

Guide

Three UFLPA Compliance Tactics

Critical Steps to Avoid Disruption & Improve Your Program

Assent

Real depth. Sustainable growth.

Introduction

When the Uyghur Forced Labor Prevention Act (UFLPA) went into effect in June 2022, compliance professionals across the U.S. were faced with new challenges and regulatory requirements. The UFLPA authorizes U.S. Customs and Border Protection (CBP) to detain and deny entry to any goods containing any materials extracted or produced in China's Xinjiang Uyghur Autonomous Region (XUAR) or by a UFLPA-listed entity. Based on the high risk of human rights violations in the XUAR, the UFLPA creates a rebuttable presumption that these goods are made with forced labor unless the importer can prove otherwise.

For those working in compliance, the UFLPA means more time spent on due diligence and increased information requests to suppliers. The UFLPA is also the intersection of trade compliance and environmental, social, and governance (ESG) due diligence, which has triggered the establishment of entirely new supply chain sustainability management processes for many companies. These new challenges mean teams need more support and tactics to keep up with the workload and properly manage the risk.

The UFLPA also presents an opportunity to get ahead of compliance risks. Companies can prevent market access issues and other non-compliance concerns by rigorously and thoroughly ensuring no products or parts within their supply chain originate in the XUAR. This includes products that are made in this region in their entirety and products that incorporate parts from there (for example, if a product is made in Myanmar but a part for that product originates in the XUAR, it could still be seized at the U.S. border).

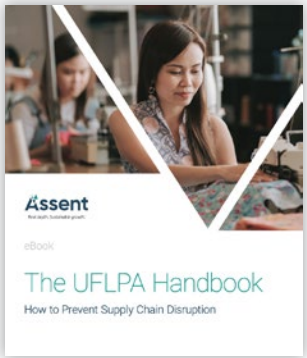


The UFLPA also offers companies the opportunity to build a sustainable future — one where their supply chain is free of forced labor.

This guide outlines three UFLPA compliance tactics you can add to your toolkit to make better use of your time and resources, as well as insights and actionable tips on how to improve your UFLPA compliance program. You'll learn how to:

1. Streamline your UFLPA due diligence data collection
2. Proactively detect hidden human rights risks in your supply chain
3. Improve supplier engagement with your UFLPA outreach

Because the UFLPA and human rights risk management are complex, they require a combination of technological solutions and hands-on program management. This guide will demonstrate why you need a compliance partner like Assent to navigate the entire UFLPA process, and why a simple point solution won't meet your needs.



If you're looking for a deep dive into UFLPA compliance basics, check out Assent's *UFLPA Handbook: How to Prevent Supply Chain Disruption*.

Read Now





UFLPA Risks to Your Company

All companies bringing products into the U.S. must have readily available trade compliance and country of origin data for their goods. This due diligence data must demonstrate that none of the goods, in whole or in part, contain materials made using forced labor, with a presumption that materials sourced from a UFLPA-listed entity and the XUAR are made with forced labor until proven otherwise.

Without due diligence data on hand, companies risk losing U.S. market access: The CBP can detain any shipment entering the U.S. and businesses generally have 30 days to provide evidence of compliance.[1] Businesses that cannot deliver proper due diligence data will have their product rejected.

9,128 shipments detained

3,596 denials

$3.5B value (USD)

Top Industries Detained:

- Electronics
- Apparel, footwear, and textiles
- Agriculture and prepared products

1 U.S. Customs and Borders Protection. (2022, June 13). *U.S. Customs and Border Protection Operational Guidance for Importers.* https://www.cbp.gov/sites/default/files/assets/documents/2022-Jun/CBP_Guidance_for_Importers_for_UFLPA_13_June_2022.pdf

High-Priority Materials Identified by the Forced Labor Enforcement Task Force (FLETF)

These high-priority materials[2] have received extra scrutiny since the law's passing:

- Silica-based products, including polysilicon
- Cotton and cotton products
- Tomatoes and downstream products
- Apparel
- Aluminum
- Polyvinyl chloride (PVC)
- Seafood

In addition, goods like electronics, lead and lithium-ion batteries, steel and copper products, and many others have been prioritized for enforcement, even though they are not listed in the official UFLPA strategy as high-priority goods.



2 The Department of Homeland Security. (2024, July 9). *Forced Labor Enforcement Task Force Adds Aluminum, PVC, and Seafood as New High Priority Sectors for Enforcement of Uyghur Forced Labor Prevention Act: Homeland Security*. www.dhs.gov/news/2024/07/09/forced-labor-enforcement-task-force-adds-aluminum-pvc-and-seafood-new-high-priority.



