

GLOBAL CONFERENCE 2026

FROM CHAOS TO COMMAND:
RISK LEADERSHIP IN INDUSTRY 6.0

**FROM THIRD PARTY RISK
MANAGEMENT TO NTH PARTY
RISK MANAGEMENT: THE
FUTURE HAS ARRIVED**

Salman Nazir
Former Executive Director Supply Chain,
Nestle Malaysia

AGENDA

Defining the Landscape

What 3PRM covers and where it stops

One Chain, Many Laws

Same chain, different laws in every market

The Cascade Effect

How risk moves through four supplier tiers

Real-World Failures

Three companies that learned the hard way

Reputational & Brand Risk

When a supplier's problem hits your brand

Consumer Expectations & Regional Cases

New rules, plus learning from Top Glove and Sime Darby

The Nestlé Case Study

How Nestlé fixed its palm oil chain

Path Forward, ERM Fit & Tools

Maturity model, ERM fit, and the tools

Your 5-Step Action Framework

Five actions to start this week

DEFINING THE LANDSCAPE

THIRD-PARTY RISK MANAGEMENT (3PRM)

- Manages risk from your direct vendors, suppliers and contractors (ISO 31000)
- Covers one tier: your direct vendors only (NIST SP 800-161)
- Tools: questionnaires, audits, contracts, SOC 2 reports
- Weak point: risk does not stop at tier 1

EVOLVES TO

NTH-PARTY RISK MANAGEMENT (NPRM)

- Covers every tier, from vendor to raw material source
- Proven tools: AI mapping (Resilinc), blockchain (Walmart), cyber ratings (BitSight), satellites (Starling), labour audits (FLA)
- Works across borders and sub-contractors
- Goal: see the whole network and act on it

ONE SUPPLY CHAIN, MANY LAWS

Being compliant at home does not make you compliant abroad.



YOUR SUPPLY CHAIN FLOWS ACROSS ALL THESE JURISDICTIONS SIMULTANEOUSLY

Labour Standards

Legal at your supplier's end.
Illegal in your market.

Environmental Rules

Land clearing is legal there.
The import is banned here
(EU 2023/1115).

Data & Privacy

One data flow. Three
privacy laws: GDPR, PDPA,
CCPA.

