

ESG Reporting Obligations for the Modern Day Consumer Good

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Sarah-Jane Dobson
Partner, Kennedys

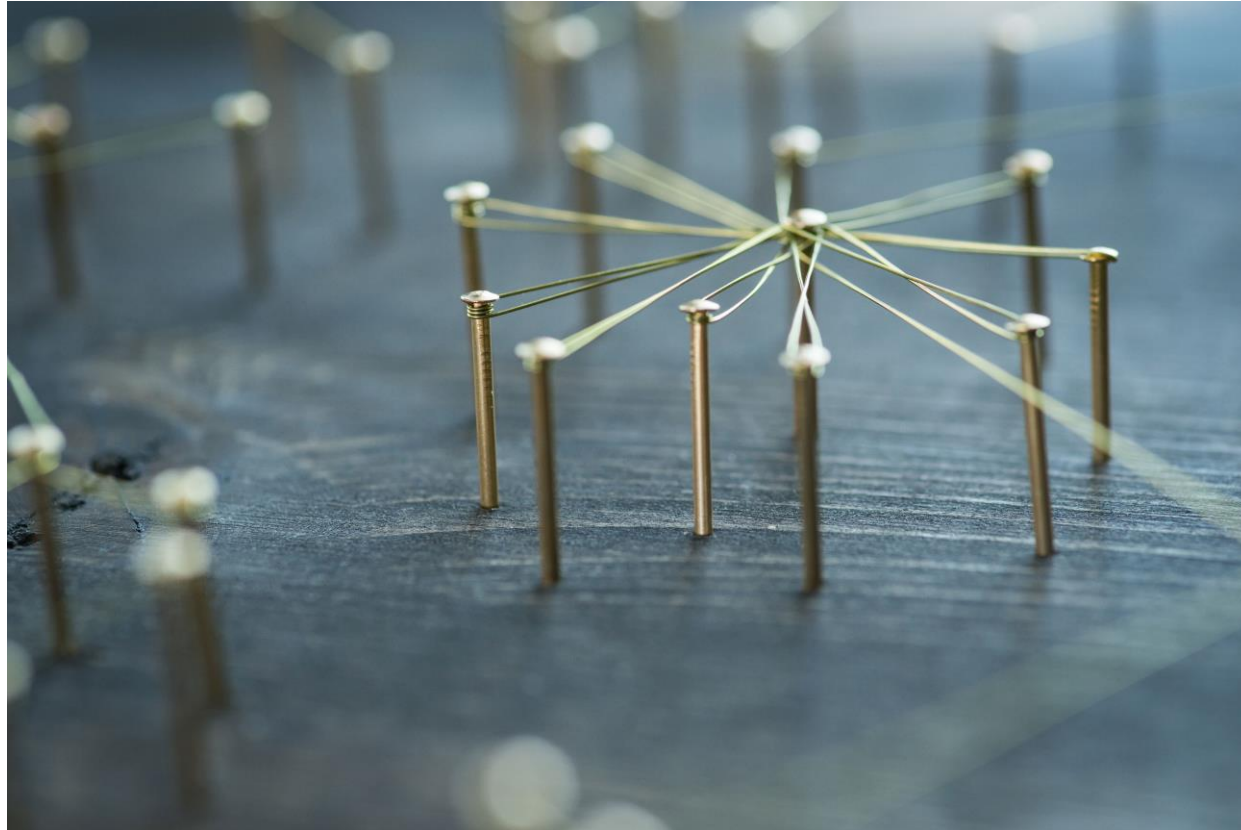


Matt Kuo
Chief Product Officer, C&R



ESG REPORTING OBLIGATIONS FOR MODERN DAY CONSUMER GOODS

The modern-day consumer good



The modern day

Corporate social responsibility

Revealed: UK solar projects using panels from firms linked to Xinjiang forced labour

Investigation finds up to 40% of UK solar farms were built using panels from leading Chinese companies



▲ Companies with factories or major suppliers in Xinjiang produce about a third of the polysilicon material used to make the world's solar panels, according to the Horizon Advisory consultancy. Photograph: Daniel Leal-Olivas/PA

Environment



Climate and Environment

Huge plastics plant faces calls for environmental justice, stiff economic headwinds

In Louisiana, Formosa Plastics Group plans a \$9.4 billion manufacturing complex in a largely Black community



