



**2026 Ethics & Compliance Benchmarking Study**

# Third-Party Risk Management



## Introduction

At Rethink Compliance, we are dedicated to empowering real change — for our clients, in our industry, and in our clients' workplaces. For more than a decade, we have partnered with ethics and compliance (E&C) practitioners around the globe, and we consistently hear the same message: benchmarking is essential. It is how practitioners defend their programs, make the case for resources, and identify opportunities to grow. Our benchmarking studies draw on our industry knowledge, in-house expertise, and decades of experience working with hundreds of organizations worldwide. In short, our goal is to help answer the question we are often asked: *What are others doing?*

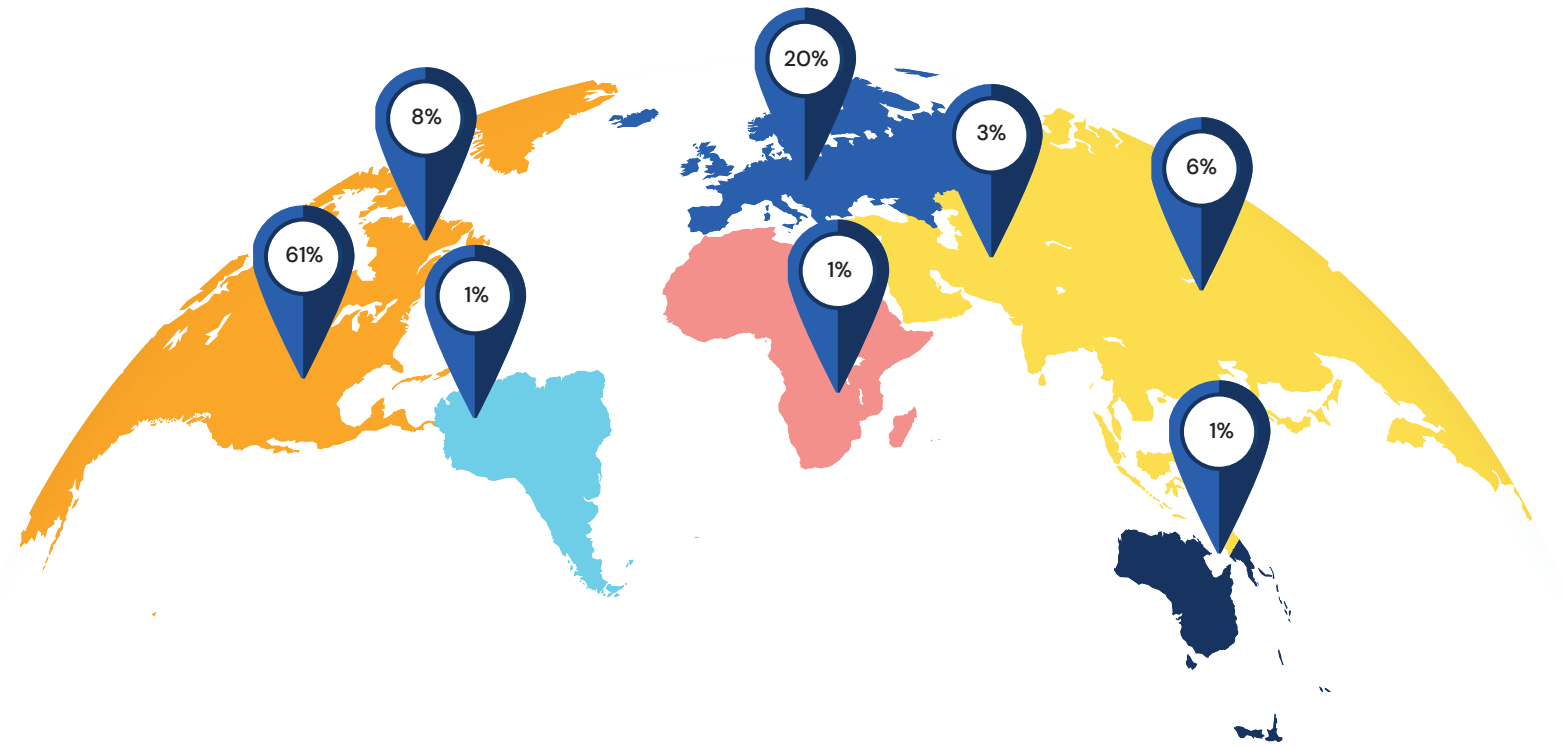
This is one of a series of reports. We have been systematically conducting benchmarking studies using Rethink's E&C Program Framework. If you are interested in reviewing our other reports, you can find them on the Rethink website under [Insights & Resources/Whitepapers](#). Prior studies have covered Culture, Governance & Resources; Testing & Monitoring and Data & Systems; Training & Communications; and E&C Risk Assessment.

## Our Current Topic

Third-party relationships are essential for modern business operations, but they also represent one of the most significant areas of E&C risk. Regulators increasingly expect organizations to not only screen their third parties but to actively monitor and manage them, all of which requires a third-party risk management program that addresses E&C risks. In this report, we will refer to third-party risk management as TPRM and third-party risk management programs as TPRM programs.

In February, we launched our 2026 TPRM Benchmarking Survey to gather insights directly from E&C practitioners on how they address the E&C risks posed by third parties. Because the survey included branching logic, respondents answered as few as six or as many as 31 questions. We are grateful to the nearly 130 respondents who helped us create this study.

# Demographics and Organizational Scale



The survey reached a significant number of large-scale enterprises:

▶ Our respondent pool comprises a wide range of organizations, providing a global perspective. The largest representation of headquarters is the United States (61%) and Europe (20%).

**>\$5B**

Thirty percent (30%) of participating organizations report annual revenues exceeding \$5 billion.



**>10,000**  
employees

Forty-one percent (41%) employ more than 10,000 people globally.

**TOP**  
**4**

Industries

Respondents represented a wide variety of industries. The top four industries with the most participants were:

- Life Sciences (16%)
- Healthcare Provider (13.6%)
- Energy/Utilities (12%)
- Industrial Manufacturing (8%)

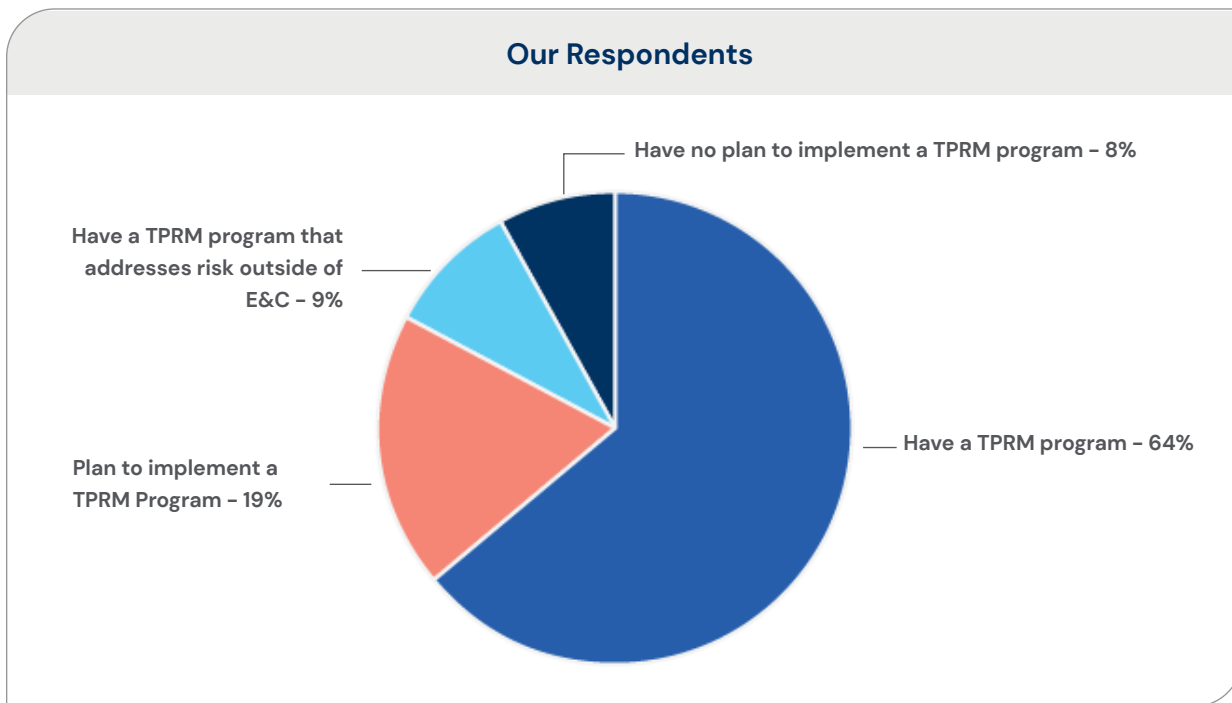
All four of these industries confront significant third-party E&C risk. There are very active regulators in both the healthcare and energy sectors, and industrial manufacturing companies face a broad range of supply chain vulnerabilities. One point of commonality across these sectors is that their customers, which can include the government, often mandate provisions for controlling supply chain risk.

# A Note on Our Respondents and How to Use This Report

As in our recent study on E&C risk assessment, the results suggest self-selection by respondents. **Eighty-four percent (84%) of all respondents either have a TPRM program or plan to implement one.** As we reviewed the data, we recognized that the 83 participating organizations with TPRM programs represent an elite group that has implemented many leading practices in TPRM.

- **Over 64%** of all respondents currently maintain a TPRM program.
- **An additional 19%** of respondents plan to implement a TPRM program.

**The detailed findings in this study focus exclusively on the 83 respondents who currently maintain TPRM programs.** Of that elite group, the number of respondents to any given question ranged from 43 to 83. Therefore, unless otherwise noted, all percentages going forward are based on the 83 respondents with TPRM programs.





## IN OUR EXPERIENCE: INSIGHTS INTO LEADING PRACTICES

Our survey respondents reported implementing leading practices in TPRM at higher rates than we have seen in practice at many organizations. If your company is in the early stages of implementation in this area, we recommend selecting one or two TPRM practices described in this report that you recognize as important to implement. Then keep building your program from that base.



## Frame the Issues: The Foundation of TPRM

An effective TPRM program should be based on the organization's third-party E&C risks. A good risk assessment will consider the organization's industry, geographic footprint, products and services, customers, specific third parties, applicable laws, and the potential consequences if something goes wrong. (Refer to [Rethink's earlier study on E&C Risk Assessments](#) for more information on this step.)