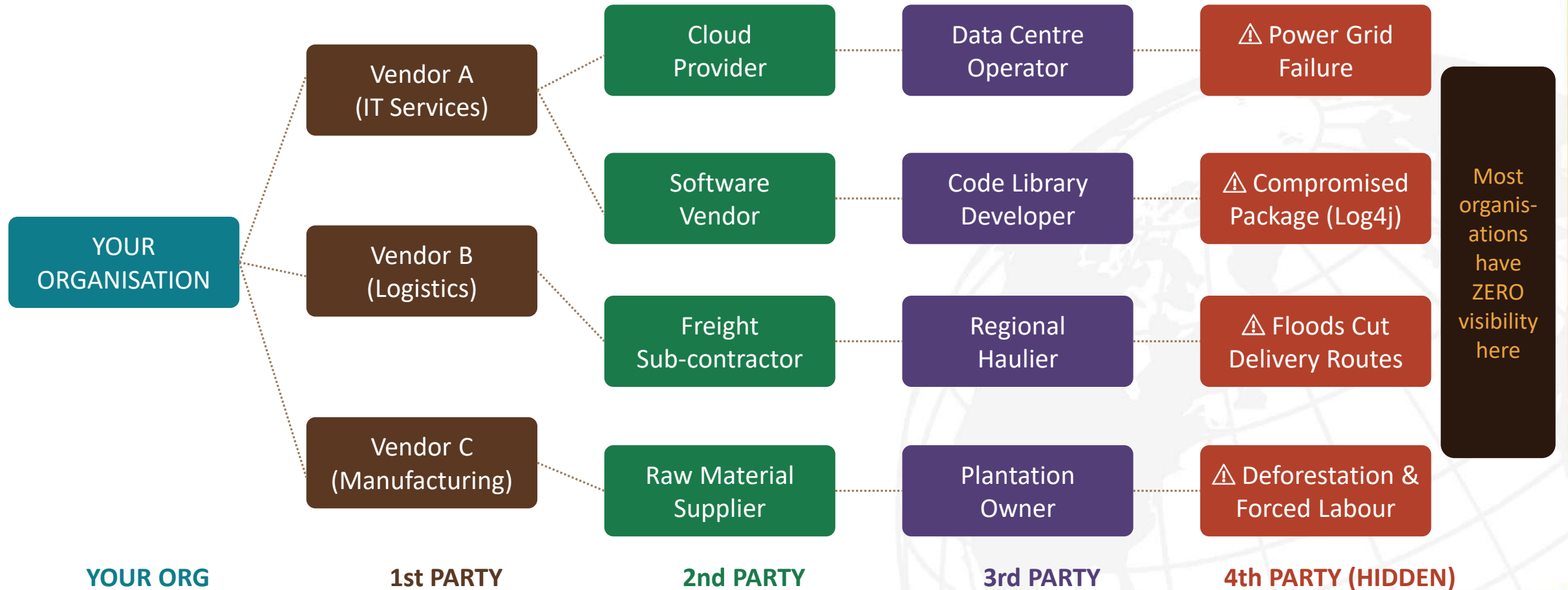
Anti-Bribery

UK and US anti-bribery
laws reach across borders.

⚠ Map your risk by country, not just by vendor

HOW RISK CASCADES ACROSS YOUR ECOSYSTEM

A single point of failure deep in the chain can collapse organisations that never even knew it existed.



Most organisations have ZERO visibility here

SolarWinds Supply Chain Attack (2020)

- **18,000 organisations exposed (SolarWinds SEC filing)**
- Malware hidden in routine software updates; undetected for nine months
- Victims included US Treasury, DHS and Microsoft

■ ***Your software runs on other people's software***



<https://youtube.com/shorts/irUadwaX6PE?si=joRZkCXTDDPyBBk0>

Rana Plaza Factory Collapse (2013)

- **1,134 deaths | US\$30M ILO compensation fund**
- Rana Plaza collapse Was a structural failure . On the morning of 24 April, there was a power outage, and diesel generators on the top floor were started . The building collapsed at about 08:45 a.m. BST , leaving only the ground floor intact.
- Factory building collapsed in Dhaka; brands said they did not know
- Courts and the public rejected that defense

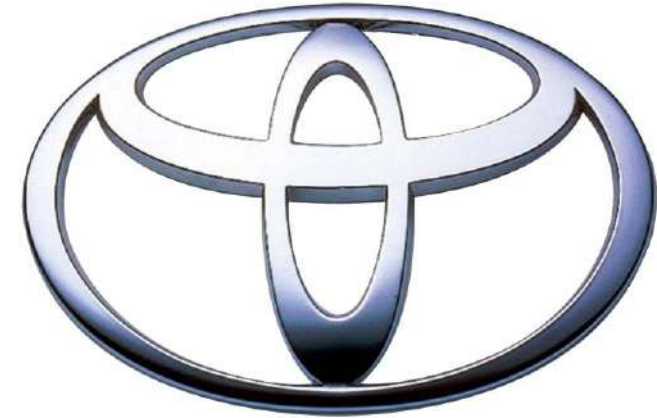
■ ***'We did not know' is a liability, not a defense.***



Toyota Chip Shortage (2021)

- **Sept 2021: global output cut ~40% — about 360,000 vehicles in one month**
- Closures hit chip packaging plants in Malaysia and Vietnam, tiers 3–4
- Toyota's post-Fukushima stockpiles delayed the pain for months, then ran out during COVID

▀ ***Buffers buy time. They do not replace deep-tier visibility.***



TOYOTA

REPUTATIONAL RISK: YOUR VENDOR'S PROBLEM, YOUR HEADLINE

45%

of a year's profit lost to disruptions
each decade (McKinsey, 2020)

80%

of firms hit by a supply chain disruption
last year (BCI, 2024)

42%

of firms can see supplier risk beyond
tier 1 (McKinsey Risk Pulse, 2025)

