

Whitepaper

Dodging Disruption

How Resilient Businesses
Overcome What They
Can't Control





Your Supply Chain Has Hidden Risks & They're Threatening Your Business

Supply chain sustainability is complicated, and frankly, your business can't afford to get it wrong. Complex manufacturers struggle to get sustainability right when they only look at it from inside their four walls. Instead, you must turn your attention to the largest impact on your business — your supply chain — where risks are hidden at every turn.

Large-scale business disruptions exist all around you, and the reality is you can't control them. Legislation focused on everything from regulated substances, like perfluoroalkyl and polyfluoroalkyl substances (PFAS), to ethical practices and environmental impacts is changing faster than manufacturers can keep up, as are enforcement penalties. This uncertainty threatens your market access and reputation, and stakeholder scrutiny is at an all-time high. Beyond regulators and enforcement agencies, sustainability matters to your investors, customers, employees, and the public.

Smart executives know deep visibility into their supply chain is crucial. Approximately **90%** of a manufacturer's environment, social, and governance (ESG) impact originates in their supply chain,¹ but according to an IndustryWeek report, 76% of manufacturers are still in the early stages of collecting and confidently sharing their supplier data.² Most manufacturers piece together visibility beyond direct suppliers using internal programs or point solutions that don't offer much insight. Even if you can't see the risks present in your supply chain, they're still risks, and often they'll surprise you at the worst time.

1 UN Principles for Responsible Investment. (n.d.) *Managing ESG Risk in the Supply Chains of Private Companies and Assets*. <https://www.unpri.org/download?ac=1894>

2 Assent. (2023, January 24). *IndustryWeek Report: The State of ESG in Manufacturing*. <https://www.assent.com/resources/study/industry-week-report-the-state-of-esg-in-manufacturing/>



To mitigate the risks necessary to protect your revenue and reduce your costs, your business needs to be deeply sustainable. This is only achieved with a proactive supply chain sustainability management program that spans product compliance, trade compliance, and ESG. But you can't start until you know where to begin.

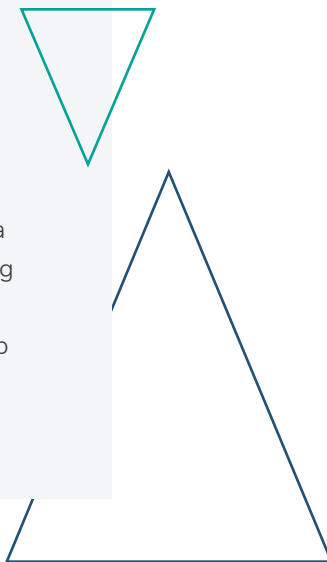
The Assent Maturity Model, and the corresponding **Supply Chain Sustainability Maturity Assessment**, help business leaders determine their company's maturity level, understand typical characteristics of their stage, and gain the insights needed to propel their journey forward. In this whitepaper, we'll help you understand how to use these tools and give you a roadmap that outlines how you can best achieve the deep sustainability needed to create resiliency and avoid disruption.