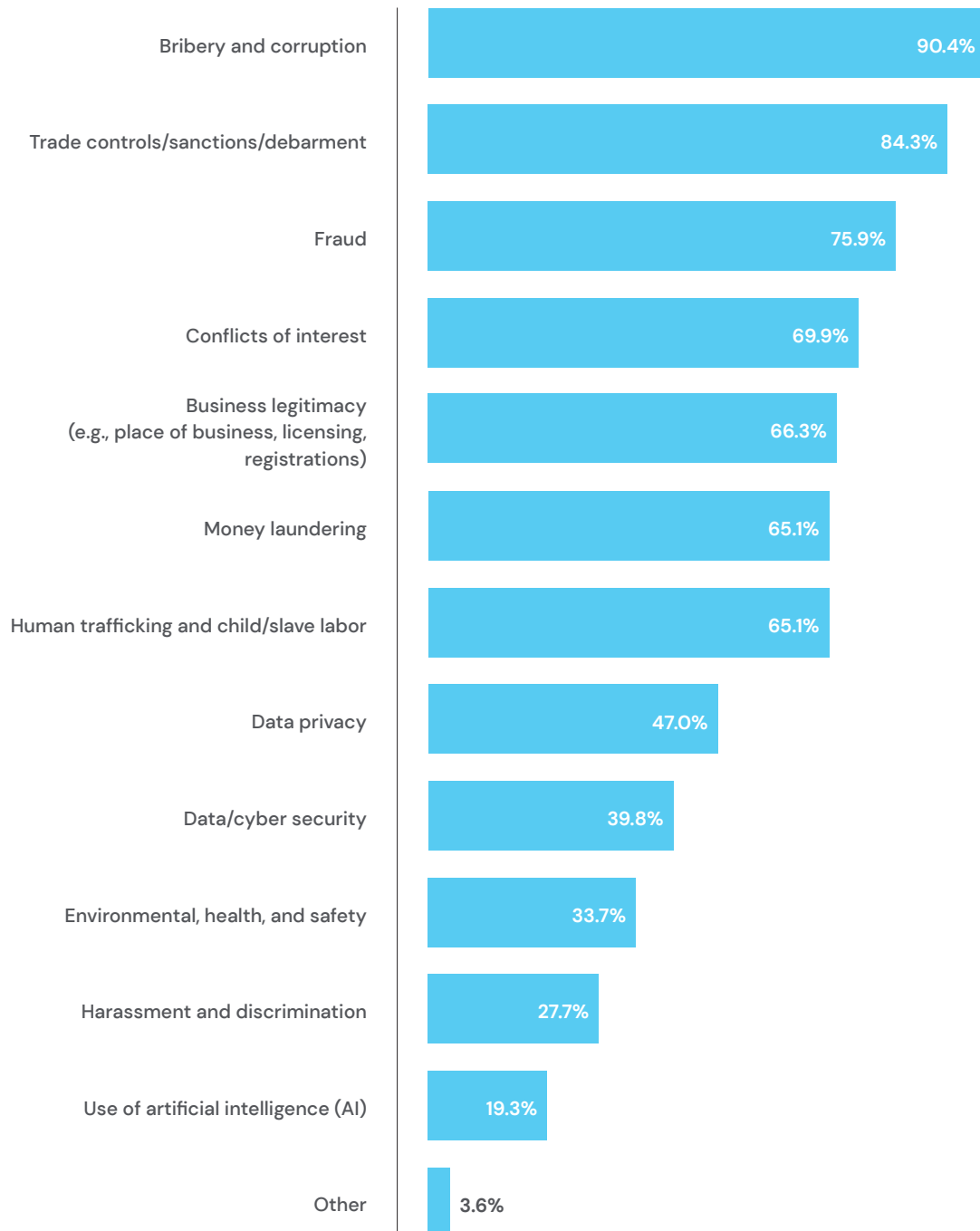
As part of our analysis, we reflected on the importance of industry as a factor. Remember, even organizations in the same industry face different risk factors when designing a TPRM program. For example, the structure, geographic footprint, and product/service offering of organizations in the same industry will impact how each different organization designs its TPRM program.

There is also variation in the risks E&C departments assist in controlling. Even if some of the risks referred to in this report are not within your program's purview, we recommend you verify where E&C oversight resides for various risk areas in your organization, work with the responsible parties to identify efficiencies, and share helpful data.

# The Risk Landscape: What Is Being Covered?

A good TPRM program builds off a risk assessment that identifies and ranks the E&C risks your organization faces.

**E&C Risks Addressed as Part of TPRM Programs**



## Common E&C Risks

The following core risks are addressed by over half of our respondents in their TPRM programs:

- **Bribery & Corruption:** 90% of respondents
- **Trade Controls/Sanctions:** 85% of respondents
- **Fraud:** 76% of respondents
- **Conflicts of Interest:** 70% of respondents
- **Business Legitimacy, Human Trafficking, and Money Laundering:** Each covered by roughly 65% of respondents

We also found it insightful that the respondents who address **Bribery & Corruption** and **Trade Controls/Sanctions** in their TPRM programs stretch across all industries. This doesn't mean that all organizations in all industries address those risks, but it does show that these two risks are **common to all industries**.

## Emerging Risks

At the other end of the spectrum, **Artificial Intelligence (AI)** is currently the least common risk covered in TPRM programs (**just under 20%** of respondents). And organizations addressing AI use by third parties represent only nine of the 18 industries surveyed. Other E&C-related risks with surprisingly low coverage in TPRM programs include Data Privacy, Data/Cyber Security, Environmental Health & Safety (EHS), and Harassment/Discrimination, with coverage ranging from 28% to 48%. We hope many of the organizations that reported not addressing those risks in their TPRM programs are covering them elsewhere in their risk management efforts.

### IN OUR EXPERIENCE: AI AND ORPHANED RISKS

Most organizations are behind on addressing evolving risks. Effective E&C professionals are responsible for constantly scanning the horizon for emerging risks. For example, AI is a rapidly evolving field, as are prediction markets (platforms that allow users to wager on the outcomes of real-world events, from elections to corporate earnings). For emerging risks like these, first verify that they are being addressed *somewhere* within your organization. This effort may involve simply consulting with other groups. Once you understand how big a risk something poses to your organization, consider whether *third-party risk* in that area also needs to be addressed.

In the case of AI, for example, all organizations are well advised to proactively address AI risk by establishing a policy, educating employees, and requiring their Information Technology (IT) teams to conduct AI screening, require approvals, and implement enterprise-wide tools. Once the organization has its arms around its own AI risks, work with experts to assess the third-party AI risks to your organization and determine which group will address those.

## Who Is Screened? (Tying Screening to Risk)

When considering the types of third parties subject to some form of screening, the top five categories across all industries are unsurprising. They are common and can pose significant risks.

- **Service Providers:** 82% of respondents
- **Suppliers/Vendors of Goods:** 81% of respondents
- **Agents and Representatives:** 75% of respondents
- **Resellers/Distributors:** 61% of respondents
- **Professional Service Providers:** 60% of respondents

The next highest categories are merger and acquisition (M&A) targets (54%) and potential joint venture (JV) partners (52%). These are third parties that create high risk and warrant screening. However, organizations that do not engage in M&A or JV-related activity obviously have no reason to control such third-party risks.

Third Parties Included in TPRM Programs	
Service Providers (e.g., customs brokers, logistics providers, construction contractors)	82%
Suppliers/Vendors of Goods, including materials supply chain	81%
Agents/Representatives	75%
Resellers/Distributors	61%
Professional Service Providers (e.g., attorneys, accountants, auditors)	58%
Merger and Acquisition Targets	54%
Potential Joint Venture Partners	52%
Customers/Clients	48%
Independent Contractors/Contract Employees	42%
Subcontractors of any of the above (i.e., fourth parties)	40%
Employees/Volunteers/Interns	19%
Other	7%

On the other end of the spectrum, the third parties who are **least likely** to be screened include **Subcontractors/Fourth Parties (40%)** and **Employees/Volunteers (19%)**.

It is notable that seven industries (including Energy & Utilities, Life Sciences, and Healthcare Providers) screen some percentage of every category listed, suggesting these highly regulated organizations are exceptionally thoughtful about the comprehensive risks they need to cover.

## IN OUR EXPERIENCE: SCREENING SUBCONTRACTORS AND EMPLOYEES

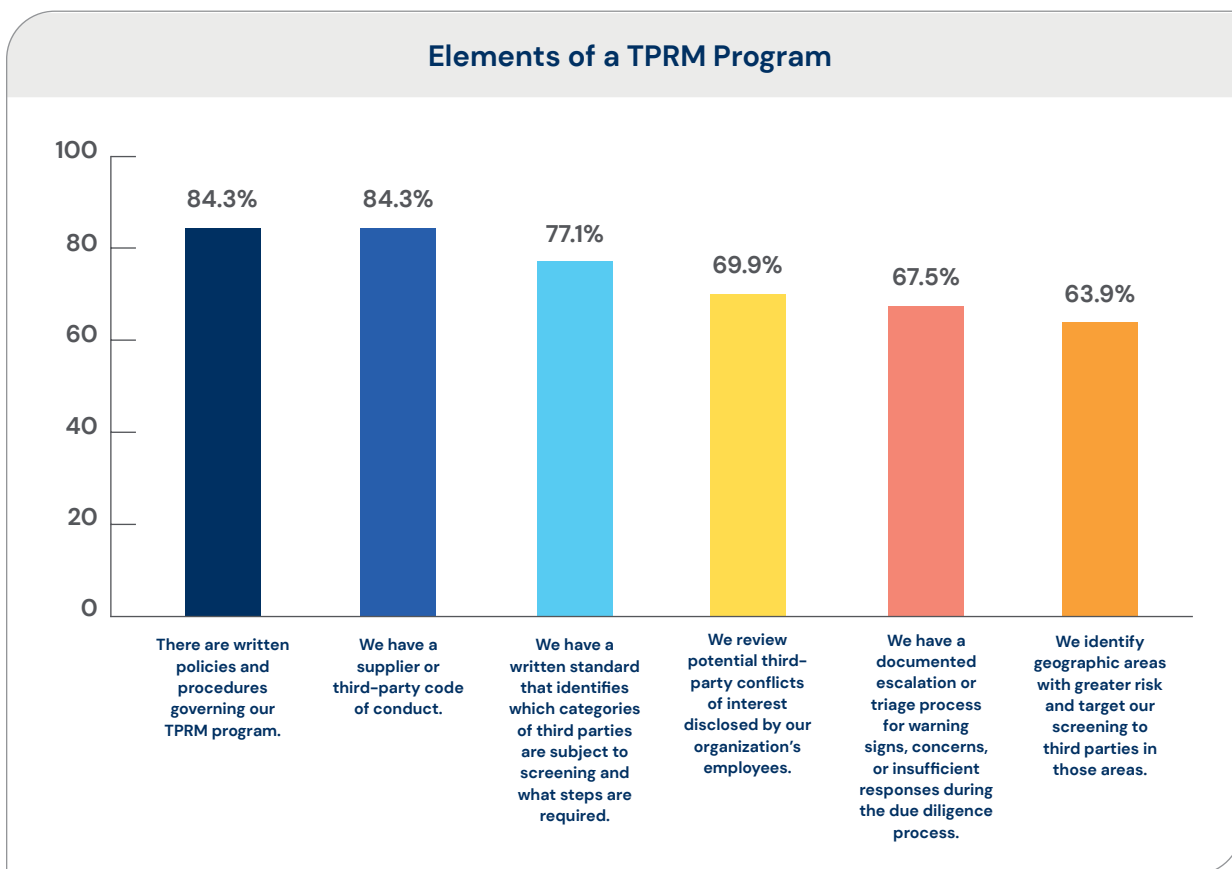
Subcontractors are notoriously hard for organizations to screen since there is no direct contractual relationship between the parties. However, for some organizations, subcontractors represent a high risk that must be considered.

Screening employment applicants may be limited by laws and regulations. If it is not practical to conduct E&C-related screening for all employees, consider focusing on positions with responsibilities where E&C is critical, as well as existing employees who are being promoted.

Many non-profit organizations face a high risk of conflicts of interest and/or unethical behavior because people may be prone to blindly trust others who support their cause. In those situations, it may be wise to implement screening programs for volunteers.

## TPRM Program Elements and Controls

Respondents who provided information about the substance of their TPRM programs demonstrated a strong awareness of what is required to demonstrate effectiveness.



**Written policies** are basic to E&C. **Eighty-four percent (84%)** report maintaining written policies and procedures to govern their TPRM program. If a TPRM program is not documented with easy-to-follow procedures, it is unlikely to be effective. The majority of these organizations cover critical details in their documentation, such as geographic limitations, escalation processes, and internal conflicts-of-interest screening.

**Third-party codes of conduct** are widely implemented. **Eighty-four percent (84%)** of respondents with TPRM programs maintain one. Importantly, of the organizations maintaining supplier codes, over 90% require their third parties to abide by their codes of conduct, and **72%** require their suppliers to push those standards down to their own supply chains (fourth parties). This indicates that third-party codes of conduct are viewed as enforceable requirements — not just stretch goals.

