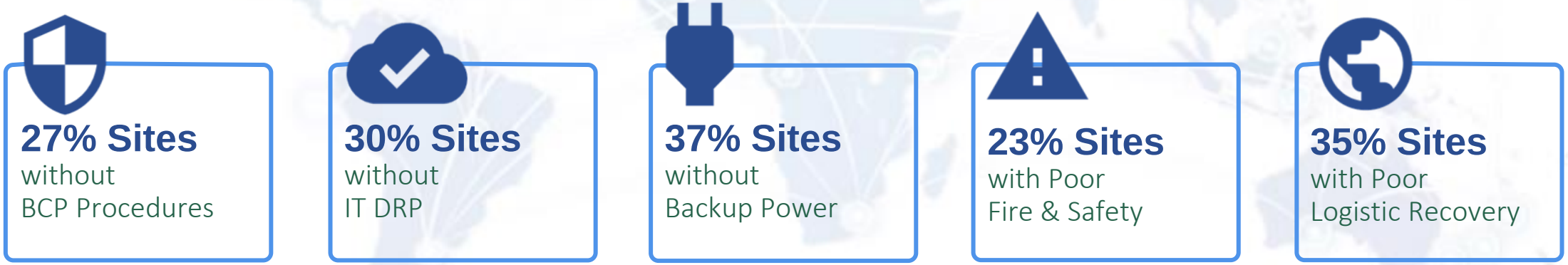
Based on an analysis of 35,000 sites with ISO22301 based BCP assessment

A line will go down as a result of a disruption at a supplier

5x

more frequently than as a result of a disruption at a company's primary manufacturing site

Most Suppliers Aren't Prepared To Withstand A Major Supply Chain Disruption



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Uncover the Vulnerabilities, Close the Gaps

