## 1 Transportation Disruption Risk Comments

I have a software company no we have no issues.

The four mentioned items are creating supply chain difficulties. Demand is unpredictably up; fossil fuel prices are increasing; infrastructure conditions are worsening; and labor shortages are affecting all aspects of operations.

Fuel prices at risk of spike due to decreasing US exploration/drilling and possible Russian invasion of Ukraine. Driver shortage will continue. Demand likely to moderate as inventories are replenished.

Pandemic 3rd wave will cause the demand volatility specially in the Costco Travel business unit.

Supply chain issues world wide.

We are hopeful that transportation risks will stay in line with current trends.

Staffing, lack or delayed sourcing of parts for vehicles.

The trucker protests have led to some supply shortages.

Seasonal business.

Capacity remains tight. Quality deteriorates due to labor shortages and turnover. Meanwhile costs continue to escalate by double digit increases.

Driver shortage and demand volatility are prime drivers.

Labor at ports, owner operators and again political issues will bring more issues and risks.

Still unreliable drivers and carriers negatively impacting operational effectiveness.

We are seeing all of the above increase other than demand volatility. That seems to be decreasing.

Ukrainian situation.

Driver shortages and high fuel prices will end up being a bigger problem as fuel prices rise.

These risks will increase. Dependency upon traditional methods of transport will only tighten distribution channels. Newer methods such as on-demand 3D printing and virtual distribution will not help to transform long-standing businesses. Changes in transport for supply are a long ways away.

High and growing worse.

You nailed it in the risk categories. Mostly it is asset availability as described by both drivers and trucks. Fuel is a big problem but so far it can be solved with money. We cannot solve driver and truck shortages with money (it appears).

Fuel prices and Driver Shortages are extremely disruptive to small retailers with limited reserve stock.

High delivery costs just got more expensive. The government has done nothing to ease the cost, so the end customer will bear the burden of that through a price hike.

I believe that fuel prices, and availability of fuel will be a major risk in the near future. Conflict overseas, current domestic policies around production, and transportation of fuel, and diminished supply will continue to drive fuel prices higher and higher. Furthermore, there is not a driver shortage, so much as an equipment shortage. I find it odd that there was no pre-pandemic shortage of drivers or equipment, but we are now facing catastrophic shortages of both.

Fuel prices and demand volatility.

Expecting to face these challenges until Q4.

Fuel cost increases, chronic driver shortages, overwhelmed port infrastructure, combined with high consumer demand continue to test supply chain resilience.

FUEL COSTS will foreseeably increase as a function of the uncertainty inherent to the Eastern European crisis.

The anticipated Transportation Risk is very critical, as there a tremendous amount of external pressures, from fuel cost, commodity inflation, peak season, geopolitical tension, labor and equipment shortages.

Orders are taking longer to get to the customer.

With the rise in inventory and fuel/delivery pricing increasing I cannot get the stuff on time or at all. As a result I'm loosing sales and can't do proper or quick service repairs.

Already at historically high levels, risk may increase more due to impact of war in Ukraine, covid, high customer demand volatility.
Significant increase in fuel and tight transportation market. Our finished product supply is lower than normal leading to lower payload and increased expenses.
Oil is absurd.

## 2 Economic Risk Comments

Just read the newspapers.
Energy and commodity prices likely to continue increasing. Labor shortages will continue.

War - Russia, lack of domestic oil production, lack of parts, MHE and long lead times for all things - creates risk.
Work increases in the Spring Summer so we will have more risk.
All the above examples are at risk. The stock market may be in for a major correction.
All of the above impacting to some degree.
Inflation will continue to severely impact the economy.
Still struggle with labor and cost of doing business.
Labor is the big concern here.
Inflation is out of control. The price of everything is on the rise.
Massive challenge.
Natural gas major input cost, metals mainly a pass through risk but cannot hedge 100%.
In a weird way, the risk is on two sides. Risk of high inflation and scarcity of raw materials along with this causing a recession (especially if the Fed ,Overshoots).
Volatility in energy costs, labor shortages and delivery delays continue to escalate, making projections more & more difficult.
Drive to the Grocery store and you see that a 10% increase over 6 months ago is the norm.
All of the risks listed here have been growing exponentially, and are trending toward continuing that unrestricted growth of each risk.
Increasing energy, price increases, inability to get qualified labor, global impact of Russian invasion.
Inflation impact. We continue to react to fast increasing operating costs, reduced margins.
Fiscal uncertainty from commodity prices, Foreign Exchange, cross border financing, cost of money with interest rates is a key risk.
Increase in shipping.
I believe the economic factors in play here will benefit the bicycle industry. Will more people choose to park their car and ride a bike? We will see! I think the motivation had never been stronger.
Already extremely high, but may rise more based on Russia aggression, covid increases (China), etc.
Labor shortages are easing.
Role back of current COVID restrictions, but increased energy and commodity costs. Labor shortages are still a big issue along with demand outpacing supply.

