



THE 11TH JOINT INDUSTRY OUTREACH SEMINAR

ON STRATEGIC TRADE MANAGEMENT - SINGAPORE 2023

Digital Intelligence for Compliance and Risk Management

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Evolving Compliance Pain Points



Increasing Volumes Of Supplier Data

- A large organization may now work with **10,000+ organizations** in a given year
- Thousands of assemblies, assemblies and detail parts
- Many hundreds of material-inputs



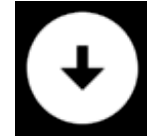
Expanding Risk Management Responsibility

- Risk Management, whether Cyber, Regulatory, Financial Health, Fraud, ESG or Supply Chain, has evolved to be **more complex and onerous**
- UFLPA, Conflict Minerals, CMMC, USMCA, REACH, RoHS, etc.



Increased Regulatory Impact

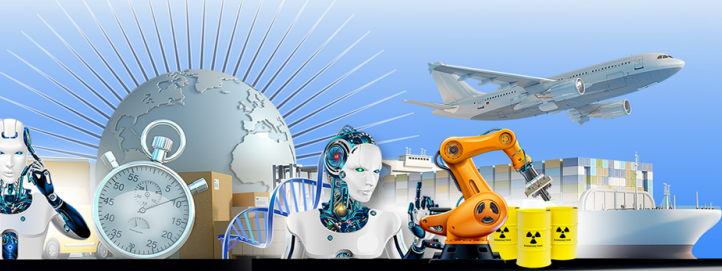
Growing global regulatory scrutiny codified in the NDAA, UK Modern Slavery Act, Made in America Laws, UK Bribery Act, Executive Orders, and ESG policy changes



Constrained Resources

Compliance budgets forced to do “**more with less**” despite intensifying demands.



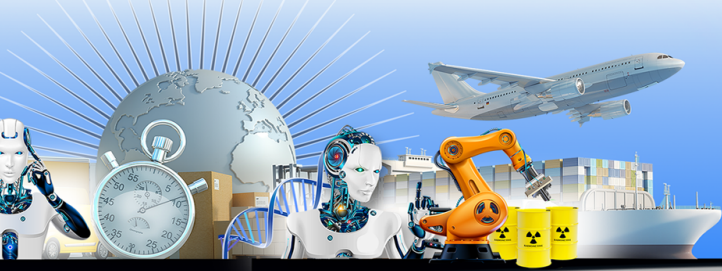


Technology-Enabled Solutions

Digital Intelligence can help organizations with 5 aspects of Compliance and Risk programs:

1. Data insights
2. Surfacing hidden relationships
3. Proactive risk detection- hidden risks (beyond just screening, beyond just network illumination)
4. Comprehensive compliance and risk monitoring
5. Organizational change- key leadership buy-in (save \$ and time)





1- Data Insights

More data doesn't equate to better insight and more efficiency. Things like **duplicative results, data confidence, and high noise in the dataset** can reduce the utility of even the most comprehensive dataset.

AI translates an **OCEAN OF DATA** into **very finely filtered, actionable insights**.

AI enables you to screen:

- billions of records of **supply chain installations**,
- **corporate records** and **ownership records**
- **structured risk databases** to identify risk – global sanctions, watchlists, restricted parties lists, police lists, regulatory lists, PEP lists in every country in the world
- **unstructured content**
- **direct government sources**

AI deduplicates and reduces noise of large datasets. It tags **data confidence** of findings.

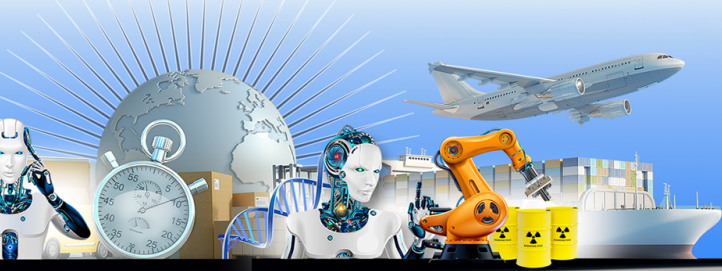
RPA aggregates information

Natural language processing understands context (it can discern an articles indicating Theresa Campobasso speaking at a fraud conference vs. Theresa Campobasso being involved in fraud)

Machine learning associates - it conducts **entity resolution**. It normalizes information to allow us to filter and adjudicate information, ruling out false positives and false negatives. It learns and improves as it iterates.