THE REPUTATIONAL DAMAGE MECHANISM

Nth-Party Event

A problem surfaces at
a distant supplier



Media Exposure

The press names your
brand



Social Amplification

The story goes viral in
hours



Consumer Action

Boycotts and lost sales
follow



Regulatory Scrutiny

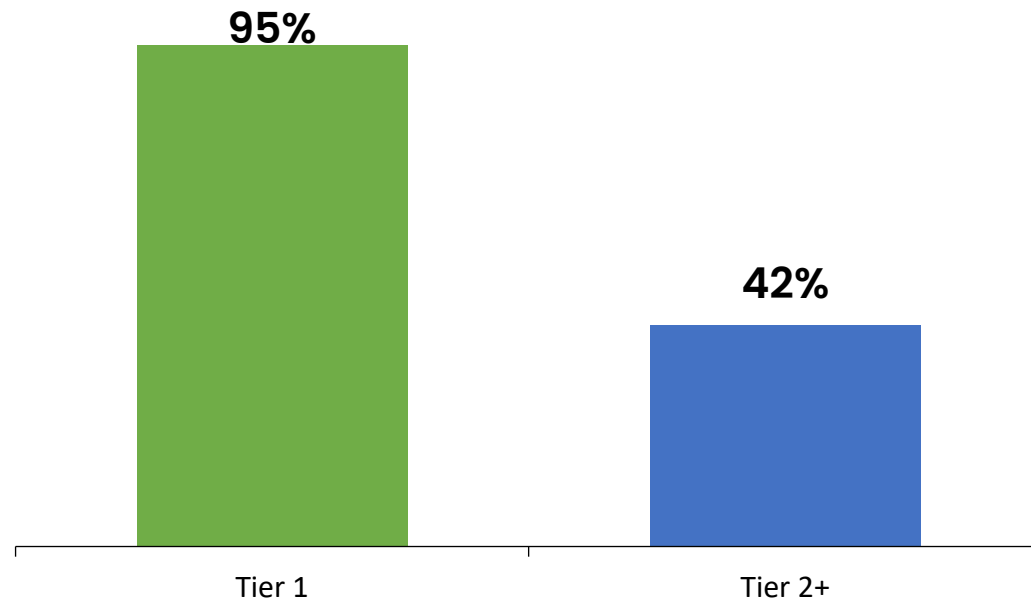
Then the regulators
arrive

THE VISIBILITY GAP — WHAT THE LATEST DATA SHOWS

Two current findings: visibility is improving, but deeper-tier risk remains the blind spot.

Supplier-risk visibility, by depth

% of organisations with visibility into supplier risks

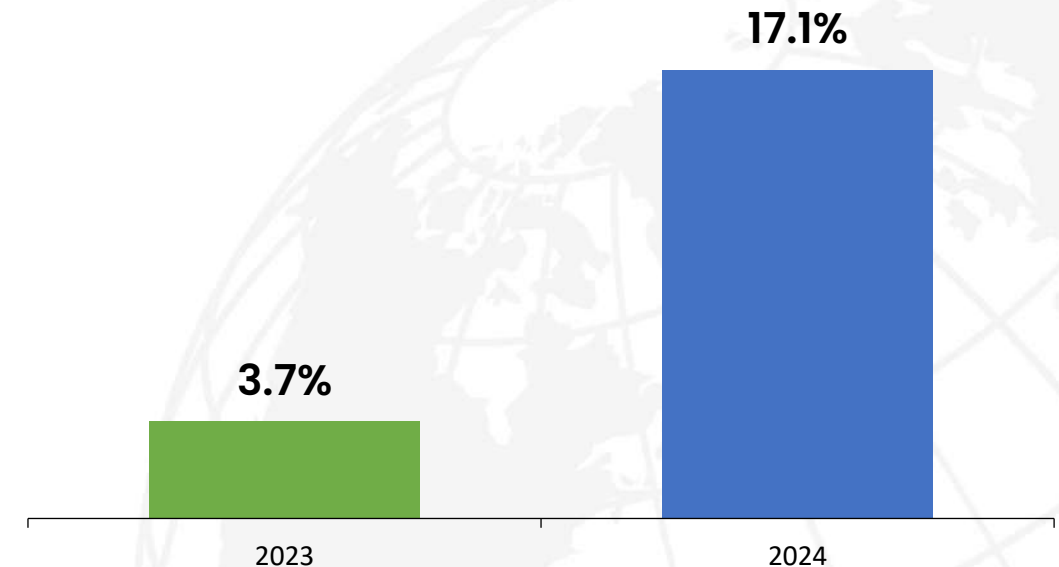


Source: McKinsey Supply Chain Risk Pulse, 2025

58% still lack risk visibility beyond Tier 1

Critical suppliers analysed to Tier 4+

% of firms analysing critical suppliers to Tier 4 and beyond



Source: BCI Supply Chain Resilience Report 2024 (latest available)

Tier 4+ analysis increased 4.6× in one year

Supplier mapping is advancing faster than supplier-risk visibility. The unresolved exposure sits deeper in the chain.

