



Guide

Where to Focus Your Sustainability Program

 **Assent**[®]

Introduction

The sustainability landscape is crowded with frameworks, ratings, and KPIs. Creating a strong program and resilient supply chain, and protecting your business from risk, can feel impossible if you don't know where to start. A strong supply chain sustainability management program cuts through that noise, but only if it tracks the metrics that genuinely shape your footprint and your bottom line.

For complex manufacturers that assemble durable goods from hundreds of suppliers, those decisive metrics live upstream. Focusing on supplier data isn't a distraction from sustainability — for manufacturers, it's the *foundation* of sustainability. When you understand and influence supplier practices, you unlock efficient resource use and reduce the odds of supply chain disruption.

This guide shows you how to zero in on high-leverage supply chain metrics, identify the risks and opportunities that matter most, and build a program that keeps improving over time.

How to Use This Guide:

- 1: [Where should we focus?](#)
- 2: [What risks and opportunities matter most?](#)
- 3: [How do we build a durable program?](#)



The background of the slide is a composite image. The top right shows a yellow crane hook with black and yellow hazard stripes. Below it, large rolls of metal are visible, with a blue and yellow geometric pattern overlaid. The bottom right shows more metal rolls with a blue and yellow geometric pattern. The text is overlaid on a white rectangular area on the left side of the slide.

Section 1 Target the 90%: Why Your Supply Chain Is the Real Sustainability Battleground

Research consistently shows that, for most manufacturers, the majority of sustainability impact sits upstream in the supply chain. The bulk of your environmental footprint, along with your most significant human rights and business ethics exposure, originates with supplier practices and sourcing decisions. Because traditional supply chains were designed for cost and speed, not sustainability, they can create regulatory non-compliance risks.

Those breaches can bring fines, border seizures, and other enforcement actions; they can cost customer contracts and relationships, and they put your brand reputation on the line. When stakeholders discover a problem, they blame the finished-goods manufacturer, accusing you of greenwashing and eroding hard-earned trust. Finally, a lack of transparency into your suppliers makes it difficult to gather reliable data, set targets, and prove progress, stalling your wider supply chain sustainability program at the moment it needs momentum.

The supply chain is also what the majority of your stakeholders care about when assessing your sustainability performance. Here are some of the top drivers:



Customers, whether they are other businesses or the general buying public, care about where your materials come from and how those materials are extracted, processed, transported, and eventually disposed of. That's why leading manufacturers build supply chain transparency into their sales strategies.