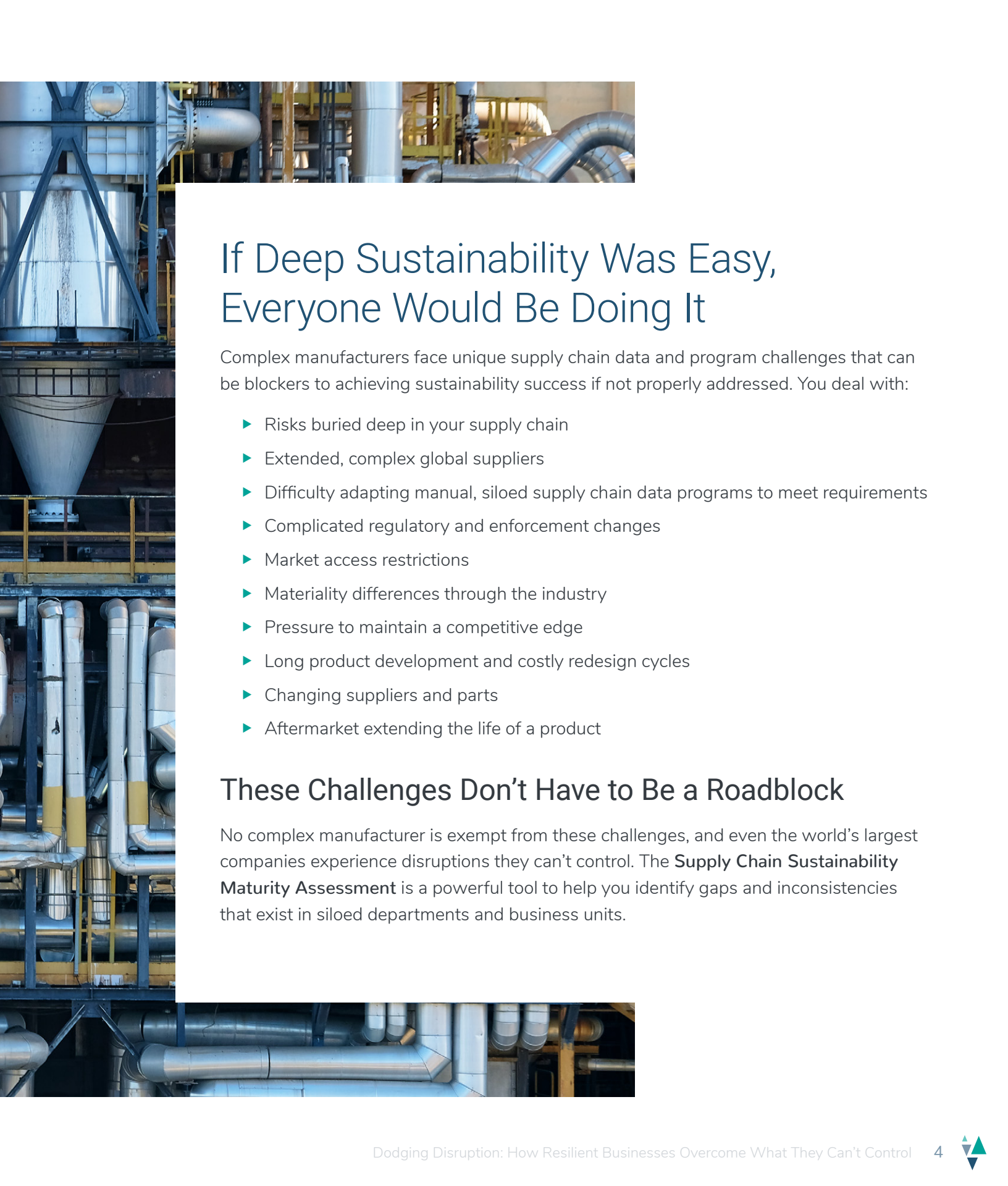
PFAS: Multidimensional Hidden Supply Chain Sustainability Risks

Used in a wide range of industrial and consumer products, PFAS chemicals have become one of the top supply chain disruptors. Increased scrutiny from regulators and consumers; lawsuits; and regulatory pressures have caused some chemical manufacturers to begin phasing out PFAS production. And this means businesses that rely on PFAS in their parts or manufacturing processes will be exposed to bottom-line risk factors such as:

- ▶ Unplanned part obsolescence
- ▶ Supply chain shortages and price increases
- ▶ Product redesign to avoid product retirement
- ▶ Increased legal liability
- ▶ Market access loss

To dodge the risks of using PFAS in manufacturing processes or parts, you need a proactive approach to supply chain sustainability management. This means having a program that doesn't just focus on basic reporting requirements or chemical restrictions, but also engages your suppliers to mitigate non-regulatory risks. Keep reading to learn how program maturity affects your resilience to risks like PFAS.





If Deep Sustainability Was Easy, Everyone Would Be Doing It

Complex manufacturers face unique supply chain data and program challenges that can be blockers to achieving sustainability success if not properly addressed. You deal with:

- ▶ Risks buried deep in your supply chain
- ▶ Extended, complex global suppliers
- ▶ Difficulty adapting manual, siloed supply chain data programs to meet requirements
- ▶ Complicated regulatory and enforcement changes
- ▶ Market access restrictions
- ▶ Materiality differences through the industry
- ▶ Pressure to maintain a competitive edge
- ▶ Long product development and costly redesign cycles
- ▶ Changing suppliers and parts
- ▶ Aftermarket extending the life of a product

These Challenges Don't Have to Be a Roadblock

No complex manufacturer is exempt from these challenges, and even the world's largest companies experience disruptions they can't control. The **Supply Chain Sustainability Maturity Assessment** is a powerful tool to help you identify gaps and inconsistencies that exist in siloed departments and business units.