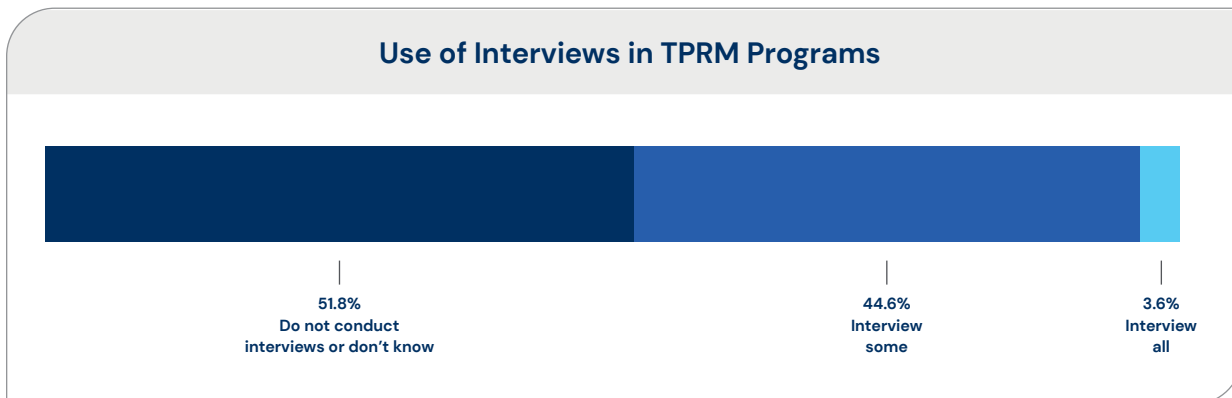
**Audit and contractual rights** are important tools for an effective program. Leading TPRM programs include audit rights *and* maintain programs to conduct audits.

- **About 86.8%** of respondents include audit rights in some or all of their contracts.
- **Looking at triggers for audits, about 50%** of respondents with those contractual provisions maintain a program to audit when warranted, and **21.7%** conduct audits on a set schedule.
- Crucially, **almost 32%** of this group report they have actually **exercised** those rights in the past, demonstrating that audit rights are not merely check-the-box provisions at those organizations.

**Due diligence** is a critical practice for organizations to reduce third-party risk. A well-designed due diligence process goes beyond collecting forms and checking boxes — it is an active effort to understand who your third parties are, how they operate, and what risks they may pose to your organization. The following elements represent leading practices in this area:

## Interviews

While questionnaires and automated screening are valuable, interviews add a qualitative dimension that cannot be replicated by data alone. Our survey found that **44.6% of respondents with TPRM programs conduct interviews with certain third parties**, while fewer than 4% do so for all of them. Interviews take significant time to conduct. However, they can be particularly valuable for higher-risk relationships — such as agents, JV partners, or representatives in high-risk geographies — where written responses may not tell the full story. A conversation can surface concerns that a simple paper screening cannot.



## Training Requirements

A TPRM program is only as strong as the people — and third parties — who understand it. Our survey found that **47%** of respondents with TPRM programs **require training for personnel** at *certain* third parties, while **13%** extend that requirement to *all* third parties.

Training requirements are most common among agents, representatives, and others who act on behalf of the organization. When third parties interact with government officials or handle sensitive transactions, training on bribery, conflicts of interest, and data privacy can be especially critical. Third-party training need not be elaborate — a short, focused module or a well-designed briefing document can go a long way toward setting expectations and demonstrating that your organization takes E&C seriously.

## Ongoing Due Diligence

Onboarding a third party is only the beginning. **Eighty-two percent (82%) of respondents conduct ongoing due diligence** after a third party is engaged. Among those, the most common approaches are repeating due diligence at set time intervals for all (40%) or certain (34%) third parties, and re-screening under specific conditions, such as contract renewals or changes in ownership (over 25%).

Ongoing due diligence reflects a mature understanding that risk does not stand still. Business relationships evolve, ownership structures change, and geopolitical conditions shift. A periodic refresh — or a trigger-based review — means your TPRM program keeps pace with those changes.



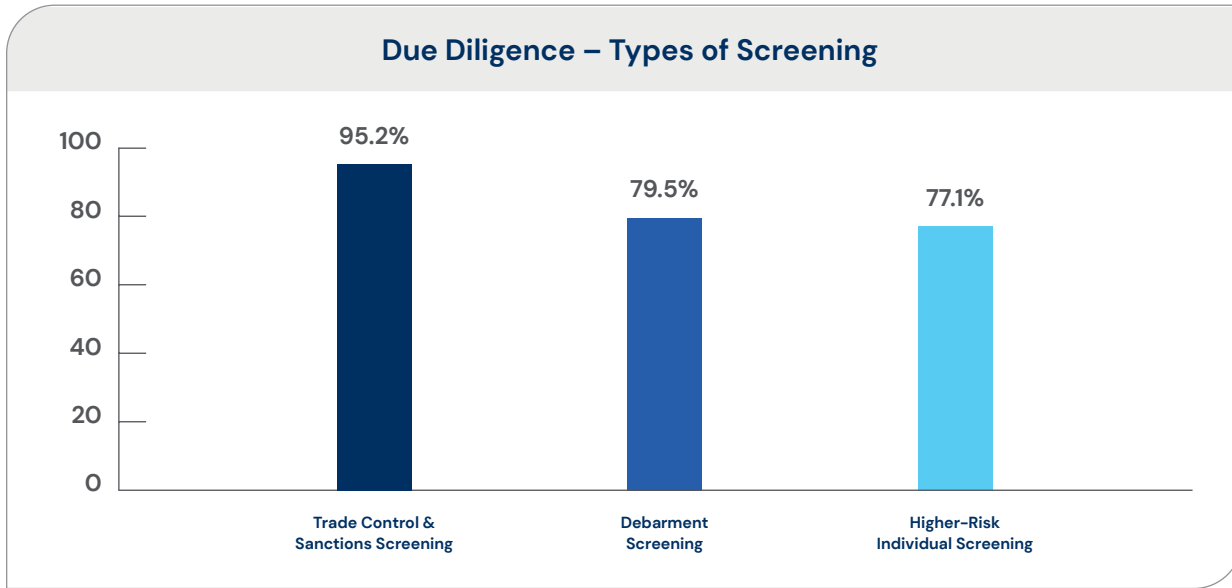
### IN OUR EXPERIENCE: GETTING STARTED WITH ONGOING DUE DILIGENCE

Trigger-based re-screening is often the most efficient approach for organizations with large third-party populations. Common triggers include contract renewal, change of ownership, a new transaction in a high-risk jurisdiction, or an internal concern raised through a helpline. Consider collaborating with audit, legal, and procurement teams to define and standardize those triggers across your organization.

**Screening** is also a critical tool to reduce third-party risk. There are many types of screening. An organization's screening program needs to be tailored to the risks it faces. There are many commercially available screening tools to identify warning signs related to sanctions, debarment, bribery, and other forms of non-compliance.

In the face of increasing use of economic sanctions to achieve humanitarian and political goals, more organizations are starting to recognize the need for third-party screening. Looking at the organizations with TPRM programs, **over 95% screen for trade controls and sanctions**. Additionally, **nearly 80% screen for debarment**.

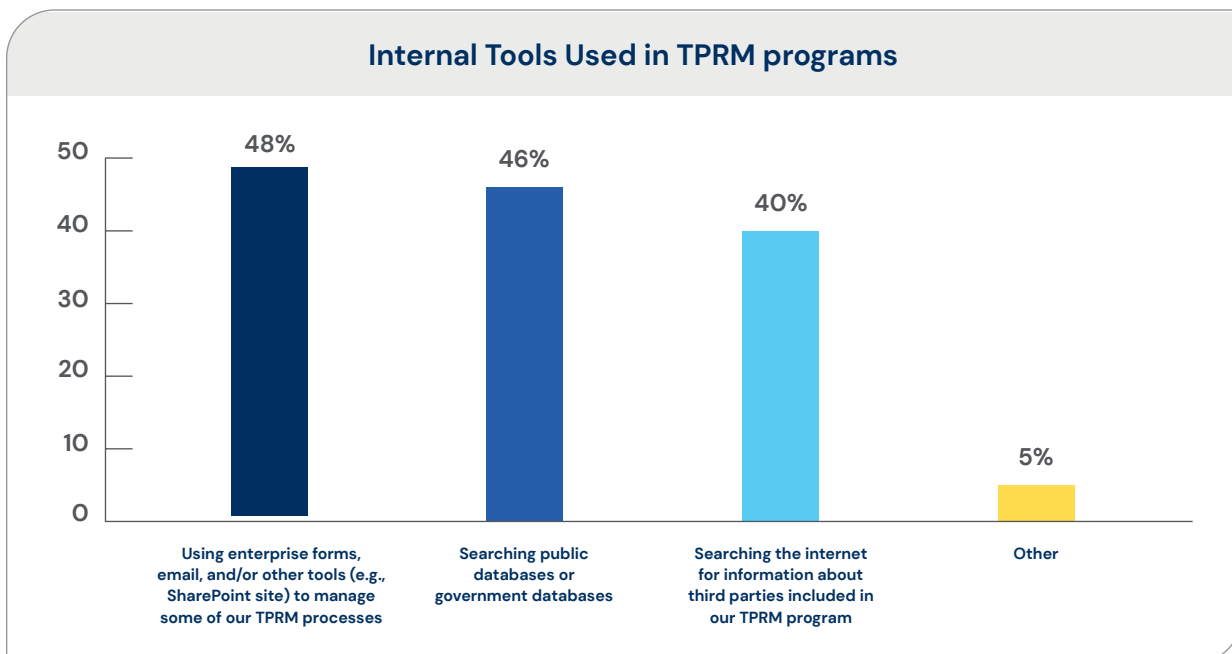
**Seventy-seven percent (77%)** of the organizations that conduct screening take the next step and screen higher-risk people behind the entities, such as owners and project managers. Failure to screen these types of individuals can pose significant risks, especially when sham structures are used to evade sanctions and trade controls and/or conceal a history of bribery.



## Tools Used to Support TPRM Programs

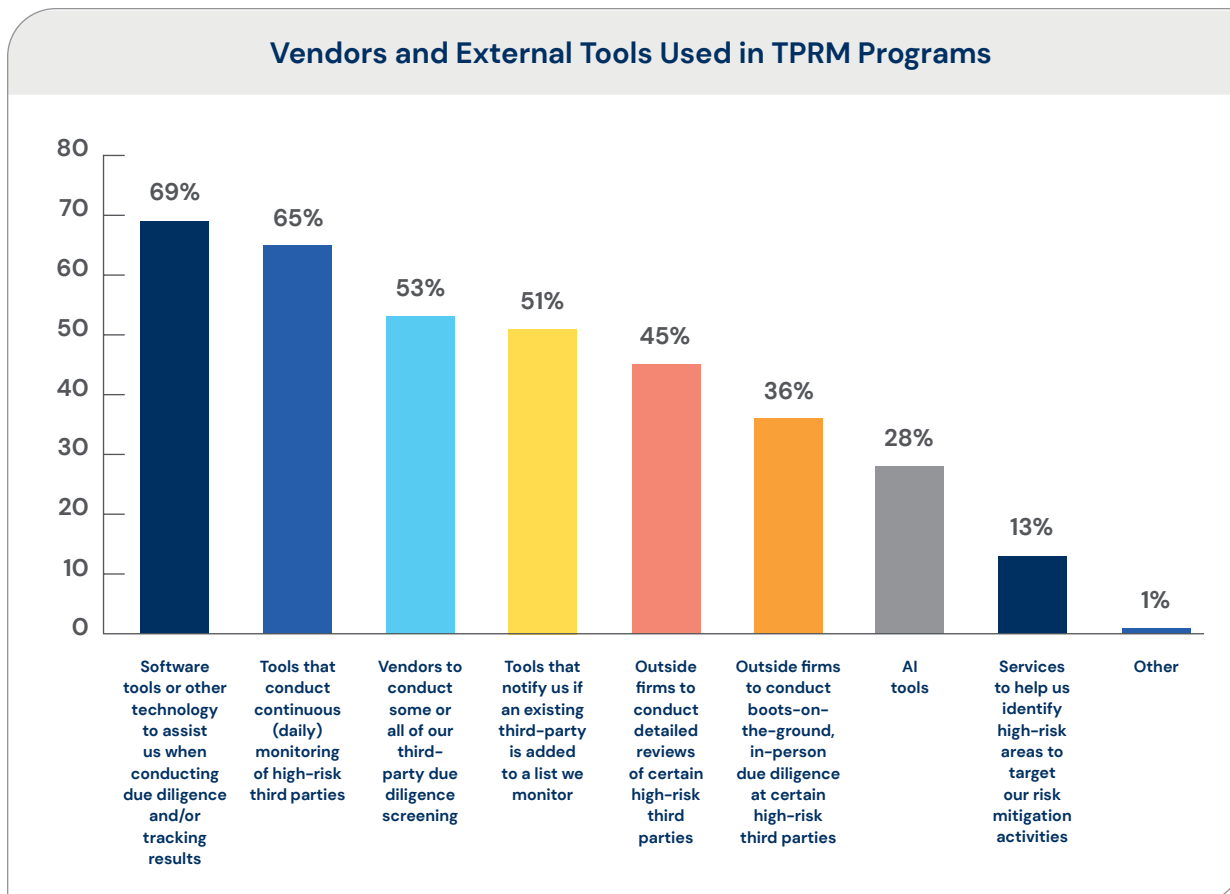
### Internal Tools

Over 65% of respondents with TPRM programs use internal tools and resources to support them. Depending on the type of risks your organization faces, public databases and internet searches can be helpful. However, it’s easy for misspellings, aliases, and warning signs to be missed in a manual search. For some organizations, however, budget constraints may mean this is their only choice.



