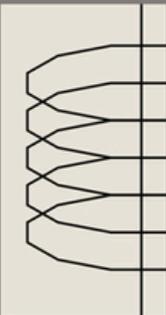


Official Guide

Turning Value Chain Resilience into Value Creation



Read the Full CSO Guide

Understanding the New Demands of Trade

A sustainability officer turns compliance and resilience into strategic advantage, creating long-term value in addition to bringing guidance and insight to the C-Suite.

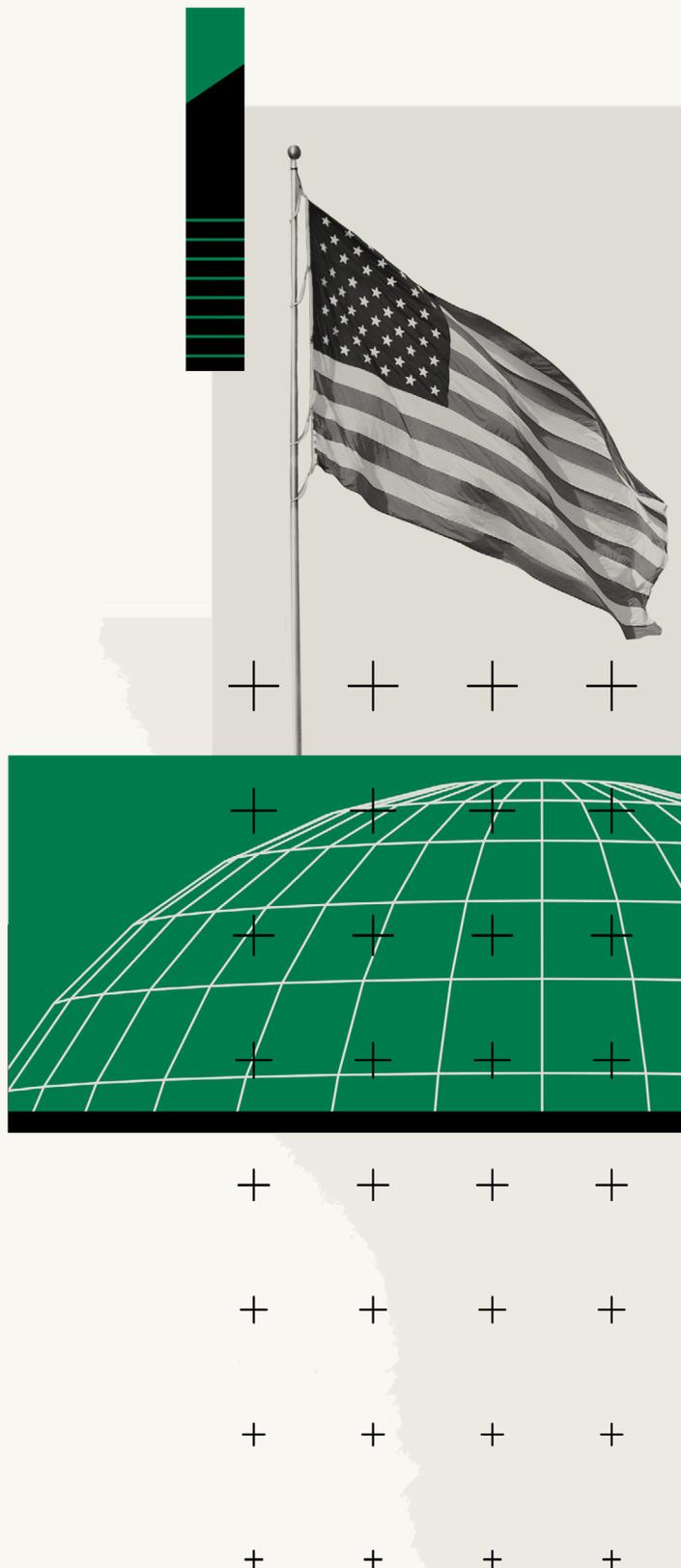
To do so, companies first need a way to master their product value chains — the networked links of materials, components, and human inputs from the soil to the store shelves. That keeps them abreast of ever-shifting compliance risks and enables them to plan sustainable and resilient supply chains.

The U.S. is using trade barriers to reshape global commerce, and trading partners are reacting. The trade compliance burden on U.S. companies has been growing for years, and under the second Trump administration, the pace is set to continue accelerating. In the last three years, the United States introduced thousands of new sanctions between 2021 and 2024, while the EU, the U.K., and France each continue to add trade restrictions at record levels.

Strategic inventory and supply chain decisions require unprecedented flexibility, while products crossing borders multiple times need meticulous country of origin documentation. Regulatory agencies have responded with stringent compliance demands throughout the upstream value chain, telling importers: "Your suppliers can't access America's market without disclosing detailed information about their own sub-tier value chains."

Businesses must know and manage their global value chains, from the sourcing and processing of raw materials through intermediate production and final assembly to eventual sale and end-use — and sustainability officers are best poised to plan and deliver on this strategy. But at present, companies lack the tools to meet the challenge.