CHANGING CONSUMER EXPECTATIONS

The New Accountability Standard

FROM → TO

- Accept supplier's word → Demand verified, audited proof
- Annual assessments → Continuous, real-time monitoring
- Tier-1 transparency only → Full supply chain traceability
- ESG as PR exercise → ESG as licence to operate
- Ignorance accepted → Due diligence laws mandate action

Regulatory Timeline (as at mid-2026)

- 2015** **UK Modern Slavery Act**
Supply chain statements made mandatory
- 2021** **US Forced Labour Enforcement**
US starts banning goods made with forced labour
- 2024** **EU CSDDD Adopted**
EU due diligence law passed, later narrowed
- 2026** **EU Deforestation Regulation**
Starts Dec 2026 for large firms
- 2029** **CSDDD Application**
Applies to firms with 5,000+ staff

TWO MALAYSIAN CASES: FROM BAN TO RECOVERY

CASE STUDY 1



Top Glove (Malaysia) — From Import Ban to Remediation Benchmark

The risk: recruitment agents at tiers 3–4 charged workers illegal fees

- Jul 2020: US bans Top Glove imports over forced labour findings
- Fix: RM136M repaid to 12,000+ workers, verified by IMPACTT
- Sep 2021: CBP Finding modified, imports resume
- Now the US Labor Dept's model case for putting things right

■ Prevention would have cost a fraction of RM136M.

TWO MALAYSIAN CASES: FROM BAN TO RECOVERY

CASE STUDY 3



Developing
Sustainable Futures

Sime Darby Plantation — US Palm Oil Import Ban (2020–2023)

The risk: sub-contracted harvest crews at tiers 3–5

- Dec 2020: US ban, citing all 11 ILO forced labour indicators
- Fix: RM82M repaid to workers, new grievance channels, outside checks
- Feb 2023: ban lifted after two years out of the US market

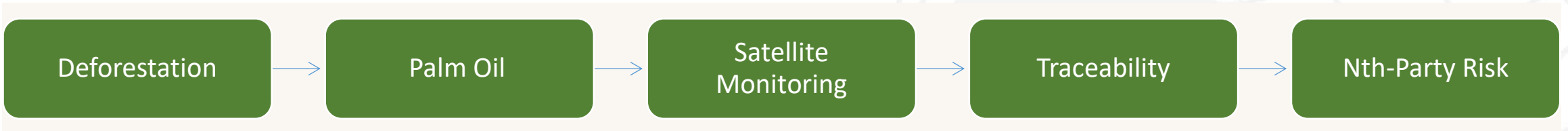
■ *US Customs treats tier 4 like tier 1. So do your customers.*

CASE STUDY



Nestlé & Responsibly Sourced Palm Oil

From NGO challenge to satellite-verified supply chain — the blueprint for Nth-party environmental risk management



Palm oil is found in ~50% of supermarket products. Its supply chain is one of the deepest and most complex in the world.

NESTLÉ PALM OIL — THE CHALLENGE

2008-2009

Greenpeace Investigation

Greenpeace links Nestlé palm oil to deforestation in Indonesia. Names supplier Sinar Mas.

17 Mar 2010

Viral Campaign Crisis

Kit Kat spoof video goes viral. 200,000 protest emails arrive.

18 Mar 2010

Nestlé's Initial Response (Wrong)

Nestlé tries to take the video down. That spreads it further. Drops Sinar Mas but cannot map any deeper.

17 May 2010

Joining The Forest Trust — Commitment Made

Partners with The Forest Trust (now Earthworm Foundation). Zero-deforestation commitment. RSPO membership from 2003 was not enough.

NESTLÉ'S RESPONSE: SATELLITE-VERIFIED SUPPLY CHAIN

From paper certificates to live satellite data

Starling Satellite Monitoring (Airbus & Earthworm)

Satellites watch the full sourcing area. Every mill area monitored 24/7.

✓ Sees tier 10 as clearly as tier 1

Traceable Supply Chain Mapping

Chain mapped from product back to plantation. 1,700+ mills monitored; supplier and mill list published.

✓ Hard to attack a company for data it publishes itself

Smallholder Inclusion Programme

Small farmers are the real Nth parties. 72,033+ farm boundaries monitored; training and phone-based reporting.

✓ Fixes the cause instead of cutting the contract

Responsible Sourcing Dashboard

A public annual report tracks alerts, compliance rates and coverage.

