



eBook

Implementing a Product Compliance Program That Scales:

The Supply Chain Sustainability Handbook

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Introduction

Supply chain sustainability management is focused on creating a resilient supply chain that supports your business' continuous ability to grow and create responsible products, delivering on product compliance and environmental, social, and governance (ESG) goals.

A supply chain sustainability program will enable your business to bring compliant products to market, demonstrate regulatory due diligence, and lay the foundation for future business growth into deeper sustainability, including ESG disclosures and growth initiatives.

Leading manufacturers are focusing on supply chain sustainability because it helps protect them from supply chain disruptions and increases their brand's value. Since most ESG and product compliance risks are hidden in the supply chain, a supply chain sustainability program enables manufacturers to monitor and mitigate the greatest risks to their continued growth.

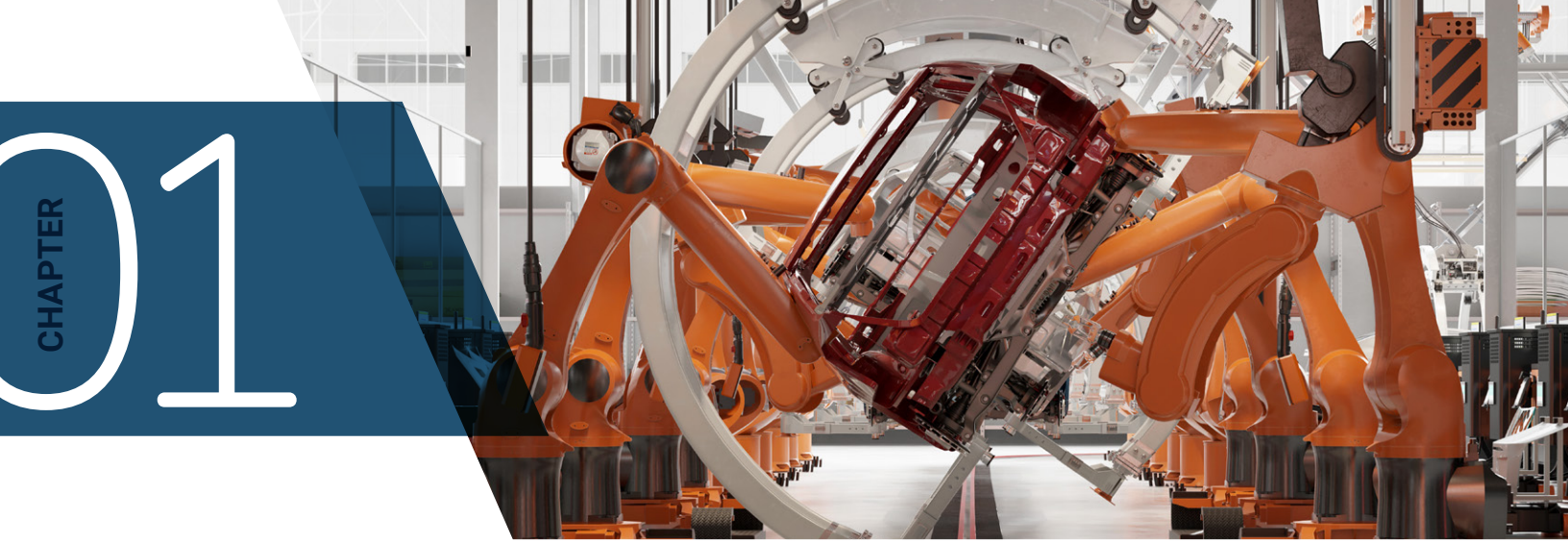
This guide details the vital planning steps that will set up your supply chain sustainability management program for success, and establish the groundwork for implementing a software solution to streamline that program. By following these steps and collaborating with your solution provider along the way, you will:

- ▶ Achieve a better return on investment and stronger program results
- ▶ Have essential documentation for due diligence
- ▶ Set your organization up for future growth
- ▶ Have a product compliance foundation that helps achieve deep supply chain sustainability



Supply chain sustainability management is what complex manufacturers must do to maintain a transparent and resilient supply chain, considering everything from regulated substances and materials to ethical practices to ensure they meet or exceed product compliance and ESG demands.





