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1. Introduction

Supply Chain Resilience has always been an integral part of business operations and commercial activity in NI Water. The focus being so significant, that the risk *‘Failing to understand and to optimise value and resilience in our supply chain may impact on the delivery of our strategic priorities’* has been a corporate risk in NI Water’s corporate risk register for a number of years now and is reported at NI Water Board level.

Prior to the publication of PPN 03/21, NI Water had commenced their planning and in some cases implemented Supply Chain Mapping for critical supplies.

2. NI Water’s approach to Supply Chain Mapping

2.1 Securing buy in from the Commercial Team

Recognising that our teams are extremely busy with day-to-day tendering and contract management activities, it was essential to explain the ‘why’ to the teams i.e. why do we need to undertake Supply Chain Mapping and what are the benefits?

Be Prepared!!

- Covid 19/another pandemic
- Brexit/NI Protocol/ other political instability

Supports Category Management Approach

- Know your market – build market intelligence

Governance

- Manage NI Water’s Corporate Risk – *‘Failing to understand and to optimise value and resilience in our supply chain may impact on the delivery of our strategic priorities’*
- NI Water’s Internal Audit Recommendation in 19/20:
“We recommend: (i) Management should develop a plan to map the supply chain using a prioritised risk based approach, considering both risks to continuity of supply and other legal/reputational risks e.g. Modern Slavery and bribery/corruption risks.
 - and more recently to comply with PPN 03/21

2.2 The Vision – What does good look like?

Demonstrating examples of how other organisations undertook Supply Chain Mapping was difficult to obtain. However, an example that people could relate to in their everyday lives, was an interactive map that retailer M&S developed, [Map \(marksandspencer.com\)](http://Map.marksandspencer.com) which allows users to trace products such as milk to its source (the farm).

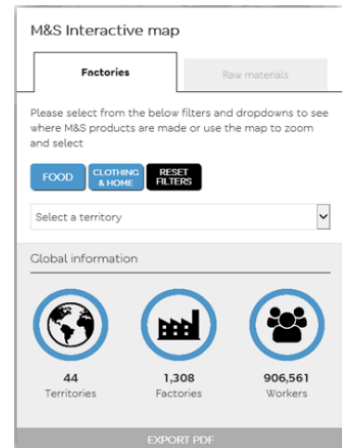


Diagram 1

We also drew from previous experience, whereby the team had worked with their chemical suppliers as part of strategic Brexit planning, to create an interactive supply chain mapping tool, which would illustrate at ease, the origins of the chemicals and the routes they would pass through before reaching NI Water. This is the subject of Case Study 2.

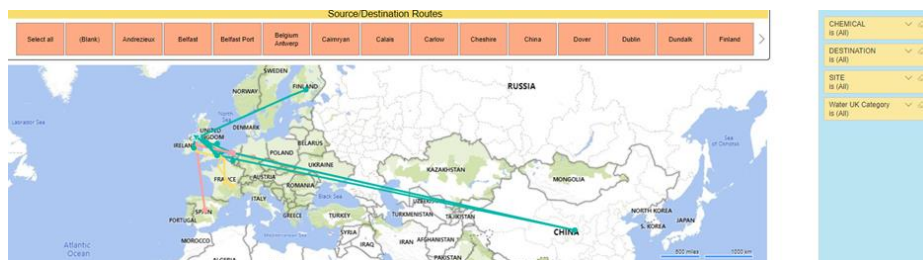


Diagram 2

3. Existing Contracts

As some of the contracts would not be retendered for a number of years, NI Water recognised the need to look back to determine which existing contracts should be considered for Supply Chain Mapping. A four-step approach was followed:

3.1 Step 1 – Risk identification

Category Managers were requested to determine the highest risk contracts in their category. This exercise was undertaken using a risk-based matrix covering the following areas:

- Supply Chain Interruption
- Supply Restrictions
- Compliance & Regulation
- Environment & Climate Change

3.2 Step 2 – Gather Information

Category Managers were requested to prepare supplier questionnaires to capture the required information.

