

● BSI supplier audit solutions

Building supply chain trust
and accelerating progress

bsi.



Introduction¹

Supplier networks are expansive, complex and perpetually increasing, that's why this is recognized as a key challenge by 90% of top executives. Third-party incidents, such as data breaches, compliance issues and supply chain disruptions, are increasing annually. And yet, only 53% of companies have a strategy in place to mitigate these risks.

As we navigate volatile markets and an increasingly challenging business environment, the benefits of increasing your supply chain transparency will be significant. By improving your supplier risk management practices, you put your organization in a far stronger position to mitigate a variety of risks that may not have been previously anticipated or examined, such as regulatory fines, reputational damage and operational disruptions.

Our trusted supplier audit solutions enable you to establish a programme to address your supplier risks, anticipate change and deliver greater visibility through digitally capable, collaborative solutions. Whether it's a pre-set criteria you want us to audit, a combination of a public standard or industry requirements, or your own established requirement, we can work with you to develop greater trust and resilience across your supply chain.

- On average, large companies contract with 5,000 suppliers
- 79% of companies currently outsource core corporate functions or plan to do so in the future
- Large enterprise organizations pay, on average, \$1.6 million for incidents affecting infrastructure hosted by third parties
- Quality incidents cost 5.1% more when caused by a third party
- The cost to resolve data breaches increases by \$721,175 when a third party is involved
- 45% of organizations say their supplier risk management programmes are primarily focused on IT vendors, leaving a variety of partner relationships either unexamined or examined by siloed functions



Disclaimer: Our ability to provide this comprehensive solution might be limited if you hold a certificate with BSI, please discuss your needs with your BSI representative.

¹ All statistics in the box above are taken from [Third-party risk for the audit committees](#), Gartner, [Gartner.com](#), August 2019

The largest risks on your risk register

1 Increased focus on environmental, social and governance (ESG)

Countries around the world are introducing legislation that aims to drive supply chain transparency and sustainability. Since the start of the COVID-19 pandemic alone, 30 pieces of legislation have been proposed to target ESG issues, reporting requirements and sanctions for businesses that do not comply.

The rise of conscious consumers has altered how brands compete, and our supplier audits can provide a significant competitive advantage by offering greater visibility across your suppliers, and into the sustainability of your supply chain.

ESG snapshot statistics:

-  Fewer than **20% of supply chain managers** said they had visibility of supply chain sustainability practices²
-  There are **45.8 million modern slaves** in operation today including 60% in supply chains³
-  **Child labour has risen** to 160 million children worldwide⁴
-  More than **90% of consumer packaged goods companies'** environmental impact originates in their supply chains⁵


2 [Six steps to a more ethical and sustainable supply chain](#), Supply chain brain, [supplychainbrain.com](#), March 2019
3 [2016 Global Slavery Index](#), Walk Free Foundation, [walkfree.org](#), 2016
4 [Child labour rises 160 million - first increase in two decades](#), Unicef, [unicef.org](#), June 2021
5 [Starting at the source: sustainability in supply chains](#), McKinsey Sustainability, [mckinsey.com](#), November 2016

2 Securing digital trust

Your supply chain is only as strong as its weakest link, and unfortunately, cybercriminals are actively targeting suppliers in an effort to reach their primary target. This is true for both your general and digital supply chain.⁶

Almost half of global organizations consider cybersecurity to be an important operational challenge for their supply chains. A supplier audit can play a key role in independently assessing the existing and required controls across your supply chain, helping all stakeholders in your supply chain to understand and address digital risks as they evolve.