Assess

All suppliers' business continuity capabilities annually

Quantify

Suppliers with robust vs. vulnerability BCP management capabilities

Mitigate

Develop joint plans to close gaps

Track

Ensure robust and best in class BCP capabilities are in place

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1

Select from Library or Create New

2

Customize

3

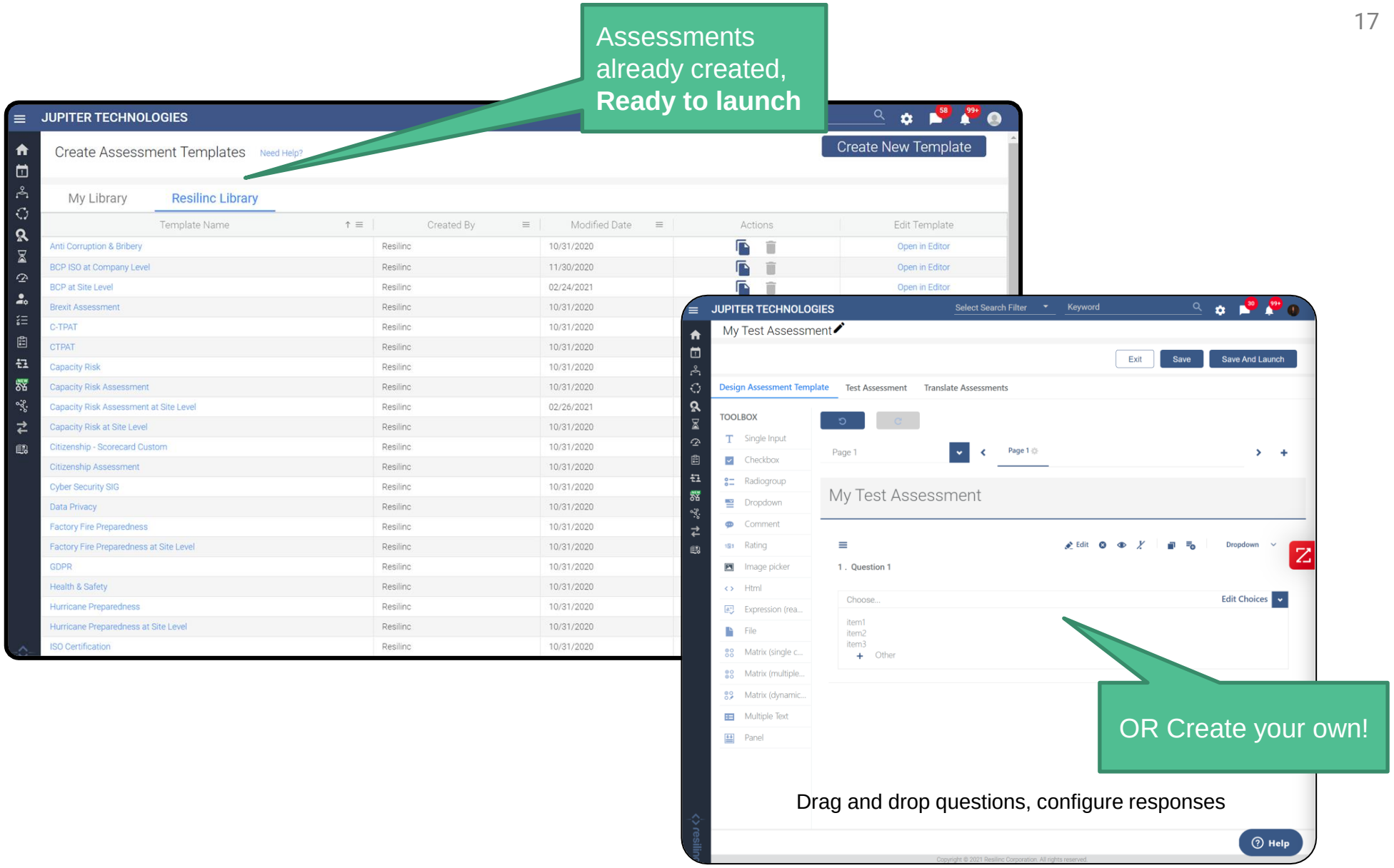
Configure & Launch

4

Collaborate

5

Analyze



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1

Select from Library or Create New

2

Customize

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Configure & Launch

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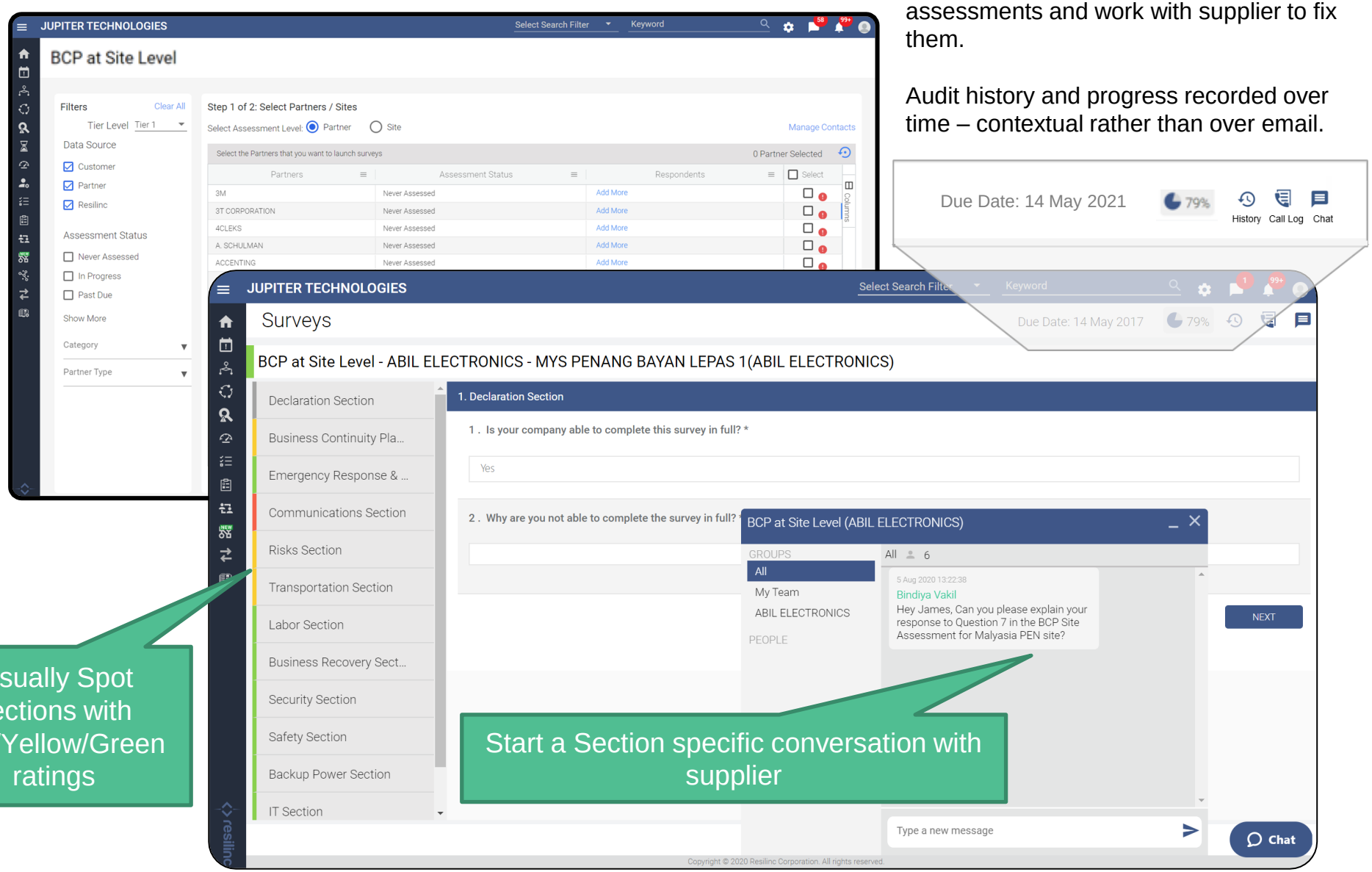
Collaborate