Determining Your Program Maturity Stage



Seventy six percent of manufacturers are at the planning, basic compliance, or foundational stages of supply chain ESG maturity.³

3 Assent. (2023, January 24). IndustryWeek Report: The State of ESG in Manufacturing. <https://www.assent.com/resources/study/industry-week-report-the-state-of-esg-in-manufacturing/>

The value of comprehensive data that is connected across programs and business units extends beyond just meeting your compliance requirements. Data is your best resource to protect your company from risks that impact your bottom line. On the other hand, if your data is incomplete, defensible sustainability reporting will remain out of reach. Do you know where your supply chain program lies on this spectrum?

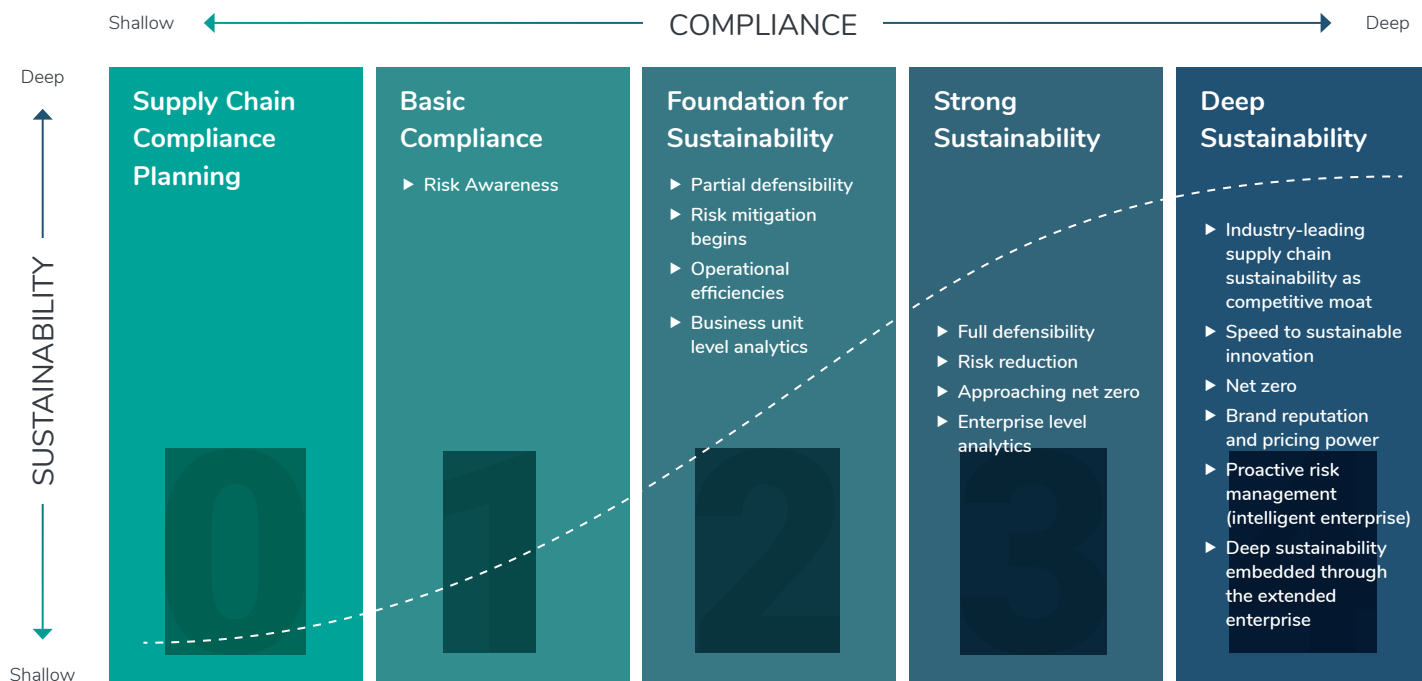
The Assent Maturity Model

We developed the Assent Maturity Model based on our deep understanding of the challenges your company faces. We leveraged information from hundreds of our enterprise relationships and conversations between our regulatory subject matter experts and top manufacturing executives to ensure it accurately reflects real-life program stages and facilitates progress. The stages reflect the realistic journey to sustainability complex manufacturers need to follow to achieve the level of product compliance and ESG sustainability that the market demands.

