



Integrity in the Supply Chain Process in Greece

Forensic, Financial Crime & Disputes

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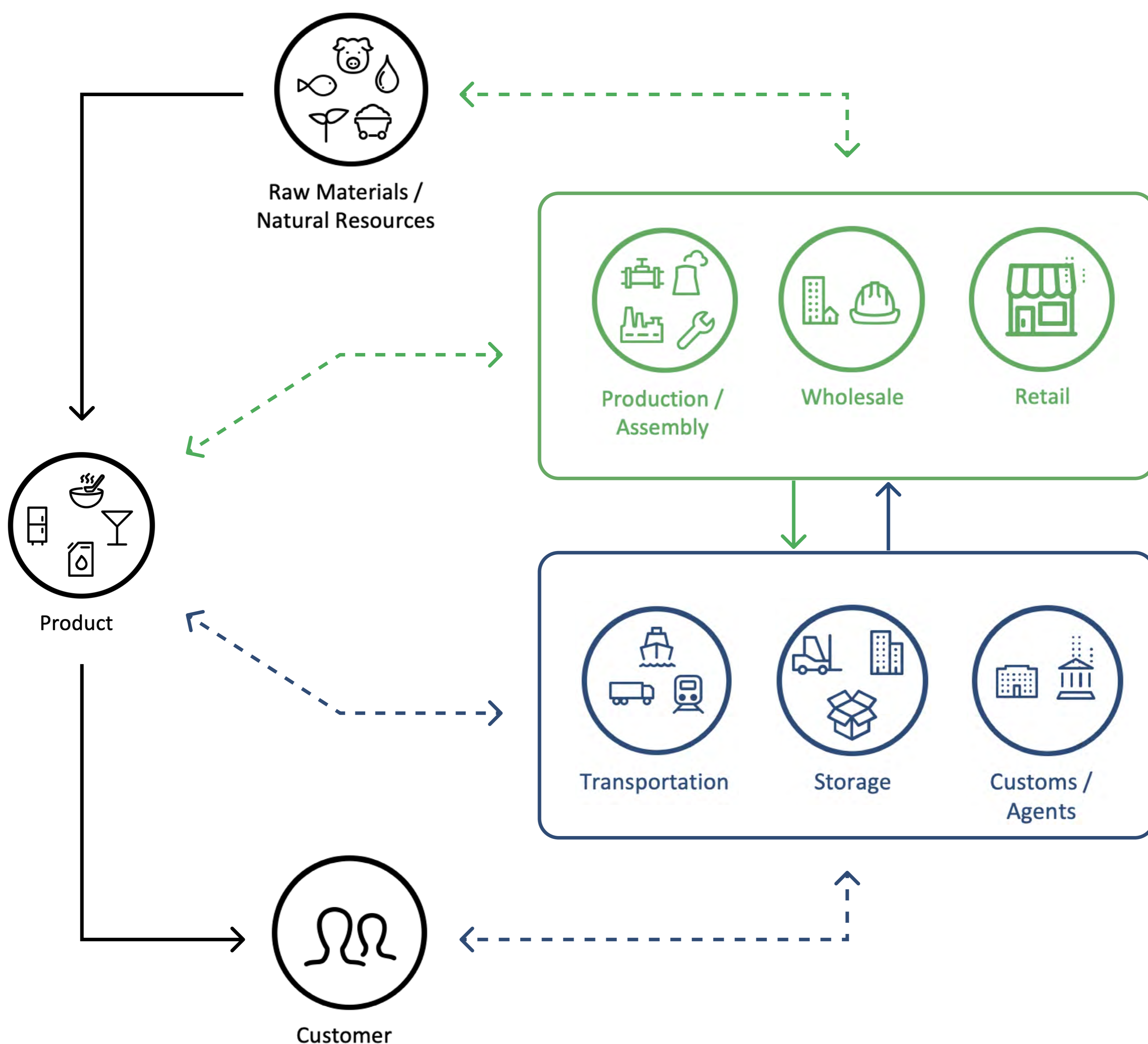
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Integrity in Supply Chain

Integrity in the Supply Chain process regards all actions taken to ensure that:

- ✔ there is transparency, traceability and reliability for the end-product provided to the final consumer throughout the various steps and parties involved in the process;
- ✔ the process is performed as intended and it is safeguarded against adverse events that can compromise its purpose or generate illicit disruption.



Supply Chain in Greece

Over the past few years, Greece has accomplished significant upgrades over its infrastructure to support Supply Chain operations, both domestically and internationally. Due to its geographic location, Greece is a connection point for 3 continents (Europe, Asia and Africa) for the flow of goods. During the last decade, Greece has managed to place itself in the top 20 countries worldwide on the Logistics Performance Index (LPI)¹ of the World bank, and 4th in the corresponding International Shipments Rank indicator of the LPI.

Greece has as a Strategic priority² to transform the country into an international hub for transport services, logistics and supply chain. In realizing this strategy, Greece continues its efforts in transforming the respective regulatory framework to support this goal, including various initiatives and incentives to attract investments and further develop its infrastructure.

Notable projects regard the development of **Logistics Parks in Triasio and Fili**, the development of a **Logistics Center in Thessaloniki**, the **expansion of the Piraeus Port** and the **development of a European railway** that will connect the ports of **Thessaloniki, Kavala** and **Alexandroupolis** with their counterparts in the Black Sea.

