

Why third-party risk screening is essential for all businesses

Are you doing enough?

Not all businesses have a regulatory requirement to perform AML screening, but they do have an obligation to comply with sanctions and global standards for ethical conditions regarding where their products are produced.

Growing emphasis on environmental, social and governance (ESG) risks makes a strong case for third-party screening and stronger know your customer due diligence.

The minefield of third-party risk

Doing business with a sanctioned entity or abetting money laundering are not the only risks businesses face. ESG and other risks can pop up anywhere in the supply chain, causing compliance issues and threatening a company's reputation.



Environmental

Environmental crime

Includes wildlife crime/trade, pollution crimes, illegal dumping, logging, mining, fishing



+5-7%
Growth per year¹



3rd
Largest criminal sector in the world²



\$110-\$281B
Generated each year³



Social

Human rights violations

Includes slavery, sex trafficking, forced labor, child soldiers



\$150B
Generated in profit per year⁴



50M
Victims in modern slavery every day⁵



27.6M
Victims worldwide in forced labor⁶



Governance

Bribery & corruption

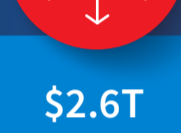
Includes embezzlement, extortion, fraud, kickbacks, nepotism



Over 2/3
of countries have serious corruption problems⁷

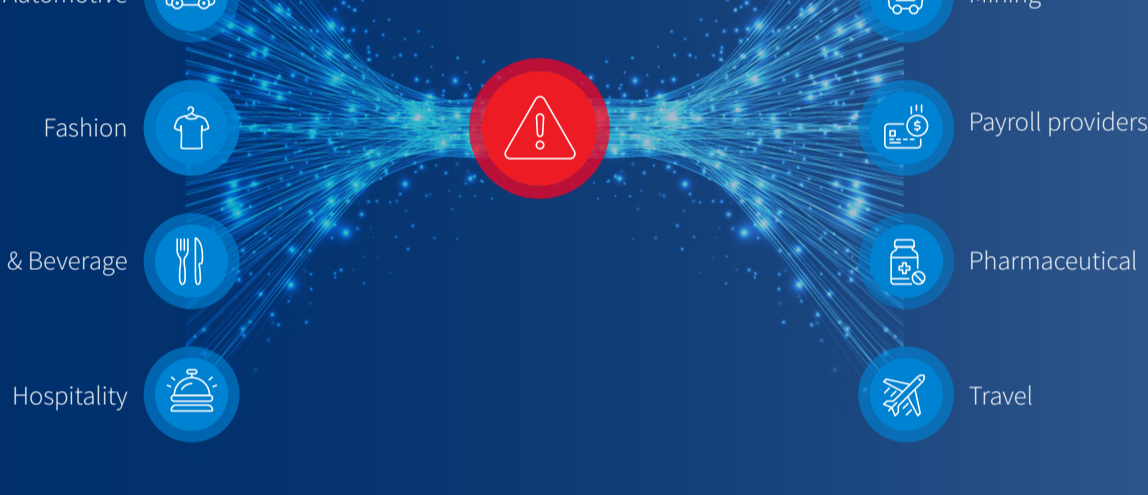


+\$1T
Estimated amount paid in bribes globally each year⁸



\$2.6T
Lost to corruption⁹

Third-party risks cut across all industries and impact businesses of all sizes



ESG risks are bad for business

If not managed effectively, ESG risks can expose companies to a range of reputational, financial and operational issues.



Reputational damage



Supply-chain disruption



Compliance violations



Fees and fines



Lower revenue and profits

The laws are changing. Are you ready?



The EU's Corporate Sustainability Due Diligence Directive (CSDDD), which came into effect April 2024, is changing the calculus for accountability. Similar initiatives are underway around the world.

Large companies will need to demonstrate that they are acting responsibly regarding ESG standards. That requires third-party due diligence – knowing all upstream and downstream suppliers, including suppliers' customers and business partners.

The CSDDD complements existing anti-bribery and corruption and other laws around the world



U.S.

U.S. Foreign Corrupt Practices Act (FCPA)
California Transparency in Supply Chains Act



UN

United Nations Convention Against Corruption (UNCAC)



UK

The UK Bribery Act (UKBA)
UK Modern Slavery Act



DE

German Supply Chain Due Diligence Act

Protect your business with accurate risk data from LexisNexis® WorldCompliance™



LexisNexis® WorldCompliance™ Data offers unparalleled coverage of more than 7 million global risk profiles covering sanctions, enforcements, politically exposed persons, adverse media, state-owned enterprises and more.

Adverse media profiles aggregated from over 30,000 feeds in 59 languages

22,553

Bribery

9,943

Human trafficking

44,325

Corruption

610

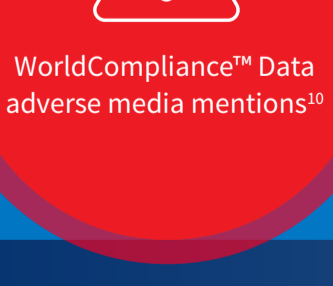
Pollution

11,062

Environmental crime

16,882

Tax evasion



WorldCompliance™ Data adverse media mentions¹⁰

Learn how LexisNexis® WorldCompliance™ Data can support supply chain due diligence and prevent third-party risk.

Visit [LexisNexis® Risk Solutions](#) for more information.