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Public-private partnerships are the key to supply chain compliance

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Last issue, we wrote about the role private industry played in creating the Conflict Minerals Reporting Template (CMRT) to comply with requirements for disclosure found in the Dodd-Frank Wall Street Reform and Consumer Protection Act.^[1] The failure of the United States government agency in charge of enforcing the regulation to provide private industry with the resources necessary to comply, along with industry recognition of the importance of complying with a regulation intended to improve supply chains, were the catalysts for what became the CMRT.

This is not the first time private industry has had to find a way to comply with a new regulation, and it won't be the last. The International Maritime Organization's sulfur cap^[2] is a recent example, as are a few European regulations, including Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)^[3] and Restriction of Hazardous Substances Directive (RoHS).^[4] With the CMRT, the key to effective compliance was identifying the chokepoint within the supply chain; however, it often comes down to defining a key component of the regulation.

With RoHS, the key was defining and identifying a "homogenous material," a process that involved everyone from consultants and manufacturers to government agencies and civil society. It wasn't until that process was satisfactorily concluded that private industry understood how to comply with the regulations. With REACH, the term was "article," and the phrase "once an article, always an article" became the infamous key to unlocking compliance with REACH requirements.

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