



Managing Risk in the  
Global Supply Chain

**bsi.**

...making excellence a habit.™

# Managing Risk in the Global Supply Chain

## Introduction

As supply chains grow more complex, they become more vulnerable to disruptions. Questionable supplier performance, natural disasters, in-transit risks, breaches in labor laws, unsustainable business practices — any disruption can have far reaching effects on your brands integrity and entire organization.

BSI understands that the speed and complexity of supply chains makes managing risk challenging. BSI Supply Chain Solutions is the only firm that infuses its rich intelligence into your supply chain risk management program. Such complexity also increases the need for supplier transparency in compliance, business continuity and social, ethical and environmental issues.

### BSI helps you address these top supply chain concerns:

- Protection of Brand and Reputation
- Security Compliance (C-TPAT, AEO, PIP, etc.)
- In-Transit Risk
- Business Continuity
- Corporate Social Responsibility
- Counterfeiting
- Information Security
- Health and Safety

BSI has developed a rich and proven portfolio to empower supply chain and enterprise risk management professionals to stay one step ahead of this rapidly changing and high-stakes environment.

Implementing a proactive approach to mitigating supply chain risk is a balancing act between an organization's risk tolerance and desire to optimize operational resiliency and transparency.

### BSI's portfolio encompasses:

- Advisory services
- On-site intelligence infused global supplier verification audits
- Global supply chain intelligence
- Proprietary risk analytics
- Compliance management tools
- Supply chain security and risk management training

With this portfolio, BSI delivers a true end-to-end risk mitigation solution for your entire supply chain.

### Clear benefits to your business

Solutions driven by standards, compliance and best practice

- Strengthen your organization's supply chain by building resiliency
- Proactive risk mitigation
- Manage complexity
- Protect your brand and reputation
- Sustaining compliance and regulatory needs



# Simple Real World Solutions

Our solutions encompass four holistic key components – Advisory Services, SCREEN® – Supply Chain Risk Exposure Evaluation Network, SCM® – Supplier Compliance Manager and VerifEye® – Supplier Verification.

With a mature supply chain risk management program in place, your company will be more resilient to disruptions and your brand and reputation will be protected. Why not preempt and mitigate any supply chain headaches and implement a holistic supply chain management program from BSI? You'll have immediate access to the right tools and solutions for you; with clear benefits to your business.

## Advisory Services

BSI professionals provide you with a full supply chain management review, revision and implementation support – identifying and mitigating the factors that may negatively affect your business.

- Supply Chain Requirements and Strategy Review
- Identification of Corporate Risks
- Risk Mitigation Strategies
- Program Implementation and Supplier Support
- Financial Risk Modeling
- Corrective & Preventative Action Support
- Benchmarking and Performance Improvement

## BSI Supplier Verification Service (VerifEye®)

A supplier audit service which enables organizations to mobilize a network of global in-country Auditors to undertake on-site audits to scrutinize and report on your suppliers activities.

- Risk Based Supplier Verification Audit Results infused with Risk Intelligence
- Corrective & Preventative Action Support
- Benchmarking and Performance Improvement
- Supplier Verification audits occur in country, in the local language, and cover key risk areas in the supply chain – CSR, BCM, Health and Safety, Information Security, Quality, Security

## Supplier Compliance Manager (SCM)

Provides a centralized administrative hub that collects information from supplier self-assessments, internal audits and supplier audits in order to map and assess risk, manage compliance and deliver continuous improvement.

- Web-Based Automated Software
- Risk Based Supplier Profiles and Unique Ratings
- Supplier Communication and Translation Capabilities
- Manage and Demonstrate Compliance
- Manage Self Assessments, Internal Audits and Supplier Audits
- Track Corrective and Preventative Actions to Closure

## Supply Chain Risk Exposure Evaluation Network (SCREEN)

The most complete, publically available Supply Chain Security, Corporate Social Responsibility and Environmental intelligence and analysis source available.