Digital trust snapshot statistics:

-  **98% of organizations** surveyed have been negatively impacted by a cybersecurity breach that occurred in their supply chain⁷
-  51% of organizations have experienced a **data breach caused by a third party**⁸
-  40% of organizations have suffered a **cloud-based data breach**⁹

6 [How supply chains influence health and safety at work](#), IOSH, [iosh.org](#), 2009
7 [Blue Voyant research reveals defending digital supply chains remains a business challenge](#), Blue Voyant, [bluevoyant.com](#), November 2022
8 [51% of organizations have experience a data breach caused by a third party](#), Security, [securitymagazine.com](#), May 2021
9 [51% of organizations have experience a data breach caused by a third party](#), Security, [securitymagazine.com](#), May 2021

3 Health, safety and well-being

When influential organizations seek to adjust price and delivery conditions, poorer conditions are often an indirect consequence in the supply chain. However, whilst there is now a far greater focus on what happens to the health and safety of the workers affected by these business strategies, supplier audits are about much more than healthy and safety compliance.

Supplier audits are also an important tool for assessing and improving well-being, collaboration and social value. Combined with increased regulatory and investor focus on ensuring the safety and health of workers, supplier audits can help ensure that your supply chain has the right policies, systems and procedures to protect people and minimize risk.¹⁰

Health, safety and well-being snapshot statistics:

-  Worldwide, there are around **340 million occupational accidents** each year¹¹
-  There are 160 million victims of **work-related illnesses each year** also¹²
-  Annually, an estimated **2.78 million workers die** from occupational accidents¹³

10 [The next big attack vector: your supply chain](#), CSO, [csoonline.com](#), 2022
11 [The enormous burden of poor working countries](#), ILO, [ilo.org](#), 2023
12 [The enormous burden of poor working countries](#), ILO, [ilo.org](#), 2023
13 [A safe and healthy working environment](#), UN Global Impact, [unglobalimpact.org](#), 2022

Take control with our supplier audit solutions

Our supplier audit solutions which span across multiple topics, enable any business to improve visibility and assurance across their supply chain regardless of their size or complexity. They also help organizations manage risk and meet contractual, regulatory and legislative requirements.

What we deliver

The unique value offered here at BSI comes as a result of our ability to partner with you to create a fully tailored solution. With meaningful, risk-based, continuous management insight and consistent global deployment, our audit processes can guide you on your journey towards better supply chain assurance:

Client programmes

We can create a supplier audit programme for you designed to meet your specific objectives and address your challenges, providing valuable insights that enable you to identify areas for improvement, pinpoint issues, and make informed decisions to drive progress.

Our greatest strength lies in our people. We bring together the experience and capabilities of experts from a vast and diverse range of areas, themes and sectors, offering a portfolio of services that encompasses every possible requirement.

Industry programmes

Each of the associations listed below plays a critical role in establishing best practices for supply chains in corporate social responsibility.

Using these industry programmes developed by groups of brands with a common purpose, interest or activity, we can provide visibility and transparency across your supply chain.

Some of the industry programs we deliver:



Pharmaceutical Supply Chain Initiative

Convening best practice

Our extensive knowledge of the development of consensus-driven best practice helps to deliver a common approach across industries. We ensure compliance standards are mutually acceptable for all parties, reducing audit and operational redundancy for common supply chain stakeholders.

By creating a single, agreed-upon auditing programme, we help to reduce the number of supply chain audits conducted on global suppliers and factories. This improves audit consistency, lowers audit costs, and reduces audit frequency while maintaining confidentiality.