This model provides a clear map of the “path to sustainability,” beginning with the foundational planning stage all the way to deep sustainability.



The Assent Maturity Model Stages



What Is Net-Zero?

“Net-zero” is a term used to describe your ability to balance your company’s greenhouse gas emissions with what is removed from the atmosphere. This is best achieved by focusing on your supply chain, which has the biggest influence on your company’s ESG impact. Achieving net-zero through your supply chain also protects your business from greenwashing accusations.

The Supply Chain Sustainability Maturity Assessment

The Supply Chain Sustainability Maturity Assessment is a free digital self-assessment tool designed to help you evaluate your program maturity, identify improvement areas, and determine your strengths in just five minutes or less.

[Try it >](#)



The Best Five Minutes You'll Ever Invest in Your Program

The **Supply Chain Sustainability Maturity Assessment** is fast and easy to use. Here are the benefits you gain:

Your Program Maturity Level at a Glance

You'll know exactly where your program stands. This means you'll see common characteristics for companies at your stage so you can determine where you stand amongst your competition and in the market.

Identify Program Strengths & Areas for Improvement

You'll understand where your program is doing well and be able to prioritize the areas that could use improvement. This ensures you're investing time and resources into areas that strengthen your program the most.

Uncover Inefficiencies

Maturity results often differ between business units. Detailed knowledge of your programs across departments uncovers inefficiencies and highlights a clear path for uniting them on a single platform. You're also better able to assess compliance data performance and gaps.

Set Program Goals

Regardless of your current stage, your program must be able to adapt and scale. Regulatory and stakeholder requirements are constantly changing, and your program needs to keep pace to avoid disruption. You can't set goals for the future if you don't know where your program stands today.

Gain a Competitive Advantage

Knowing your supply chain sustainability maturity stage is a competitive advantage that establishes your company is proactive and committed to sustainability. This is something your customers, employees, and investors can stand behind.



How Program Effectiveness Is Evaluated

The **Supply Chain Sustainability Maturity Assessment** takes the qualitative metrics that are typically difficult to measure and provides actionable information you can add to determine their impact on your program and supply chain. Understanding the impact of these metrics on your program is critical to assessing how you compare to your peers.

Based on the answers you provide, each metric is evaluated and generates a value that equals your program stage. Program structure and its ability to support positive outcomes are also considered when assigning a maturity stage. The following are the qualitative metrics used to evaluate your program:

Risk Visibility & Materiality

Visibility into risks in your supply chain directly impacts your program maturity. Some companies engage in voluntary initiatives to avoid losing contracts or investments, or to protect their brand. Some suppliers also choose to provide data to assist their customers with compliance, even if it's not a requirement.

Centralized Supplier Onboarding & Engagement

Your connection with your suppliers, their understanding of your requirements, and their onboarding experience all impact their engagement with your program and the quality of the data you receive. If their experience and education improve, so does your program maturity.

Stakeholder Engagement

The degree to which critical decision-makers are involved in your sustainability program. Without support from all levels of your organization, from individual departments to the C-Suite, your program can't scale.



Data Depth

Your supplier data could be limited and shallow, consisting of information from only a few of your direct suppliers. This leads to increased risk and weaker maturity. When your data confidently extends beyond the first tier of your supply chain, the more reliable and defensible your claims become.

Unified Data & Reporting

The key to reducing surprises in your supply chain is critical data, connected and visible across all teams. It allows you to assess progress, make informed decisions, and mitigate your risks. A comprehensive view used to analyze and share supply chain data across your compliance and ESG initiatives provides the context needed to create more defensible reports for your stakeholders.

Risk Management & Mitigation

Risks that are clearly seen can be mitigated proactively. If your supplier data is high quality and your supplier relationship strong, your business can focus on resilience. A truly resilient business continuously optimizes its program to protect itself from outside factors, tracks success, and moves through the sustainability maturity levels with minimal roadblocks.