Going Deeper to Build Resilience

More Than Checkbox Product Compliance

Supply chain sustainability is more than product compliance data management. It goes deeper and looks at sustainability from a supply chain perspective: the goods you manufacture, your ESG footprint, and your potential to grow. Producing compliant products and profiting from their sale depends on having a high-performing and sustainable network of suppliers and parts.

Let's take a look at the difference between checkbox product compliance programs and supply chain sustainability management programs to understand why the implementation process is different ... and why you don't want to settle for checkbox compliance.

Program Type Comparison

Checkbox Compliance	Supply Chain Sustainability
Designed to meet bare-bones compliance needs: Checks only certain parts against existing specific substance lists to validate compliance with a “yes/no” approach.	Broader and deeper compliance: Emphasizes getting as much specific data as possible and referencing against existing regulatory lists as well as proposed future restrictions.
Reactive: Only review new requirements once an updated regulation comes into effect, so you won’t discover a nonconformity until after the regulation is in place.	Proactive: Built-in regulatory monitoring that proactively alerts you to compliance risks by tapping into product information already collected from your suppliers.
Shallow view into the supply chain, only focusing on specific substances and tier one suppliers without looking at supplier performance. Reliant on supplier cooperation, trustworthiness, and self-reporting.	Deep view into the supply chain, giving insight into supplier performance, ethical sourcing, product compliance, and engagement tracking. Indirect monitoring builds credibility to suppliers’ own claims of compliance.
Built to appease regulators.	Created to provide business intelligence.





CHAPTER 02

Laying a Foundation for Sustainability

The Golden Rule of Implementation: Document Everything

Documentation is essential at every step of the implementation planning process. As you follow along with this handbook and make decisions, be sure to document them. There should be a formal written policy outlining every aspect of your product compliance strategy. These documents will serve as the foundation for your program, your supplier relationships, your risk management, and more. They also demonstrate your company's due diligence when it comes to product compliance and supplier management.

Supply chain sustainability software will do the heavy lifting with regard to product compliance tasks, but the strategy of what you want to do — how you instruct the solution — is in your strategic documents. With the help of this handbook, you'll create the following types of documents:

- ▶ Material specifications
- ▶ Supplier code of conduct
- ▶ Contractual terms and conditions
- ▶ Part and supplier contact lists
- ▶ Documented internal ownership and roles
- ▶ ...And many more

Tip #1: Avoid Writer's Block

As you go through the supply chain sustainability program planning process, you'll likely create many new documents for your organization and repurpose existing ones. In cases where you're starting from scratch, it can be difficult to know where to start or where to find best practices for creating useful planning documents. To ensure you're not left staring at a blank page, Assent provides customers guidance, suggested language, and templates for many of the common document types you'll need.