✓ Public targets stop backsliding

NESTLÉ RESULTS & TRANSFERABLE LESSONS

1,700+

mills monitored by
satellite surveillance

*Also: 72,033+ farm boundaries
monitored*

96.3%

palm oil assessed
deforestation-free (2025)

100%

global palm oil supply chain
satellite-monitored

85.9%

palm oil traceable
to plantation

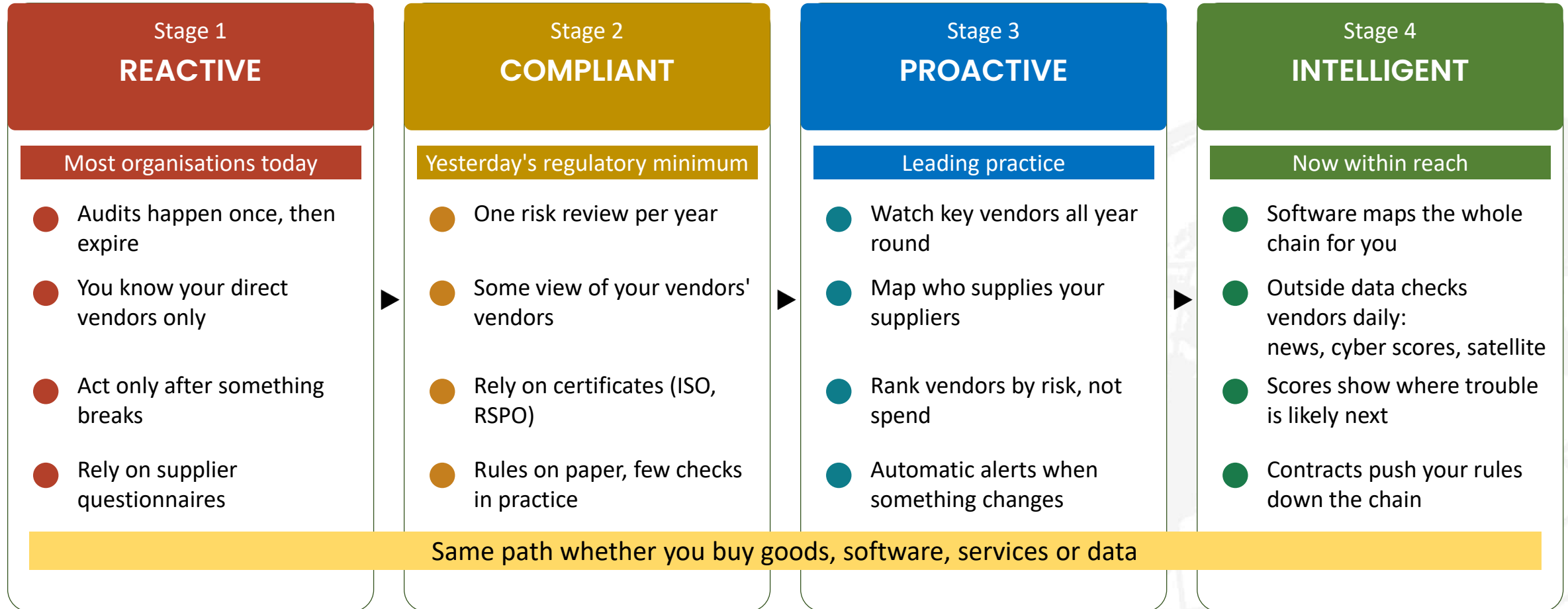
WHAT EVERY ORGANISATION CAN LEARN FROM NESTLÉ

- 1 Certification is not Nth-party visibility** Certificates passed while forests fell. Satellites caught it.
- 2 Traceability must go beyond Tier 1** Mill visibility is useful; plantation visibility is where risk becomes actionable.
- 3 Transparency turns risk into control** You cannot be exposed for what you already measure, publish and manage.
- 4 Technology is now accessible** Satellite and AI mapping are now affordable for mid-sized firms.

Source: Nestlé palm oil sourcing disclosures, 2025. Figures shown are palm-oil specific.

THE PATH FORWARD: INTELLIGENCE-DRIVEN NTH-PARTY OVERSIGHT

From yearly checks to always-on monitoring`



EMBEDDING NPRM IN YOUR ERM FRAMEWORK

This is enterprise risk, not a procurement task. It fits the ISO 31000 and COSO cycle you already run.