5

Analyze

Uncover hidden vulnerabilities with assessments and work with supplier to fix them.

Audit history and progress recorded over time – contextual rather than over email.



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Select from Library or Create New

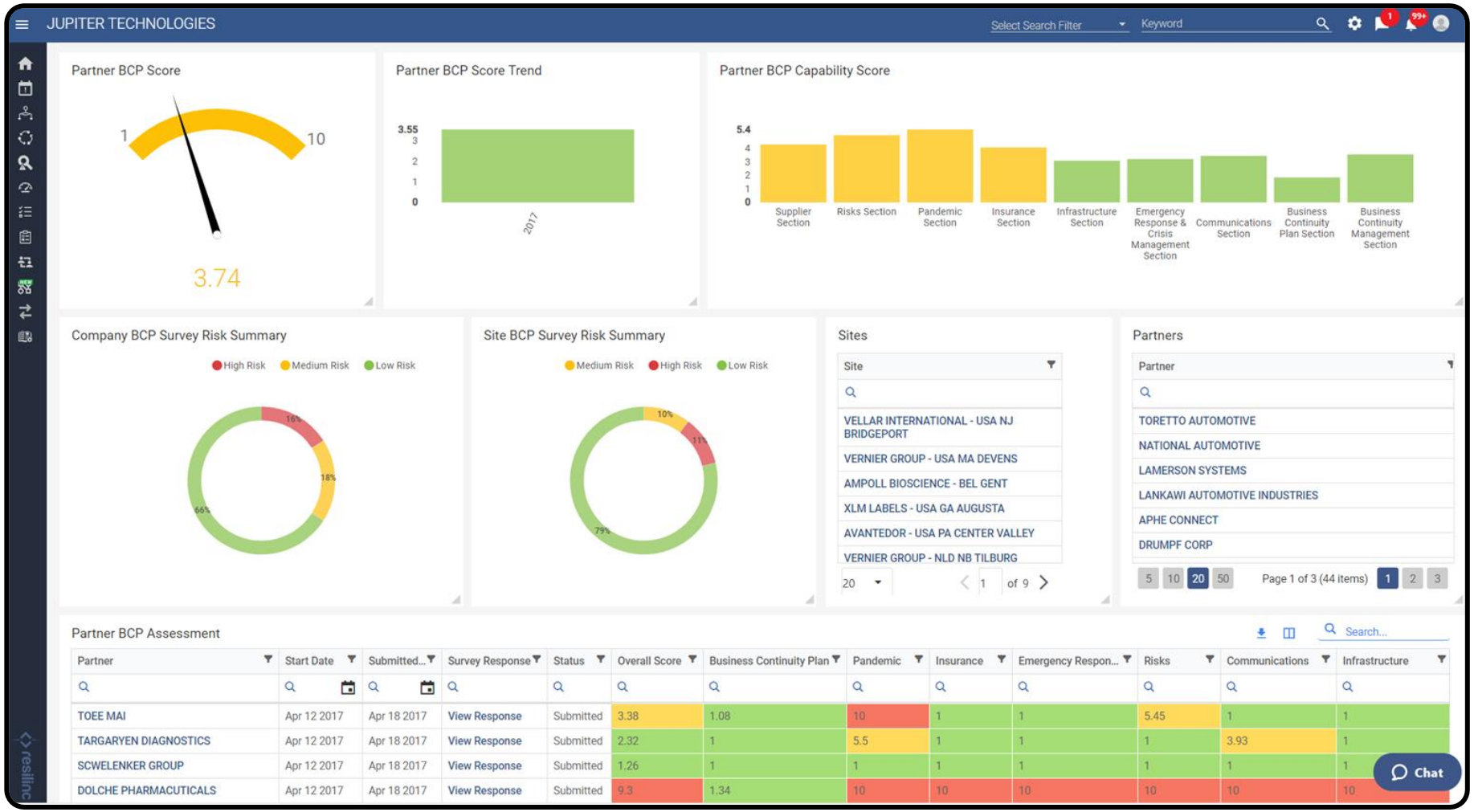
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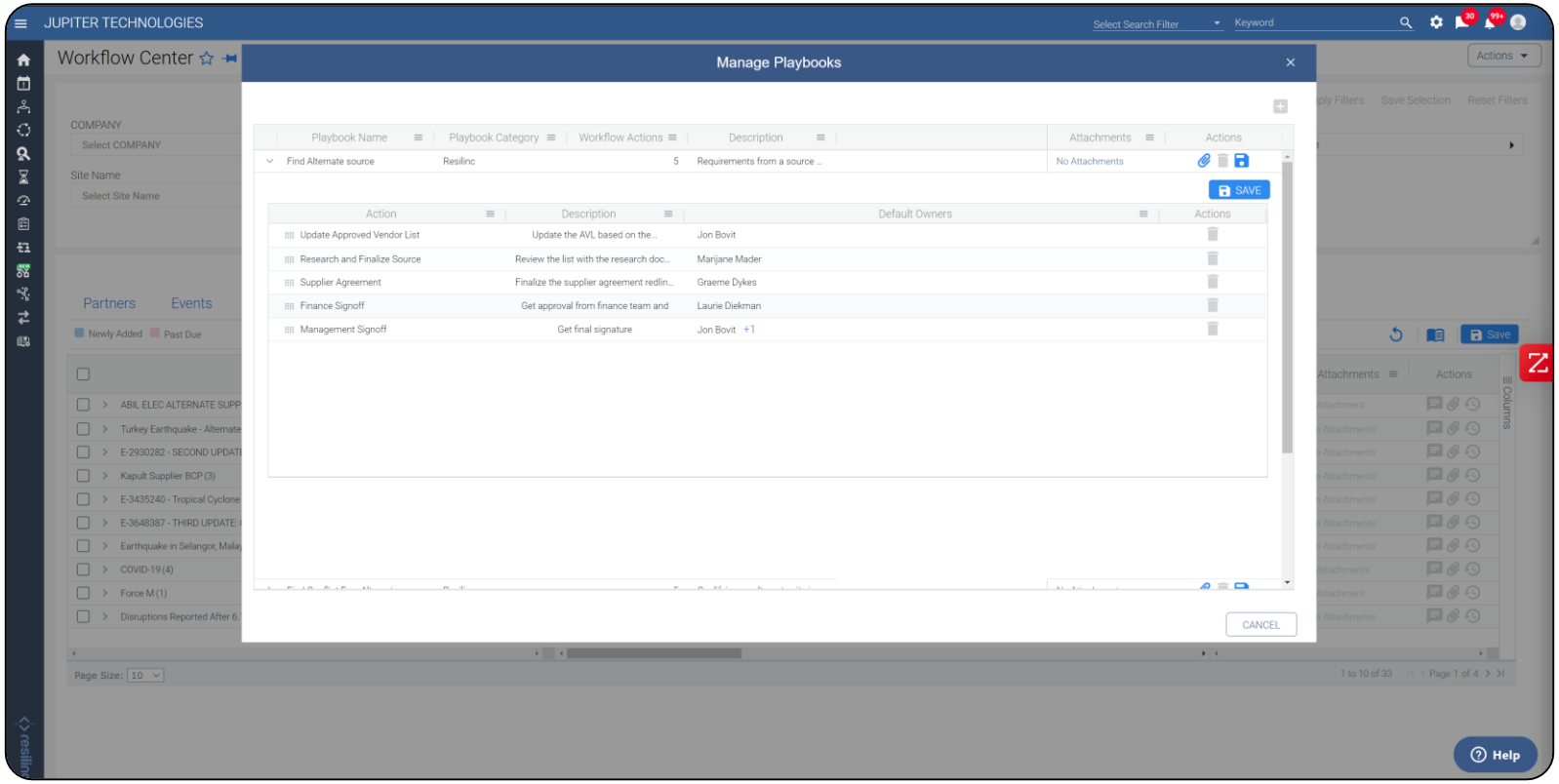
5
Analyze