In addition, Greece continues the digital transformation of public services, including services that aim to facilitate the movement of goods in an expedited and cost-efficient manner³.



Key Actors in the Supply Chain

Due to the complexity of the Supply Chain process, there are several actors involved in facilitating the process, ranging from private companies to public authorities.



As several parties are involved in the flow of goods, either for domestic consumption or international trade, maintaining control over the supply chain process creates several challenges, especially when integrity needs to be maintained in every stage of the process.

Sources:

1. <https://lpi.worldbank.org/international/global>
2. <https://www.enterprisegreece.gov.gr/assets/content/files/c27/a8592/f230/Logistics2023-C.pdf>
3. https://www.aade.gr/sites/default/files/2024-02/dt_01.02.2024.docx.pdf

Integrity Considerations

Measuring “Integrity” over the Supply Chain process can pose several challenges as there is no unified approach on how this can be performed. For this purpose, it is crucial to utilize reference data at a region or country level and industry sector level from accredited sources to approximate “Integrity” performance. For the purposes of this paper, “Integrity” is used as a reference to anti-corruption and anti-fraud measures over the Supply Chain process.

Integrity in the Supply Chain process in Greece

According to the Corruption Perception Index (CPI) of 2023, published by Transparency International³, **Greece scores at 49/100** on the CPI. Greece performance has dropped by 3 points since 2022 CPI, mainly due to issues with the “Predatorgate” spyware scandal.

According to the Association of Certified Fraud Examiners (ACFEs) “Occupational Fraud 2022 survey report⁴, **three out of the five top industries in median losses** (globally) due to occupational fraud, are industries **directly relevant to the Supply Chain process** (Wholesale Trade, Transportation and Warehousing, Utilities). At a regional level of Western Europe (including Greece), corruption was identified as the most common scheme in committing occupational fraud.

The Supply Chain process in Greece faces numerous challenges in driving efficiency and effectiveness, while maintaining integrity across all its moving parts. There are inherent vulnerabilities that need to be considered in terms of maintaining integrity, such as:

Sources:

3. <https://www.transparency.org/en/news/cpi-2023-west-europe-european-union-rule-of-law-political-integrity-threats-undermine-action-against-corruption>

4. <https://legacy.acfe.com/report-to-the-nations/2022/>



01 Integrity Considerations in Sourcing

Key integrity risks:

- ✔ Preferential treatment of suppliers
- ✔ Bidding process manipulation
- ✔ Contracts manipulation
- ✔ Fictitious suppliers
- ✔ Unethical supplier business practices
- ✔ Sanctioned suppliers



02 Integrity Considerations in Purchasing

Key integrity risks:

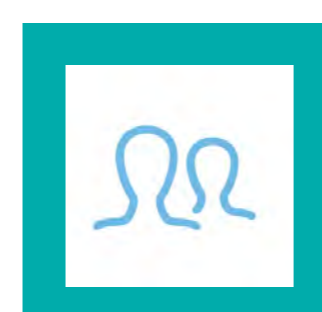
- ✔ Manipulation of purchase price
- ✔ Payments diversion
- ✔ Overcharges
- ✔ Manipulation of payment terms
- ✔ Counterfeit goods



03 Integrity Considerations in Processing, Warehousing & Transportation

Key integrity risks:

- ✔ Inventory theft
- ✔ Goods diversion
- ✔ Assets theft/abuse
- ✔ Manipulation of customs clearance
- ✔ Fuel theft



04 Integrity Considerations in Sales & Customer Relationship Management

Key integrity risks:

- ✔ Sales order manipulation
- ✔ Returns policy abuse
- ✔ Customer product theft
- ✔ Fraudulent chargebacks
- ✔ Sales order diversion
- ✔ Sanctioned customers

Regulatory Considerations

Supply Chain process in Greece needs to comply with several regulatory requirements, with only a part of these requirements to be fully dedicated into the Supply Chain process. Below are certain EU and Greek regulatory requirements (currently in force and upcoming) that put “integrity” in the spotlight for the Supply Chain process.



EU Regulation 2017/821	Conflict Minerals Regulation
EU Directive 2022/2464	Corporate Sustainability Reporting Directive (CSRD)
EU Directive “Upcoming”	Corporate Sustainability Due Diligence Directive (CSDDD)
EU Regulation “Upcoming”	Critical Raw Materials Act



Greek Law 4792/2021	Unfair trading practices in business-to-business ('B2B') relationships in the agricultural and food supply chain
Greek Law 4808/2021	Employment & Labour Law
Greek Law 4961/2022	Emerging Technologies Regulation
Greek Law 4990/2022	Whistleblowing Law

As an EU member state, Greece is the adopter of several EU regulations. EU focus on anti-corruption measures and the enhancement of transparency in transactions both between its member states and other countries in the world, is a driver for change in business relationships. This change is expected to impact not only public sector and private sector business relationships, but also private to private sector business relationships.

Questions to Ask



- ! Is my supply chain process ready to manage upcoming changes and challenges?
- ! What do I know and don't know about my Business Partners?
- ! What vulnerabilities do I have in my supply chain process (do I know my risks)?

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