## 3 Cybersecurity and Data Risk Comments

We are a small company so I do not expect to be targeted.
The incorporation of "digital" into supply chain functions has not been met with an equal emphasis on protections.
Due to modernization of the current application and migration of data to cloud.
Threats and hacks are growing ever-more sophisticated and frequent.
I don't see it increasing... mainly because it's already high and that will be the norm from now on.
The faster we work to prevent and mitigate, the more bad guys work to exploit.
International turmoil promotes Russian attacks.

With Global political rifts and more and more nation states acting badly(aka Russia, N Korea) this will increase.
Situation in Russia may cause cyber attacks to increase.

Expect the US, Russia and China to increase their attacks on corporate locations and energy production facilities.
The situation in Ukraine is a cause for concern on increased cyber attacks.
Russia is a main concern.
Pressure to perform under adverse circumstances plus the recognized value in data and information will investment in protection and prevention.
Russian attack on Ukraine has upped the risk.
An on going fight and it seems to escalate.
Conflict in Eastern Europe will increase attacks.
The end goal of cyberattacks is not so much data corruption or data theft, as it is to undermine confidence in systems and create chaos, which results in crumbling productivity.
Observed with multiple suppliers.
Rising concerns due to current geo-political crisis in Eastern Europe.
I have seen a pronounced up-tick in the amount of malevolent content making it past our first-layer firewalls.
As geopolitical tension escalate, the threat to Cyber Security elevates.
We are concerned and protect ourselves against cyber crime. However, the risk seems always increasing.
Increases possible due to even more Russian aggression toward USA companies.
There is heightened risk of cyberattacks as a result of unrest in Europe.
If we continue sanctions, we might come under threat of cyber attacks.

## 4 Supplier Risk Comments

We will be diversifying our supply chain partnerships in part to mitigate this very exposure.
We have lost several suppliers over the last two years, forcing us to rely on single source.
We experienced more supplier issues in the last 6 months than the past 6 years!
Plus/minus. For example, digital and 3D printing has improved supply whereas geopolitical differences have exacerbated distribution issues.
Transportation affects this.
China forced labor issues in Xinjiang have emerged.
Still issues with getting materials in many aspects.
The illegal covid-related mandates led to going concerns. Bad policy has increased our risk of sole source suppliers going under.
Everything. Bikes are still not readily available while the demand is high. Pricing has increased over 20%. choices are limited at every level.
Back orders, inflation and quality issues all moving in wrong direction.
Parts, labor and political intrigue again will make the multi-tier supply chain vulnerable.
Until suppliers get caught up this will be a problem in the near future.
We are actively reducing the risk through use of Total Time To recover method. Initiatives like expanding supplier base, finding substitute ingredients, increasing inventory and reducing SKU's are included.
ETA's seem to be getting better but we have had to find additional suppliers and find alternative materials.
Labor and commodities are a mess.
London Metals Exchange canceling nickel trades (futures market that actually sets physical price for many metals) - price volatility in metals commodities. Ukraine/Russia war impact on base metals and minor metals supply.
As Vietnam becomes a bigger part of the global supply chain there is significant risk. The infrastructure in VN is not nearly as developed as China.

Price volatility and delivery consistency are at the top of the list.  even though most vendors are American, many of the components are foreign made and therefore at risk for being available.
Next 10 months will have increased Supplier risk.
Delivery schedule inconsistency continues to prevent projects from moving forward.  Furthermore, geopolitical shocks are driving prices to historic levels.
Delays in shipments and product availability.
These risks are coming from operational, supply chain, cyber risks.
Ingenuity and fast adaptability are core strengths of the logistics service sector, we anticipate steady supplier risk, even in this high challenging environment.
Supply chains continue to evolve with the world situation and will likely for years to come
Delivery schedule inconsistency.