## Vendors and Specialized Software

We operate in a global economy, and it is almost impossible to conduct meaningful third-party due diligence without help. Well over 80% of respondents with TPRM programs use vendors and specialized software to conduct due diligence screening. And 65% conduct continuous or daily monitoring in high-risk areas.



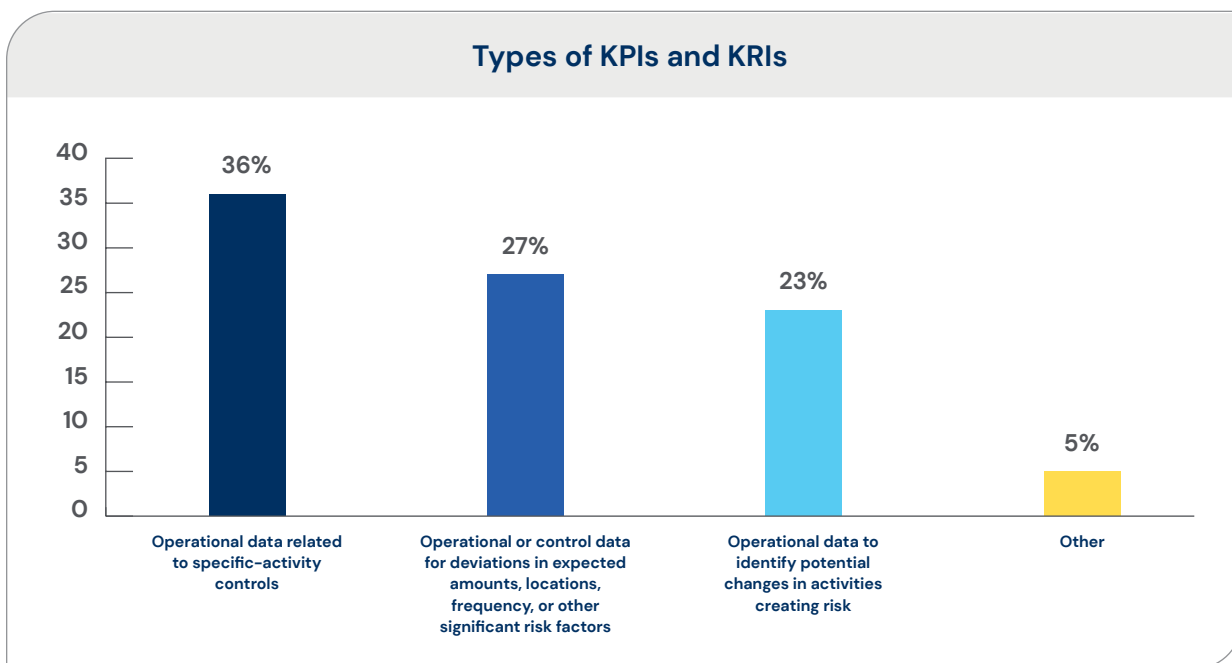
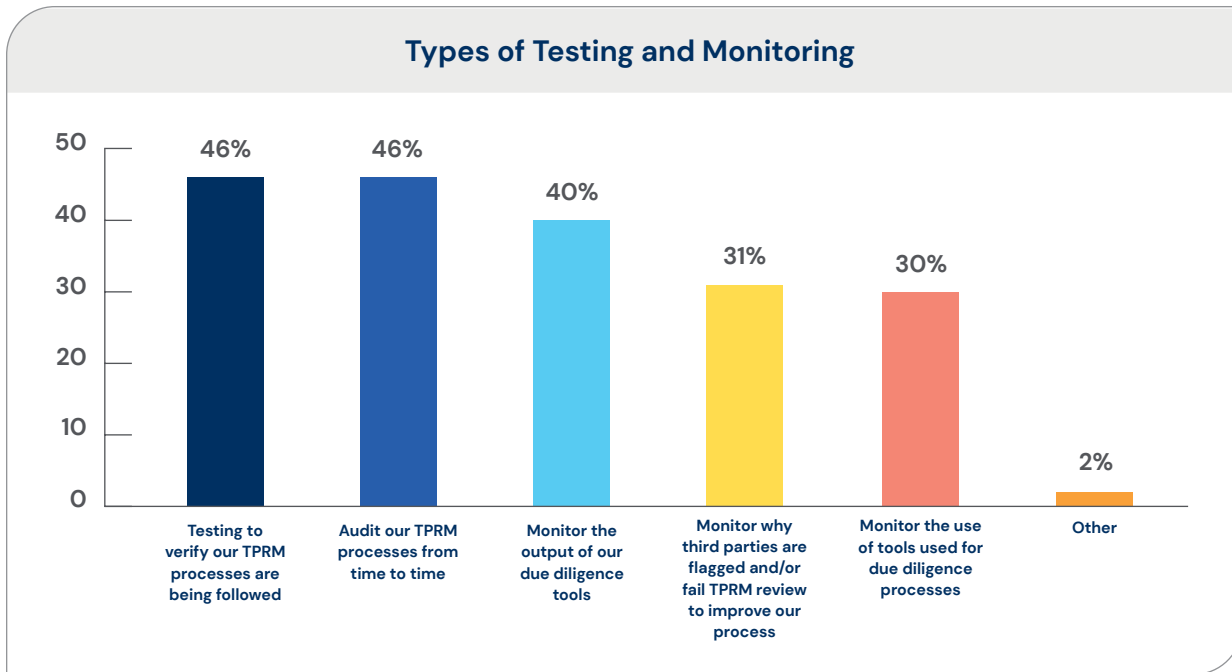
These types of tools and services offer meaningful improvements in the effectiveness and efficiency of TPRM programs. Depending on your budget and the types of risk you face, consider investigating these kinds of tools if you haven't done so already.

## Testing, Monitoring, and Data Analytics (The Early Adopters)

For those organizations that are using data, their use of data indicates they are leveraging it to make their programs both **more effective and more efficient**. This group represents the “early adopters” of data-driven compliance. They act on the knowledge that spotting deviations from normal activity helps focus attention on places where something unusual is happening, which is more efficient and effective than random testing. While random testing is important for audits and should be conducted, save it for the auditors.

Of those who answered our testing, monitoring, and data analytics-related questions, the data looks promising. We note, however, that we received the fewest number of responses to these survey questions. Of the 83 respondents with TPRM programs, only 56 (67%) use testing and monitoring. And only 43 (54%) use Key Performance Indicators (KPIs) or Key Risk Indicators (KRIs) to identify warning signs and help focus their attention.

Those respondents who use data in these ways demonstrate they take advantage of its power.



While we are encouraged by the expansion of the types of data organizations are using (as reported in our [2024 Benchmarking Study: Testing & Monitoring and Data & Systems](#)), we are disappointed by the low overall rates of testing, monitoring, and KPI/KRI implementation.

Metrics help make programs more efficient and effective. E&C departments need to be as efficient as possible, and the U.S. Department of Justice actively encourages these practices. The use of data for testing and monitoring is an important area of growth for both E&C departments and TPRM programs, and we hope to see higher implementation rates in future studies.



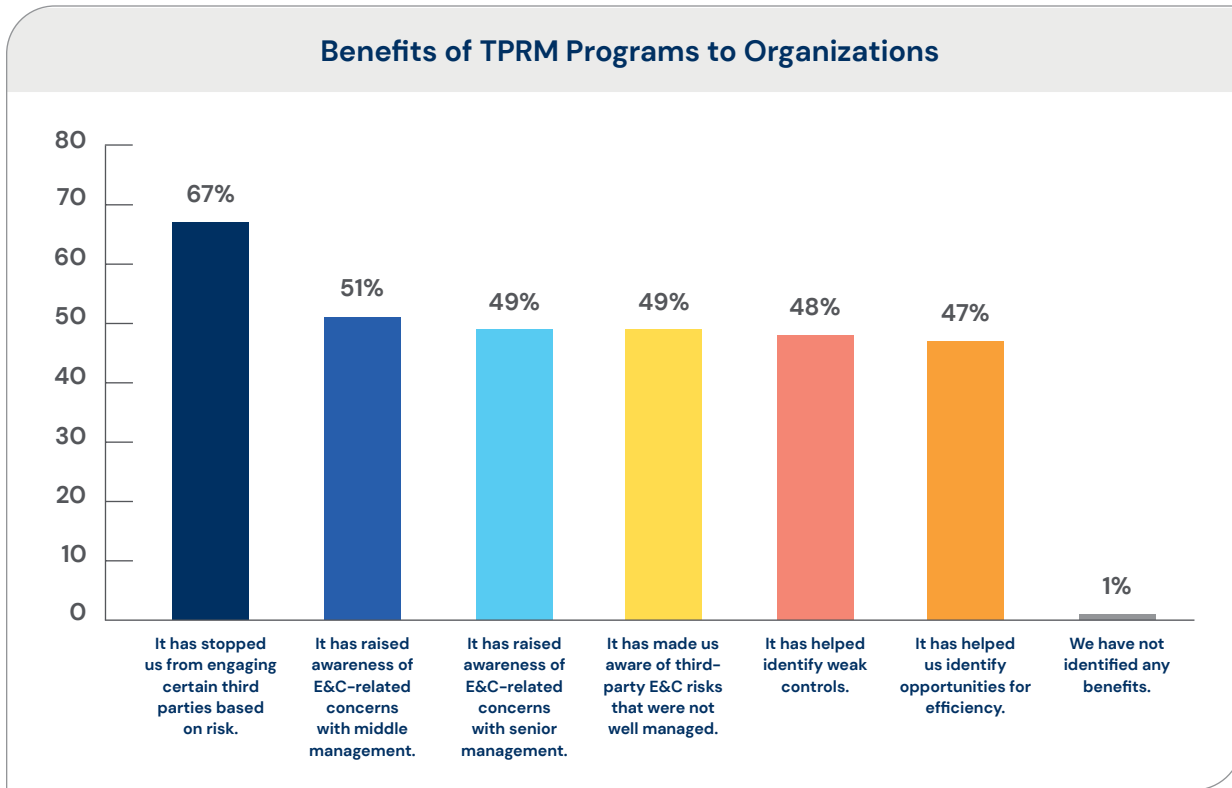
### IN OUR EXPERIENCE: GETTING STARTED

Use of data is an area where E&C professionals would benefit from experimenting and growing. Collaborating with other teams can help you both understand and identify opportunities in this area and gather useful data. If you aren't sure where to start, reach out to audit, finance, IT, data analytics, or other groups involved in operations and controls.

## The Value Proposition: Benefits of TPRM Programs

Finally, we asked respondents to identify the tangible benefits their TPRM program has brought to their organization's E&C efforts. It was not surprising to see that **over 98%** of respondents with TPRM programs cited multiple benefits. Generally, the benefits fall into three buckets:

1. **Preventive Success:** The single most significant benefit reported was the ability to **stop engagement with certain third parties based on risk (67%)**. This data shows these TPRM programs are actively influencing business decisions.
2. **C-Suite Visibility: Fifty-one percent (51%)** of respondents noted that their TPRM activities have **raised awareness of E&C-related concerns with senior management**, effectively bridging the gap between E&C programs and executive oversight.
3. **Internal Improvement:** Roughly half (**48%**) of respondents noted that their TPRM programs help identify weak internal controls, suggesting that looking "outward" at third parties often helps organizations fix "inward" problems.



