

Litigation: Risk mitigation

Managing litigation risk in a global supply chain environment

There is a rise in “class actions” by consumers, investors and activists in multiple jurisdictions, including the UK and EU. Regulatory scrutiny is increasing, and businesses face heightened exposure to litigation arising from contractual breaches, ESG failures, and compliance gaps. Businesses should proactively manage risks in their supply chain to decrease the chance of that litigation, as well as readying themselves to respond to any group actions.

Key points to consider

Proactive contract management is essential to reduce exposure. It provides an early warning of non-compliant behaviours and the opportunity for early resolution.

Enhanced risk management strategies should be embedded in operations. Avoid teams working in silos where information can drop through the gaps.

Planning for cross-border litigation and regulatory investigations is critical, including to protect information that will found any defence. Document retention and governance are critical – treasure your documents.

Consequences of poor risk management

Significant financial exposure from class actions, reputational damage, and operational disruption are real risks. Reactive litigation strategies often lead to higher costs and worse outcomes.

What should you do now?

Review and strengthen contracts to give transparency and the power to mitigate litigation risk. Implement robust document management and governance protocols to protect information. Develop contingency plans for cross-border disputes and safely sharing information across stakeholders in the group. Train teams on litigation preparedness and regulatory compliance.

How we can help

Our Litigation and Regulatory specialists offer strategic advice, contract reviews, and dispute resolution support to safeguard your business against litigation risk.

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