Suppliers still don't have great inventory levels across the board, so getting parts and bicycles is a major hurdle.
Increases in supplier risk including major shortages for some key commodities originating from Ukraine, major price spikes, etc.
Shortages and delivery delays should begin to ease, but significant risk continues.
Labor shortage and issues still from COVID.

**5 Government Intervention Risk Comments**

Increasing governmental instability has caused "knee jerk" responses to many adverse situations and events. The result is a hodgepodge of regulations, tariffs, "trade wars", and other restrictions, just because weak governments do not know what to do.
Minimal increase is expected. Biden administration regulators desire transformative regulation, but are unlikely to implement much of their agenda, as the administration is ineffective.
The current administration seems to lack the knowledge and fortitude to deal with the economy.
Bad policy and continuing global wars will increase this kind of risk for the foreseeable future.
The current regime is not pro-business and is staffed with many inexperienced people. The border crisis continues.
Continued authoritarianism as they fail to effectively rule.
I am an optimist hoping for the best.
Especially as governments swing in an autocratic direction.
Russia/Ukraine.
Sanctions in metals space remain relatively unchanged but subject to sanctions either way - US toward Russia or Russia towards US and Europe.
Government involvement will hurt business and will not help.  I expect that they will increase taxes, interest rates, and keep inflation high.  Most anti business environment in Government I have ever seen.
The current administration has shown a proclivity to restrict that which it does not understand, and this will continue for the next several years.
Sanctions on Russian Anthracite Coal have increased customer demand.
Procurement realignment on related international sourcing, and risk of disruptions due to old and newly imposed Tariffs (China, Russia).
The legislature is interested in enhancing regulations - and mandating more inspections be had.
Geopolitical positioning will drive many changes in 2022. Including foreign financial powers leveraging their capital and control.
Tariffs do affect the price of bikes and companies may choose to have them made by non-tariff countries. Vietnam instead of China for instance. But suppliers are jumping through a bunch of hoops to get there stuff to the mainland. Right now I don't think the Govt is hindering that.

Increased trade restrictions related to Russia, or other countries that enable Russia (minor chance this includes China, but in their best interests not to get directly involved).
This will increase and decrease I believe for certain sectors, i.e. defense will decrease depending on where the goods get shipped and energy will too, but imports will increase risk.

## 6 Customer Risk Comments

Increasing customer base with new customers always presents challenges to ensure meeting expectations and demands.
Luckily, our customers are building manufacturers that think in the very long term.
Companies haven't been able to produce to meet service levels... there are plenty of customers, just not enough product to go around.
Very hard to predict customer behavior. Will they settle for what's available?
Lack of inventory.
Not much customer risk in our business.
Assuming an increase in customers as we emerge form the pandemic. And changed customer expectations.

The main drivers of risk in this category are unpredictable customer demand and difficultly in providing service.
Passing on pricing is a challenge. Demand destruction or brand switching will ramp up.
Product substitution can become issue as input costs increase.
We are in a fairly stable industry.
Hard to predict customer behavior. Even though we have both brick-and-mortar locations and Ecommerce, determine how much stock to devote to each component is increasingly difficult.
Prices will have to be increased. It will be harder to move to a competitor because they are raising their prices also as their costs are increasing.
Customers are always fickle.
Given the supply chain shortages, we've been facing a lot of frustration from customers who have ordered products with long lead times. These customers are even threatening to change to a competitor.

Customers in general are not seeking for supplier changes in a volatile environment, if supplier performance is satisfactory. This is when a long-term partnership is tested, with transparency and mutual support while sailing through rough times. We anticipate low or steady customer risk, even in this high challenging environment.
There is always a big increase in business come Spring for me. Will the customer be willing to pay higher prices?
Goods are still in short supply and I'm forced to carry more inventory to mitigate those effects.
Some increase due to resurgence of covid (ex China), impact of war in Ukraine and possible reduction in customer orders due to supply issues or weakened customer demand (esp in EU).

## 7 Operational Risk Comments

In general, operational risks are increasing, primarily due to external factors. Environmental stresses (unpredictable climate changes) and cultural disruptions (war; abject fears; cultural shifts) are the main factors.
There seems to be problems getting maintenance done across production lines. Seeing more downtime due to lack of available machine maintenance techs.
Increasing cost and labor availability driving increased risk.
Parts availability, labor and political factors all point to more risk/volatility.
Made additional capital investment to replace aging equipment.
Apple has purchased large volumes of chip making capacity required for electronics and this will severely impact the already struggling electronics industry. Manufacturing has already struggled to delivery 50% of desired deliveries. This will cause delivery impact for the next 8 months.