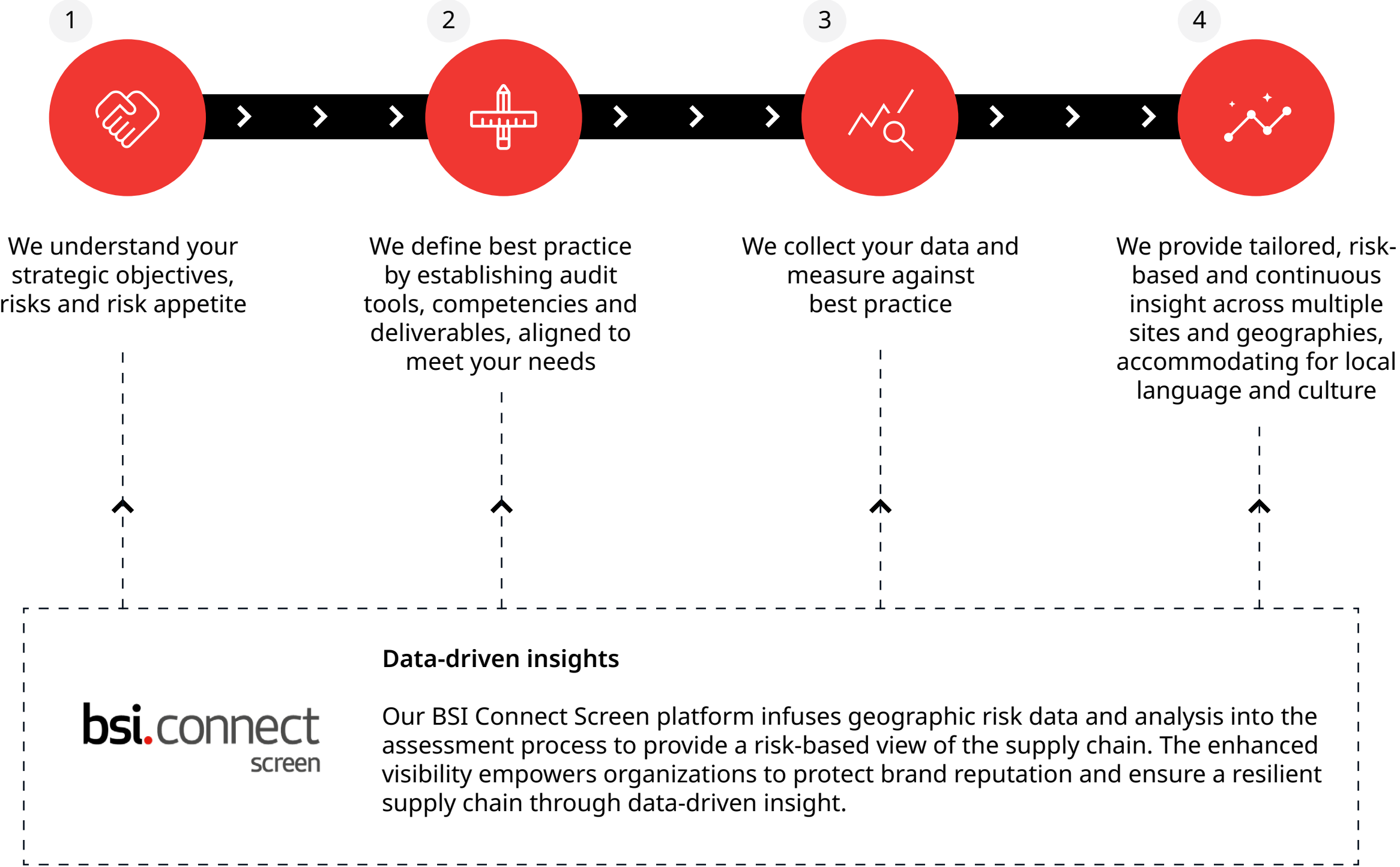
This allows global suppliers to benefit from a shared audit programme that provides fewer audits with more consistent standards and expectations, and one that builds upon globally recognized best practice.

Example of a convening best practice program:



How our supplier audit solutions can help

As your partner, we create a risk-based and continuous assurance solution that's tailored to your organization. This provides you with meaningful management insights and business improvements that can help you build trust and accelerate progress.



Access your data-driven insights

The most complete publicly available resource, BSI Connect Screen measures country-level risk using our 25 proprietary country-level risk ratings, focussing on supply chain security, corporate social responsibility, food safety/fraud, and business continuity.

BSI Connect Screen has a range of interactive, real-time dashboards, tools and reports to help you stay ahead of your supply chain risks and make intelligence-based decisions.

