



# Supply Chain Risk Management from a Consultancy Perspective

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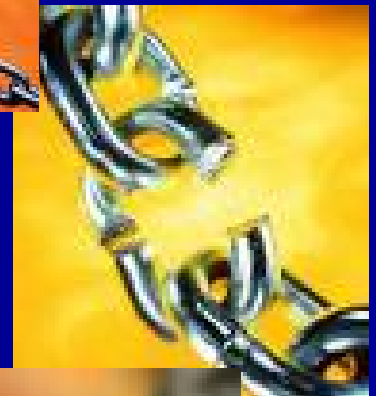
# Highlights of the Presentation



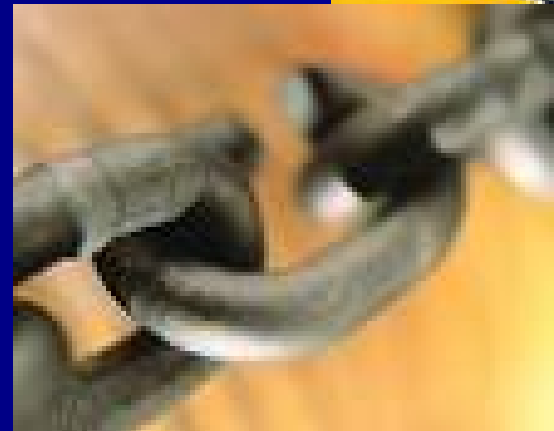
1. Risk Management



2. Corporate Social Responsibility (CSR) and Supply Chain Risk Management (SCRM)



3. Risks in a Supply Chain



# Highlights of the Presentation



4. Identify Risks in a Supply Chain
5. Solutions for SCRM
6. Implementation of SCRM
7. Continuous Improvement in SCRM



# What is Risk ?



- Webster's Dictionary → “the possibility of suffering harm or loss”
- Born of uncertainty; and
- An important topic in the minds of today's executives and managers → to provide value for stakeholders in a challenging business environment



# Overview of Risk Management



- Risk and Reward → cornerstone of capitalism
- Every business decision involves risk → unavoidable uncertainties
- RM helps companies → uncertainties and enhance value
- Fully comprehending the risk → capitalise on opportunities
- Proper RM → innovative and entrepreneurial



# CSR and SCRUM



“CSR is not about good works – its focus should be hard headed risk management” Stephen Young, ED of Caux Round Table, 06/2005

- Environment
- Health
- Safety
- Labour



# Risks in a Supply Chain



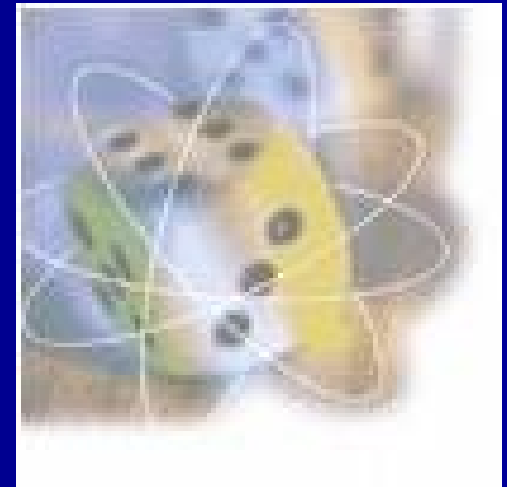
- All sorts of risk in doing businesses
- Risks specifically related to SC in terms of Environmental, Health & Safety (EHS) perspective
  1. Liability for historic land and groundwater contamination
  2. Liability for future occupational disease and injury compensation claims
  3. Non-compliance with environmental or Labour Laws



# Risks in a Supply Chain



4. Uncertainty over present and future arrangements with the local Environmental Protection Agency
5. Exposure to accident hazard
6. Exposure to unexpected post-deal capital investment
7. Inadequate waste and hazardous materials handling and disposal



# Identify Risks in a Supply Chain



- No “One-size-fits all” solution
- Importance → identified its main potential weakness for developing of a coherent strategy for managing risk
- Risk assessment → Interview with Top Management and/or Diagnostic Tool



# Identify Risks in a Supply Chain



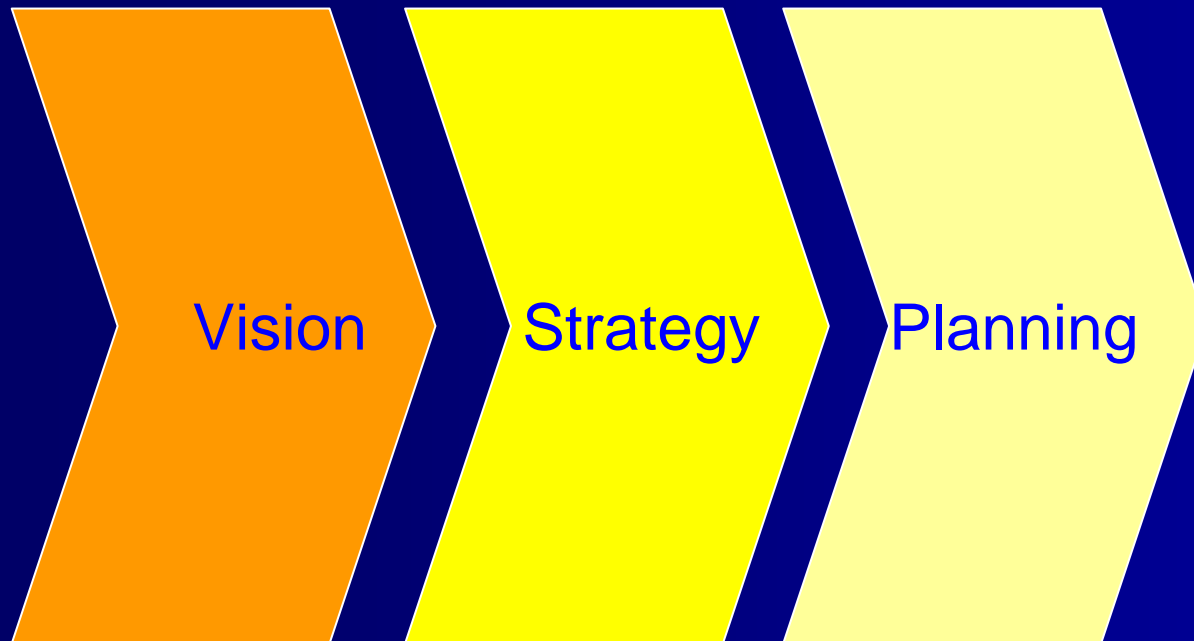
1. Prepare and submit an EHS questionnaire
2. Examination of environmental information
3. Site-visits and audit of documentation, stakeholder dialogue
4. Outlining material risks and liabilities of the sites