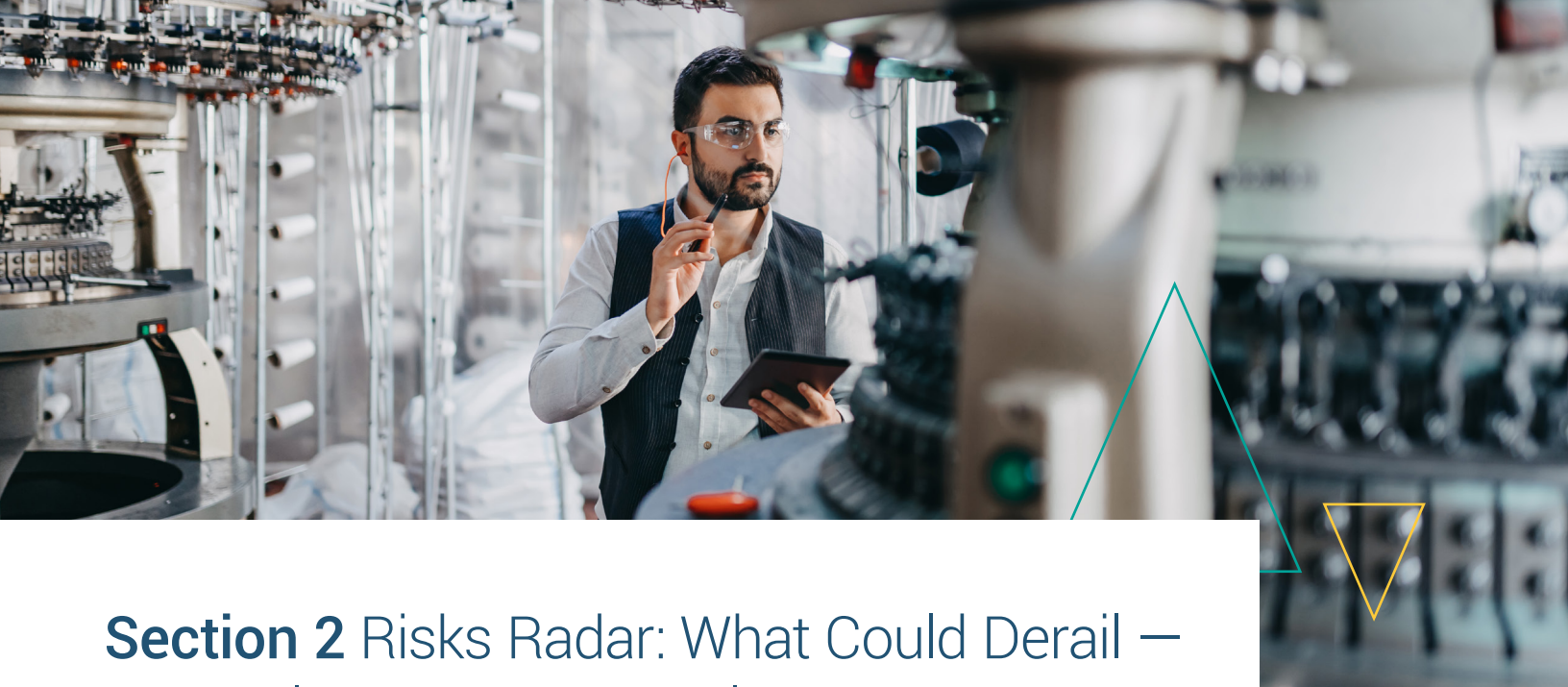
Investors are one of the loudest voices pushing manufacturers to clean up their supply chains, not just their own facilities. They have earmarked trillions of dollars for companies that can prove their upstream partners are cutting emissions, protecting human rights, and following ethical sourcing rules. For them, robust supply chain sustainability practices create resilience, reducing the odds of shipment holds, recalls, or regulatory fines that can impact long-term returns. While no program can eliminate every risk, managing the biggest upstream threats dramatically lowers the likelihood and severity of disruptions.



Regulators are focusing on the supply chain. This is evident in the rapid growth of U.S. and EU supply chain due diligence regulations, which typically cover environmental, social, and governance topics, and bribery and corruption issues.

The next sections of this guide explain how your supply chain is responsible for the majority of your sustainability footprint, and why it's where you need to focus your program's efforts.