- Proprietary Intelligence
- Supply Chain Risk Analysis
- Global Risk Maps
- Spotlight News
- Country Risk Reports



## Global Supply Chain Concerns



Cargo disruption



Product quality



Human rights



Intellectual property



Counterfeit goods



Environmental



Information security



Political instability



Compliance



Cargo Theft



Health and safety



### Auto / Aerospace

- Counterfeiting
- International Traffic in Arms Regulation (ITAR) Violations
- Electronic Espionage
- Smuggling



### Foods

- Agro-terrorism
- Chain of Custody
- Supplier Traceability
- Invasive Species
- Smuggling



### Electronics

- Counterfeiting
- Theft & Diversion
- Electronic Espionage
- Hijacking Exposure



### Retail

- Corporate Social Responsibility
- Brand Exposure
- Counterfeiting



### Pharma, & Health

- Product Authentication
- Counterfeiting
- Chain of Custody
- Theft & Diversion
- Hijacking Exposure
- Health & Safety



### Oil, Gas & Commodities

- Supply Chain Terrorism
- Sea Piracy
- Theft & Diversion
- Eco-System Risks



### General Manufacturing

- Corporate Social Responsibility
- Brand Exposure
- Counterfeiting

# The BSI Approach

Effective risk management begins with identifying the factors that have the potential to negatively affect your business. Supply chains are the backbone of an organization, which underscores the necessity in building resiliency, transparency and agility while mitigating risk to safeguard profitability, shareholder value and reputation.

BSI unites professional advisory services with unique technology tools, on-site supplier audits, and proprietary risk data and analytics to help you effectively identify, assess and mitigate risks that threaten your global supply chain and enterprise as a whole.

## Key Benefits

Businesses need the proper training, tools and solutions that will allow them to assess, monitor and efficiently manage supply chain risks. BSI's portfolio of risk mitigation services and solutions can help you to proactively respond to organizational imperatives and:

- Improve compliance and mitigate risk
- Decrease loss potential
- Lay the foundation for a more robust, resilient supply chain
- Provide an end to end risk management toolkit
- Deliver lasting competitive advantages over industry rivals when supply chain risks arise

By strategically implementing a supply chain program, along with the proper training and field-validated tools, you can achieve greater confidence that you will be capable of maintaining continuity of operations if disruptive incidents occur.

## Advisory Services

Whether you're an importer, a shipper, or any company moving goods, your business success depends on the reliability and efficiency of your supply chain. In recent years, competitive pressures, globalization and increasingly discerning consumers have forced businesses to increase the number of suppliers they work with and the regions from which they source products. As a business diversifies and deepens its sources of supply, it increases its exposure to a greater number of material, social and ethical risks in the supply chain.

Given the large number of suppliers typically involved in the supply chain — and the growing socially conscious consumer — the likelihood of actual financial, brand and reputational harm as

a result of a compromised supply chain is greater than ever before. Yet many companies still don't have supply chain risk mitigation plans in place, no real ability to assess the inherent risks of their supply chains, and no process to manage their risk factors.

BSI Advisory Services help you close that gap quickly, whether you're looking to formalize a supply chain program, working to achieve your first government compliance certification or needing to determine which segments of your supply chain pose the greatest risk. Monitoring the supply chain can be a daunting task and businesses need the proper training and tools that will allow them to assess, monitor and manage supply chain risks.

### BSI Advisory Services include:

Internal guidelines, procedures, and practices for identifying areas of risk in the supply chain

- Supplier benchmarking and performance
- Establishing supplier metrics, goals, and objectives for performance measurement
- Onsite supplier assessments and verification to your requirements /code of conduct using a risk based approach
- Identification of the tools and resources available to strengthen program and meet corporate goals and objectives
- Compliance Consulting & Application Assistance (C-TPAT, AEO, PIP, etc.)
- Supplier Compliance Verification Audit Preparation
- Supplier Verification Audit Program Development
- Threat Assessment Training
- Post-Event Analysis, Root Cause Analysis & Preventative Steps
- Financial Risk Exposure Review with Quantitative Risk Solutions<sup>SM</sup> (QRS)

BSI has the knowledge to analyze your partners and processes and to effectively assess your security compliance, business continuity, in-transit risks and brand protection across your global supply chain.