Building Resilience Against UFLPA Risks

Tactic #1

Standardize & Streamline Human Rights Due Diligence

The first tactic is about using the right tools to add human rights due diligence to your trade compliance data collection, optimizing supplier outreach processes to get the best results for UFLPA compliance, and — most importantly — creating a proactive UFLPA program that keeps you up to date on changing forced labor regulations and requirements.

Tactic one solves for:

- Inconsistent supplier outreach resulting in subpar compliance data
- Low supplier engagement with your questionnaires
- Spending too much time on manual UFLPA data collection



How was Dedicated Computing — a company that designs custom hardware and software for essential devices like medical equipment and training simulators — able to overhaul their compliance processes and foster a culture of sustainability?

Read our case study, *Shaping the Future: How Dedicated Computing Is Evolving Supply Chain Sustainability*, to learn more.

Read Now

To comply with the UFLPA, you need to show evidence that:

- You've conducted due diligence on your suppliers' labor practices for the product you're importing
- No part of your product was made using forced labor
- You have documented where your materials come from
- Any parts or subparts made in China are not linked to any businesses on the UFLPA Entity List

The first step in establishing a UFLPA compliance program is understanding how to collect this data and rolling it up properly to demonstrate compliance at the border. High-quality data from the supply chain is key to creating effective reports and avoiding product seizures.

Tip: Focus on Program Efficiency

Not all programs are created equal. Inefficient programs — like those that leverage manual data collection and supplier engagement — open organizations up to non-compliance risks and make it challenging to demonstrate due diligence.

But by automating and streamlining the compliance program, companies can easily keep up with changing requirements as they happen. Automation can also help you improve the quality of the data you receive by standardizing communication and giving suppliers a simple, convenient way to respond to requests.

Tactic #2

Uncover Hidden Risk With Enhanced Supplier Screening

While direct engagement with your suppliers is a critical aspect of UFLPA compliance, proper due diligence requires going beyond the information they provide you to get deep insights into the risks that may be present in your supply chain. That's why you want a UFLPA compliance program that doesn't rely on one source of information. This tactic focuses on making your UFLPA compliance program more robust and proactive by screening suppliers for links to the XUAR or entities on the UFLPA Entity List.



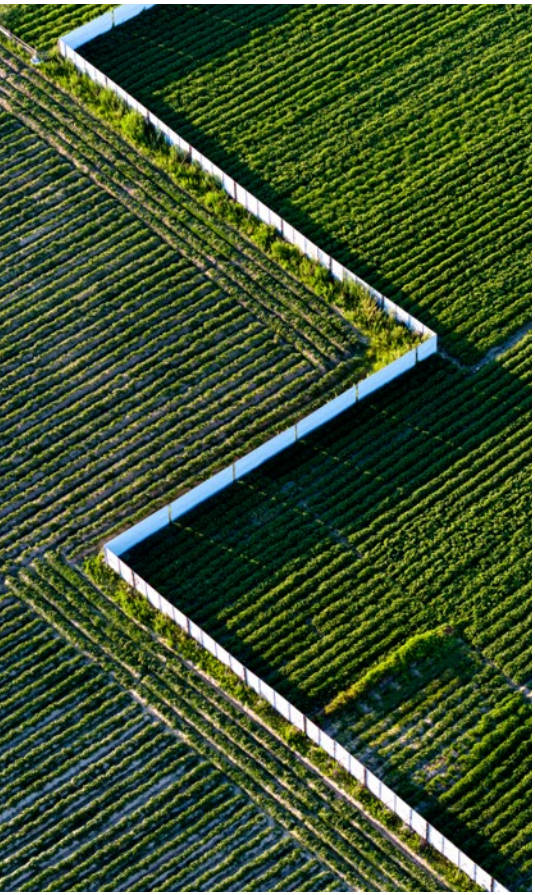
Tactic two solves for:

- Anticipating UFLPA risks and staying ahead of regulatory changes
- Identifying relationships beyond your direct suppliers
- Customers or stakeholders asking for deeper human rights data about your products

An FAQ from the U.S. CBP lists types of information importers may need to provide that will require due diligence beyond direct supplier engagement. This means your UFLPA compliance program needs some form of supplier monitoring and investigation that goes deeper and doesn't take your suppliers' compliance claims at face value.

To implement this tactic, we recommend that your supply chain management and procurement team conduct an independent review of your suppliers' business and legal relationships, public records of regulatory or ethics violations or complaints, and presence on Restricted Party and Denied Party Lists.

Your goal is to have a complete due diligence dossier for any product entering the U.S., showing that you've done your research on the entities you buy materials from directly and as much of those materials' life cycles as possible.



