



Supply Chain Risk Management

- Turning Environmental, Social and Governance Risks into Rewards

In order to excel in today's highly competitive markets and address key stakeholder concerns, organisations are focusing on effective supply chain management. The global reach and operational complexity of supply chains has resulted in new risks to emerge, and the need for innovative solutions to address these risks.

Effectively identifying and responding to environmental, social and governance (ESG) risks in a timely manner can ensure the sustainability of supply chain systems. It is also key to maintaining an organisation's brand and reputation.

WHAT ARE SUPPLY CHAIN RISKS?

Organisations face a host of reputational, operational and financial risks resulting from insufficient management of ESG practices and impacts in their supply chain.

Supply chain risks exist throughout the entire life-cycle of products and services, from design, raw material input, production/manufacturing, and transportation to retail, use and through end-use and disposal.

Sources of risk include:

- Environmental: pollution, natural resource management and extraction, greenhouse gas emissions, material toxicity and chemicals, water use and treatment, waste and hazardous waste management, product safety and biodiversity.
- Social: working hours, wage levels, child labour, forced/compulsory labour, discrimination, use of private security forces, freedom of association and collective bargaining, health and occupational safety, rights of indigenous people, local economic impact and contribution to conflict.
- Governance: business ethics, corruption, bribery and extortion.

Supply Chain Risk Management

- Turning Environmental, Social and Governance Risks into Rewards

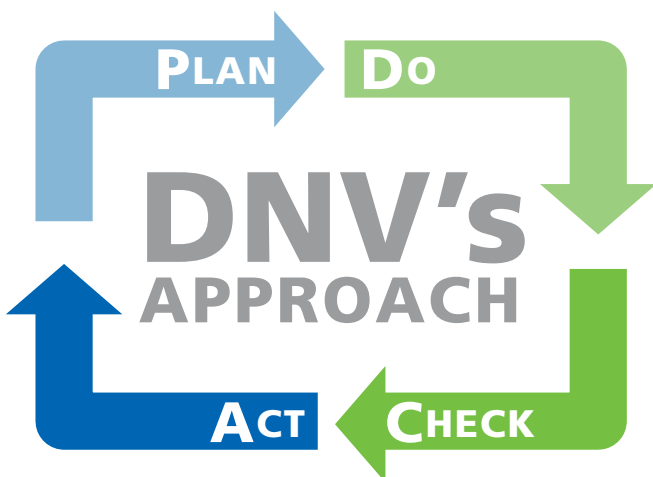
HOW DO WE HELP YOU?

DNV has applied our broad risk management expertise in developing our supply chain risk management services.

We help you to better understand your organisations' most important and material supply chain risks, and develop and implement appropriate and effective controls tailored to your specific needs.

DNV'S APPROACH:

- Mapping your main supply chain risks and drivers
- Developing a supply chain policy and strategy, and expectations for supplier conduct
- Designing effective supply chain risk controls and KPI/success criteria
- Advising on an internal governance structure, and internal and external information exchange
- Ensuring effective communication with suppliers
- Training of managers, employees and suppliers
- Providing methods and tools for risk-based supplier evaluation and controls
- Traceability
- Developing supplier engagement strategies and action plans



- Reviewing strategy and policy
- Reviewing systems, tools and methods
- Suggestions for driving continuous improvement
- Auditing and follow-up of suppliers
- Benchmarking of company and supplier performance
- Ensuring success criteria/KPI score
- Reporting and communication with stakeholders

HOW DNV'S SERVICES ADD VALUE TO YOUR ORGANISATION

- A better understanding of supply chain risks and how to mitigate them
- A more efficient, effective and verifiable approach to supply chain management
- Improved transparency and communication with key suppliers
- Greater influence on supply chain processes
- Increased quality and reliability of products and services
- Reduced negative impacts in the creation of products and services
- Improved brand credibility and reputation
- Peace of mind

WHY PARTNER WITH DNV?

DNV is a leading provider of services for managing risk, combining in-depth technical expertise and industry knowledge. As an independent foundation with the objective of safeguarding life, property and the environment, we believe in a partnership approach towards promoting sustainable business.

Offering a broad range of certification, training, technical and advisory services, we help business better manage risks in their operations. Pro-actively managing your risk will effectively protect and build your brand, while demonstrating to stakeholders that you are committed to quality, safety and sustainability.

DNV is a market leader with a global reputation for excellence. We operate from more than 300 offices worldwide; our employees speak your language and know your local needs, customs and market.

We offer competence and expertise in all sectors and can therefore satisfy sector-specific requirements relevant for all types of organisations.

DNV'S SUPPLY CHAIN EXPERTISE

We offer a team of highly-qualified and experienced supply chain experts to help you develop a strategy and approach tailored to your needs:

- Consultants and advisors with ESG and risk management expertise
- Qualified ESG auditors around the world
- Industry experts
- Technical experts

For more information:

Mette VÅgnes Eriksen
Global Head, Corporate Responsibility Services
Mette.Vagnes.Eriksen@dnv.com

DET NORSKE VERITAS AS
NO-1322 Høvik, Norway
Tel: +47 67 57 99 00 | Fax: +47 67 57 99 11
www.dnv.com

MANAGING RISK

