



# Avetta Summit

User Conference | LONDON



**Taylor Allis**  
Chief Product Officer





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User Conference  
LONDON

## **Exploring Emerging Risk Trends**

**Their Impact on Supply Chain Resilience**

# Top Risk Trends



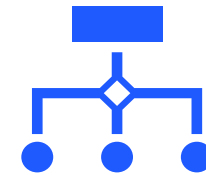
**Risk focus is evolving to be more holistic across domains and entities**



**Serious injury and fatality (SIF) prevention must get predictive**



**ESG moving from voluntary initiative to mandatory**



**Technology innovation (AI, API, IOT) is driving better compliance and savings**



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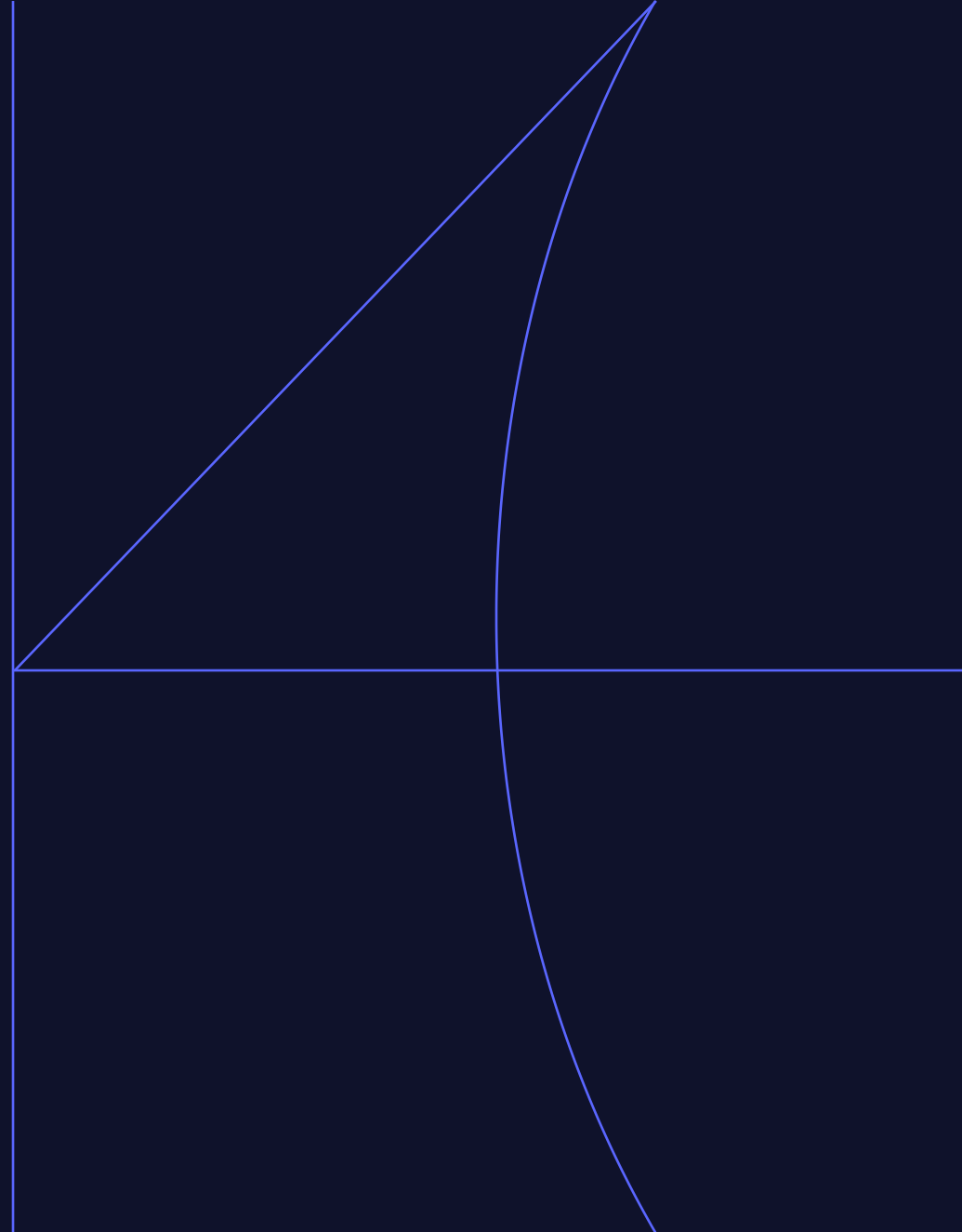