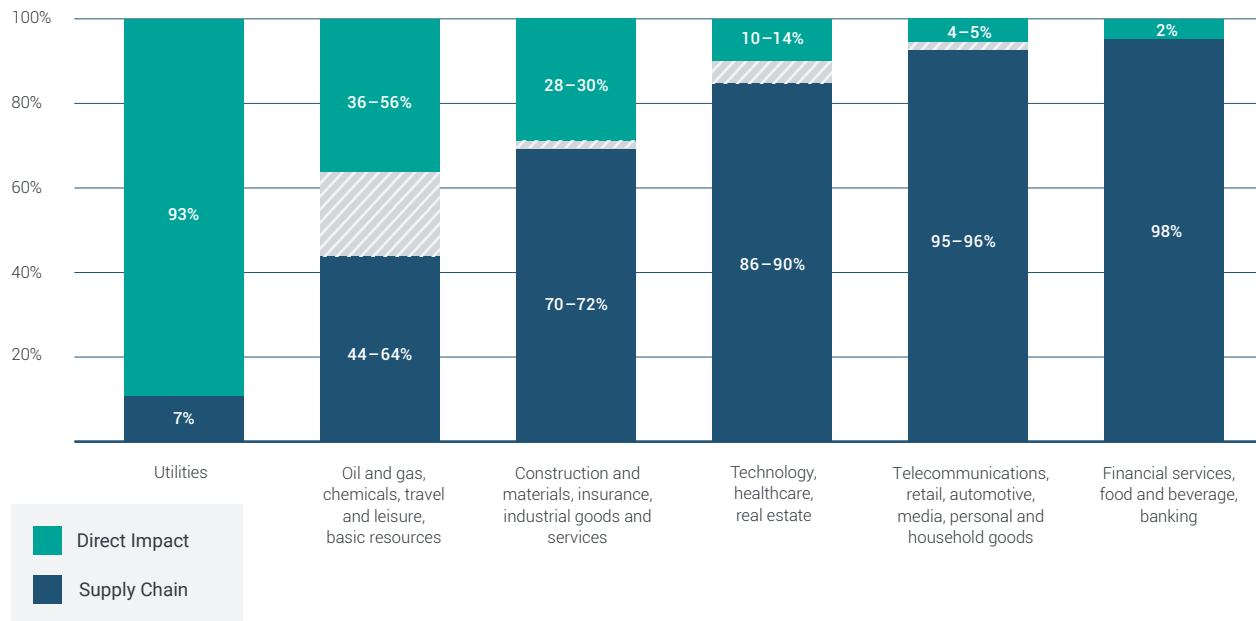
Section 2 Risks Radar: What Could Derail — or Accelerate — Your Goals

Risk & Opportunities in Supply Chain Sustainability

Sustainability is more than carbon calculators and energy-efficient lightbulbs. A truly sustainable supply chain must also protect human rights, weed out bribery and corruption, and guard against environmental damage at every tier. If those upstream realities stay hidden, even the greenest headquarters footprint is a mirage. In other words, if your sourcing runs through high-impact manufacturing hubs (e.g., China, Vietnam, Mexico, Eastern Europe), efficient lighting at corporate HQ won't shield you from forced labor allegations, illicit payment probes, or Scope 3 emissions scrutiny. Clicking the "easy" button invites regulators, investors, and customers to call your bluff. Unless you are mapping and measuring all upstream impacts, including social, ethical, and environmental, you are not tracking your footprint at all.



A study cited by the Principles for Responsible Investment illustrates just one slice of this bigger picture. It shows that supply chain activities, not in-house operations, dominate environmental impact across almost every industry. In manufacturing segments such as automotive, industrial equipment, and electronics, upstream stages can account for as much as 96% of total emissions.



Source: 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>

You may assemble the final product, but you don't own the mines, mills, or foundries that generate the raw materials and subassemblies, and that is where the bulk of impact lives.

If more than 90% of your sustainability footprint and risk is embedded in your supply chain, then focusing only on the less than 10% you control directly is strategic malpractice. Programs that stop at internal facilities leave the door wide open to regulatory fines, shipment holds, brand damage, and ESG downgrades. A sustainability strategy that ignores upstream social, ethical, and environmental risks isn't a strategy at all. The next pages will show how to prioritize those upstream risks and opportunities so your program delivers real-world results.



Environmental Risk Lens

Your suppliers are your most powerful lever for change. Focus on two angles first:

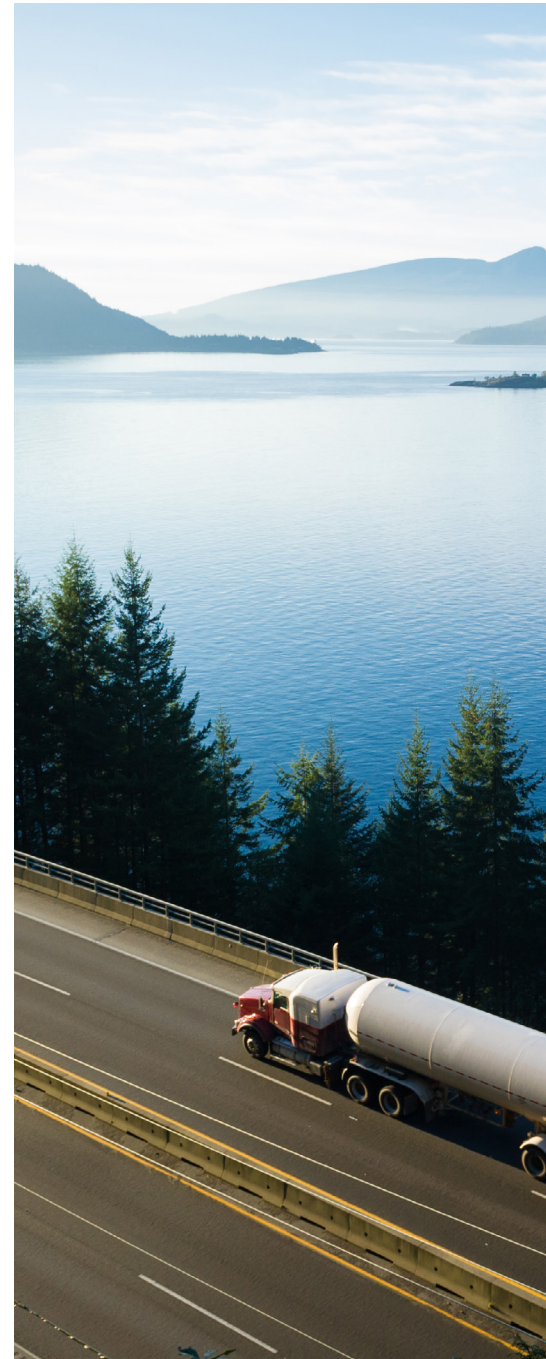
Climate Impact

- Require suppliers to measure and report their Scope 1, 2, and relevant Scope 3 GHG emissions
- Award more business to suppliers that set — and hit — science-based reduction goals
- Prioritize partners that run on renewable energy or purchase verified clean energy certificates
- Provide training and tools that raise suppliers' maturity in data collection, target-setting, and performance tracking

Environmental Stewardship

- Systematically test parts and materials for chemicals that poison waterways or harm aquatic life, then phase out high-risk inputs
- Substitute hazardous substances that can't be safely recycled or landfilled with greener alternatives
- Favor suppliers that minimize material use and switch to recyclable or biodegradable packaging
- Source from suppliers certified for sustainable forestry, regenerative agriculture, or other practices that safeguard ecosystems

You may have many other environmental impacts in your supply chain, but what's listed above is a strong foundation for a supply chain sustainability program. By starting here, you can measure and improve your environmental impact where it matters most.





Social & Human Rights Lens

The worst human rights issues are hidden in the supply chain — which is why focusing your social sustainability efforts on your global supply chain empowers you to have a lasting, global impact. Although environmental performance indicators are important, it's the social issues that can do the most damage to your brand and matter the most to your customers and investors. These include:

- Slavery, forced labor, and child labor
- Unsafe or discriminatory working conditions (health, safety, wages, harassment)

Your own organization may not use unethical labor practices, but to be confident human rights violations aren't built into your product, you need deep visibility into your supply chain.

Non-governmental organizations (NGOs) and the media continue to monitor labor violations around the globe, and countries are increasingly regulating this issue. For example, recently there has been scrutiny of forced labor practices in China's Xinjiang Uyghur Autonomous Region (XUAR). As a result, the Uyghur Forced Labor Prevention Act (UFLPA) requires manufacturers to conduct due diligence on their suppliers to identify bad actors and verify that materials aren't XUAR-sourced. If manufacturers don't comply, they may face product seizures.