Tip: Leave No Stone Unturned

Pay close attention to any mention of your supplier that connects them back to a human rights risk. These mentions can take place across many outlets, and the more you monitor, the stronger your program will be.

Here are some of the places to watch for supplier risk indicators:

- Denied and debarment lists, to prevent you from partnering with a forbidden supply chain entity
- Print, radio, and television mentions that publish industry news, including paywalled content from industry journals
- Social media
- Publications from non-governmental organizations (NGOs), watchdog groups, and legal offices
- Government publications and notices

You can streamline some of this monitoring with automated services — even something as simple as a Google Alert is a good place to start.





Tip: Lean on Expert Support

Realistically, conducting additional supplier review on top of your daily compliance activities is not always feasible for most organizations. And it is often impossible to find critical information without some kind of specialized access. This is where having a UFLPA compliance partner is valuable.

Assent rounds out your UFLPA program with our hands-on expert risk analysis and Enhanced Supplier Screening solution, giving you a 360-degree view of your supply chain human rights risks. This solution monitors over 2 million digital sources and more than 2,000 live media channels, including the sources listed above, covering outlets from 182 countries.

Our responsible sourcing team helps you score supplier human rights maturity, analyze supply chain ESG risks, and uncover hidden UFLPA red flags, like a supplier's link to an entity on the UFLPA Entity List.

You get continuous monitoring of your key suppliers for human rights risk indicators, letting you proactively avoid UFLPA risks. In addition, you get documented evidence that you have a due diligence program in place that will help during a CBP investigation.

Tactic #3

Embed UFLPA in Your Broader ESG, Trade & Product Compliance

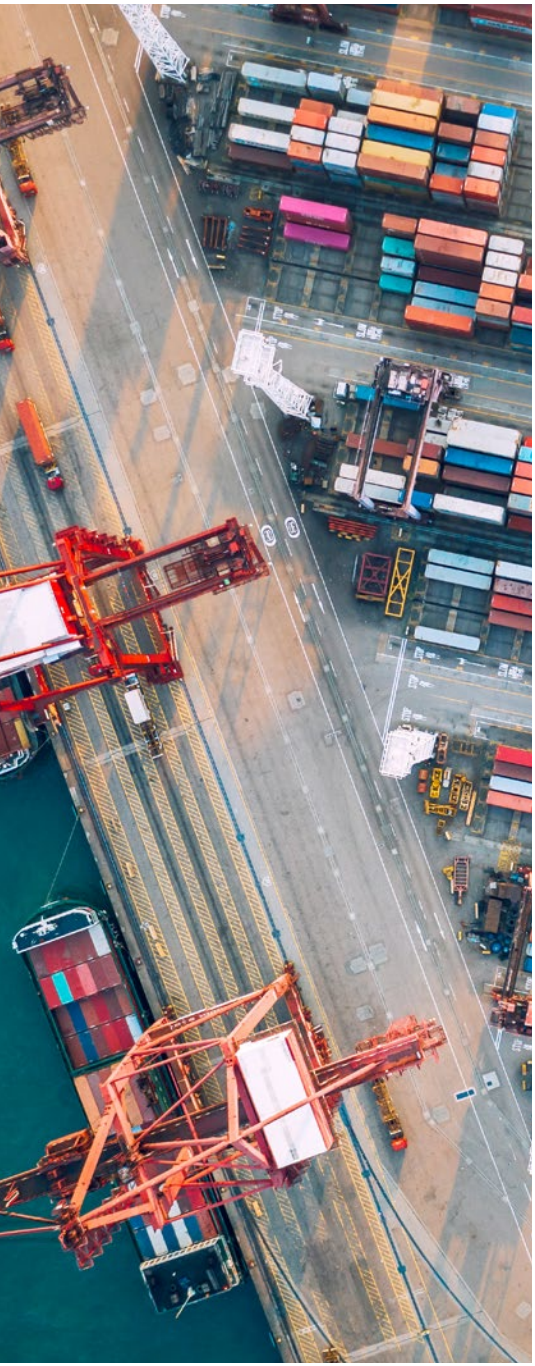
UFLPA compliance data is not an island! The data points the CBP will ask for during a product investigation can be available to you if you have trade compliance, product compliance, and ESG processes in place. Additionally, complex manufacturers must recognize that sustainability is the new normal. For organizations to keep up with evolving regulatory requirements, maintain market access, and align with stakeholder expectations, they must demonstrate a commitment to evolving alongside these regulations.