AI generates and follows investigative leads.





2- Hidden Relationships



Model 827 (57) ✓

3681984-55 (2) ✓

3681984-56 (2) ✓

CENTER INDUSTRIES CORP - WICHITA (2) ✓ ✓ *

ALCLAD 2024-T3/CMMP025_1 (A.M. CASTLE METALS) ✓ *

ALCLAD 2024-T3/CMMP025_1 (ARCONIC) ✓ *

EXACTA AEROSPACE INC. (1) ✓

2024-T3/AMS-QQ-A-250/4_1 (ARCONIC) ✓

S8258-4 (1) ✓

8739925-8 (14) ✓

9256988-2 (1) ✓

9286651-8 (1) ✓

9439985-197 (2) ✓

9448976-74 (25) ✓

Assembly
Sub-assembly
Detail Part
Tier 1 Part Supplier
Tier 2 Material Supplier

| Bill of Material | |
|-------------------------|--------------------------|
| Process Part Number | 2024-T3/AMS-QQ-A-250/4_1 |
| Conversion Process Name | Cold Rolled |
| Form | SHEET |
| Specification | AMS-QQ-A-250/4 |
| Grade | 2024-T3 |
| Alloy | ALUMINUM |
| Lower Gauge(in) | 0.05 |
| Upper Gauge(in) | 0.05 |
| Width(in) | 48 |
| Length(in) | 48 |
| Weight(Lbs) | 11.52 |





3- Proactive Risk Detection

Using AI for risk assessment allows for the tool to **surface, classify, and prioritize** hidden risks that you may not even know to look for across a broad range of categories:



Product Risk



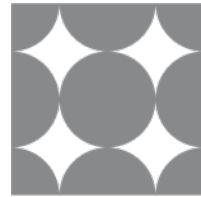
Cybersecurity Risk



Financial Risk



Operational Risk



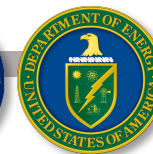
Reputational, Criminal & Regulatory Risk

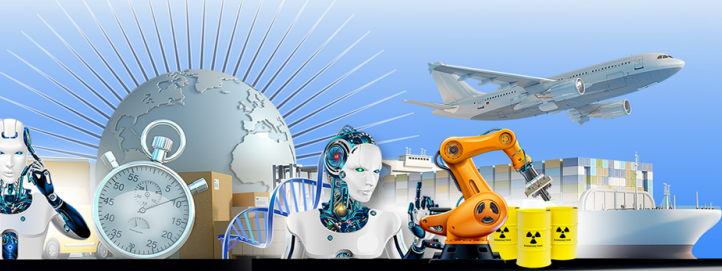


Environmental, Social & Governance Risk



Foreign Ownership, Control & Influence





4- Continuous Monitoring- Management Platform

Technology can move a program from **static, manual investigations** to a **full integrated, transparent, continuous** program.