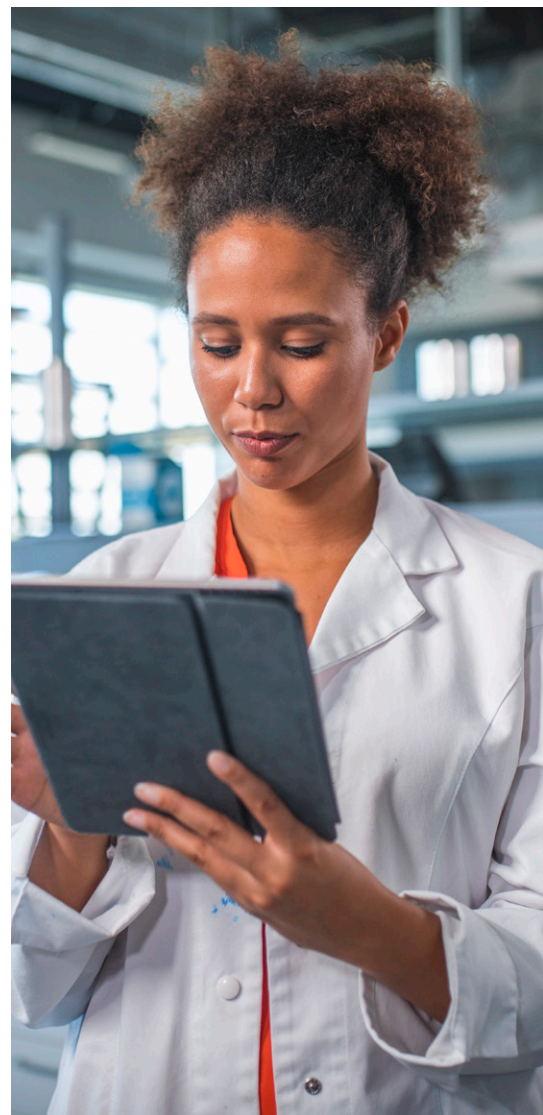
Scope Goals & Outcomes

When implementing supply chain sustainability processes, document your goals and desired outcomes for the software. Involve stakeholders from your product compliance group to understand their needs, including product engineers, procurement managers, quality leaders, executives, and those who write and submit regulatory compliance reports. You may also want to include team members who oversee or work on ESG goals.

Supply chain sustainability management programs are typically designed with goals like:

- ▶ Ensure products going to market comply with safety and environmental regulations and have the required certifications
- ▶ Eradicate forced labor and child labor from supply chains
- ▶ Provide effective collection and management of product data to save time and overhead

Document your goals and communicate them with your potential solution providers. Your provider should also have questions and recommendations for your program, and will take the time to understand your unique and complex manufacturing requirements, and collaborate with you to strategize how to ensure the program meets expectations.



Assent's team of supply chain sustainability professionals works directly with your team to build a program that goes beyond checkbox compliance, with a focus on supply chain sustainability. We dive deep into your supply chain, down to the “parts of parts” level to understand what goes into your product, and where hidden risks may lie. We can even help you meet reporting obligations such as those associated with the EU Substances of Concern In articles, as such or in complex objects (Products) (SCIP) database. Our platform offers a product compliance foundation and helps you build a deeper sustainability program that avoids supply chain disruptions and minimizes risk.



Identify Regulatory Requirements

Regulatory compliance is at the core of sustainable supply chains, ensuring compliance with manufacturers' markets and supporting their ability to grow into new markets.

No two businesses are the same when it comes to regulatory requirements. Your regulatory profile will depend on the goods you create, where you source parts, and where you ship products. In addition, your customers may have their own lists of product requirements beyond government regulations, such as “substances of concern” lists. For example, many customers have a policy or specification that includes substances that may be declarable, restricted, or completely prohibited by the customer, such as lead, asbestos, or perfluoroalkyl and polyfluoroalkyl substances (PFAS).

Before implementing a solution, you need to document which regulations and internal requirements it needs to support. Once your regulatory and internal requirements are documented, you must communicate them to your solution provider and suppliers. This list will be the roadmap for your supply chain sustainability program.

It can be difficult to understand which regulations will apply to your company and products, and even more so to keep track of changing requirements within these regulations. For example, under the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) Regulation, the Candidate List of substances of very high concern (SVHCs) updates every six months. Your regulatory obligations may also change as you add new products or suppliers. To fully understand these requirements, you'll want to partner with a regulatory expert like those at Assent who can help identify which regulations apply to your products. Having access to a full bill of materials (BOM) for your products also helps regulatory experts not only confirm the current status of your products, but anticipate where you may have challenges in the future.

Tip #2: Make Use of Regulatory Expertise

Make sure to choose a program partner that has proven regulatory knowledge, and isn't just giving you an empty database.

Assent has a team of regulatory and supply chain sustainability experts that work hands-on with your team to review your regulatory requirements. Our experts have decades of combined experience building compliance and sustainability programs for the world's top manufacturers. They also sit on industry groups that help shape future regulations, giving you deep regulatory insights and advice on both current and future legislation.





CHAPTER 03

Facilitating Cross-Supply Chain Collaboration

Supplier Care Strategy

A supplier care and engagement strategy is one of the most important parts of your supply chain sustainability program. Unlike a compliance program, a supply chain sustainability program turns suppliers into partners so you can work together to eliminate risks and act more sustainably.