**Tom Brown**

Senior Analyst – Verdantix

verdantix

# What we do at Verdantix?



## Our Purpose-

Verdantix is a research and advisory firm that acts as an essential thought-leader for world-enhancing innovation.

Together with our clients, we shape markets, define the technologies of tomorrow and futureproof businesses.



Streamline decision  
making

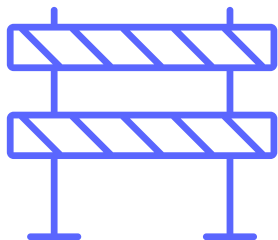


De-risk your  
investment  
choices



Accelerate your  
digital strategy

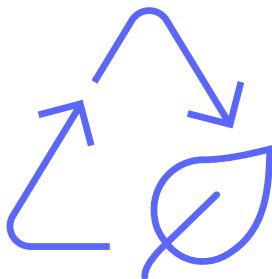
Verdantix research covers technology and thought leadership across six areas



Environment,  
Health & Safety



Risk Management



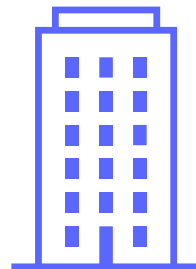
ESG + Sustainability



Net Zero + Climate



Operational  
Excellence



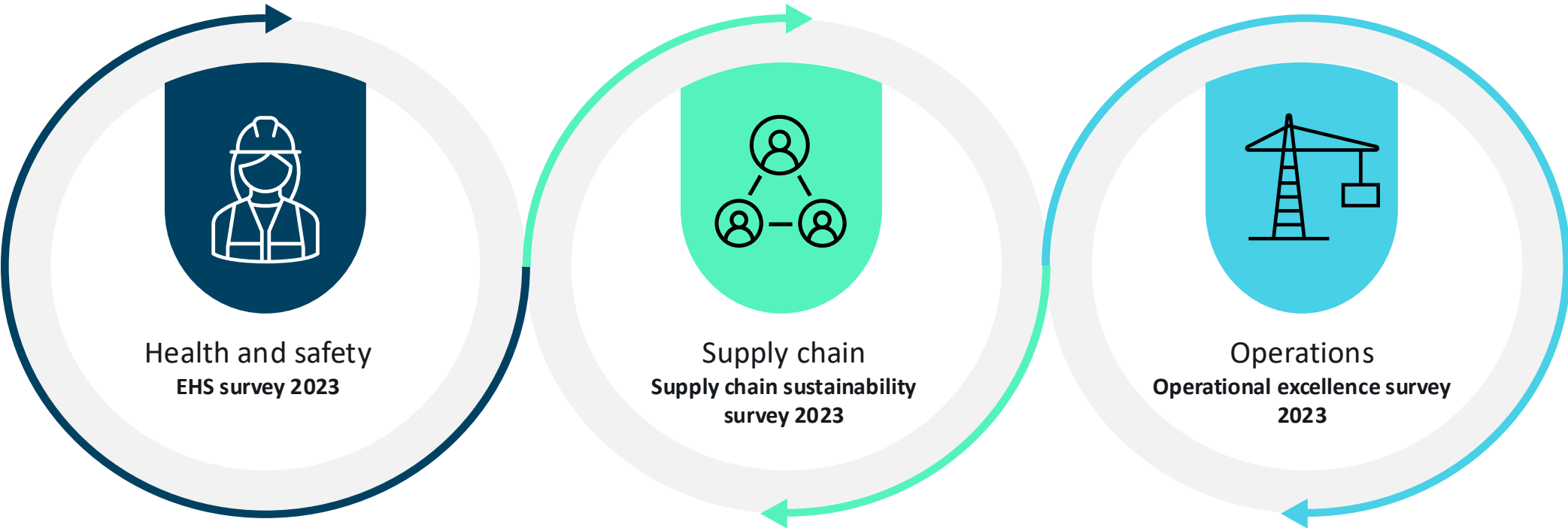
Smart  
Buildings

# Supplier risk management - a growing priority for organisations?





Survey responses- Key supplier risk management concern align with stakeholder priorities across businesses