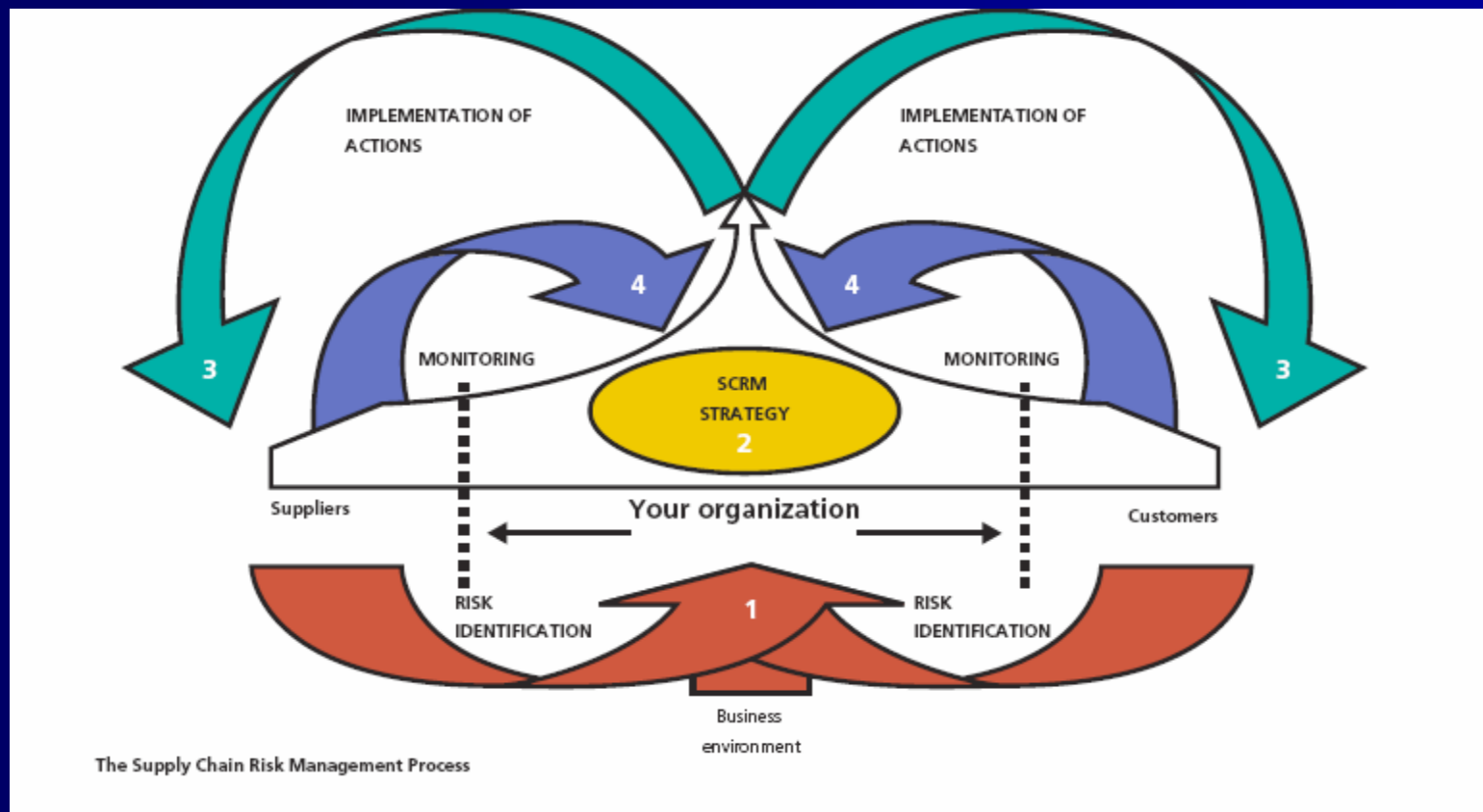
# Solutions for SCRM



- Different approaches to mitigate risks
- The Strategic Development & Planning Process  
→ setting objectives & achieving goals



# Implementation of SCRM



# Continuous Improvement in SCRM



Inspection  
and  
Auditing

Capacity  
Building

Trusting  
Relationship  
down the  
Supply  
Chain

# SCRM in Practice



## SCRM from a Regional Perspective