Some Quantitative Metrics to Track Program Success

There are other quantitative metrics you can use to understand your maturity and track your sustainability program's success. They are usually hard numbers that help you determine if your program is doing well, or if it exposes you to risk. Here are some examples:

Revenue Protection

The reduction of risk in your supply chain offers the chance to reduce costs and grow your revenue. The higher your program's maturity stage, the more protected you are from risk. These risks could be:

- ▶ Regulatory enforcement
- ▶ Customer audits
- ▶ Investor expectations
- ▶ Loss of market access/recalls
- ▶ NGO scrutiny
- ▶ And more

Supplier Response Rates

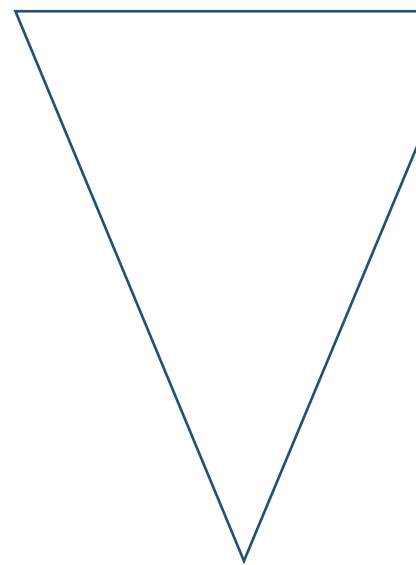
Your supplier response rates can impact your data quality and program performance. Without comprehensive, recent, or reliable data, it's like having a gaping hole in the middle of your program. However, supplier response rates are just one metric of program health and should be included alongside the other listed metrics.

Supplier Data Conformance

This metric measures whether the data is correct and consistent with established standards and guidelines. The parameters for data quality will differ depending on your sustainability goals and the regulations your company is in scope of, but ultimately needs to be sufficient to keep up with changing demands.

Supplier Data Remediation

A supplier who is educated is more likely to give you good data. Sometimes suppliers are unable to conform to your data standards because of their maturity, language constraints, or other factors. Supplier remediation can be quantified by the percentage of suppliers who went through a remediation program and aligned their data quality with your program standards.





A Low Maturity Stage Doesn't Mean Your Program Is Doomed to Fail

While low maturity can cause significant legal, financial, and reputational risk, it also presents tremendous opportunities. In this section, we will go over each Assent Maturity Model stage, from 0–4, in detail to help you understand what your stage means for your program and business. We'll then explain the value delivered from each stage and your next steps to improve.

Your score today doesn't mean you can't progress to deeper stages of sustainability. Identifying where you currently stand is the first step, but your program should grow and develop with the goal of achieving deep sustainability to support business resilience. By partnering with Assent, you can use our unified platform and expertise to see deeper into your supply chain, anticipate risks, and make the smart decisions needed to achieve your company's sustainability goals.



STAGE 0

Supply Chain Compliance Planning



If your company is at Stage 0, your organization most likely doesn't have a sustainability program in place, putting your company at significant risk. You recognize that you need to establish resilience, create a plan to address your program, and make improvements immediately because you've experienced any number of the following negative impacts:

- ▶ External disruptions
- ▶ Loss of market access
- ▶ Fines
- ▶ Legal implications
- ▶ Negative publicity or reputational damage
- ▶ And others

Value Delivered

Poor. Your company is at risk across the board, and you need to take immediate action.

How to Improve

Not taking action isn't an option. Your market access and reputation are at risk, and the consequences of non-compliance could be devastating. You need to take steps to improve your score:

- ▶ Determine what regulations your products are in scope of.
- ▶ Engage with reputable subject matter experts to help you determine regulatory impacts correctly.
- ▶ Determine how you will remain aware of new regulatory and stakeholder requirements and how that impacts your current data collection processes.
- ▶ Determine who in the organization is responsible for your supplier relationships.



STAGE 1

Basic Compliance

You've got basic compliance capabilities. You're aware that you need to comply with certain regulations, and that inefficiencies exist in your programs. At this stage, you are aware you have risk, but the majority are still deeply buried in your supply chain. You may have defined internal roles and responsibilities related to supply chain sustainability.

Qualitative Metrics

Risk visibility and materiality:

focused on products at risk of non-compliance

Centralized supplier onboarding and engagement:

none/limited

Stakeholder engagement:

tactical/single department

Data depth:

parts data only

Unified data and reporting:

siloes/unreliable

Risk management and mitigation:

reactive

Plus Other Quantitative Metrics

See examples under *Some Quantitative Metrics to Track Program Success* on **page 10**.