This section will cover how to implement a supply chain sustainability program that supports collaboration with suppliers, including:

- ▶ What you need to communicate to suppliers
- ▶ How to best communicate with them to improve engagement
- ▶ What communication types are handled by your software versus your internal team
- ▶ What types of supplier care your program needs to provide

What to Communicate to Suppliers

You rely on your suppliers for data, and they rely on you to provide a simple data submission process and to help them understand your requests. A successful program helps meet the needs of both parties.

For that to happen, suppliers need to know your expectations and data needs in writing. In addition, supplier engagement improves when they understand why you're asking for certain data. This includes communicating:

- ▶ Your list of regulatory requirements and which regulations apply to the parts they provide — they may even require training and support to understand the regulations
- ▶ How you need them to submit data
- ▶ The frequency at which you need data submitted
- ▶ Information about any tools your program uses (user accounts, log-ins, security), such as the Assent Supply Chain Sustainability Platform

As part of a supply chain sustainability program, you'll need to create a supplier code of conduct. A code of conduct is an agreement and set of prerequisites for doing business with your organization pertaining to worker health and safety, the environment, and social standards. It should be tailored to your specific goals, and will likely include:

- ▶ A prohibition on forced or child labor
- ▶ Occupational health and safety standards
- ▶ Business ethics, such as anti-corruption and anti-bribery policies
- ▶ Environmental safeguards

Once complete, the code of conduct will need to be communicated to your suppliers. Your supply chain sustainability software should help make the process easier by providing an online portal to send and track code of conduct agreements, like the code of conduct solution provided by Assent. We send out your code of conduct to suppliers so they can sign it digitally, and track who has and who has not agreed to your terms. This capability is essential when dealing with hundreds or more suppliers.



Code of Conduct Guidance

Need help getting your code of conduct in order? Download Assent's short Supplier Code of Conduct guide, with detailed insights into what goes into a strong code of conduct.

[Download Guide](#)



Best Practices for Supplier Engagement

Because supplier engagement is one of the main goals of a supply chain sustainability program, any software you use should include features that simplify the complex data submission process. Here are some best practices that a supply chain sustainability solution should account for:

Streamline Data Requests

Suppliers have better response rates when they aren't bombarded with a number of overlapping data requests from multiple tools. This overload can cause confusion and supplier fatigue. Plan to implement your software so it campaigns suppliers for data that won't overwhelm them, and doesn't ask for the same data point multiple times for different regulations. Assent's campaign management tools help ensure your data collection program runs smoothly across both product compliance and ESG requirements and lets you track supplier response rates that support supplier health scorecards.

Speak Their Language

Your global suppliers won't all speak the same language. If you are asking suppliers to submit data through a software platform, the interface should support their preferred language, making it easy for them to understand and reducing the risk of errors. Educational materials, forms, and other agreements should also be made available in a supplier's preferred language to improve comprehension and engagement. Assent's software is available in a number of languages, and our customer support team provides multilingual services.

A Human Touch

Software alone can't provide everything a supplier needs. Implementing a supply chain solution should also include a plan for providing human support to suppliers that need extra assistance completing data requests. Assent's solution provides a data collection solution coupled with supplier support services that provide a human contact point for supplier concerns and inquiries. We have a large team dedicated to working with your suppliers to improve response rates and data quality.



Owning Communication Channels

Before you implement a supply chain sustainability solution, you will need to plan and document which supplier communication types are delivered by the software, which are the responsibility of the software provider, and which are owned by your organization.

Because a software provider has a third-party relationship with your supplier, it won't have the same authority as the direct client-vendor relationship you have with your suppliers. You own your relationship with your supply chain. As such, there are certain types of communication that should always be handled in-house:

- ▶ Compensation for expenses related to testing or data validation by suppliers
- ▶ Corrective actions for non-cooperation
- ▶ Strategic business communications

Your software provider can assist with communications regarding:

- ▶ Data submission requests
- ▶ Past-due reminders and alerts
- ▶ Regulatory education and training
- ▶ Technical support, troubleshooting, and user assistance

Maintaining a Successful Relationship

While planning your program, also plan for ongoing relationship management with your supply chain. This includes educating your suppliers about regulatory changes, providing recurring training to help onboard new staff members, and keeping supplier contact information up to date.