So how can sustainability officers and other executives making supply chain decisions chart a path forward? The answer lies with artificial intelligence and the capability to collaborate on a single, shared, networked platform that connects businesses, suppliers, logistics providers, and regulators. In this guide, we'll break down key policies and trends in cross-border trade and introduce the tools you need to master your product value chains and thrive in the new, tumultuous era of global trade.





Tariff Pressure and Trade Wars

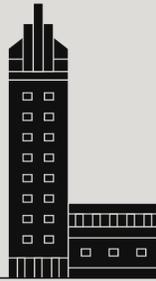
The second presidency of Donald Trump, a self-proclaimed “tariff man,” has accelerated a shift toward protectionism, with the administration targeting not just geopolitical competitor China but also Canada and Mexico — America’s closest trading partners and members of the highly integrated North American supply chain.

The president’s rapid policy shifts force businesses to continuously monitor and adapt. Executives making strategic inventory and supply chain decisions need the tools to stay nimble, and products crossing borders multiple times demand meticulous country of origin documentation. The administration’s actions reverberate immediately and broadly through global commerce, hitting a vast range of companies in the U.S., the USMCA region, the European Union, China, and elsewhere in Asia.

New Section 232 national security tariffs on steel and aluminum derivative items, for example, will expose a huge number of U.S. companies to additional levies, even if they’re not directly importing raw metal materials. The Trump administration imposed more narrow derivative tariffs in 2020, and the new round broadens the range of downstream goods to include metal furniture, aircraft parts, aluminum baseball bats, insulated electric conductors, and much more.

The latest round of metal tariffs will strike the top lines of 15 times as many companies as those in the 2020 round, according to [an analysis by Altana](#) of the world’s most comprehensive body of supply chain data. In 2024, nearly 200,000 U.S. companies conducted more than 11 million import transactions of steel and aluminum derivative articles subject to the new tariffs, compared to about 11,000 companies and 500,000 transactions for the 2020 levies. Those transactions were valued at more than \$350 billion, compared to \$17 billion in imports subject to the 2020 tariffs.

The European Union has imposed retaliatory tariffs that will increase costs downstream there and hurt U.S. exports. The EU supply chain is highly integrated, and [Altana identified](#) more than 39,000 European companies that imported affected products — including machinery, petroleum, and wine and spirits — directly from the U.S. in 2023 and 2024. Altana’s data also indicated that about 150,000 more companies are exposed to new tariffs despite not being direct importers, as they are customers of the 39,000 direct importers. Importers can be expected to pass the cost of retaliatory tariffs further downstream to EU enterprises of all sizes.



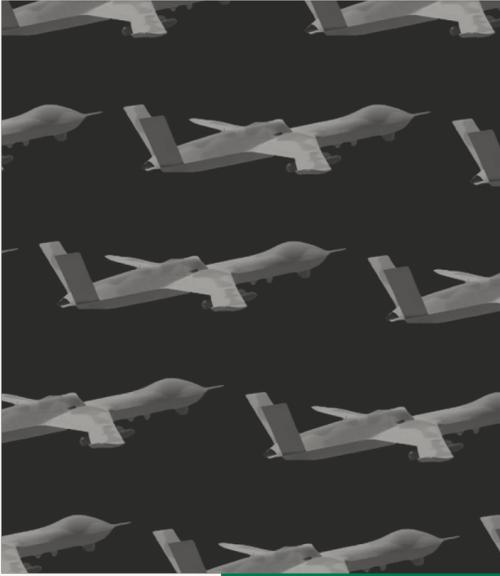
Forced Labor in Focus

In 2021, the United States enacted the [Uyghur Forced Labor Prevention Act \(UFLPA\)](#), a landmark regulation banning the import of goods using forced labor, even if indirect. The measure presumes that all products from China's Xinjiang Uyghur Autonomous Region contain forced labor, and sets a new standard of scrutiny of product value chains.

An apparel brand must now verify that the cotton from which it is woven didn't originate in Xinjiang, where all goods are presumed to be tainted by forced labor, and provide clear and convincing evidence of suppliers' operations, facilities, and ownership structure to prove compliance. Estimates show that as much as 20% of the cotton used in [apparel sold in the U.S.](#) comes from Xinjiang; the region is also tied to components used in automobiles and the manufacturing sector like polysilicon, aluminum, and steel.

Since UFLPA enforcement began in mid-2022, [Customs and Border Protection \(CBP\) reports](#) nearly \$3.7 billion in shipments have been subjected to reviews or enforcement actions. 2024 registered \$1.73 billion, up over \$300 million compared to 2023. Meanwhile, the regulation continues to evolve and expand, with 37 more companies added to the Department of Homeland Security's forced labor entity list in January 2025.

[Analysis from Altana highlights](#) that 18,210 companies across the world, including 2,223 in the US, are affected by these entities within their value chains.