Value Delivered

Your company has some awareness of risk. You may be finding some problems in your program, but you're still missing the majority of them. You might be thinking about resources to address this issue, but they're not well-defined or coordinated between departments.

How to Improve

Risk is still a very real issue. You're moving in the right direction, and you know you need a more robust program — and fast. Here's what to do next:

- ▶ Assess why your data is scattered and begin mapping how you will improve centralization.
- ▶ Talk to cross-functional stakeholders and get alignment on improving your coordination efforts.
- ▶ Define workflows for data gathering and analysis.
- ▶ Determine where you can automate your processes.
- ▶ Develop a plan to address identified gaps, including who is responsible.
- ▶ Track progress and future program goals.



STAGE 2

Foundation for Sustainability

Your company's compliance level is high enough that you can react to requirements and data requests, but not advanced enough to proactively identify problems. Your reporting is fairly accurate with somewhat solid supplier data, but you struggle to bridge the critical gap between your compliance and ESG requirements and goals.

Qualitative Metrics

Risk visibility and materiality:

direct legal and contractual responsibility

Centralized supplier onboarding and engagement:

engagement focused on specific requests

Stakeholder engagement:

multi-department (limited)

Data depth:

parts and suppliers

Unified data and reporting:

per business unit

Risk management and mitigation:

reactive/systemic

Plus Other Quantitative Metrics

See examples under *Some Quantitative Metrics to Track Program Success* on **page 10**.

Value Delivered

You have a solid foundation to scale your sustainability program, and you're able to tie it to overall sustainability targets. You have a plan for data gathering and analysis that can support defensible reporting in some instances. You might even have evidence through an audit trail or documentation. Your level of risk mitigation stops at avoiding compliance failures and last-minute product changes. While there are areas to improve, you've started to find cost and process efficiencies, including some visibility into supply chain data. Your compliance program is reactive but effective at keeping the lights on.

How to Improve

You need to focus on what you can do to scale your program to further alleviate risk and allow you to get proactive with your program. This means:

- ▶ Unifying supply chain compliance and ESG programs together
- ▶ Standardizing and sharing data to support cross-division collaboration
- ▶ Increasing supplier engagement and education
- ▶ Defining risks to remediate, such as program or data gaps
- ▶ Quantifying revenue protected
- ▶ Leveraging software and systems to improve automation and efficiencies



STAGE 3

Strong Sustainability

Your compliance data is deep; your sustainability reporting for product compliance and ESG is robust and reliable. Your program is built on proactive compliance and knowledge of the evolving regulatory landscape, and you're prepared for risks. You've got good visibility beyond your first tier of suppliers and strong stakeholder confidence in your sustainability program goals. There's still room to improve. To achieve deep sustainability, you need to partner with Assent to help automate and unify your programs, improve your efficiency, and deliver maximum ROI.

Qualitative Metrics

Risk visibility and materiality:

all products available in market

Centralized supplier onboarding and engagement:

suppliers are educated, engaged
— relationships are strong

Stakeholder engagement:

C-Suite/Executive promotion

Data depth:

product-level

Unified data and reporting:

data is unified and standardized
across departments

Risk management and mitigation:

proactive and systemic, avoids risk

Plus Other Quantitative Metrics

See examples under *Some Quantitative Metrics to Track Program Success* on **page 10**.

Value Delivered

You're getting significant value from your sustainability program, and you are fast approaching net-zero. You've got a strong, well-positioned program, with visibility into all your business units and geographies. You've got full defensibility evidenced through an audit trail and robust documentation available for all your suppliers, parts, and products. Your risk, while always present, is well mitigated through a proactive, systemic approach to identification and correction.

How to Improve

It's important to keep building on the program you have in place to close any gaps and continue to minimize your risk. To take your program to the next level, you need to:

- ▶ Continue to deepen data gathering beyond your direct suppliers.
- ▶ Develop a plan for sharing supply chain sustainability data with stakeholders, including analysts, investors, consumers, and the media.
- ▶ Segment suppliers by sustainability performance to identify potential underperformers.
- ▶ Develop educational materials or a training plan to help underperforming suppliers improve.
- ▶ Consult industry experts for further ways to build in proactive compliance.