These are not processes that software alone can manage, but a good supply chain sustainability solution will include services to help lessen your burden. Assent has a Supplier Help Center with educational guides and videos as well as information about regulatory scope changes that affect the chemicals and products in your supply chain.

Tip #3: Standardize Data Requests

One of the biggest challenges suppliers report is having to submit the same types of data again and again in non-standardized formats. For example, response rates are lower if a supplier is answering questions about conflict minerals for five different customers all using a custom questionnaire. Instead, implement a system that uses existing best-practice templates to collect data, like the Conflict Minerals Reporting Template (CMRT) or the Slavery and Trafficking Risk Template (STRT). Assent's supply chain sustainability solution automates survey sends to streamline data collection and ensure that suppliers receive documents in a standardized format that they expect.





CHAPTER 04

The Only Constant Is Change

Change Management & Contingency Planning

Your program needs to be agile and adaptable to keep up with the ever-growing demands for supply chain sustainability. Implementing a supply chain sustainability program means you need to anticipate a need for change management as well as create a contingency plan when your supply chain faces challenges.

Since no two businesses are alike, your change management and contingency plans will be unique. However, there are some common scenarios that most manufacturers need to consider:

- ▶ **Adding a new product**
This may trigger a need to re-scope applicable regulations
- ▶ **Extending a product to a new market**
This may require you to scope requirements in the new market

► **Reengineering a product**

For example, changes to the Restriction of Hazardous Substances (RoHS) Directive may trigger redesign requirements for many electrical products

► **Managing or replacing non-responsive suppliers**

Regulators will not exempt you from compliance just because suppliers don't provide data

► **Internal human resource changes**

How will you maintain business continuity when employees join or leave your organization?

Assent's supply chain sustainability management solution is built to help manufacturers be proactive and versatile about changes in their supply chain. We make it as simple as possible to onboard new suppliers and new employees, in addition to adding new capabilities as your program, or product portfolio, changes and grows.

Tip #4: Beware the Product "Mid-Life Crisis"

Your compliance risk is greatest when your products are at the "midlife" stage — after they've been certified as compliant at launch and are no longer brand new to market, but before you phase them out as "end of life." Many manufacturers stop managing compliance and certifications for a product once released. But changes to regulations and your supply chain can be incredibly complicated and costly, especially when redesign and/or retesting are required. For example:

- New requirements, like the U.S. Toxic Substances Control Act (TSCA) persistent bioaccumulative toxic (PBT) substances restrictions or changes to an existing regulation
- Market expansion where the new market has its own requirements for the product
- Supplier change (e.g., due to obsolescence or pricing)

When these types of changes occur and you don't have a program in place, you may suddenly find yourself with a warehouse of inventory you cannot legally sell. The Assent platform ensures that you're supporting and tracking the compliance of all your products, parts, and suppliers throughout their entire design lifecycle.





“Regulations are shifting focus onto the supply chain.”

Regulatory Change Management

When regulations change, it doesn't just cause a ripple effect — it can create tidal waves for your supply chain sustainability management program. What was compliant one day can be non-compliant tomorrow, and you need timely data to demonstrate your due diligence. That means your program, and the software supporting it, need to be agile and adaptive to regulatory changes. Your regulatory obligations will change over time, so your program must also be adaptable.

