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# Why North American Companies Need ESG Supply Chain Visibility for a Hyper-Risk World

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**North American (NA) companies face a new “hyper-risk” landscape marked by unprecedented uncertainty and rapidly emerging, interconnected threats. But most are unprepared: A recent Accenture report found that 72% of surveyed companies lack a supply chain risk management strategy robust enough to keep pace with today’s volatility.**

**This ebook explores four risk megatrends impacting businesses and supply chains in 2025 and beyond:**

- 1. Rising geopolitical tensions, trade conflicts and economic volatility
- 2. Growing ESG regulatory complexity
- 3. Intensifying climate risks and supply chain disruptions
- 4. Mounting pressure to deliver on ESG and scope 3 transparency

It looks at what this means for companies – and how powerful tools like our IQ Plus risk management solution can help you navigate this risk landscape while building resilience and a foundation for effective supplier due diligence.

**The shift to ESG intelligence-driven risk management**

Proactive companies are leveraging supply chain ESG intelligence to adapt, moving from traditional risk methods (like in-house tools, legacy SAQs or ad-hoc approaches) to more agile, digitally integrated strategies. This means embedding sustainability into supply chain operations, using AI-enhanced tools to gain supplier ESG visibility and data, and strengthening due diligence to mitigate vulnerabilities before they escalate. In this new risk landscape, companies that remain agile and embrace next-gen risk tools can build more resilient and sustainable supply chains that give them a competitive edge.

~80%

of companies experienced supply chain disruptions in 2024 (+25% since 2023)<sup>1</sup>

72%

lack a risk management strategy ready for the hyper-risk landscape<sup>2</sup>

45%

warn rising supply chain costs will put their business at risk of collapse<sup>3</sup>

<sup>1</sup>BCI Supply Chain Resilience Report 2024, <sup>2</sup>Accenture Risk Study: 2024 Edition, <sup>3</sup>Ivalua, Next Level Procurement: Embracing GenAI and Whatever Comes Next



1 2 3 4

# Rising geopolitical tensions, trade conflicts and economic volatility

Geopolitical tensions are at their highest level in decades, fueling trade conflicts and economic volatility. The Trump administration's sweeping tariffs on global trading partners — along with retaliatory measures from Canada, China, the EU and others — are putting immense pressure on NA companies and their supply chains. Inflation and ongoing wars further compound these challenges.

New tariffs and frequent supply chain disruptions are driving up costs for raw materials, components and logistics. [Bain & Co.](#) reports that nearly half of C-suite leaders expect recent tariffs to drive double-digit increases in input costs. As volatility and supply chain instability rise, companies must quickly identify and onboard new suppliers. Those that can efficiently assess and qualify high-performing, resilient suppliers will better protect profitability and ensure business continuity.

## How can greater supply chain ESG visibility help you respond?

- Accelerate near and reshoring efforts by quickly identifying suppliers with better environmental and human rights risk profiles.
- Build resilience from the ground up by ensuring that new and existing suppliers meet core sustainability requirements.
- Identify opportunities to deliver cost savings by helping suppliers implement sustainability-driven efficiencies.



~50%

of C-suite leaders expect new tariffs to drive double-digit percentage increases in input costs.<sup>4</sup>

<sup>4</sup> [Bain & Co., Tariffs Are Shaking Up Investment Priorities](#)



## Growing ESG regulatory complexity

**ESG regulations are here to stay. Despite US federal setbacks, states like California and New York are advancing their own mandates. California's SB 253 will require large companies to disclose emissions across all scopes, while New York is developing similar rules. Meanwhile, the EU's CSRD and CSDDD are set to take effect, China has introduced ESG disclosure rules, and the UK and others have strengthened modern slavery laws.**

Most large NA companies will feel the impact — directly or through global partners. A [recent study](#) found that 74% of companies have already faced supply chain due diligence requirements. Amid mixed regulatory signals, proactive companies are gaining a competitive edge by building a strong compliance foundation to mitigate ESG and operational risks across supply chains.

### How can greater supply chain ESG visibility help you respond?

- Enhance compliance readiness for CSRD, CSDDD and other emerging regulations.
- Pinpoint suppliers with high ESG risks and target them for due diligence efforts.
- Identify your material risks and target supplier due diligence efforts where they will deliver the most impact and ROI.



# 74%

**of global companies had to respond to supply chain due diligence requirements in recent years.<sup>5</sup>**

<sup>5</sup> Thomson Reuters, 2024 Global Trade Report



# Intensifying climate risks and supply chain disruptions

From severe drought in West Africa that sent global cocoa prices soaring to a hurricane in North Carolina that impacted the microchip industry, global supply chains felt the effects of climate change more intensely than ever in 2024. Climate-related disruptions **surged 40%**, with increasingly severe consequences for workers, businesses and communities.

These crises are destabilizing supply chains and exposing businesses to operational, reputational and strategic risks. The financial impact is significant: climate-related disruptions cost companies roughly \$100 billion globally in 2024. Insurance costs continue to rise and some regions will be virtually uninsurable in just a decade. Recognizing the growing threat, 84% of **S&P 500 companies** now cite climate change as a major risk factor, up from 67% in 2021.

## How can greater supply chain ESG visibility help you respond?

- Identify suppliers vulnerable to climate risks and evaluate their resilience strategies to reduce disruption exposure.
- Strengthen supply chain continuity by prioritizing partnerships with suppliers investing in climate adaptation and risk mitigation.
- Minimize long-term costs and volatility by embedding ESG data into procurement decision-making.