## Conclusion

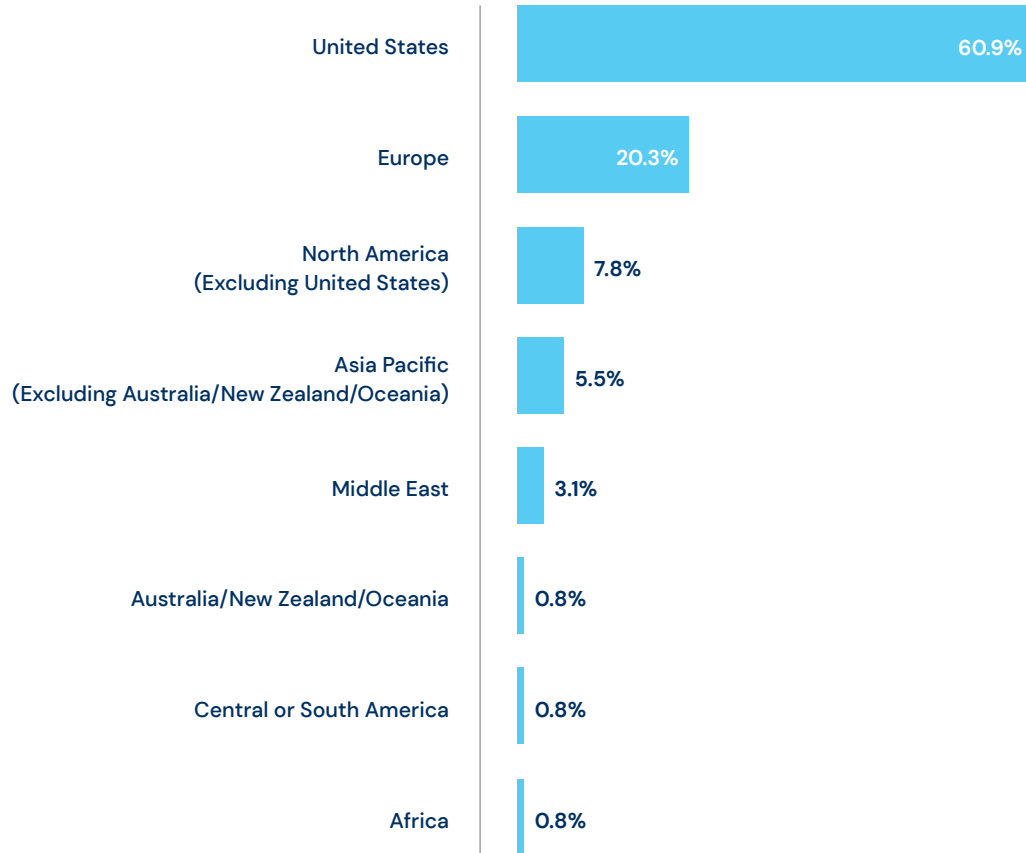
Developing a mature TPRM program, combined with continuous improvement, is becoming increasingly important in today’s global economy amid complex regulatory risks across the world.

As you evaluate your own TPRM program, we encourage you to look closely at how you address emerging third-party risks like AI, how effectively and efficiently you investigate your third parties, and how you leverage data and KPIs to monitor program effectiveness and efficiency.

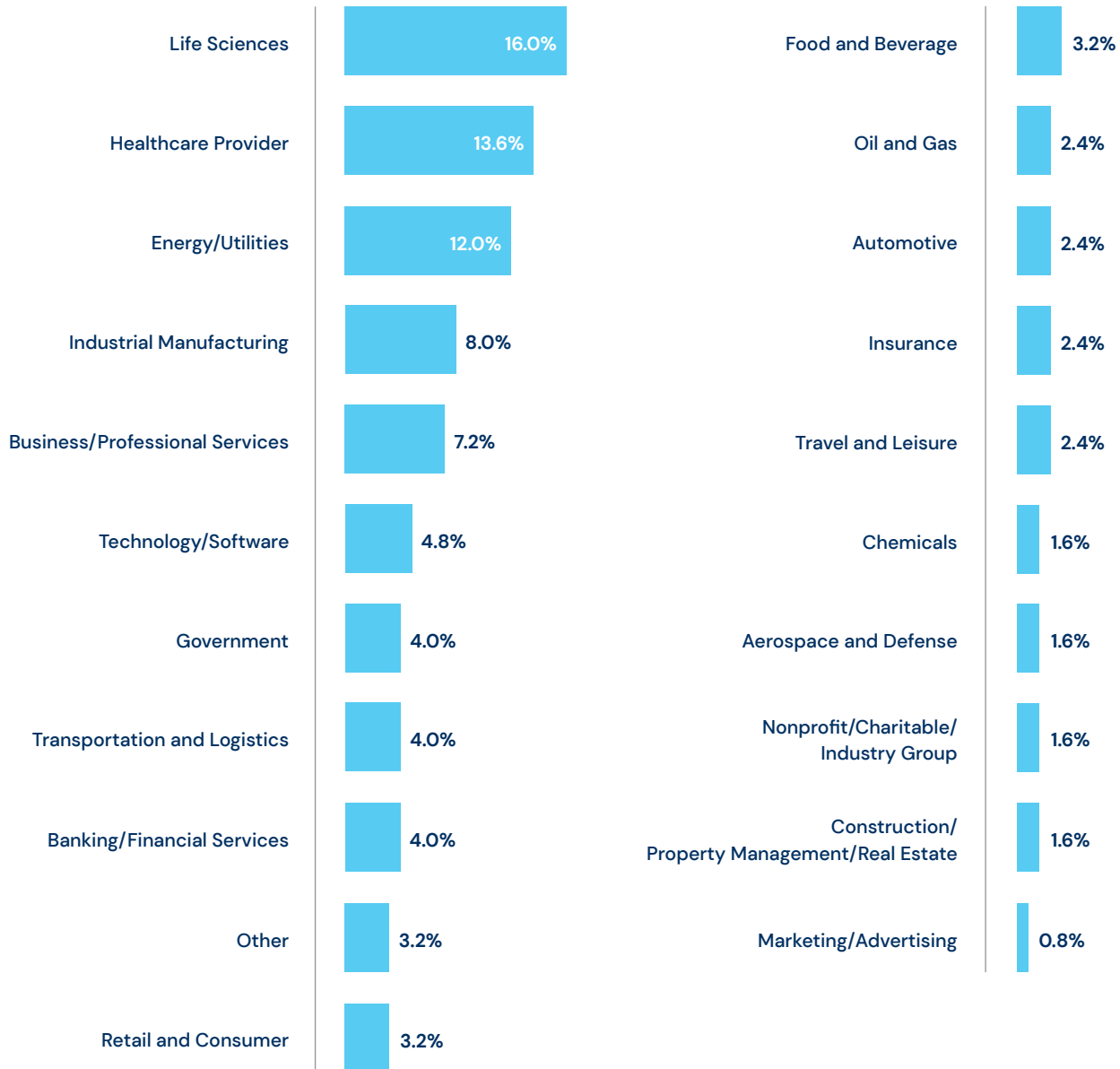
We thank all the participants who contributed to this study. Your insights continue to shape industry-leading practices, and we look forward to your participation in future Rethink benchmarking surveys.

# Appendix

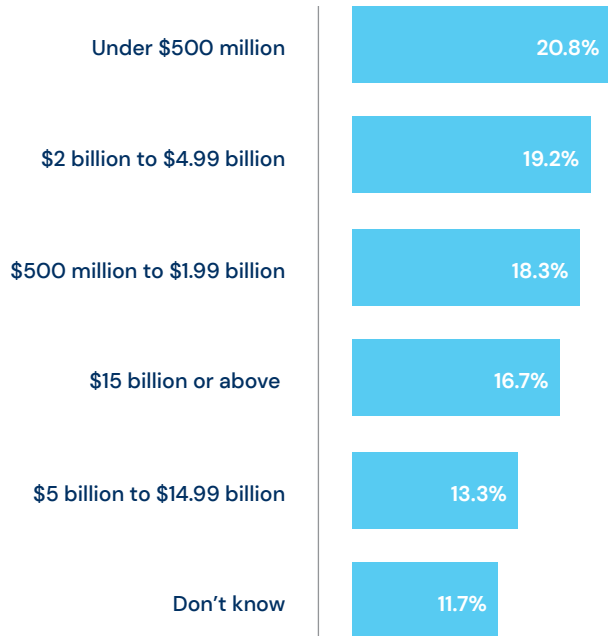
## In what region is your organization headquartered?



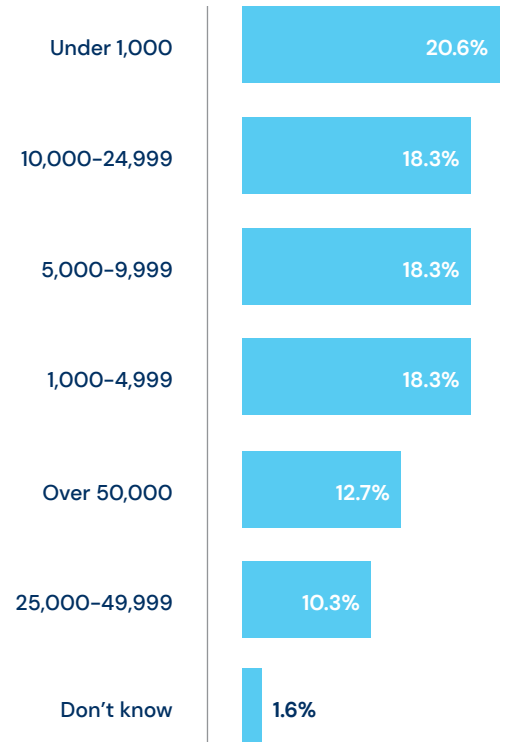
Which of the following most closely describes your organization’s industry?



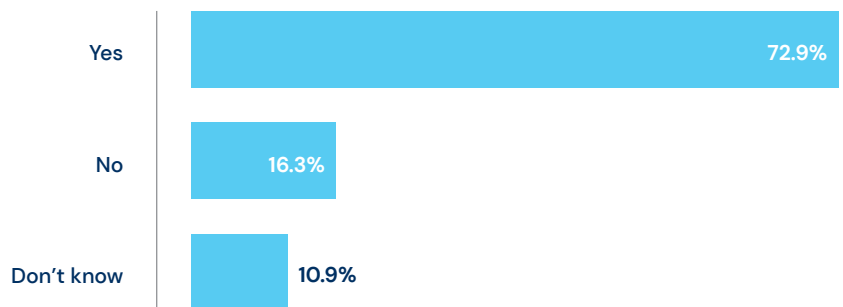
**What is the approximate annual revenue of your organization in U.S. dollars?**



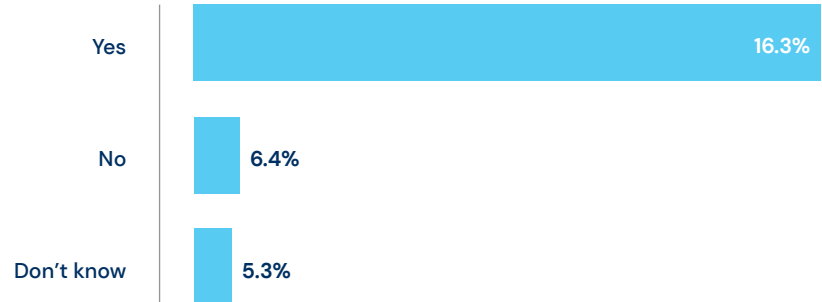
**How many employees work in your organization, globally?**