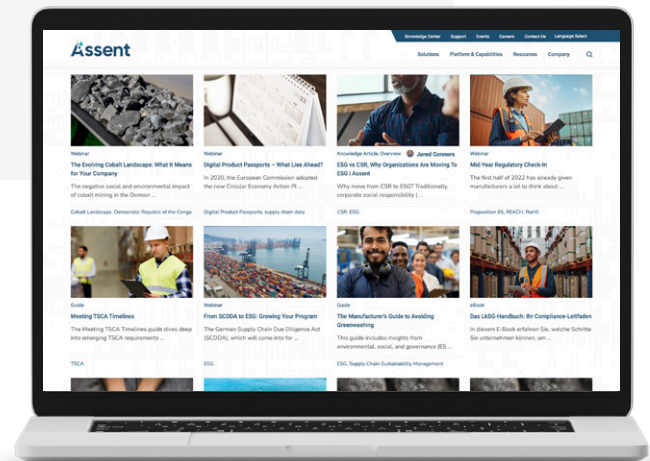
Part of what makes a supply chain sustainability program different from a checkbox compliance program is seeing the deeper connections between product compliance and sustainability. Regulations are evolving to include more ESG and supply chain due diligence, grounded in product compliance requirements. For example, in the U.S., the new Uyghur Forced Labor Prevention Act (UFLPA) requires importers to ensure their products aren't sourced from areas known to utilize forced labor. In Europe, the German Supply Chain Due Diligence Act (SCDDA) requires certain manufacturers to check for human rights abuses in their supply chain, and the EU's Waste Framework Directive uses product component data to support larger EU circular economy and recycling initiatives. You can't rely on a compliance program that doesn't dig deeper into your supply chain to uncover hidden sustainability risks, because regulations are shifting focus onto the supply chain.

Keeping up with international regulatory changes is a full-time responsibility, and most manufacturers don't have the staff to dedicate to regulatory monitoring. Assent does the heavy lifting for you: Our team of regulatory experts is responsible for monitoring the international landscape of product compliance, ESG, and trade compliance regulations. We update our software platform to reflect regulatory changes as applicable to your needs. Only Assent protects your sustainability and global market access by taking a deeper view to understand your products, your supply chain, and the regulations that affect both.

Tip #5: Follow Assent's Regulatory Forecasts

Don't let regulatory changes sneak up on you — if it turns out that you need to re-engineer a product or replace a newly-regulated substance, you may need months of run time to achieve compliance before a new regulation comes into effect. Assent provides free continuing education for manufacturers to keep you ahead of regulatory changes, including webinars and guides, that help you anticipate upcoming supply chain regulations. You can stay up to date with our free content hub.

[Visit Content Hub](#)