For this tactic, you'll embed your UFLPA data collection into a broader compliance program that supports other regulatory and risk management topics. You'll end up with a stronger overall compliance program and get more out of your supplier outreach and evaluation.

Tactic three solves for:

- Data silos that create blindspots and duplicated efforts across your team
- Managing compliance for multiple regulations, not just the UFLPA
- Underperforming compliance management systems





To implement this tactic, start by identifying which team members are collecting UFLPA compliance data and which processes or tools they are using. Are these different from the systems used for other product compliance, trade compliance, or sustainability management tasks? Are you collecting the same types of data through multiple systems?

When organizations are faced with new regulatory requirements, like UFLPA, many turn to a point solution. However, this can create data silos and duplicate efforts across your organization. Instead, start by identifying what data you need for UFLPA compliance and whether it's already being captured by another program. Once you've identified your data gaps, you can more effectively develop a UFLPA program that doesn't waste time or resources.

Once you overlay your product compliance and trade compliance programs, you may find you already have the foundation for a UFLPA program. If you do ESG reporting, you may have a human rights management process in place that can supplement your UFLPA compliance due diligence.

For example, a product compliance program that strives to collect as much material/component data as possible for incoming purchases will not only help you flag materials containing UFLPA priority materials, but it will help demonstrate compliance with other regulations like the Toxic Substances Control Act (TSCA) or California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65). So don't limit your supplier questionnaires to only high-risk materials under the UFLPA.



The inverse is also true — for example, a UFLPA compliance program can form the foundation of an ESG or human rights program for your organization by introducing processes for communicating with suppliers about forced labor risks in the supply chain.

Tip: Embed Human Rights in General Sustainability for More Engagement

After many years of helping businesses engage their supply chains in human rights risk management, we've discovered that suppliers have higher engagement rates with human rights questionnaires when they're included as part of a broader ESG survey or outreach program.

When you ask suppliers directly if they're controlling for forced labor risks or buying materials at high risk of being made with forced labor, it can often put them into a defensive posture. Or, if a supplier is under the false impression that forced labor does not happen in their jurisdiction or sector, they assume the survey is not meant for them. But when you include human rights outreach alongside other ESG questionnaires, it prevents suppliers from feeling targeted and reduces your exposure to pushback under Chinese retaliation laws.

How Assent Solves for the UFLPA



Getting proactive about due diligence data collection, especially with respect to the UFLPA, means the CBP can release detained shipments faster. Leveraging a central platform to manage human rights and trade compliance data ensures your data is defensible, complete, and less resource-intensive to collect. Plus, a UFLPA compliance partner will give you more proactive risk management and supplier support to keep your program on pace with the UFLPA's trajectory.

Assent helps protect companies from brand and reputation damage while providing the information companies need to comply with global forced labor regulations. Assent also leverages modern strategies and approaches, like automated supplier engagement and supplier education on the UFLPA's best practices and requirements.

We support compliance with other similar forced labor regulations, like:

- Canada's Fighting Forced Labour and Child Labour in Supply Chains Act
- U.S. Federal Acquisition Regulation and its defense supplement
- California Transparency in Supply Chains Act
- UK and Australian Modern Slavery Acts
- EU Forced Labor Regulation

With the Assent platform, complex manufacturers can track campaign progress and submission statuses and risks on a visual dashboard. The platform also offers program reporting, tracking risk and denied parties. Assent has a host of subject matter experts who can offer the guidance you need to navigate compliance challenges.

Drive Savings With Assent

The three tactics in this guide are focused on helping you get more out of your UFLPA efforts while also reducing how much manual effort goes into your due diligence. This doesn't just mean less time and stress for your compliance team — it also translates into financial benefits for your company.

To get executive buy-in for these tactics, consider framing UFLPA compliance for what it is: an investment in cost savings, organizational efficiencies, and futureproof, proactive sustainability.

When talking about UFLPA with your executive team, communicate that you will:

- Realize cost savings by spending less time on manual data collection
- Streamline material shipments into the U.S. through effective compliance dossiers
- Be proactive about supplier screening to mitigate the risk of having to replace sanctioned suppliers and redesign products
- Boost consumer confidence that your products can cross the border in a timely manner
- Avoid the costs associated with extra warehousing and returning materials rejected by the CBP
- Protect against contract loss and reputation damage

Assent's supply chain sustainability experts will help you build your business case for a stronger UFLPA compliance solution. Book a demo with us to see how we can support your compliance and sustainability goals.

Book a Demo

Assent

Real depth. Sustainable growth.™

525 Coventry Road
Ottawa, ON K1K 2C5
Canada

1 866 964 6931
info@assent.com
assent.com

Certified B Corporation

ESG-GD-241001