For us its all about drivers.  Our supply chain requires coach drivers and we can't even get any to interview.  Parts for buses are also a challenge to obtain.
Suppliers in Eastern Europe.
The combination of Russian-mediated war in Eastern Europe and global climate change will increase many operational risks. In addition, small business bankruptcies will  make supply chain management challenging.
Raw material availability and supplier capacity due to labor shortages are bigger issues right now.
We are mostly US based so I am not overly worried about this.  Of course, machines will breakdown but that is just normal business.
The ability to acquire and retain staff continues to be among the primary challenges.
I believe quality will be impacted because companies are scrambling to source product from new locations with limited history and track record of success.  I believe the priority of companies is to push product out the door, with less concern over quality than there was 2 years ago.
Mainly seeing this from suppliers....cyber attacks and lack of people to operate equipment.
Our facilities have BCP in place with guidelines in case of disruptions.  No unforeseen changes expected in the current business environment.
I responded as I more on account of our company bringing on new talent, than for any foreseeable industry or internal changes.
The company that. I'm associated with has operations in Ukraine.
Labor risk, contract negotiation risk
Damages in Supply Chain because of Eastern Europe.

## 8 Environmental Risk Comments

Uncertain and unplanned.
People seem to want to blame "climate change" for every environmental issue. As such, it seems that weather events are driving bad policy that will restrict capacity.
Bad weather is bad for business. Warm and dry is good.
Global warming is an issue but it is not causing these occurrences.
There is a trend of increasing extreme weather events.
Continual gradual improvement on sustainable practices, as part of BCP long-term strategy and business innovation.
There is always the threat of wet weather and that keeps people from riding their bikes.
Shouldn't have any blizzards or hurricanes.

## 9 Quality Risk Comments

Supply chain issues are affecting quality with some of our suppliers
To counter external factors, internal controls are actually improving. We notice fewer quality disruptions. Adherence to standards is more consistent.

I'm seeing a lot of quality problems, especially due to poorer quality supplies and lack of QC on production lines.
Staff shortages and turnover remain problematic.
Core sourcing locations will have to be replaced by lessor known providers which will create a risk.
no substantial change in quality.
Here I am not sure. Standards should not deteriorate and safety issues should improve. However, since many  of these quality facets require in-person activities and evaluations, I am not sure how the "new workforce transformation" is going to play out with respect to product quality.
High due to supply challenges and many new employees at suppliers.
While the staffing challenges often reveal themselves in diminished quality scores, established protocols will catch most errors.

Huge risk, as shortages of labor and materials is forcing employees to do more with less, so quality suffers.
Supply chain disruptions resulting in more quality issues in our industry.  Sometimes have to accept inferior items on exception to keep supply chain going.
Our facilities have a robust QMS in place, ISO 9001-2015 certified, and following 6S-Lean practices. No unforeseen changes expected in the current business environment.
As we seek alternate suppliers to reduce, altogether, unmanageable schedule risk, we need to enhance external Quality control programs so as to stave-off as much of the foreseeable risk as possible.
Business increases and usually warranty issues will arise.

Not as close to this, but potentially increase as we are having issues getting raw ingredients and labor shortage.

## 10 Technological or Competitive Risk Comments

In biotech, there is always something new around the corner.
The three items mentioned are all present. However, it will be years until they can leverage an affect on current supply characteristics.
We are currently lacking in terms of modern technology tech stack compare to other player. We are in the process of modernizing the tech stack.
Technology and the use of robotics is growing exponentially  - need to keep up.
3D printing, AI and ML and then the Meta verse all talk to change, risk and uncertainty.
The current economic and ecological environment will hamper new entrants coming into existing markets.
How our product is made and the materials used is changing a lot.
No great innovations expected.
Self imposed regulation means that not everyone is playing by the same rules, because only some of the players abide by those rules.
Added stress in existing WMS/TMS and overall ERP systems due to the accelerated eCommerce growth (natural, and as response to COVID-19 limitations) combined with new multi-channel EDI/SPS integrated solutions to sustain an increasingly complex supply chain flow and end-to-end visibility.
Following the condominium collapse in Surfside, FL, our industry has seen an influx of fledgling Engineering companies surfacing in Central Florida.