1

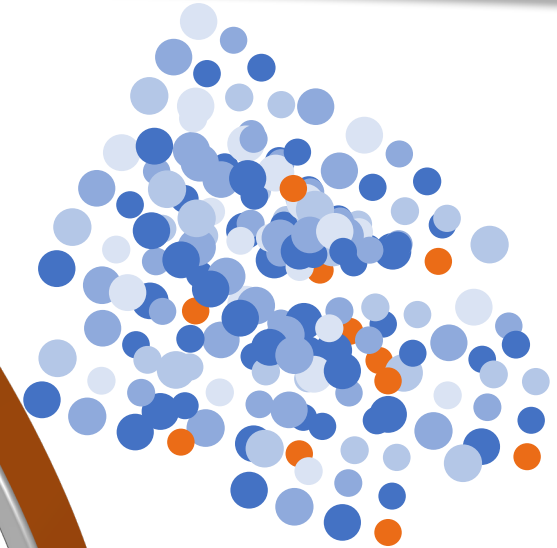
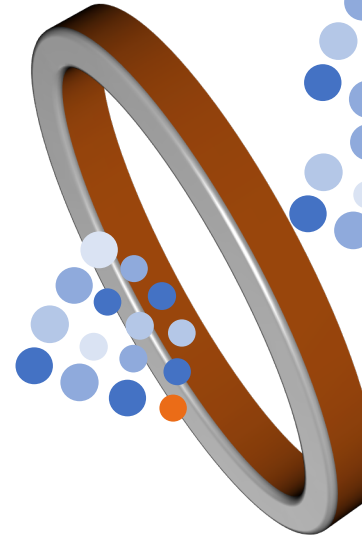
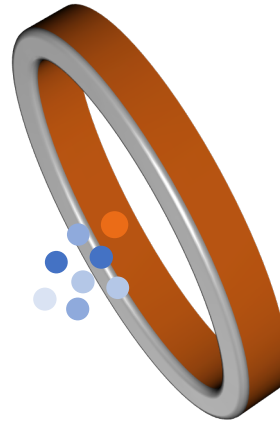
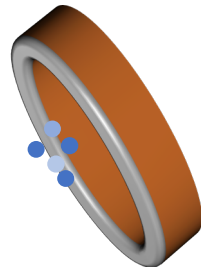
Escalate & Document Risk Decision

Complete a manual, analyst-driven, final review of the entities and document the final risk decision.

2

Supplier Risk Context Assessment

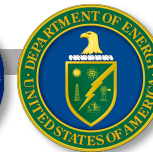
Escalate or disposition the risk in the population based on mitigation factors

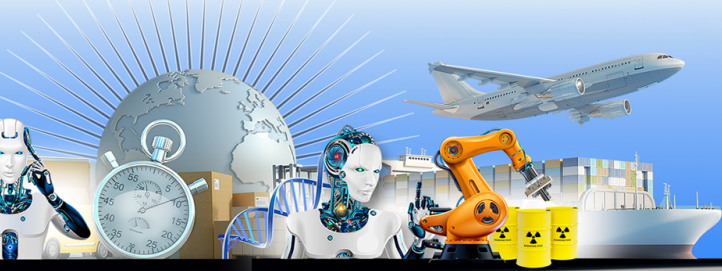


3

Risk Model Review of Entities

The automated Risk Model is the first step in the identification of entities that require risk adjudication, mitigation or acceptance. Complete a thorough risk review of all entities utilizing a comprehensive open-source data footprint and "clear" entities.





Organizational Buy-In

It can be difficult to make the case to **invest in digital intelligence for compliance**, but these benefits show the return on investment:



Satisfy legal, regulatory and trade compliance requirements



Anticipate, Detect and Mitigate risk / disruption



Reduce brand value loss



Drive step change improvements in cost and service levels



Proactive Supply Chain Planning

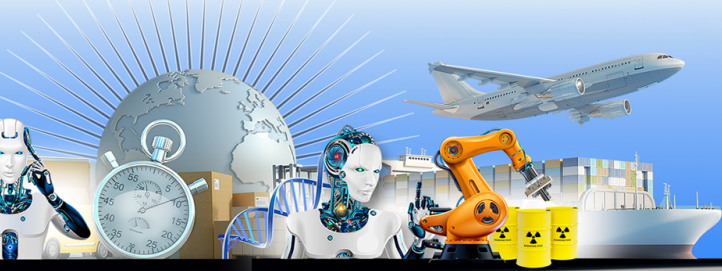


Understand alternative sourcing strategies



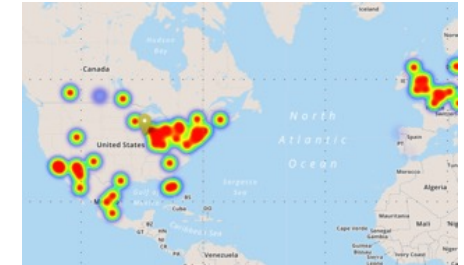
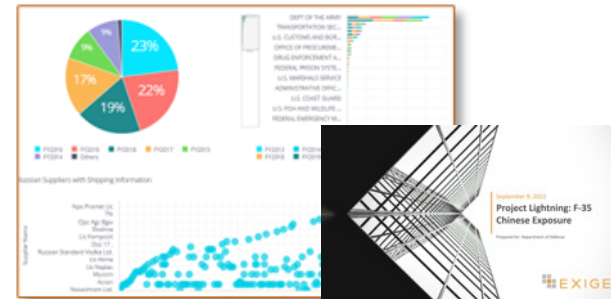
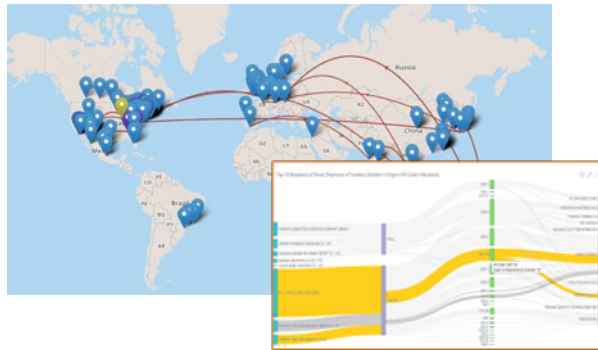
Be seen as a trusted partner





Lifecycle Summary

Improving cost efficiencies, enhancing transparency, and unlocking value.



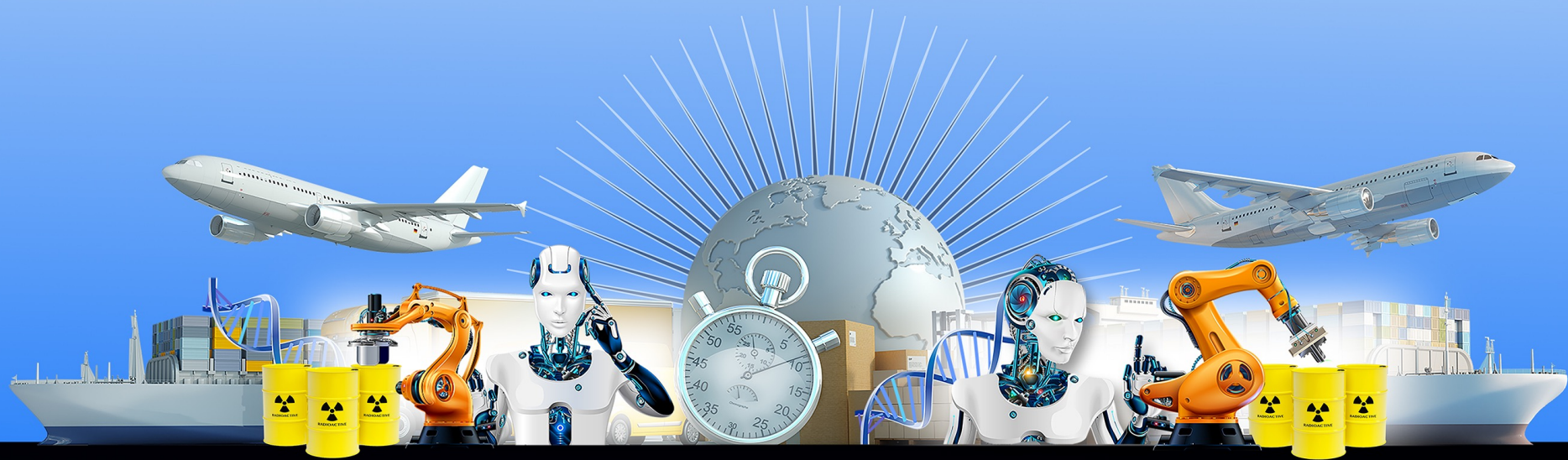
Assess Entity Risk
with Proprietary
Risk Scoring

Discover and Map
Supply Chains and
Analyze Entity and
Network Risk

Deep Dive into Supply Chain
Risks for Your Most Critical
Programs and Products

Validate Data, Interactions
& **Launch Targeted Actions**





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