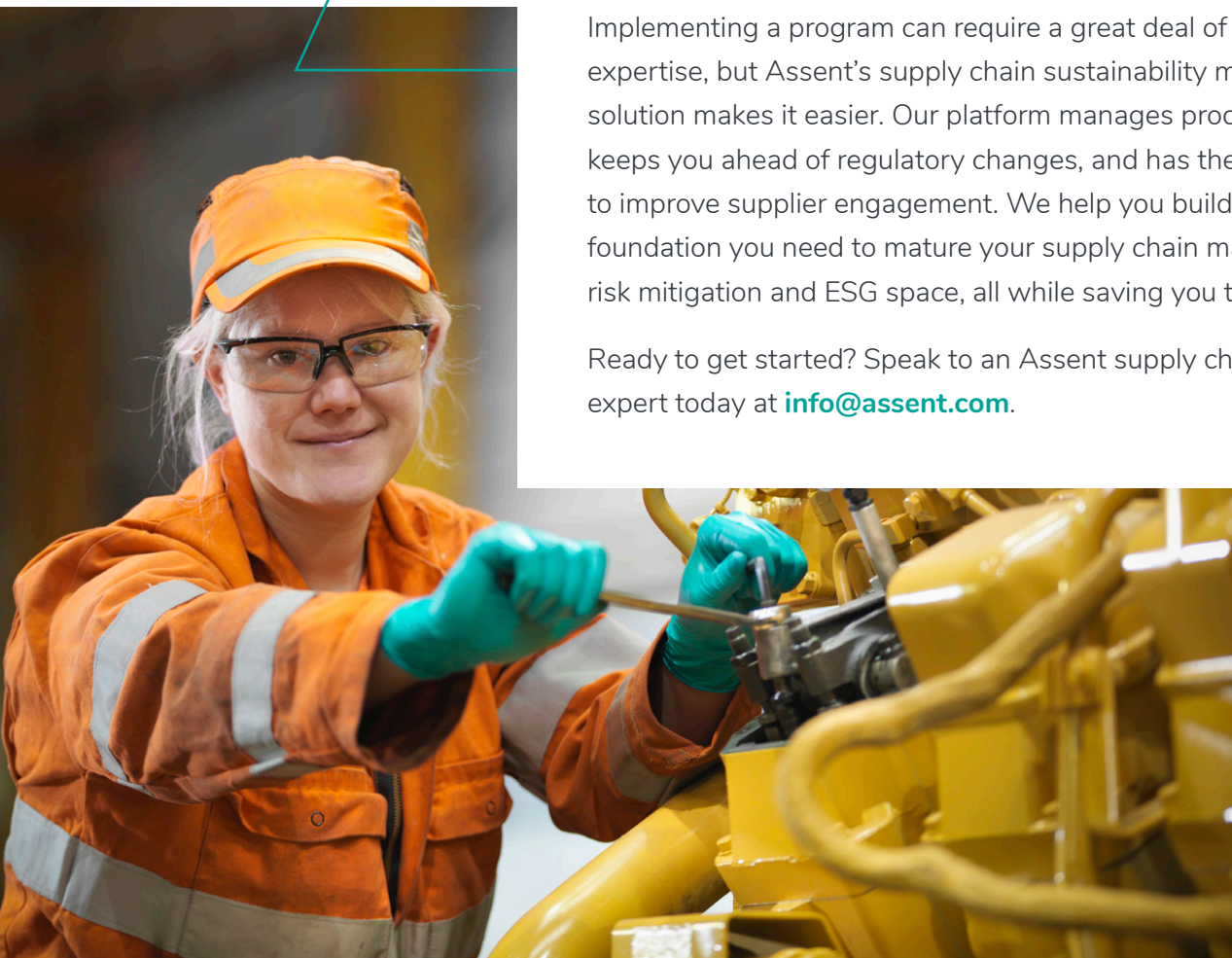
Conclusion

Supply chain sustainability is all about treating your supply chain as one of your key resources, and ensuring that you can depend on its continued resiliency against disruptions, risks, and non-compliance. Investing in supply chain sustainability management protects you from a wide range of risks to your bottom line and your brand, and sets you up for continuous growth in the marketplace and in ESG improvements.

That's why supply chain sustainability management programs are now considered a best practice by regulators, investors, and the industry-leading manufacturers paving the way toward deep supply chain sustainability.

Implementing a program can require a great deal of planning and expertise, but Assent's supply chain sustainability management solution makes it easier. Our platform manages product compliance, keeps you ahead of regulatory changes, and has the tools you need to improve supplier engagement. We help you build the compliance foundation you need to mature your supply chain management into the risk mitigation and ESG space, all while saving you time and money.

Ready to get started? Speak to an Assent supply chain sustainability expert today at info@assent.com.





Meet the Expert

Cally Edgren

Director of Sustainability

Cally is a proven compliance program leader with experience developing, communicating, and executing company goals and strategies. She is a subject matter expert on product materials compliance, as well as market access certifications. Her background includes over 27 years of program and process development, as well as managing global compliance programs for major manufacturers, including Kohler Co.