Only  
**23%**

**of companies examine strategic tier 1 suppliers for exposure to climate risks.<sup>6</sup>**

<sup>6</sup> BCI Supply Chain Resilience Report 2024



1 2 3 4

## Mounting pressure to deliver on ESG and scope 3 transparency

Politicization around ESG and net zero is at an all-time high in the US. But despite setbacks like the Trump administration's second withdrawal from the Paris Agreement, investor and stakeholder demand for supply chain transparency continues to grow. Environmental, labor and human rights risks remain widespread, threatening corporate reputations and bottom lines.

Despite slowing US inflows, global sustainable fund assets hit a record **\$3.2 trillion in 2024** — an 8% increase from the previous year. In response, most large NA companies are integrating sustainability data into procurement. A [Thomson Reuters study](#) found that 97% of US companies consider ESG factors in supplier selection, yet only 17% collect ESG data more than once a year — compared to 50% in the EU. Closing this transparency gap is critical for meeting investor and consumer expectations while advancing sustainability and carbon goals.

### How can greater supply chain ESG visibility help you respond?

- Improve ESG and carbon disclosure by collecting high-quality data from suppliers.
- Gain actionable insights to accelerate progress on supply chain sustainability and decarbonization goals.
- Strengthen competitiveness by aligning with global ESG standards, mitigating risks and building stakeholder trust.



# Why you need intelligent ESG visibility across your entire supply chain

Intelligent ESG visibility – which combines predictive risk profiling of your supply chain with deep supplier insights and analytics – is crucial for navigating the new hyper-risk landscape. Without it, companies will continue to struggle to identify and mitigate sustainability risks, leaving them vulnerable to regulatory penalties, reputational damage and operational disruptions.

## You need a solution that enables you to:

- **Leverage real-time insights:** Pinpoint vulnerabilities, strengthen due diligence and address risks before they escalate.
- **Adopt digitally integrated ESG data and analytics:** Gain deeper, more reliable supplier insights beyond fragmented, DIY approaches.
- **Engage suppliers efficiently with targeted due diligence:** Focus on the right suppliers to mitigate risks, reduce exposure and enhance resilience – often more cost-effective than switching suppliers.
- **Stay ahead of stakeholder expectations and regulations:** Strengthen compliance, cut costs and build a future-ready, sustainable supply chain.

## Building an ESG risk and due diligence foundation: Make versus buy?

Many procurement teams still rely on in-house solutions – self-assessments and spreadsheets – to monitor ESG risks. While familiar, this approach creates blind spots. One-size-fits-all assessments overlook key supplier differences, leading to bias, outdated data and respondent fatigue. Accuracy suffers without external validation – our data shows that 80% of supplier documents are incorrect or misattributed. According to our data, maintaining homegrown systems is also costly, reaching \$1.7 million annually for 1,500 suppliers.

As ESG risks grow, businesses must rethink the “make vs. buy” decision. Third-party solutions provide advanced analytics, real-time insights and global benchmarks, enabling more accurate risk assessments, improved compliance and greater resilience at scale.



# Supercharge your risk management with EcoVadis IQ Plus & Vitals

**IQ Plus** delivers fast, contactless mapping of sustainability risks across your supply chain. Its continuously updated risk scoring is enriched by our extensive dataset and can be enhanced with your supplier spend and criticality data.

Paired with AI-powered data mining and live news scanning, IQ Plus pinpoints ESG vulnerabilities, decarbonization priorities and critical events, optimizing supplier engagement. By turning complex data into actionable insights, it accelerates resilience building and value creation for you and your suppliers.

## Use Vitals & Worker Voice to get a jumpstart on compliance and due diligence

**Vitals** jumpstarts compliance and due diligence with a supplier questionnaire tailored by industry meta-category. Powered by IQ Plus, it streamlines compliance readiness and helps you identify and prioritize suppliers for full EcoVadis Ratings. Going a step further, **Worker Voice** enhances your due diligence efforts through an always-on platform that delivers real-time insights directly from workers.



**EcoVadis IQ has propelled our sustainability and risk management, providing the path to a more resilient future through sustainable procurement.**

**Lenovo**

**Get your free sample risk mapping to see how it works**





# How EcoVadis Can Help: From Risk & Compliance to Resilience & Impact

EcoVadis provides sustainability ratings and intelligence used in more than 1,200 global value chains, with detailed insights into environmental, social and ethical risks across more than 220 industry categories and 180 countries.

## Risk Mapping

**IQ Plus with Vitals**: Fast, contactless ESG risk identification for 100% of suppliers, now with Vitals, a lightweight, free-for-suppliers disclosure tool. Gain visibility in days and set priorities for the next steps in your due diligence project. The Carbon Heatmap, part of our Carbon Action Manager, is an easy-to-use tool for prioritizing high-risk and high-opportunity trading partners for engagement on decarbonization.

## Sustainability Ratings & Monitoring

Engage suppliers to measure, benchmark, monitor and mitigate risk and improve their sustainability performance. Robust methodology covering 21 criteria, yielding globally trusted ratings that integrate easily into procurement strategies and decisions.

## Engagement & Improvement Tools

Detailed scorecards provide feedback and guidance for improvement. **The Carbon Action Manager** engages deeper on measuring, reporting and reducing GHG emissions. Corrective Action Plans help you prioritize and collaborate on improvements. Our **EcoVadis Academy** provides self-guided e-learning courses to build knowledge and drive performance.

## Reporting

Extensive templated reports as well as flexible filters and configuration for regulations, standards and internal initiatives.

## Service, Support and Ecosystem

Enterprise offerings include program management support, with options for strategy, deployment, acceleration and training. Ecosystem includes API integration to every step of the procure-tech workflow from SAP Ariba to Zycus, Microsoft Cloud and Celonis. Our global network of certified partners, including names like Accenture, offer services including strategy consulting and supplier training.

Ready to get started?  
Request a consultation.

