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Labour violations in unassuming markets and ESG "regulatory soup" among greatest risks to supply chain sustainability in 2025, new report finds

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Labour violations such as forced labour, child labour, illegal wage structures and health and safety malpractice in unassuming markets such as the United States, have been identified as being among the greatest risks to supply chain sustainability in 2025 by a new report.

Supply chain sustainability: Top trends for 2025 has been published by leading global assurance partner, LRQA, to highlight the eight trends data from <u>EiQ</u>, the world's first end-to-end supply chain due diligence software. It indicates that changes in geopolitical landscapes will likely have the greatest impact on the continuity and resilience of global supply chains this year.

Shifting policies and administrations, specifically in the United States following the 2024 election, are set to impact the supply chain risk and global trade agendas. The EiQ report predicts that these will be accompanied by tighter immigration policies, backlash against ESG movements and growing scrutiny over corporate responsibility. All of this will have a deep impact on supply chain redesign, which will create new and evolving risks for stakeholders.

Also among the most pertinent risks posed to supply chains is the slow progress towards ESG targets, driven by what the EiQ report describes as a "regulatory soup" comprising a myriad of reporting laws and due diligence requirements. The tendency for businesses to prioritise short-term profitability over longterm ESG resilience is highlighted by the report as being a reason behind the growing gap between ambition, expectation and preparedness.

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The trends presented by EiQ draw on LRQA's extensive work with more than 450 global businesses at both corporate and site level in over 100 countries.

Kevin Franklin, Chief Product Officer at LRQA, said: "While it could be argued that global supply chains have never faced such a complex web of connected challenges, business leaders are faced with a huge opportunity to overcome them by investing in data, advanced technologies and global expertise.

"Our goal in sharing these trends is to guide better data-driven decision-making and inform the design of more impactful supply chain sustainability and risk management programmes. Every responsible business will have its own unique needs, but by placing real-time data and ESG right at the heart of business strategy, leaders can turn the dial from reactive risk management to empowered and data-driven proactivity."

To read the full EiQ report on the eight supply chain sustainability trends for 2025, visit EiQ.com.