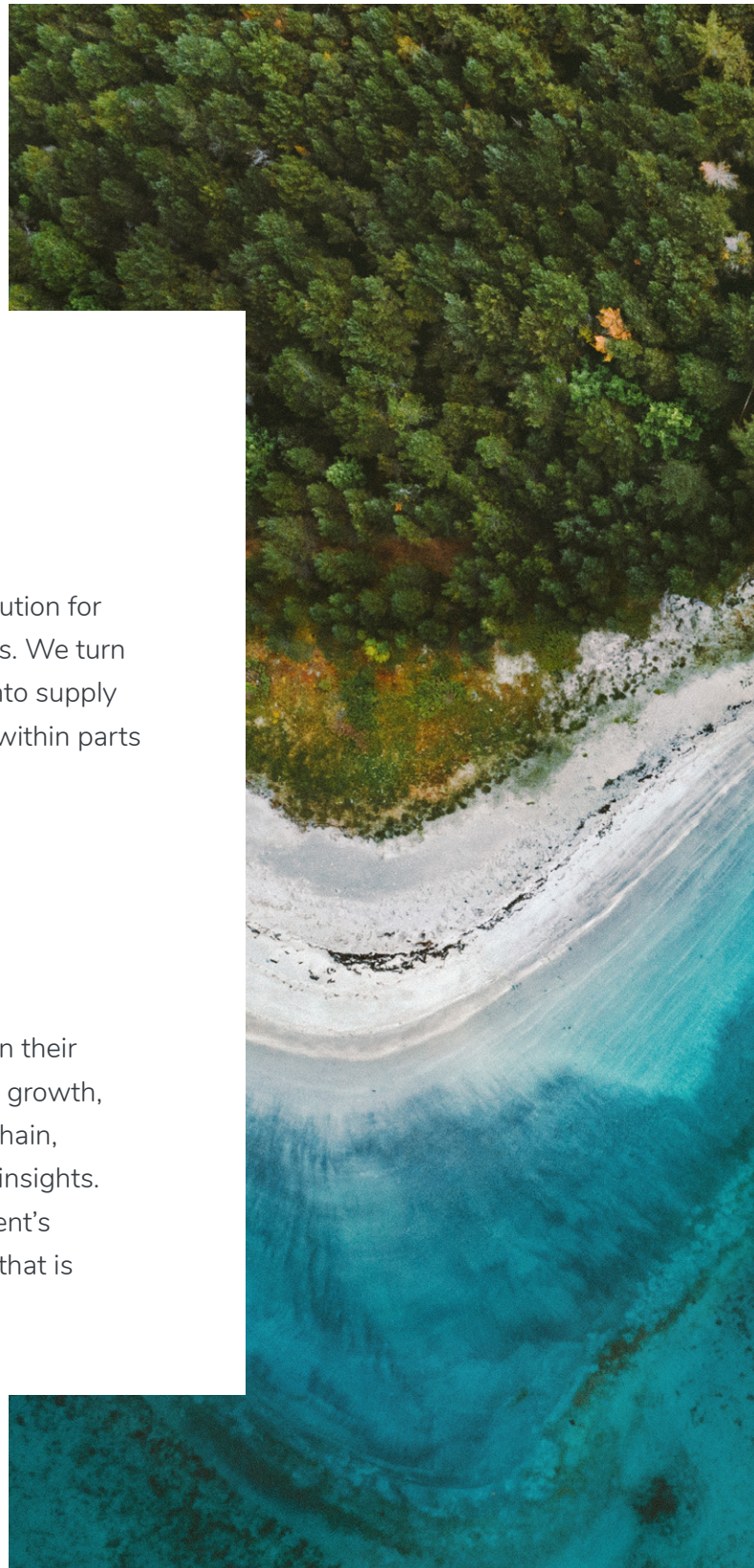


Who Is Assent?

Assent is the supply chain sustainability management solution for the world's most forward-thinking complex manufacturers. We turn sustainability goals into tangible action by delving deep into supply chains, identifying suppliers, parts, and even substances within parts to map the entire complex manufacturing genome.

What We Do

We help companies spot sustainability risks hiding deep in their supply chains and identify new areas of focus to enhance growth, efficiency, and value. By digging deep within the supply chain, we pull and validate more actionable data to provide real insights. Guided by regulatory experts with a diverse skill set, Assent's solution delivers a cross-enterprise view of sustainability that is necessary for true leadership in the field.





[Assent is] a low touchpoint program with very high results and program growth, year in and year out.

— Ryan Zelhofer, Former Product Compliance Manager, Plexus

Over **200,000**
parts managed

80% reduction in staff
management hours



The Assent Solution

The journey toward sustainability demands a new way of thinking about supply chains. Assent turns your supply chain data into a critical tool to make safe, sustainable, and ethical products by providing:

- ▶ Clean data collected from the source using automated engagement techniques that dive deeper into supply chains
- ▶ Crucial, at-a-glance supply chain sustainability data through streamlined dashboards
- ▶ An adaptable program that evolves alongside regulations and industry trends

People are the beating heart of any sustainability program. Assent combines its leading technology with expert guidance, ensuring each program is tailored to your specific needs. Dedicated customer success managers make sure you have a familiar face to speak to about changing program goals or enhancements.

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of our changing
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