# BSI Supply Chain Verification Audit Service (VerifEye™)

Protecting your company's brand requires strong supply chain risk management as any significant disruption has the potential to ripple through a supply chain and affect its interconnected network. Supply chain transparency enables an organization to identify, manage, and respond to potential risks — and with that increased visibility, establish a more robust supply chain risk management and compliance program.

BSI brings the power of its global footprint and expertise with BSI's Supply Chain Verification Service (VerifEye) to deliver assurance in the suppliers that you depend upon for your products and services.

Don't put your company at risk. We understand supplier verification is the cornerstone of good supply chain practices — and that suppliers are who they say they are and do what they are supposed to do.

Our auditing service encompasses verifying supplier qualifications, capacity, capabilities, and compliance against client specific requirements relating to quality, environmental, work place conditions, supply chain security, and other business and governance practices required.

## Benefits

What keeps global supply chain executives up at night? The hidden supplier exposures you don't know. The things you can't possibly prepare for. The surprise phone call.

When you make BSI's Supply Chain Verification Service (VerifEye) a part of your global supply chain visibility program, you'll be putting into motion a global network of objective supply chain experts ready to scrutinize your suppliers through our comprehensive verification process.

We'll come back with a detailed report that highlights any areas of non-compliance or under-performance so that you can mitigate that risk.

Not only will supplier verification audits by BSI reduce your overall supply chain exposure, it will give you that critical peace of mind you need and:

- Demonstrate and enhance your company's compliance with C-TPAT, PIP and AEO and other supply chain standards you've invested so much to secure.
- Establish a deeper supply chain transparency than before.
- Reduce your supplier verification costs
- Have an agile verification network at the ready, able to respond quickly as needed when issues arise
- Ensure your business continuity and protect your corporate reputation

## BSI's Supply Chain Verification Service (VerifEye) and Supplier Compliance Manager® (SCM)

Supplier Compliance Manager Audit platform allows you to manage your global supply chain partners including hosting of Supplier profiles, administrative supplier communication, managing supplier self-assessment and on-site supplier qualification and verification programs — such as on-boarding, scheduling, reporting, performance, benchmarking, CAPA and continuous improvement.



In addition SCM is coupled with Supply Chain Risk Exposure Evaluation Network (SCREEN<sup>SM</sup>),



A world class web based tool that provides real time country risk maps, intelligence analysis of cargo disruption, supply chain corruption, environmental, and corporate social responsibility indexes, keeping you informed 24/7.

Find out more at [www.supplychainsecurity.com/tools.html](http://www.supplychainsecurity.com/tools.html)

## Our Audits Include:

- C-TPAT & Supply Chain Security
- Corporate Social Responsibility
- Environmental
- Quality
- Other Supplier Pre-Qualification topics including business continuity, anti-bribery, information security, data protection, capacity & capabilities, and traceability.
- Conflict minerals compliance

We do this by going on-site to the supplier location and conducting:

- Factory Tours
- Employee Interviews
- Documentation Reviews
- Management Interviews



# Supplier Compliance Manager® (SCM)

Supplier Compliance Manager (SCM), is BSI's web-based risk assessment and audit management tool that leverages our proprietary, global supply chain geographic risk modeling to better assess the potential risk of your suppliers worldwide. In order to proactively identify risk in your supply chain, SCM communicates with your business partners, tracks their audits and risk assessments, and reviews their compliance. SCM combines BSI's global supply chain risk analytics, individual supplier compliance scores, and the unique operating environment of every supplier to produce a holistic view of risk for your global supplier base. With SCM, you can view your supply chain risk at a macro-level, drill down to view individual suppliers, and sort suppliers by location and overall risk rating.