STAGE 4

Deep Sustainability

Qualitative Metrics

Risk visibility and materiality:

beyond legal and contractual requirements

Centralized supplier onboarding and engagement:

suppliers are educated, engaged — relationships strong

Stakeholder engagement:

customer promotion

Data depth:

all products have declarations

Unified data and reporting:

public view

Risk management and mitigation:

proactive and preventative, risks managed systemically

Plus Other Quantitative Metrics

See examples under *Some Quantitative Metrics to Track Program Success* on **page 10**.

You've achieved the deep sustainability needed to build resilience into your business, protecting your revenue and reducing your costs. Your risk mitigation is automatic and proactive, and nothing is hidden because you have incredible visibility into your supply chain. Your compliance data is deep, your reporting is robust and reliable, and the enterprise is deeply sustainable.

You've set an example for your industry peers and your competition. Your reputation as a sustainable company is well known, and you have excellent stakeholder confidence. Assent is your partner of choice to proactively maintain your supply chain sustainability data programs, allowing you to avoid future disruption and remain ahead of changes with access to comprehensive regulatory knowledge.

Value Delivered

You receive exceptional value on your investment. Deep sustainability is very hard to achieve and the market sees you as a standard for excellence amongst your peers. Your company and your brands are recognized as leaders in sustainability and seen as experts on the subject by the media. You're able to charge a premium price for your products because your partnership is in demand by other companies. You stand out from the competition with sustainable products, with less severe disruptions to product design, production, and distribution. While disruptions can still impact your business, the impact is much more minimal and easily mitigated than in other stages.

What's the payoff? Increased pricing power and brand loyalty, because you have a defensible program that pays for itself in cost reduction, revenue growth, and increased market opportunities. Your company can enter and grow in the different markets it targets, potential losses are minimized, and your data programs are optimized throughout departments. You've also hit net-zero and are protected against accusations of greenwashing.





How to Improve

Improvements to your program can always be made, but they come proactively and are deeply aligned with your company's sustainability mission. You can:

- ▶ Continue to maintain strong relationships with experts in the field
- ▶ Regularly monitor the market to ensure new competition or other supply chain disruptions don't impact your position
- ▶ Leverage supplier scorecards (if not doing so already) to ensure suppliers and partners continue to uphold responsibilities, expectations, and commitments
- ▶ Look for new ways to influence the standard for sustainability within your industry by partnering with other leadership groups within your space



[Download Report >](#)

The Forrester Total Economic Impact™ (TEI) Study

Assent commissioned Forrester Consulting to help pull hard data, customer feedback, and financial analysis to understand how our supply chain sustainability management solution transforms your traditional compliance programs into sustainable programs spanning product compliance and ESG.

This report highlights the tangible return on investment our clients experience. It is based on extensive interviews with four organizations, and it concluded that a composite organization comprised of interviewees with experience using Assent realized a **304%** ROI over three years and a payback period of less than six months.

This ROI was achieved through a combination of automated supplier engagement, improved data quality, and assistance with program management, best practices, and due diligence.



Your Company Can't Afford to Wait

Assent is the only supply chain sustainability management partner that can get you to stage four. We are the only platform that can help you achieve the deep sustainability needed to create resilience and protect your business from disruption.

We transform your supply chain due diligence with software, expert guidance, support, and services to ensure your program is backed by deep and defensible data. We're dedicated to helping you leverage sustainability as a differentiator that maintains your customer base, attracts new customers, and expands your business.

Our clients benefit from:

- ▶ Connected software that serves as a defensible system of record
- ▶ Access to a world-class team of regulatory experts
- ▶ Proactively updated software and programs when regulations change
- ▶ Increased supplier engagement, supported by services like outreach and education
- ▶ Enriched data with an ever-growing Sustainability Network that helps uncover new insights, track trends, and show continuous improvement
- ▶ Better data to deliver reports and disclosures that align with industry standards and meet customer needs

We help you bring sustainable products to the market and achieve deep sustainability through your supply chains by bridging the gap between evolving product and trade compliance requirements and ESG regulations.



Only 4% of complex manufacturers have achieved deep sustainability.⁴ This is your opportunity to be a leader amongst the competition. Partner with Assent on the journey: **book a demo** of our supply chain sustainability solution today.

⁴ Assent. (2023, January 24). *IndustryWeek Report: The State of ESG in Manufacturing*. <https://www.assent.com/resources/study/industry-week-report-the-state-of-esg-in-manufacturing/>





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