Our platform features allow you to:

- View data and analysis on the latest global incidents, situations and trending topics on a daily basis
- Access the largest repository of supply chain incidents
- Gain real-time insight of events and issues including cargo theft, smuggling, labor abuses, environmental violations, and business disruptions
- Visualize updates in relation to your supply chain including incidents, news and audit status
- Filter your points of interest to view key components of the supply chain
- Quickly identify country-level threat ratings and decide the action you need to take – across our risk indicators a country is assigned a rating of low, guarded, elevated, high, or severe so you can identify, categorize and respond
- Prioritize what is important to you through our 'Points of Interest' feature, where you can indicate countries, states, places, routes, or any area on a map that you want to track
- Customize assessments and scoring methodologies
- Build custom country reports to get specific country-level insight on status and changes over time
- Easily spot risk elevation and take control in the areas of most concern based on your focus areas
- Robust assessment and audit reports
- Examine holistic supplier risk ratings
- Manage and track your global programme's progress towards compliance through our Corrective and Preventative Action (CAPA) module.



Case study: how we helped to mitigate risk and meet global audit requirements

The challenge

Our client is an industry-leading global pharmaceutical company, whose mission has long been to develop, manufacture and distribute vital pharmaceutical products via responsible and transparent supply chains.

However, it was facing resourcing challenges when auditing key suppliers in specific regions. Its primary need was to tap into the resources, expertise, and independence of an additional audit body, in order to mitigate risk and enable all of its audit requirements to be globally fulfilled.

Why they chose us

Shared values: Our business ethos closely matched the client's own. Our credentials included our own commitment to sustainability and the UNSDGs. Both organizations are mature and purpose-driven, and there was a high degree of alignment in terms of shared values, which helped to differentiate us from other potential providers.

Industry knowledge: The client recognized our specialization in the healthcare industry, where we can provide a wide range of assurance and consulting services. With 90% of pharma companies that are our clients in the Fortune 500, we're investing heavily in resources and forging co-innovation partnerships in the pharmaceutical and life sciences industry.

Global reach: With 1,300+ management systems auditors, 400+HSE consultant professionals, and 200+ labor/ethics auditors, we conduct audits in more than 100 countries and have both experts and resources available across multiple geographies.

Our solution



Client focus

We adapted our ways of working to suit the client – for example, using its PSCI audit template and report format – and matched our programme management structure to reflect the client's requirements for a risk-based approach and quality, timely reports.



Pharma expertise

Our 30-plus years of experience in pharma HSE management systems have resulted in extensive knowledge of critical areas of PSCI audit requirements. Having recently written a standard on anti-microbial resistance, we were particularly able to support the client in this area.



Team BSI approach

Our multi-skilled BSI project team was the result of collaboration between our global subject matter and sector experts. Each played key roles in helping to mitigate risk and enable the client's due diligence/EHS third-party oversight.



Skillset and mindset

Because we are immersed in standards development, assurance and consulting, we were able to customize our offering to deliver risk-based audit outputs that meet the client's requirements for quality and accuracy.



Why BSI is your trusted partner

For more than 120 years, we have helped organizations to achieve their goals and grow sustainably while balancing the need for profit with the needs of the planet and its people.

Incorporated by Royal Charter, we reinvest our own profits to foster progress and increase trust between our customers, governments, organizations and consumers, helping business and society to thrive together in a more digital and sustainable world.

We bring together leading thinkers, innovators, and practitioners to create best practice standards and regulatory frameworks. These are reinforced by audits and testing powered by our hybrid audit programme, which provides detailed planning, streamlined auditing, and seamless delivery, all while reducing CO2 emissions.

By assessing and certifying against standards, regulation, and consensus best practice, we are a catalyst for positive change, creating an enduring legacy of improvement for our clients, their customers, and society.

The experience and knowledge our people bring, acquired from thousands of audits delivered in different sectors and areas, enrich the results of our audit programmes while giving you confidence that we understand your business.

We offer the structure, expertise and innovation to deliver that same positive change across your supply chain. To discover how we can be your partner in progress, get in touch for a supplier audit solution that is tailored to the needs of your organization.

Get in touch with your local BSI team today.

bsi.



Read more about our
services and products
on our website
bsigroup.com