## Key Features of SCM

- 24/7 web-based software tool collects and assesses business partner risk information in areas such as government compliance, corporate social responsibility, and business continuity
- SCM can facilitate any type of risk assessment and infuse it with our geographic supply chain risk
- Customizable assessment intervals are set for each supplier to automatically push assessment completion and annual renewal reminders
- Suppliers are able to upload documents, photos, policies, and procedures to assessment as evidence of implementation
- Supplier assessments and compliance scores are analyzed with BSI SCREEN proprietary business continuity, corporate social responsibility, cargo tampering and terrorism geographic risk data
- BSI Standard Questionnaires and CAPAS are available for use, as well as customized questionnaires and CAPAS to address your organization's specific compliance and due diligence requirements
- Dashboard-style reporting includes macro-level or individual results, along with numerous pre-defined supplier risk and compliance reports
- Send e-mail communications to your partners directly from the tool
- Automatic language translation of e-mail communications, supplier assessment responses, and CAPAS

## Key Benefits of SCM

- Saves your staff significant man-hours and dollars as supplier compliance efforts are streamlined
- Supplier Risk Index (SRI) – From the factory to your carriers, through the supply chain to its final destination, SCM provides an accurate calculation of true supplier risks



- Conveniently assesses suppliers' compliance with your company's unique criteria
- Active monitoring of key metrics via a dashboard view allows for you to view and monitor not only completions of assessments but levels of compliance and overall SRI for your suppliers
- Supplier Reports are downloadable to excel allowing for manual manipulation of the supplier information collected during the assessment process
- View of supplier locations on a global map that will allow you view different SCREEN geographic risk filters
- Eliminates subjectivity in assessments, providing you with supplier assessment scoring and evidence of implementation through documentation and photographs
- Facilitates effective, automated and translatable communication with your foreign partners
- Conveniently captures compliance program certifications allowing for easy future reference
- Streamlines your communications from the initial request for assessment to the follow-up reminder, archiving all communication for historical tracking and troubleshooting
- Ability to distinguish and compare different assessment methodology used if you are utilizing self-assessments, internal assessments and BSI Supplier Verification audits

# Supply Chain Risk Exposure Evaluation Network (SCREEN)

SCREEN offers the most complete, publically available, supply chain security intelligence data and analysis source. SCREEN data sets include unique, proprietary risk data, along with BSI-generated analysis related to global supply chain security risk exposure as well as trade and compliance information. This online application assists companies with identifying and understanding supply chain security threats. Companies can apply this information—including BSI's security countermeasure recommendations in areas such as in-transit security, supplier minimum security criteria, and cargo chain of custody controls—to develop and implement tailored approaches to improve business continuity and compliance.

SCREEN generates real-time trade interruption, cargo theft, contraband and smuggling updates; and SCREEN Spotlight News focuses on supply chain security-related incidents worldwide. Users can also access and download BSI-authored special reports on major disruption incidents, countermeasure programs, and risk mitigation best practices by country.

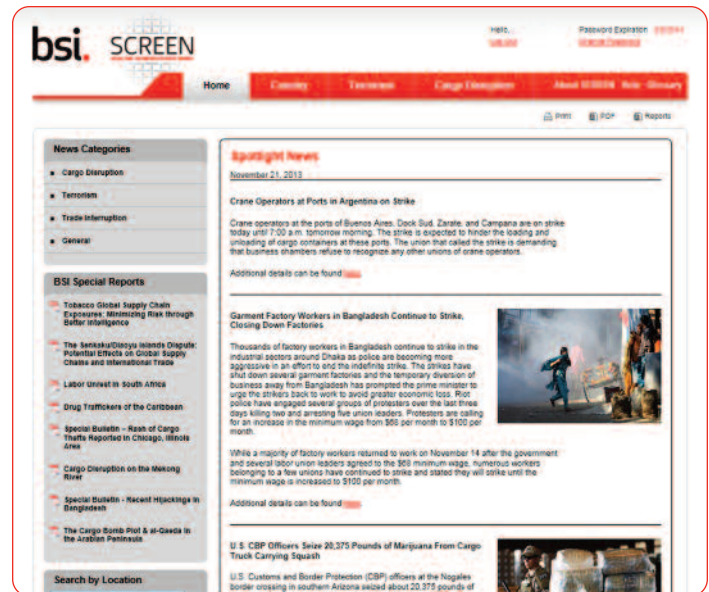
SCREEN users gain exclusive online access to country information and can download country-specific reports in the following focus areas:

## CARGO DISRUPTION

Cargo disruption threat-level ratings for 203 countries. BSI maintains an active, proprietary database of cargo disruption and loss rates due to theft spanning over 10 years and incorporating incidents affecting over \$10 trillion dollars worth of cargo movement. Users gain visibility into cargo theft levels and modus operandi, drug and contraband smuggling, and country-specific transportation modality exposure. In turn they can apply this information to their security controls based on inherent, in-country risk.

## SUPPLY CHAIN TERRORISM

Intelligence, analysis, and associated threat levels related to terrorist activity and supply chain risk exposure related to anti-Western terrorism threats in 203 countries. SCREEN supply chain terrorism reports include detailed profiles and threat levels for over 250 active terrorist groups with ideologies that specifically target Western interests and in-transit commerce.



## BUSINESS AND POLITICAL CLIMATE

SCREEN also includes in-depth country-specific information relevant to supply chain security. BSI presents this data in categories including:

- Population and Culture
- Economy and Trade
- Transportation Infrastructure
- General Governance
- Export Control Governance
- Employer Security Practices
- Customs-Trade Supply Chain Security Programs.

SCREEN users can generate Business and Political Climate reports that include this data and BSI's unique analysis.

## Risk Management Training

Systems and third-party suppliers are just two factors in the enterprise risk mitigation equation — your employees play a critical role as well. It is important to ensure that your employees have clear line-of-sight with your enterprise and supply chain risk goals, and know how to identify and respond when faced with a potentially threatening situation.

To assist you in this effort, BSI delivers Supply Chain Risk Management Training in the way that best fits your needs and culture: on-site in a classroom setting. Course materials are designed to raise risk awareness as well as equip trainees with a total risk-management approach to your supply chain.

BSI's training objectives include enhancing trainees' ability to recognize and report specific threats, secure access controls, develop and implement procedures for maintaining cargo integrity throughout the chain of custody, identify and implement risk-management best practices, and understand the importance of verifying supply chain partners' security control systems.

Training in business continuity, corporate social responsibility, health and safety, information security and other supply chain risks are additionally available to provide a comprehensive understanding of supply chain risks.



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For more information call 480-421-5099  
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## About BSI Supply Chain Solutions

BSI Supply Chain Solutions is a leading global provider of supply chain risk-based solutions, supply chain intelligence, assessments, supplier audits and training programs geared toward mitigating global supplier and supply chain exposures. BSI's Supply Chain Solutions experts work at the forefront partnering with industry and governments on innovative supply chain risk mitigation solutions and intelligence tools. The combination of our tools and BSI's field-based, global network of supply chain risk assessment and auditing professionals provides our clients with expert visibility into supplier practices worldwide.

To learn more about BSI Supply Chain Security Solutions, visit [www.supplychainsecurity.com](http://www.supplychainsecurity.com)

## Corporate Qualifications

As the world's first national standards organization, BSI has a globally recognized reputation for independence, integrity, and innovation in the production of standards and information products. BSI published the first commercial standards that address quality management systems, environmental management systems, occupational health and safety management systems, and business continuity, information security and a number of other standards.

BSI was also the first standards organization to address supply chains. In the early 1900s, BSI developed standards for railway lines and engines, cement production, steam engines, telegraph and telephone material, and electric cables. These standards contributed to global standardization in all sectors.

With over 70,000 clients in 150 countries, BSI has a global reach to service its clients and their supply chains.