Analyze suppliers' scores and spot weak areas



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Manage Workflows associated with mitigation actions



Plug and play with existing playbooks already developed by Resilinc

Create your own playbooks and actions

Assign, set due dates and priorities

Track progress

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Next or first steps:

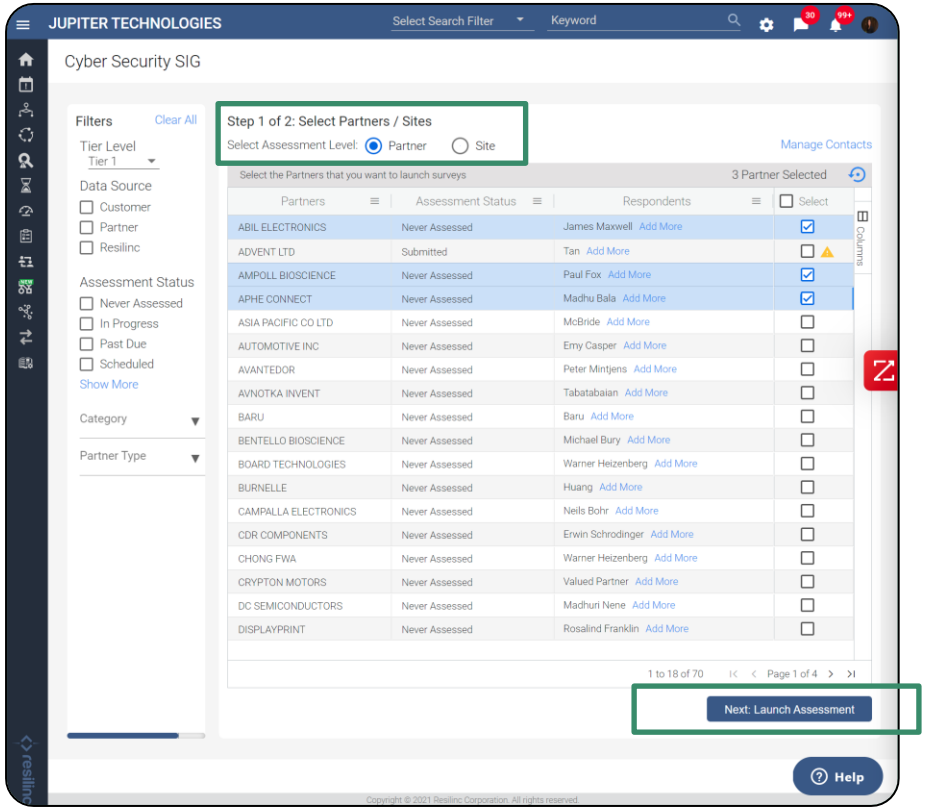
For Existing Resilinc Customers

- Your suppliers and contacts are already loaded
- Select suppliers to assess
- Configure message
- Launch

For New Customers

- Load Suppliers and Contact Information
- Select suppliers to assess
- Configure message
- Launch

Email us at Sales@Resilinc.com



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Q&A

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