THE ERM CYCLE → NPRM ACTIVITIES

- 1 Risk Identification**
Map every tier. Find single points of failure.
- 2 Risk Assessment**
Score by tier, risk type and country
- 3 Risk Appetite**
Board sets limits for unmapped tiers
- 4 Risk Treatment**
Flow-down clauses, monitoring, second sources
- 5 Monitoring & Reporting**
Standing KRIs to the Risk Committee

SAMPLE BOARD-LEVEL KRIs

Six numbers for the Risk Committee dashboard

- % of critical suppliers mapped past tier 2 (target 80%)
- % of spend with one source at tier 3+
- Days to detect a deep-tier incident
- Tier-3+ suppliers in high-risk countries
- % of tier-1 contracts with flow-down terms
- Alerts opened vs closed, rolling 12 months

Own it at board level. Do not leave it with procurement.

THE TECHNOLOGY TOOLKIT FOR NTH-PARTY RISK

Supply Chain Mapping

building the map

Resilinc: Supplier risk management

Sourcemap: Supply chain mapping

Everstream Analytics: Supply chain risk monitoring

ESG & 3rd Party Intelligence

rating ESG risk

EcoVadis: Supplier sustainability ratings

Exiger: Supplier compliance screening

Dun & Bradstreet: Company background data

Satellite & Geospatial

checking physical chain

Planet Labs: Satellite imagery

Orbital Insight: Satellite data analysis

Satellogic: High detail satellite imagery

Cyber & Digital Supply Chain

rating cyber risk

BitSight: Cyber risk ratings

SecurityScorecard: Vendor cyber ratings

UpGuard: Cyber exposure checks

AI & Automation

automating the monitoring

Exiger/Interos: Automated risk screening

ProcessUnity: Vendor management workflow

Prevalent: 3rd party risk automation

YOUR 5-STEP ACTION FRAMEWORK

 **60-SECOND PAIR TALK:** Name one vendor whose critical sub-vendors you couldn't list.

Start this week. Not this quarter.

01

MAP YOUR ECOSYSTEM

List your tier-1 vendors. Ask each one for their key suppliers. That gives you tier 2.

 Quick win: Email your top 20 vendors for their key supplier lists this month.

02

PRIORITISE BY RISK, NOT SPEND

Biggest spend is not biggest risk. Score five factors: cyber, ESG, concentration, regulatory, financial.

 Quick win: Score your tier-1 vendors on the five factors.

03

SHIFT FROM ANNUAL TO CONTINUOUS

Risk moves daily. Yearly reviews miss it. Set automatic alerts.

 Quick win: Set free news alerts on every key vendor.

04

MAKE TRANSPARENCY YOUR STRATEGY

Published data is your best defence. Decide what you can share.

 Quick win: Extend your code of conduct to sub-contractors.

05

BUILD GOVERNANCE, NOT JUST PROCESS

Give it a board owner. Add it to your ERM cycle and report on it.

 Quick win: Make this a standing Risk Committee item.

IF YOU CAN'T SEE IT, YOU CAN'T CONTROL IT.

*Seeing one tier deep is no longer enough.
The tools to see the whole chain now exist. Use them.*

MAP the full chain

MONITOR it continuously

ACT before you are forced to

IERP[®] Global Conference 2026 | Q&A — 10–15 Minutes

Salman Nazir · Former Executive Director Supply Chain, Nestlé Malaysia

REFERENCES & SOURCES

STATISTICS

- McKinsey Global Institute (2020), 'Risk, resilience, and rebalancing in global value chains'
- McKinsey Supply Chain Risk Pulse (2025)
- BCI Supply Chain Resilience Report (2024, latest available)

ENFORCEMENT CASES

- US CBP Withhold Release Orders — Top Glove and Sime Darby Plantation
- US Department of Labor, 'Comply Chain' — Top Glove remediation case study; independent verification by Impactt Ltd
- SolarWinds Corp., SEC Form 8-K (December 2020)
- Toyota (2021) — CNBC and ABC News reporting
- ILO / Rana Plaza Arrangement (2015)

REGULATION (status as at mid-2026)

- Directive (EU) 2026/470 ('Omnibus I'), in force 18 March 2026 — CSDDD scope and application
- Regulation (EU) 2023/1115 (EUDR) — application dates for large operators and SMEs
- UK Modern Slavery Act 2015, section 54
- US Tariff Act, section 307
- UFLPA (2022)

CORPORATE DISCLOSURES

- Nestlé palm oil sourcing disclosures (2025) — Transparency Dashboard, Starling monitoring (Airbus & Earthworm Foundation)

GLOBAL CONFERENCE 2026

FROM CHAOS TO COMMAND:
RISK LEADERSHIP IN INDUSTRY 6.0

THANK YOU



SCAN THE QR CODE
TO KNOW MORE ABOUT US!

enquiry@insterp.com
www.insterp.com