New Technologies, New Rules

Some of the most innovative technologies developed in the U.S. and China are subject to import and export restrictions on national security grounds.

Amid a global race to develop EV markets and infrastructure vehicle connectivity systems (VCS) and automated driving systems (ACS), components from Russia and China will soon be banned in the U.S. Under the [recently approved rule](#), companies will have to trace the origins of their components while simultaneously tracking software updates and access points throughout their networks. The U.S. is exploring a similar law to limit Chinese components in [drone technology](#), which is likely to require U.S. drone manufacturers to upend their supply chains and find new production partners.

Beyond vehicle software and drone technology, the new EU Batteries Regulation imposes stricter sustainability standards on firms producing electronics and appliances such as smartphones, laptops, power tools, and more. Businesses that produce these items must reduce their batteries' carbon footprint and meet recycling targets, driving investments in material recovery systems.

In this regulatory environment, detailed intelligence on product value chains is no longer a nice-to-have — it's a prerequisite for market access, with major implications for the bottom line.

Country of Origin Complications

A single imported good may contain inputs from multiple different countries, while auto components may cross national borders in North America half a dozen times before they are driven off the lot. At the same time, regulators are demanding detailed documentation to support country of origin declarations.

COO establishes whether goods are subject to tariffs, qualify for preferential treatment, and comply with relevant trade regulations. For sustainability officers and others managing supply chains, the new scrutiny reinforces the need for a way to visualize product-specific value chains, which lay the foundation for understanding, determining, and reporting country of origin.

For example, the U.S. recently tightened enforcement of the [Lacey Act](#), a measure originally enacted in 1900. Designed to prevent the spread of non-native species and later expanded to apply to international trade, the Lacey Act requires importers to verify and declare the origins of certain plant and animal materials. New enforcement criteria for the act introduced in December 2024, known as Phase VII, feature the addition of 200 Harmonized Tariff Schedule (HTS) codes impacting a range of new goods, including furniture, leather used in designer accessories, and essential oils.

Additionally, modern trade agreements include sector-specific requirements based on country of origin determinations. To qualify for tariff-free access to the North American market, the United States-Mexico-Canada Agreement (USMCA) requires automakers to meet a Regional Value Content (RVC) threshold. For passenger vehicles, light trucks, and core auto parts like engines and transmissions, 75% of the total value must be sourced from North America.

COO labeling also plays a key role in a business's marketing strategy. [According to polling](#) from Morning Consult, nearly two-thirds of U.S. consumers said they sought out "Made in America" products.

Mislabeling and failure to conduct proper due diligence on COO is costly. In the last few years alone, the Federal Trade Commission (FTC) has ramped up enforcement and issued fines totaling up to millions of dollars to companies that falsely marketed merchandise as "Made in the USA."



Turn Compliance Into a Competitive Advantage with Altana

From clothing to advanced electronics and automobiles, goods' inputs are under stricter scrutiny, with rules changing day to day. Success in this regulatory environment requires comprehensive, multi-tier visibility across your product value chains.

Altana provides the most accurate picture of the global supply chain built from exclusive shipment data. Altana's Product Network connects buyers, suppliers, logistics providers, and regulators to build more resilient and cost-effective product lines. Our platform also helps you optimize value chains with insights into compliance while streamlining documentation for tasks like country of origin verification and more.



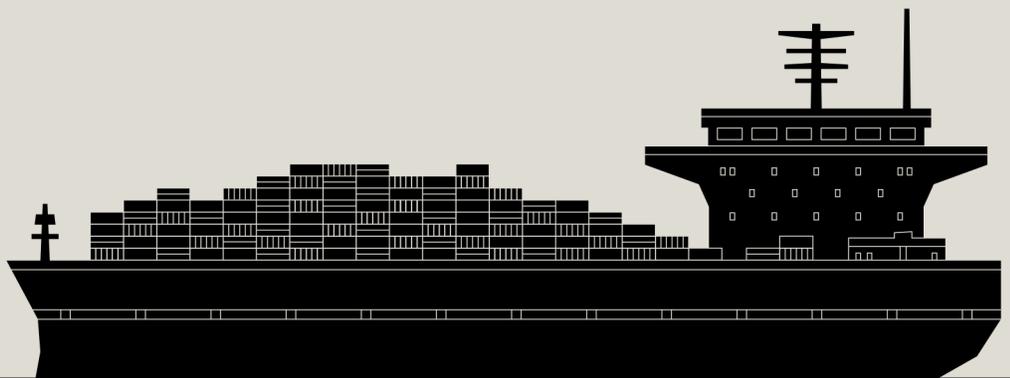
Build a system of record by illuminating your product value chains within the largest set of supply chain data and curating your trusted network through on-platform collaboration with suppliers



Collaborate directly with regulators on the platform to submit products for pre-clearance to avoid delays at the border and meet the challenges of today's complex regulatory environment



Dynamically manage exposure compliance risks within your network, allowing you to eliminate risks and source alternative suppliers



Request a Demo



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