*What level of priority are the following goals of your EHS function over the next two years?*

- 1<sup>st</sup>  
Reduce serious injuries and fatalities
- 2<sup>nd</sup>  
Improve contractor mngmt. + visibility
- 3<sup>rd</sup>  
Increase safety engagement levels

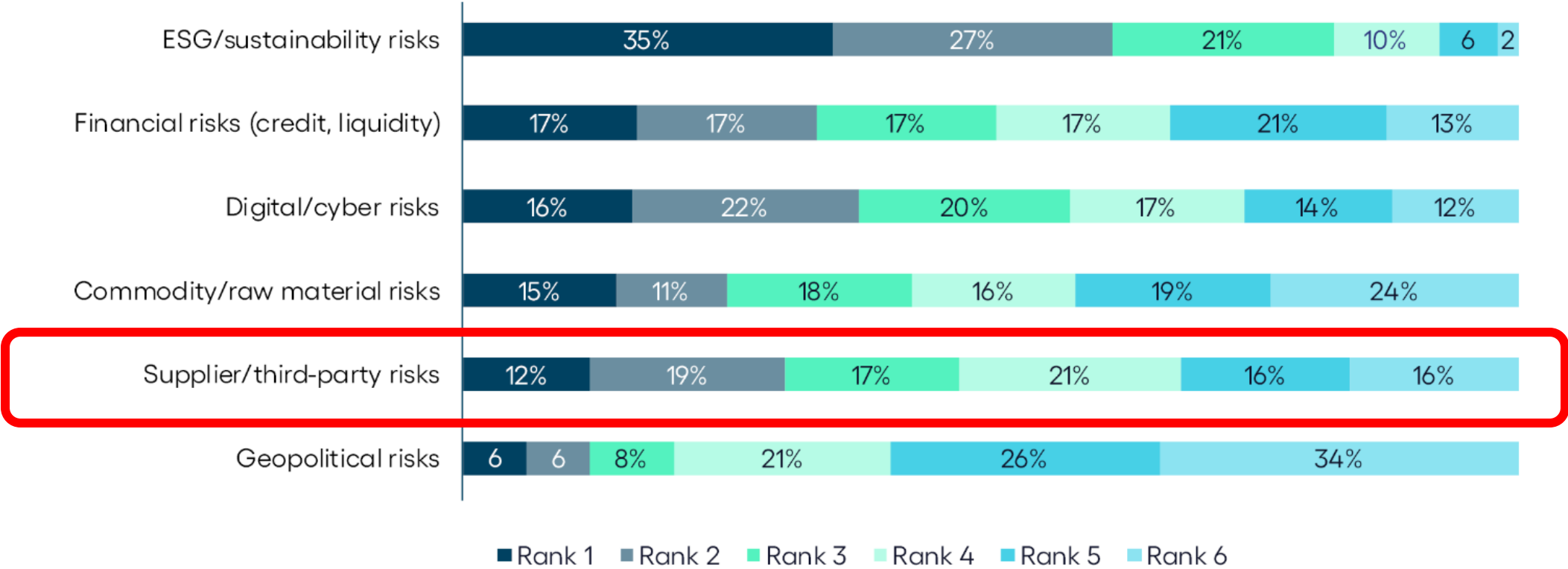
*Which of the following initiatives will lower your supply chain risks the most?*

- 1<sup>st</sup>  
Stronger collaboration with suppliers
- 2<sup>nd</sup>  
Real time visibility of supplier operations
- 3<sup>rd</sup>  
Larger group of suppliers to choose from

*How do you expect budgets to increase across the following risk management categories?*

- 1<sup>st</sup>  
Contractor risk management
- 2<sup>nd</sup>  
Control of work
- 3<sup>rd</sup>  
Critical event management

Thinking about your industry, how would you rank the significance of the following risk categories?



