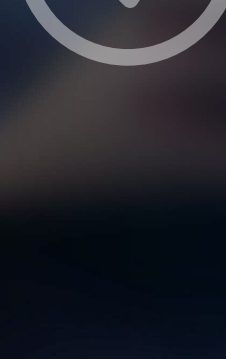


Tracking Trends Checklist



Ten Trends We're Tracking in Third Party Risk—And How Nexis® Solutions Can Help

Companies rely on global third parties and suppliers to deliver their products and services, but these third parties are increasingly becoming their main exposure to risk. In recent years, ten trends have emerged to change the type and scale of third-party risks. These developments bring forth new legal, financial, reputational, and strategic challenges for organizations. The following checklist addresses each trend in turn, then suggests how companies can address them to better manage third party risk—with help from LexisNexis' unrivaled data and technology.



01

Stricter Anti-Bribery and Corruption (ABC) legislation

Regulators in many countries have strengthened the obligations on companies to identify and manage risks that their third parties could breach ABC legislation.

Ensure your third parties comply with current and forthcoming ABC regulations. LexisNexis allows you to upload spreadsheets of the names of third parties and assess their regulatory risk across our data source. Enhanced due diligence can then be applied to higher-risk entities through surveys or inspections.



02

Mandatory human rights and environmental due diligence regulations

New regulations require countries not just to monitor third parties for bribery and corruption, but also for Environmental, Social and Governance (ESG) risks like human rights abuses or environmental pollution.

Expand your due diligence process to screen third parties for ESG risks. LexisNexis offers ESG content that enables you to confidently incorporate an ESG risk assessment into your due diligence research and reporting workflow.



03

Harsher enforcement against third party regulatory failures

Some of the largest and most damaging corporate fines issued by regulators in 2023 related to alleged bribery, corruption and ESG violations were caused by the actions of third parties.

You must identify if a third party has breached ABC or ESG regulations and take swift action. LexisNexis helps you to identify a third party's legal record with its trove of legal documents, including cases, dockets, verdicts, and more.



04

ESG has become a positive driver of a company's success

Companies that can prove a transparent and positive ESG record have found that this can drive commercial success, especially among the next generation of consumers and investors.

Demonstrate that you understand the ESG impact of all your third parties. LexisNexis' ESG Ratings can help with this by displaying an at-a-glance view of the ESG profiles of around 37k+ companies in Europe, Asia, and North America.

37k+



05

New third-party risks for banks in updated Wolfsberg Principles

The Wolfsberg Principles were recently replaced for the first time in six years, bringing new guidance on the multiple "red flags" which banks should screen third parties against.

The new principles recommend firms monitor third parties for their reputation and their involvement with Politically-Exposed Persons (PEPs). LexisNexis offers unrivaled data on authoritative global media sources dating back +40 years, as well as comprehensive data on PEPs.

+40 YRS



06

Unprecedented changes in global sanctions

The conflict in Ukraine and developments in North Korea and Venezuela have led to a raft of recent economic sanctions against companies and individuals.

Stay up-to-date with changes to various national and supranational sanctions regimes. LexisNexis' sanctions data captures these changes and updates third parties' sanctions exposure. It also offers blacklists, Interpol watch lists, and more.



07

Supply chain disruption and rising bankruptcy risk

Unforeseen and unpredictable events like the pandemic and the blockage of the Suez Canal have interrupted companies' supply chains and stopped them being able to offer products and services.

LexisNexis lets you screen your third parties against company data which helps you to better understand your third parties' directors, structure and beneficial ownership. This can help to detect if a third party is at risk of bankruptcy in the event of an external shock.

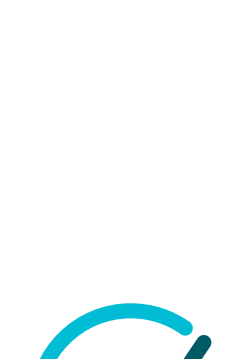


08

A shift towards intelligent supply chains

Experts predict that supply chains will soon be automated through AI and blockchain technology, which could complicate companies' efforts to track third parties' activities.

Stay ahead of technological changes by harnessing technology's potential to improve your third-party due diligence approach. LexisNexis' enhanced search function is powered by data science and enrichment, which helps you to arrive more quickly at the most relevant insights into your third parties.

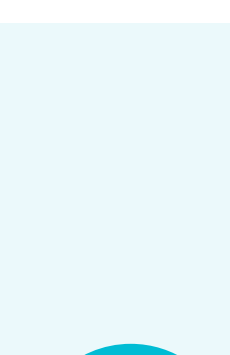


09

More (and more complex) financial crime

Financial crime is evolving, as criminals devise ever more sophisticated ways to conceal their illicit activities. The acceleration of digital banking and remote working after the pandemic has made it harder for firms to carry out due diligence on third parties.

Banks can use AI and Machine Learning technologies to detect potentially suspicious transactions by customers and companies. While LexisNexis' media data can help companies to understand emerging trends in criminals' activities, and surface allegations regarding their third parties' involvement.



10

Reluctance of companies to invest in data and technology

Despite the rising risks outlined above, too many companies are not increasing their compliance budgets. The global economic downturn, rising inflation and cost of materials are often used as reasons for cutting budgets, but this can expose companies to even greater costs.

Improving your compliance does not always require a greater financial investment. LexisNexis uses cutting-edge technologies to help make your due diligence process more efficient and effective and update your risk assessments automatically, rather than relying on exhaustive manual searches.



Upgrade your third party risk management with LexisNexis

The best way for companies to respond to rising third party risks is to leverage data and technology to strengthen their due diligence process.

LexisNexis helps companies to surface risks with authoritative data from the most relevant sources:
LexisNexis.com/DueDiligence | 1-888-466-3947