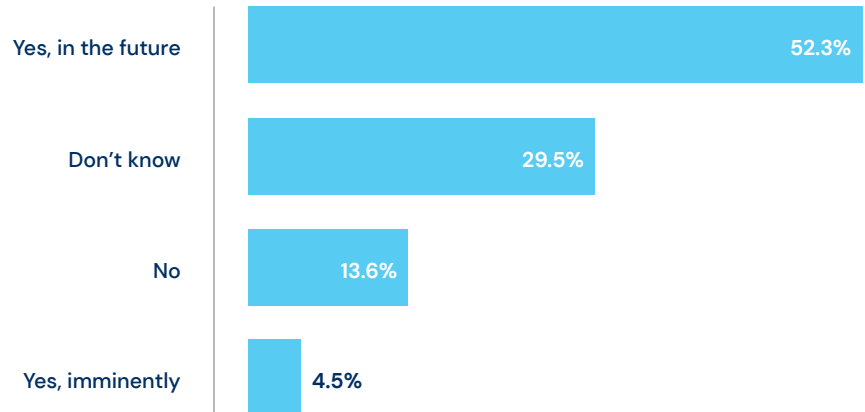
**Does your organization maintain a third-party risk management (TPRM) program?**



**Does your organization's TPRM program include the identification and management of E&C-related risks?**

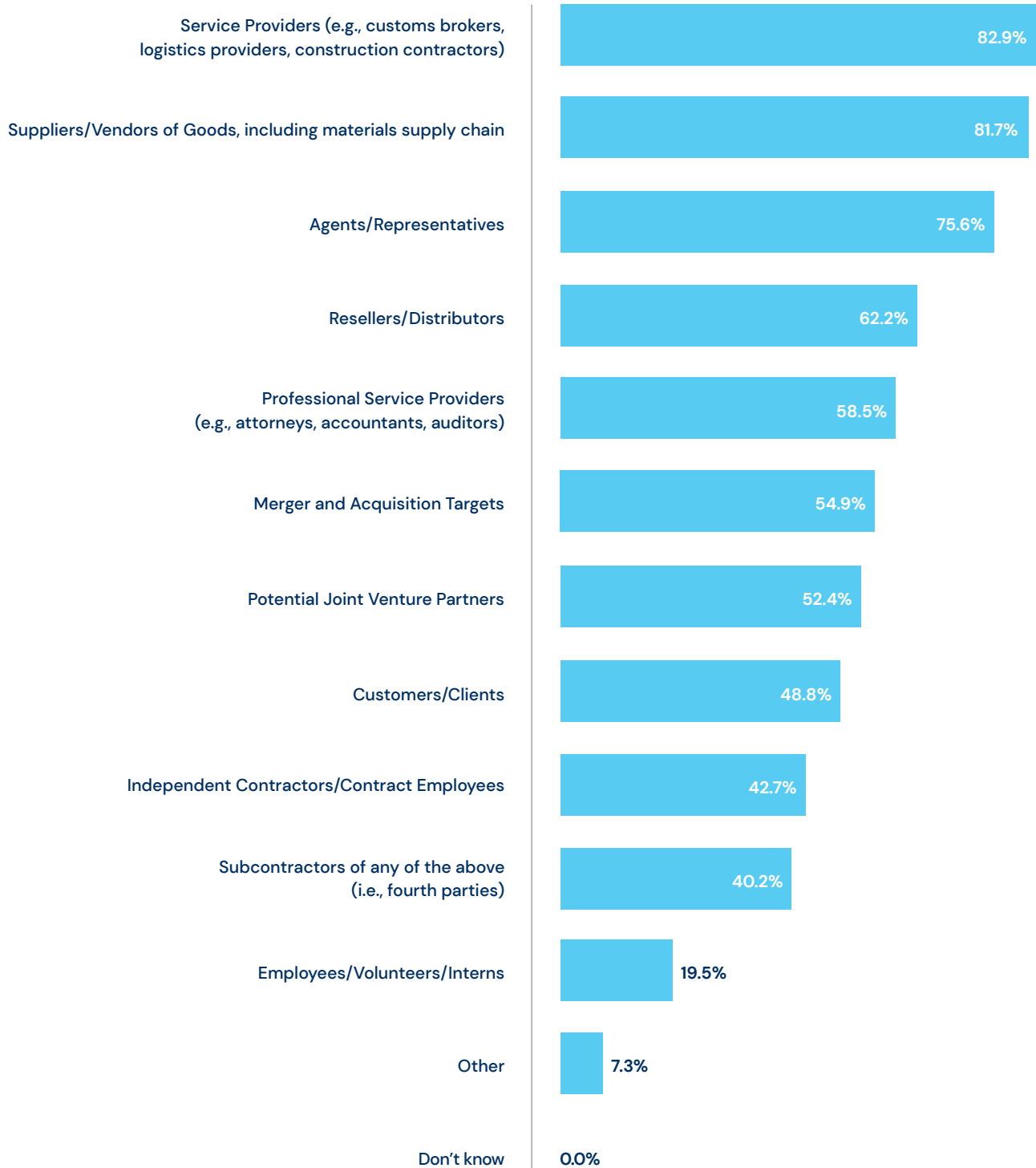


**Does your organization plan to implement a TPRM program that will include the identification and management of E&C-related risks?**



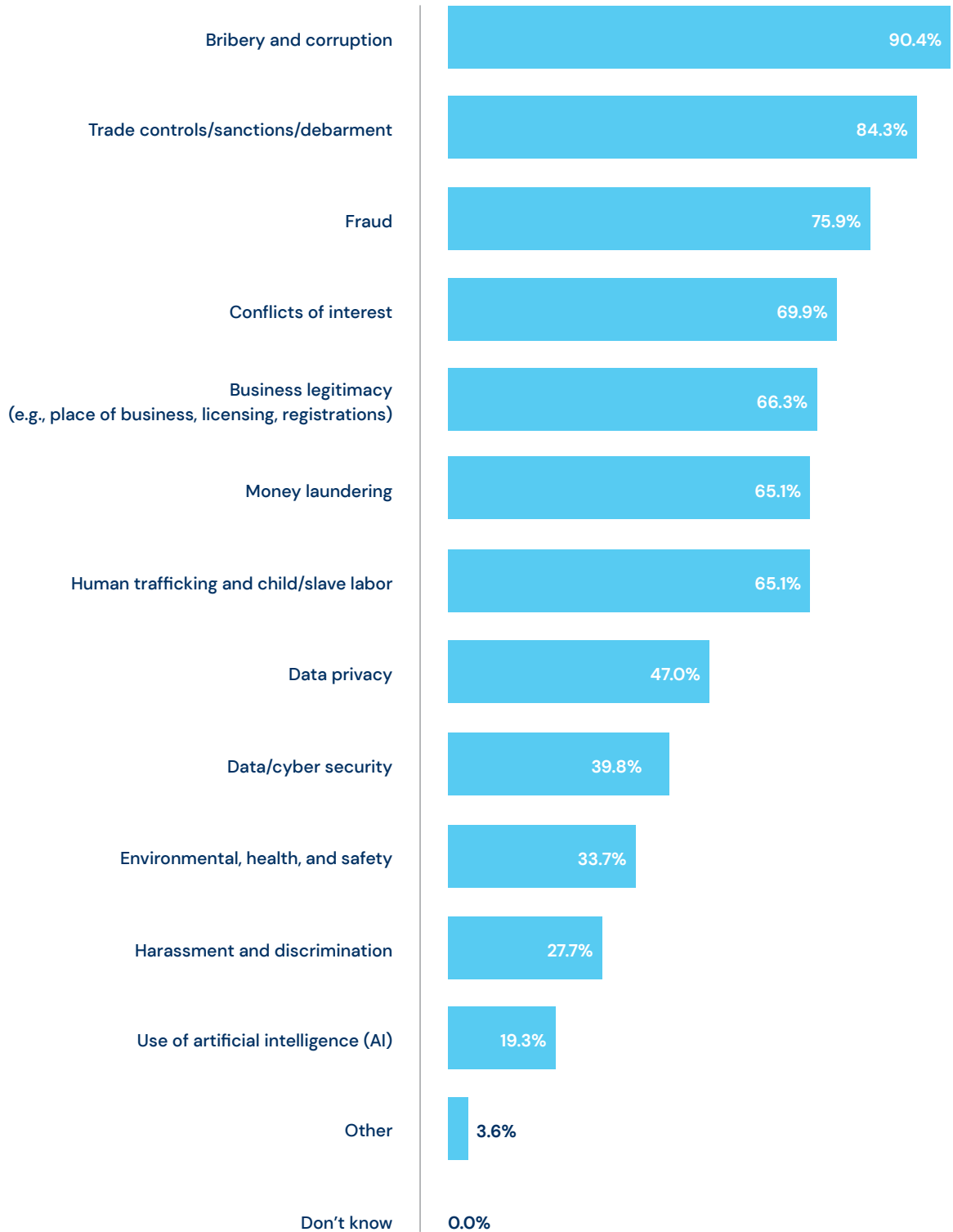
**Which categories of third parties are included in your E&C-related TPRM activities?**

Respondents = 82



**Which of the following E&C risks do you assess/manage as part of your TPRM program?**

Respondents = 83



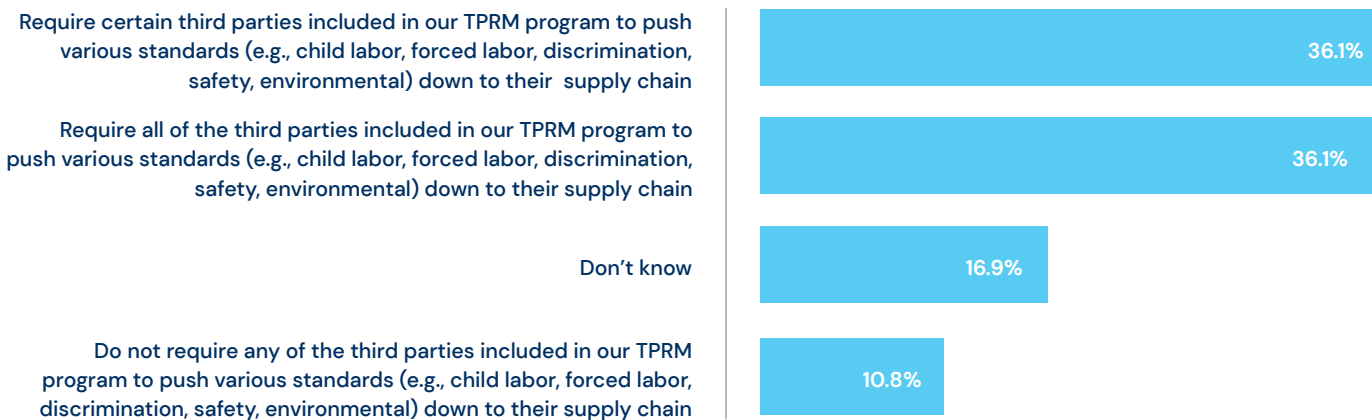
### Which of the following statements apply to your TPRM program?

