



# Risk Predictions for 2023

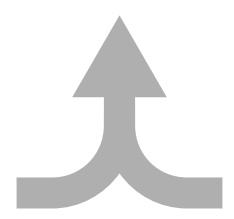
## What to Expect from the Year Ahead

As 2023 begins, TPRM, supply chain, and risk leaders must prioritize where to focus their efforts to identify, manage, and mitigate risks. These are our 2023 predictions on what risks, trends, and frameworks will make a splash in the year ahead.

1

### 2023 marks the fusion of IT Risk Management and third-party governance

As ransomware attacks continue to be one of the largest concerns for businesses, TPRM and IT security roles will need to operate seamlessly to avoid high-risk incidents. Investments in this initiative will grow and shape the future of TPRM.



2

### Increased fines and penalties for ESG regulatory noncompliance will bite back at companies

Enforcement of the German Supply Chain Due Diligence Act began Jan. 1, followed by similar laws in other countries. Noncompliance could be costly (financially and reputationally) and companies will need to deploy tech-based ESG compliance solutions to help identify potential issues early.



3

### Risk Intelligence's evolution to support better outcomes

The critical role risk intelligence tools will play this year can't be emphasized enough. These automation tools will help organizations stay on top of regulatory requirements, potential risks in supply chains, and other threats. Manual processes will no longer cut it.



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### Climate risk beyond compliance

As climate risk continues to move up risk management agendas, organizations will move beyond just checking regulatory boxes this year and make changes because it's the right thing to do.



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### Vendor performance management as a key risk area

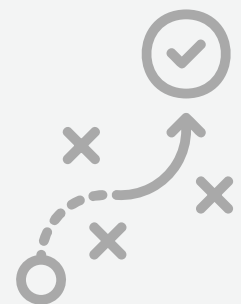
This year, risk teams must take a microscope to vendor performance, analyzing how suppliers are performing against contract SLAs, how they're meeting objectives/KPIs, etc. Including this in TPRM data will elevate security and reduce vulnerability.



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### The need for a risk-based approach to procurement

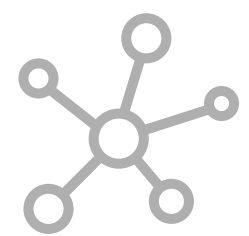
It's time to rethink the role procurement holds in organizations: the role must go beyond cost savings. Forward-thinking organizations must focus on long-term strategy and procurement must be aware of supplier risks, armed with tools to proactively manage them.



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### Resilience of supply chains and third parties

Organizations will need to build organizational resilience regarding supply chain/third-party risk by examining their position if a supplier is disrupted, business impact, and core risk-use cases. Making plans based on these answers will help organizations be prepared for potential issues.



**Want to learn more about risk priorities for 2023?**

Explore our robust [Aravo for ESG application](#) or [speak with one of our experts](#).

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