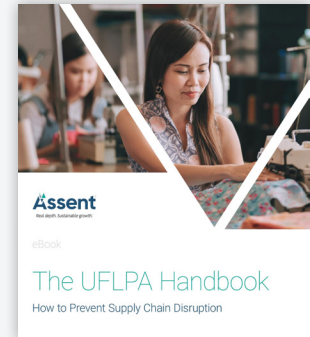
But did you know U.S. Customs and Border Protection doesn't need to see your goods coming directly from China to seize them under the UFLPA? Withhold release orders are issued by CBP in several countries. This has led to shipments getting stopped coming from Malaysia to Vietnam.¹

¹ Barnes, Richardson & Colburn. (2024, September 5). *Customs Reminds Importers that Most UFLPA Seizures Aren't Shipped from China*. <https://www.barnesrichardson.com/customs-reminds-importers-that-most-uflpa-seizures-arent-shipped-from-china>



No supplier is likely to voluntarily admit that forced labor is part of its operations, so uncovering these risks demands a structured process. Best practice starts with screening suppliers for links to high-risk entities, verifying any red flags, and confirming that suppliers live up to their agreed-upon commitments. Manufacturers can further safeguard their interests by conducting direct, dialogue-based due diligence to evaluate each supplier's internal controls. Industry-standard self-assessment tools, such as those based on International Labour Organization (ILO) guidelines, help measure process maturity, control effectiveness, and determine each supplier's willingness to share transparent data.

While your social sustainability efforts should also include goals for your internal performance, such as protecting worker health and safety or enforcing anti-discrimination and harassment policies, the factors with the biggest impact are external to your company. The worst risks to human lives, and your business, are hidden in your supply chain. A truly impactful sustainability program lays the foundation for deeper supply chain visibility and better risk mitigation.