Note: Data labels are rounded to zero decimal places; percentages less than 7% are written as numbers.  
Source: Verdantix Global Corporate Survey 2023: Risk Management Budgets, Priorities & Tech Preferences

N=200

Firms are failing to address the risks that arise from contractors and third-party workers



Operational incidents with  
tragic consequences

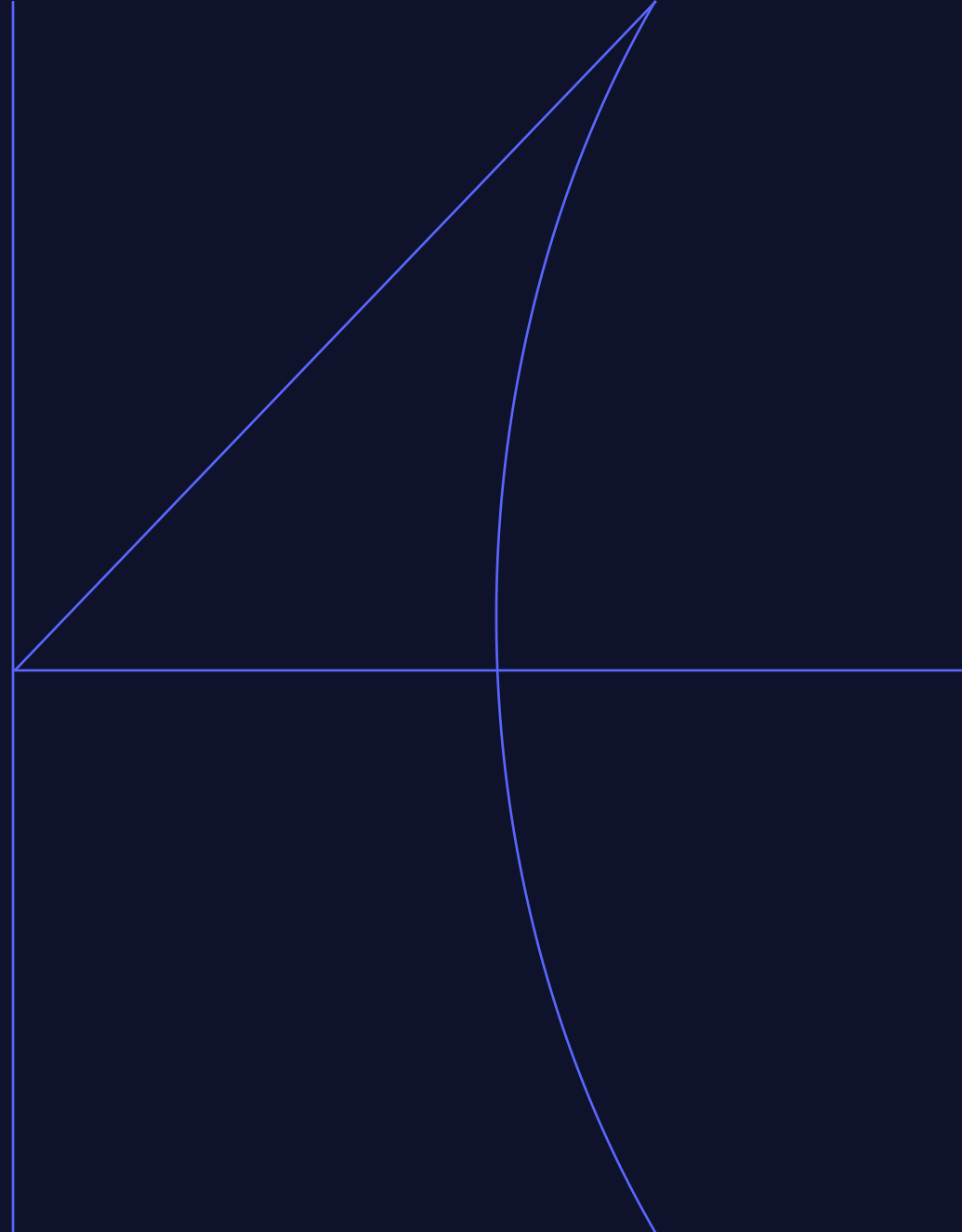


ESG non-conformances  
trashing reputation



Emerging risks crippling  
operations

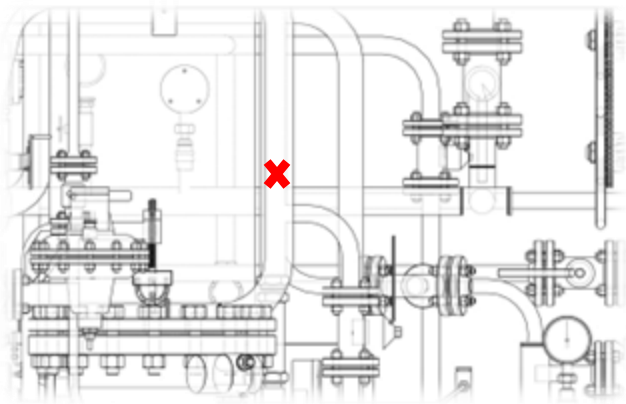
Why are third-party incidents not decreasing?



Discussion- What are the biggest sources of third-party risk?

Contractor incidents- individual error or systemic failures?

Workorder out of date



Ineffective risk assessment



Cutting the wrong pipe



Check box onboarding/orientation



Unaware of wider operations



Serious incident



What are the most prominent root causes of poor supplier risk management?



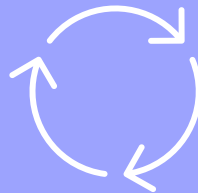
Sprawling supplier networks



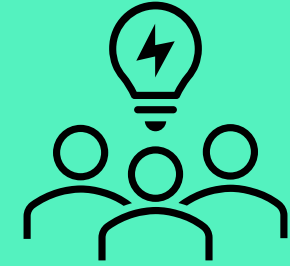
Poor visibility into sub-contractor credentials