1	Interruption to Supply
	Provide details of your Tier one suppliers & (if known) tier two suppliers who are supplying you to deliver the proposed goods / services
	Country of origin where known / applicable
	Security of supply and any known risks identified
	Mitigating actions taken and / or contingency plans
2	Supply Restrictions
	Any key products / services sourced from single market / supplier, or with limited competition / alternative sources
	Mitigating actions taken such as contingency stocks held, strategic SRM or diversification strategies
3	Compliance & Regulation
	Proof of policies on H&S, Quality Management, Environmental Management, Modern Slavery, Diversity & Equality, CSR, BCP
	Ethical sourcing policies / risk actions to minimise compliance & reputational supply chain risks (such as child labour or hazardous labour conditions)
4	Environment & Climate Change
	Any key products / services with high risk of potential damage to environment or climate
	Ethical sourcing policies / risk actions to minimise environment & climate change risks

3.3 Step 3 – Review Information

This step will involve reviewing the information captured to determine the key risks. This step is currently in progress with the teams.

3.4 Step 4 – Develop Action Plan

The final step will be to develop an action plan.

4 New Contracts

For new contracts, the approach has been to embed Supply Chain mapping into NI Water’s current contract management lifecycle activities, which is underpinned by a Commercial Contract Management system. This is explained in diagram 3.

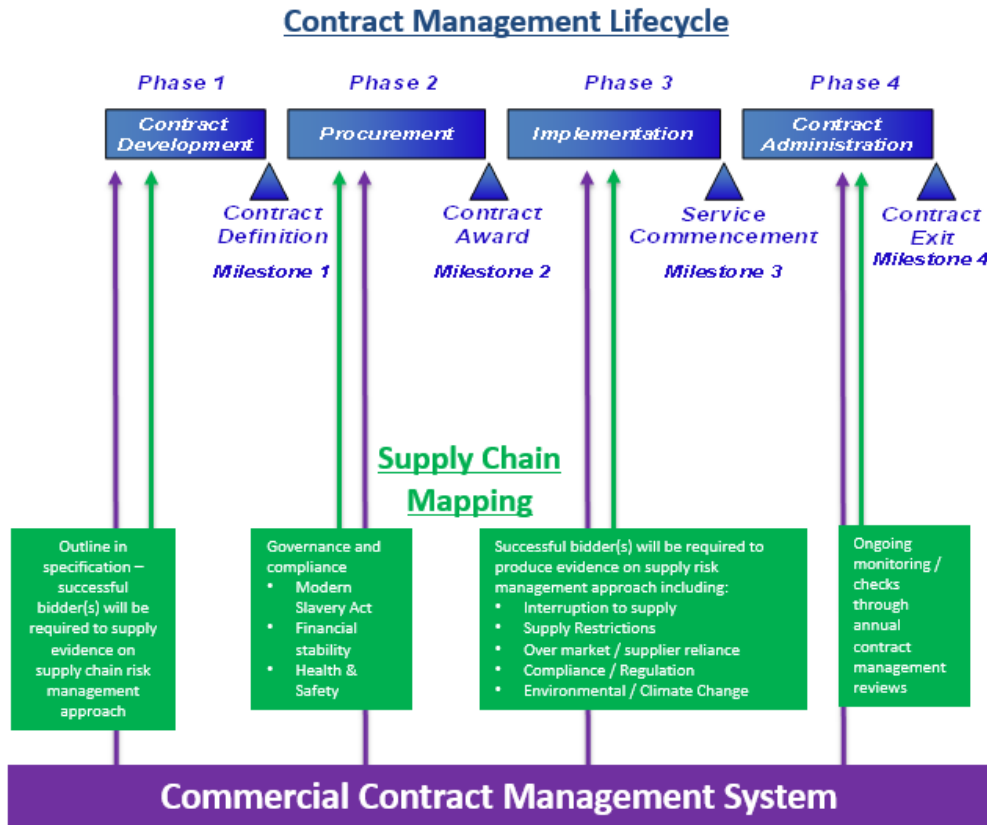


Diagram 3

5 Concluding Thoughts

While building supply chain resilience and embedding supply chain mapping has presented the team with some challenges i.e. dedicating time to source the information, get buy-in from suppliers and manage all of the information and detail that is being returned, there is no doubt, that all stakeholders acknowledge the importance and benefits in delivering such activities.

NI Water are fully committed to ensuring that supplier resilience remains an integral of their business and commercial activities and will continue to develop the work already delivered to ensure the organisation is clear sighted on potential risks and how to manage them.