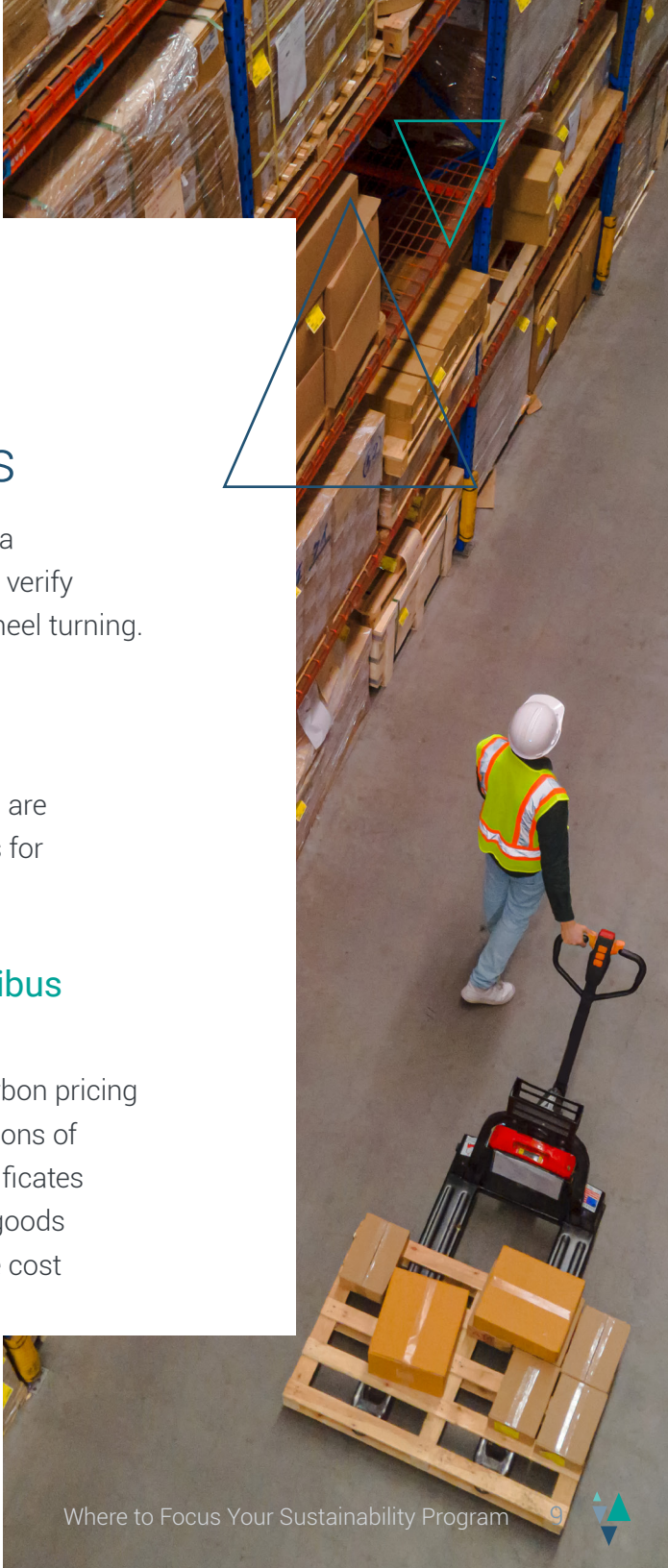


[Download Now](#)

Stop Forced Labor at the Source

The UFLPA is changing everything. Get our handbook to learn how to gain transparency into your supply chain, prove your products are clean, and keep goods moving across borders.





Section 3 From First Steps to Continuous Improvement Loop: Setting Up a System That Scales

A sustainable program isn't a once-and-done project. It requires a repeatable supplier engagement loop: map suppliers collect data verify remediate report improve. Embedding this as policy keeps the wheel turning.

Regulation Primer

In the regulatory landscape, compliance and sustainability topics are continuing to merge, creating increasingly complex requirements for manufacturers. Some examples include:

Carbon Border Adjustment Mechanism & the Omnibus Simplification Package

The Carbon Border Adjustment Mechanism (CBAM) creates a carbon pricing system that requires importers to report on the embedded emissions of their in-scope EU imports. They will need to purchase CBAM certificates (carbon credits) to align with the domestic carbon costs of such goods on the EU Emissions Trading System (EU ETS). This equalizes the cost





of generating emissions inside and outside the EU, encouraging sustainable business practices, preventing carbon leakage, and driving progress and investment in meeting the EU's decarbonization goals.²

CBAM falls under the scope of the EU Omnibus Simplification Package, but the proposed changes do not negate the commitments to establishing a price of carbon for these goods, and intentions to expand the scope of CBAM over time have not changed. The package is designed to help streamline compliance for manufacturers operating or importing into the EU who are in scope of the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CS3D), the Carbon Border Adjustment Mechanism (CBAM), and EU Taxonomy. But don't assume that simplification of requirements means less responsibility — the opposite is true. Regulators are simply merging requirements to streamline compliance, and manufacturers must maintain their sustainability efforts for CBAM compliance.

² Assent Inc. (2025). *The Carbon Border Adjustment Mechanism (CBAM) Handbook: From Carbon Complexity to Compliance Clarity*. <https://www.assent.com/resources/guide/the-carbon-border-adjustment-mechanism-cbam-handbook/>



Extended Producer Responsibility

Extended producer responsibility (EPR) is reshaping regulations around the world by shifting the costs and responsibilities of end-of-life management onto manufacturers. It's a policy approach leading to an ever-growing number of non-harmonized regulations that holds producers accountable for the collection, recycling, and disposal of their products. This approach drives the considerations needed to transition from a linear economy to a circular economy.

Some examples of applicable product categories include:

- Batteries
- Packaging
- Electronics/waste electrical and electronic equipment (WEEE)
- Textiles
- Tires

Manufacturers already face reporting requirements for packaging-related EPR schemes in North America, with the Federal Plastics Registry, nine Canadian provincial/territorial laws, and seven U.S. state laws already in place. In the EU, evolving EPR schemes place requirements on manufacturers in association with the EU Ecodesign for Sustainable Products Regulation (ESPR) and the EU Batteries Regulation (EUBR).