Respondents = 83



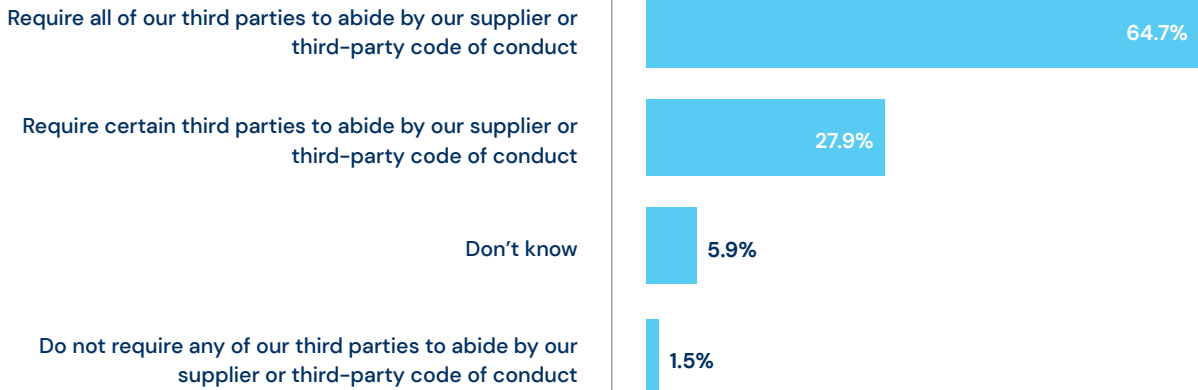
### Our contract provisions: (Push standards down supply chain)

Respondents = 83



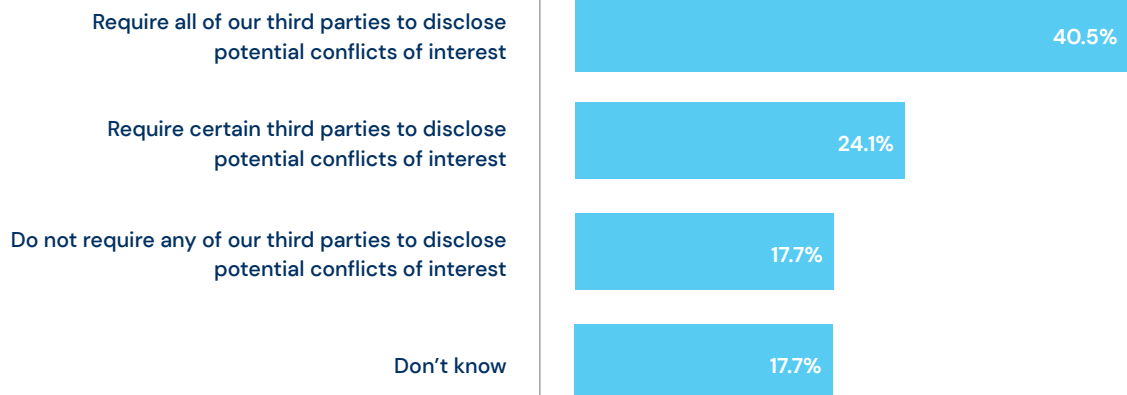
**Our contract provisions:  
(Require abiding by code of conduct)**

Respondents = 68



**At our organization, we:  
(Third-party conflict of interest disclosure)**

Respondents = 79



**Our TPRM program:  
(Screening of higher-risk individuals)**

Respondents = 83

Includes screening of higher-risk individuals (e.g., owners, project managers) at certain third parties included in our TPRM program

53.0%

Includes screening of higher-risk individuals (e.g., owners, project managers) at all of the third parties included in our TPRM program

24.1%

Does not include screening of higher-risk individuals (e.g., owners, project managers) at any of the third parties included in our TPRM program

13.3%

Don't know

9.6%

**During our third-party due diligence, we:  
(Trade control and sanction lists)**

Respondents = 83

Screen all of the third parties included in our TPRM program against various trade control and sanction lists

75.9%

Screen certain of the third parties included in our TPRM program against various trade control and sanction lists

19.3%

Don't know

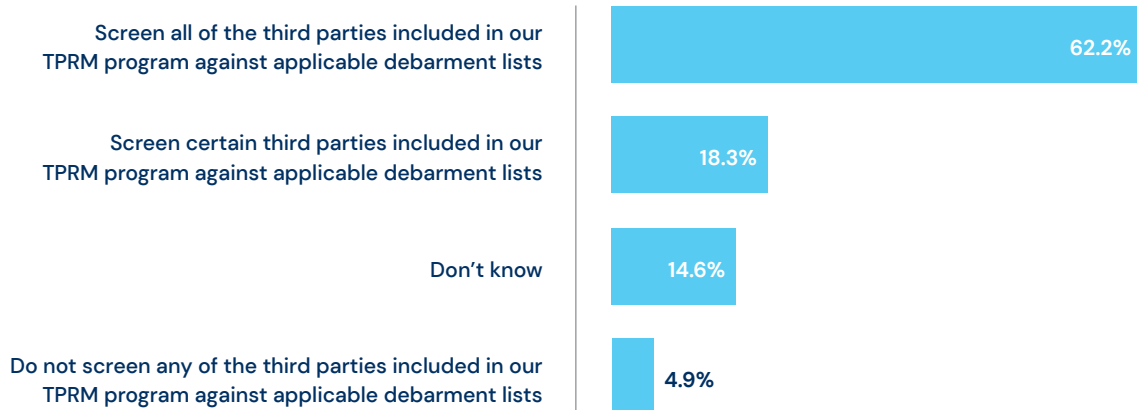
3.6%

Do not screen any of the third parties included in our TPRM program against various trade control and sanction lists

1.2%

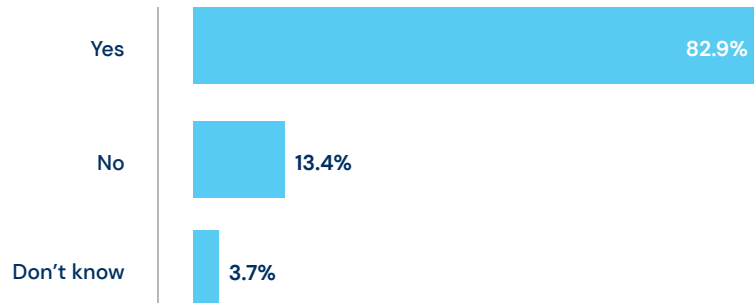
**During our third-party due diligence, we:  
(Debarment lists)**

Respondents = 82



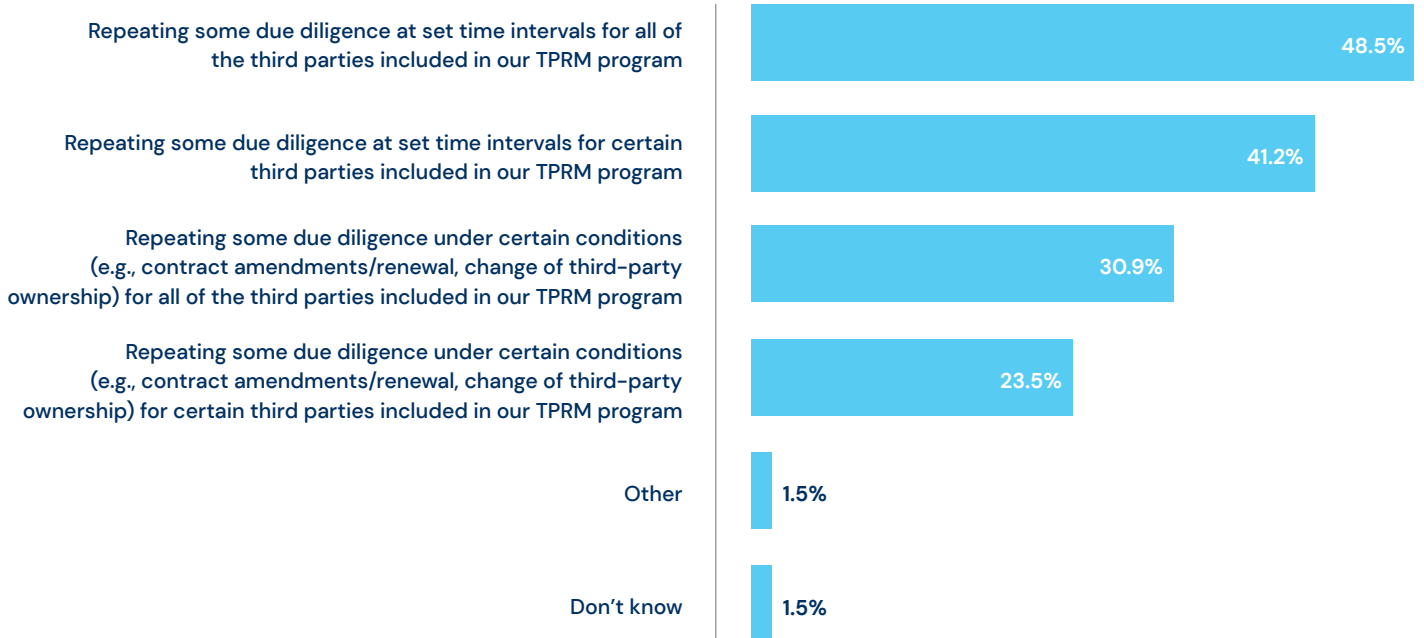
**Once you onboard a third party, do you conduct ongoing due diligence?**

Respondents = 82



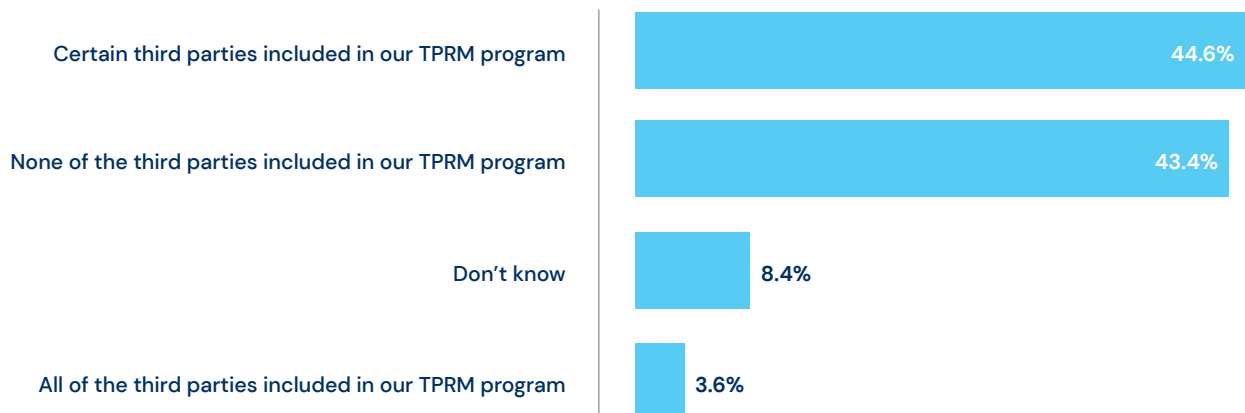
**Our ongoing due diligence includes: (select all that apply)**

Respondents = 68



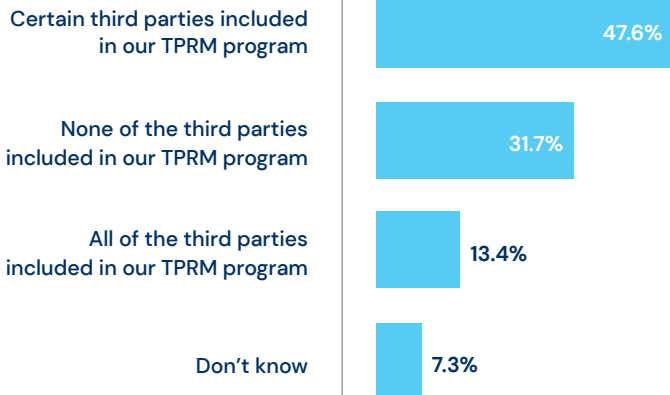
**We include interviews during our third-party due diligence process for:**

Respondents = 83



**As part of our TPRM program, we require E&C-related training for personnel at:**

Respondents = 82



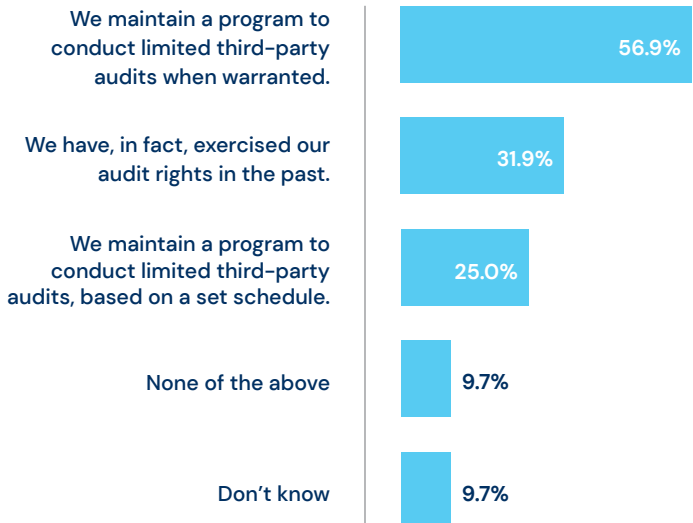
**Our contract provisions: (Audit rights)**