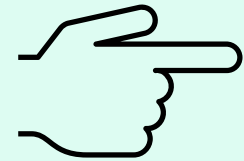
Siloed systems and processes



Inability to manage safety holistically contractor lifecycle



Numerous involved stakeholders

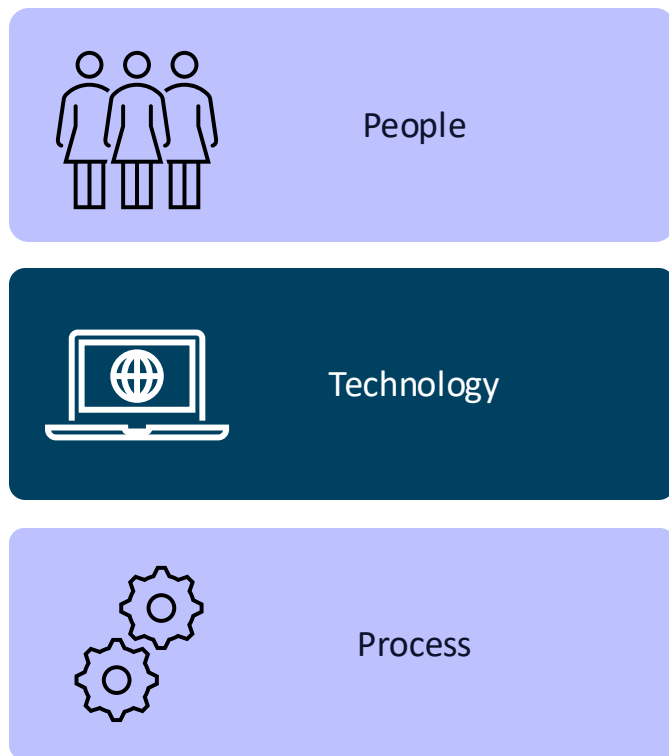


A lack of accountability for contractor performance

# Holistic contractor risk management- Learning from best practice examples





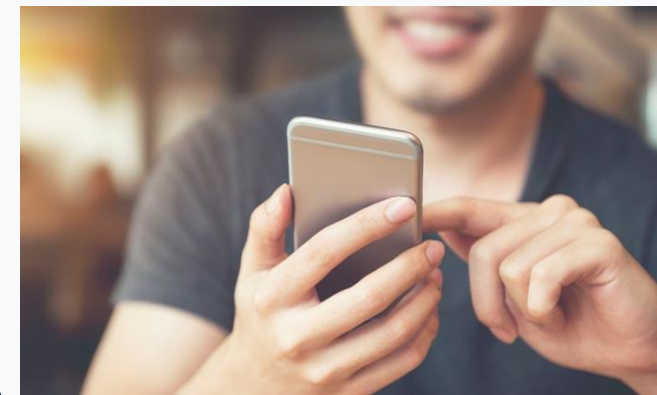


## Technology enables

### Automation



### Accessibility



### Centralized data



### Adaptability



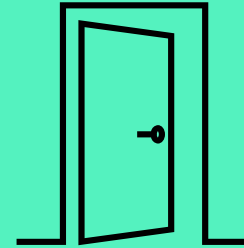
Source: Verdantix global corporate survey 2023



Managed central  
contractor data base to  
inform procurement



Contractor applications  
to manage training +  
documents



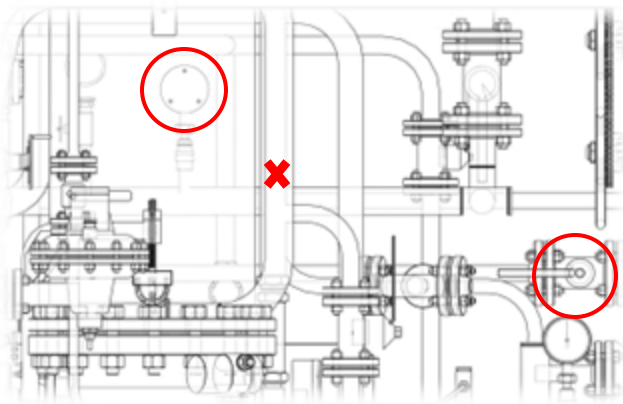
Integrated site access  
tools to ensure the right  
people are on site



Impactful tools to  
complete work permits,  
JHAs etc.