Ecodesign for Sustainable Products Regulation

The Ecodesign for Sustainable Products Regulation (ESPR) covers virtually all products on the EU market. With an initial focus on intermediate products phasing in from 2025–2030,³ the scope will then expand to virtually every product placed on the EU market. Timing of compliance, and producing evidence of compliance, will shift earlier in the product design process for manufacturers. It is imperative for companies to have audit-ready supply chain information available to protect their market access. It is a framework law that lays the foundation for additional rules and requirements on a product-by-product or horizontal (groups of products) basis in the future. Manufacturers need to be prepared to complete Digital Product Passports (DPP) for their in-scope products, with detailed data from their supply chains. The EU is expected to launch a DPP registry by mid-2026 to support standardized access.

Information in a DPP can include:⁴

- A product's technical performance
- Materials and their origins
- Repair activities
- Recycling capabilities
- Life cycle environmental impacts

³ European Commission. (2025, April 15). *Commission rolls out plan to boost circular and efficient products in the EU*. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1071

⁴ European Commission. (Retrieved August 28, 2025). *Ecodesign for Sustainable Products Regulation (ESPR)*. eunomia.eco+15commission.europa.eu+15environment.ec.europa.eu+15



Canada's Fighting Against Forced Labour & Child Labour in Supply Chains Act (Bill S-211)

By May 31, 2026, in-scope companies must report on the steps taken during their previous financial year to prevent and reduce the risk of child and forced labor in their supply chains and publish the report on their website. Reports must be approved by the governing body and are subject to federal review before being posted to the public catalog. Non-compliance or inaccurate information can result in fines of up to \$250,000 CAD, and forced labor concerns can also create import disruption risk under Canada's Customs Tariff prohibition.

EU Batteries Regulation (2023)

The EU Batteries Regulation replaces the 2006 Batteries Directive and addresses the entire battery life cycle with the aim of reducing their social and environmental impact.⁵ Other aims of the regulation include:

- Reducing the carbon footprint of large batteries, such as those for electric vehicles and industrial uses
- Reducing the dependence on third countries for critical raw minerals through recycled raw materials
- Reducing negative social and environmental impacts of mining for critical raw materials

⁵ European Commission. (Accessed September 22, 2025). *Batteries – waste and recycling*. https://environment.ec.europa.eu/topics/waste-and-recycling/batteries_en



- Improving consumer and buyer access to sustainability information for batteries (Batteries Passport)
- Improving the recycling of waste batteries through EPR schemes

The regulation covers virtually all types of batteries, from electric vehicle (EV), industrial, light means of transport (LMT) batteries to portable batteries like those in electronics. If you are a manufacturer that makes or imports batteries into the EU, your business is likely in scope.

Why This Matters

Within the next few years, a huge number of EU manufacturers will have compliance requirements that are deeply integrated with sustainability impacts that are hidden in the supply chain. Even manufacturers without EU branches will need to start collecting sustainability data from their own suppliers, as they're likely to need it to respond to information requests from their EU customers or partners.

Tech & Tools

The AI-native Assent Sustainability Platform untangles complicated data, provides straightforward results, and delivers insights to accelerate your goals. We help you go beyond the four corners of your organization into your supply chain so you can assess risk and maturity. By tracking your suppliers' willingness to provide insights, evaluating their internal controls, and supporting their education on global sustainability regulations, we help your company make your biggest impacts in reducing risk and avoiding greenwashing.

We provide sustainability risk monitoring surveys and dashboards, as well as media monitoring, sanctions reviews, and consulting, so you can build a results-oriented program based on global sustainability standards.





Revolutionize Your Supply Chain Sustainability Program

A strong supply chain sustainability program focuses on real impacts for manufacturers — things like supplier emissions, material sourcing, and labor practices, rather than chasing vague ideas of “green” that don’t always align with real-world impacts made by companies that manufacture physical products.

Whether you’re just starting your supply chain sustainability journey or want to take your program to the next level, the time to act is now. Book a demo with our team to see how Assent can help.

Book a Demo





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