Respondents = 83



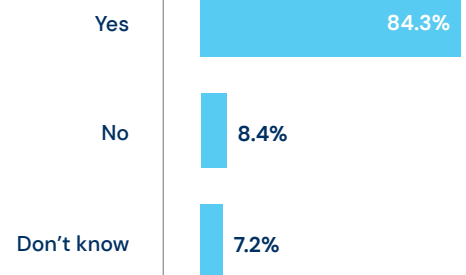
**Third-party audit practices: (select all that apply)**

Respondents = 72



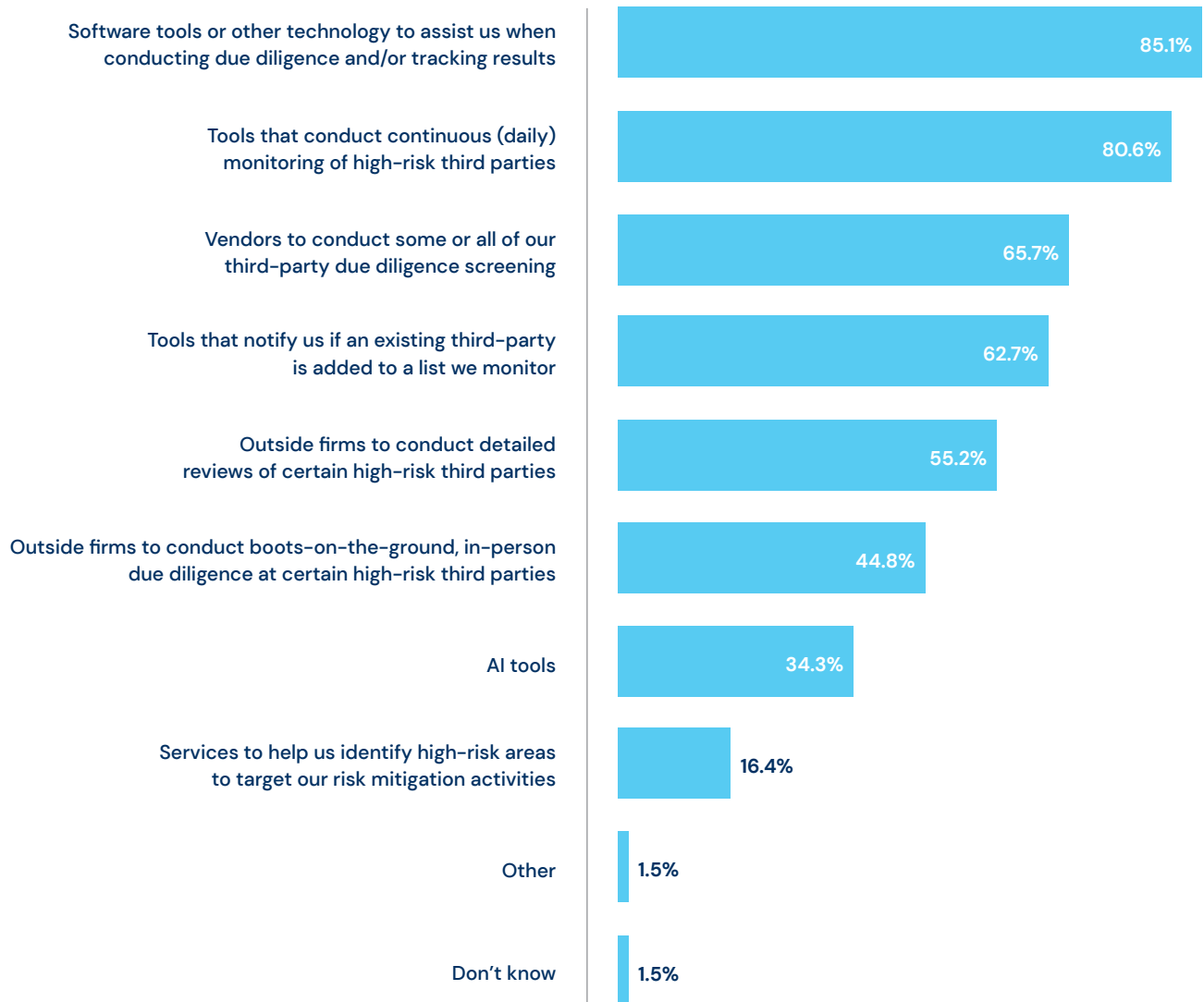
**Does your organization leverage specialized software and/or outside vendors in its TPRM program?**

Respondents = 83



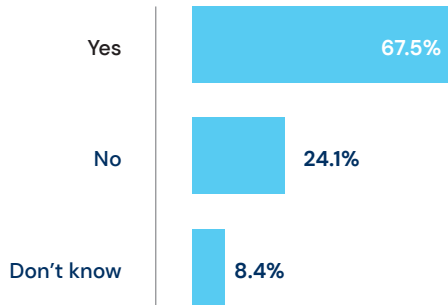
**Our use of specialized software and/or outside vendors includes:  
(select all that apply)**

Respondents = 67



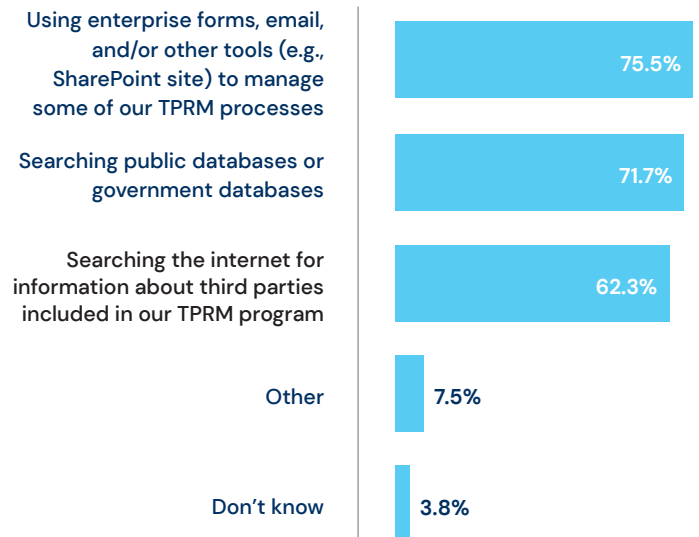
**Does your organization leverage internal tools in its TPRM program?**

Respondents = 83



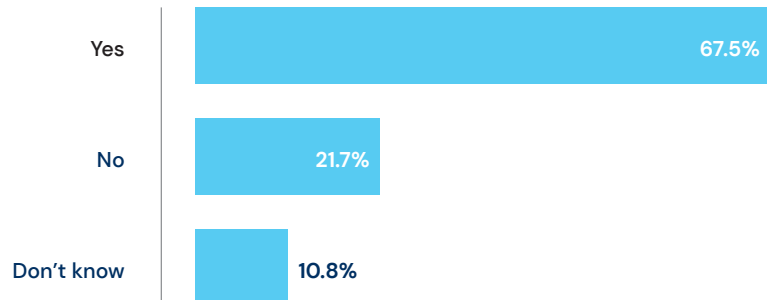
**Our use of internal resources/tools includes: (select all that apply)**

Respondents = 53



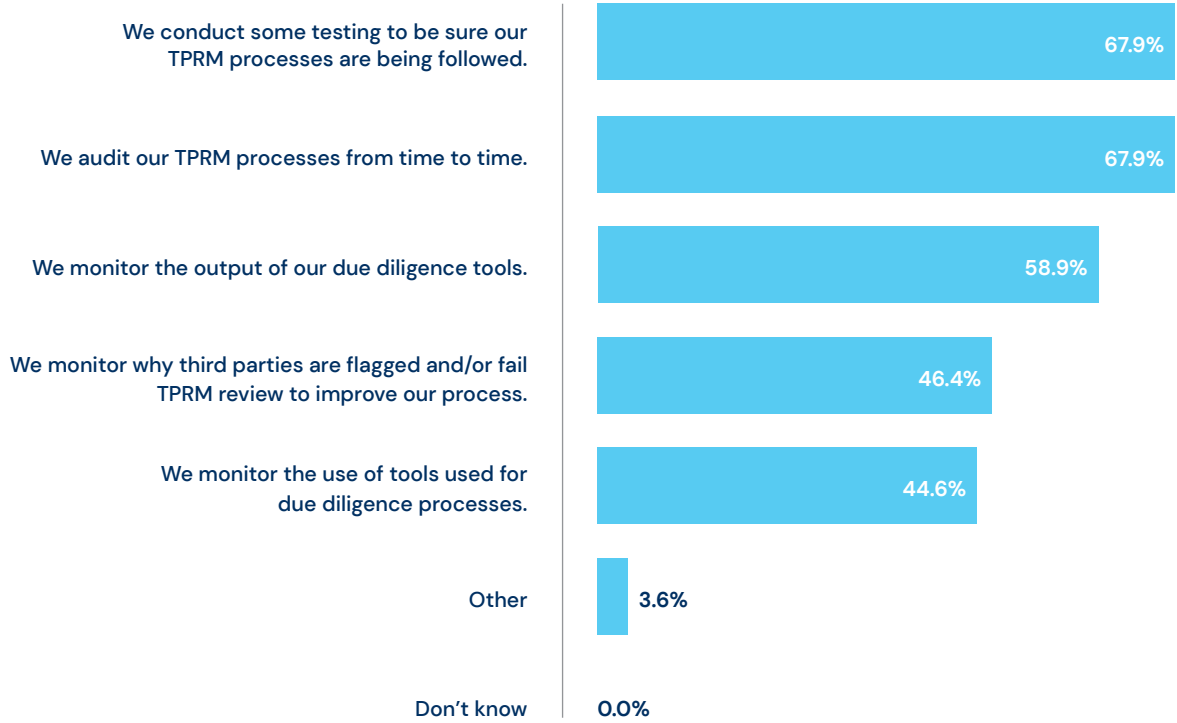
**Does your organization test and/or monitor its TPRM program?**

Respondents = 83



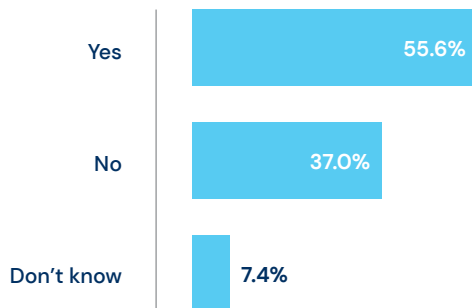
**What type of testing and monitoring do you conduct?  
(select all that apply)**

Respondents = 56



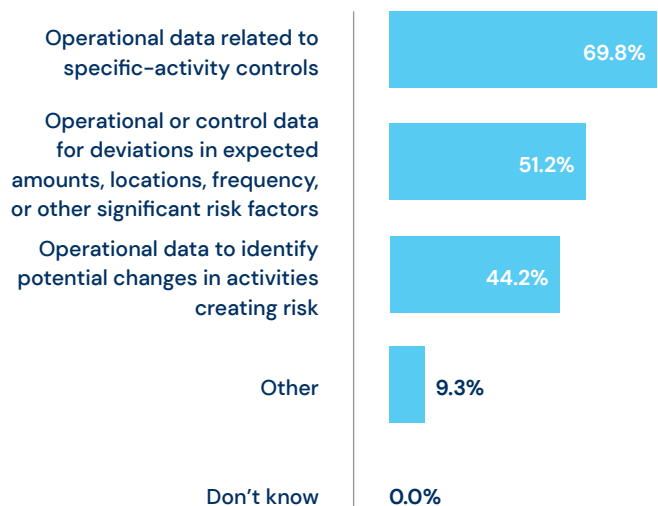
**Does your organization use KPIs and/or KRIs in its TPRM program?**

Respondents = 81



**We use KPIs/KRIs to monitor:  
(select all that apply)**

Respondents = 43



**What benefits has your TPRM program brought to your organization’s E&C efforts?  
(select all that apply)**

Respondents = 82