Holistically managing supplier risks

Updated workorder to reference



Site orientation supplements online training



Safety procedure followed



Thorough vetting of credentials at entry

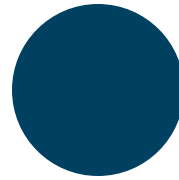
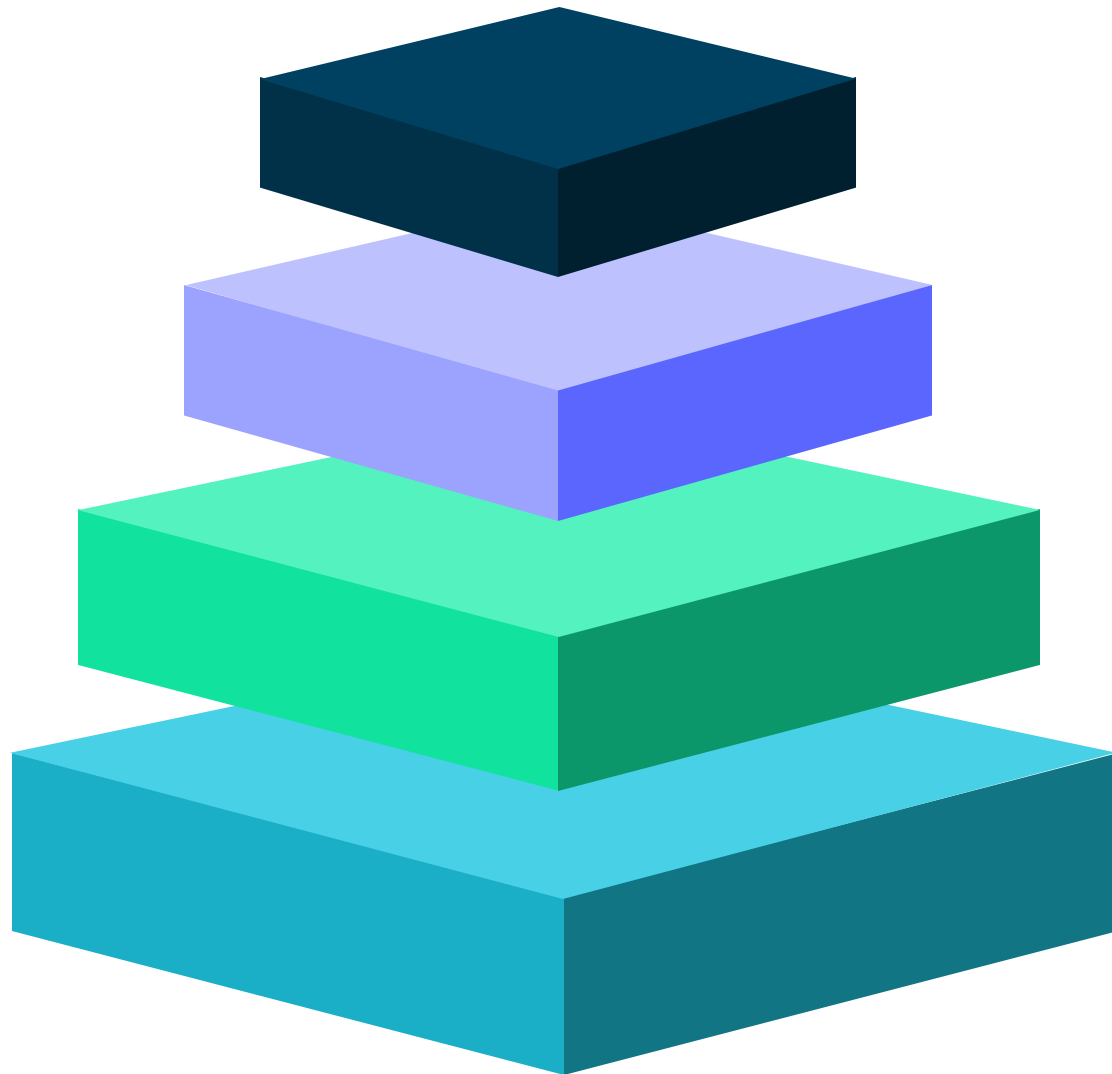


Detailed job hazard analysis



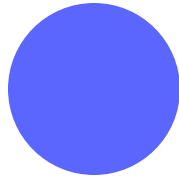
Contractor gets home safe

## Summary- the key building blocks of holistic contractor risk management



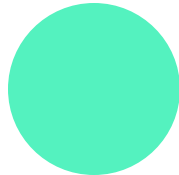
### **Making safety is unavoidable on site**

- Accessible contractor safety tools
- Process based approach for managing risks



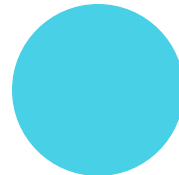
### **Apply non-negotiable contractor expectations**

- Credentials/ training checked on entry
- Bio-registration, alcohol levels as standard



### **Empowering individual contractors**

- Contractors maintain their credentials
- Access training to ensure ready-to-work status



### **Ensure sustainable procurement decisions are made**

- Require sub-contractor credentials
- Impose procurement incentives/restrictions