Industrial plants and flooded farmland cover much of the landscape in St. James Parish, La., not far from where Formosa hopes to build a huge plastics manufacturing complex. (Camille Lennain for The Washington Post)

Sustainability

Harnessing data to make sustainability profitable

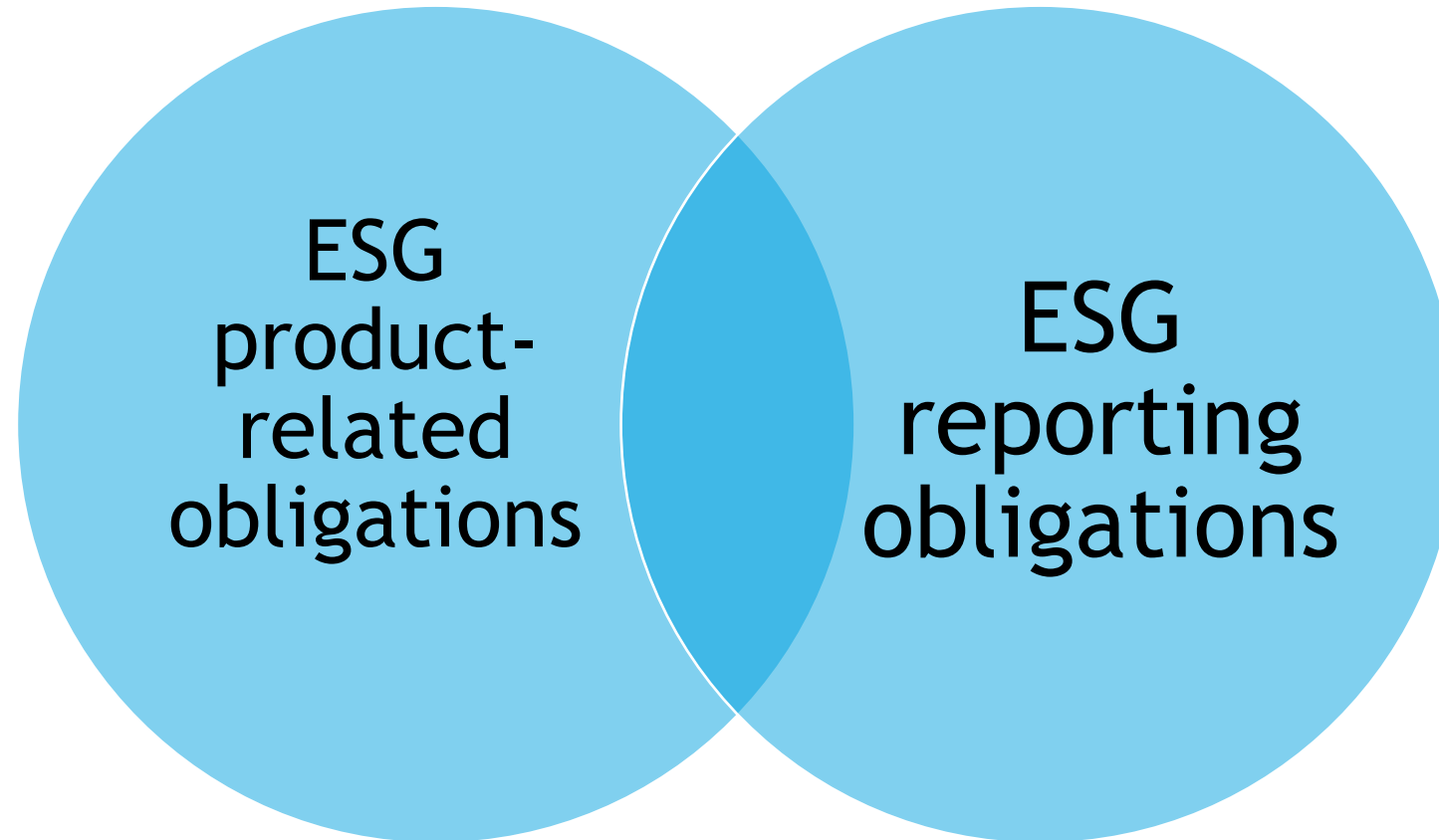
By Dean Griffin 2 days ago

Food and beverage manufacturers are turning to innovative technology solutions



(Image credit: Pixabay)

ESG: Product-related and reporting

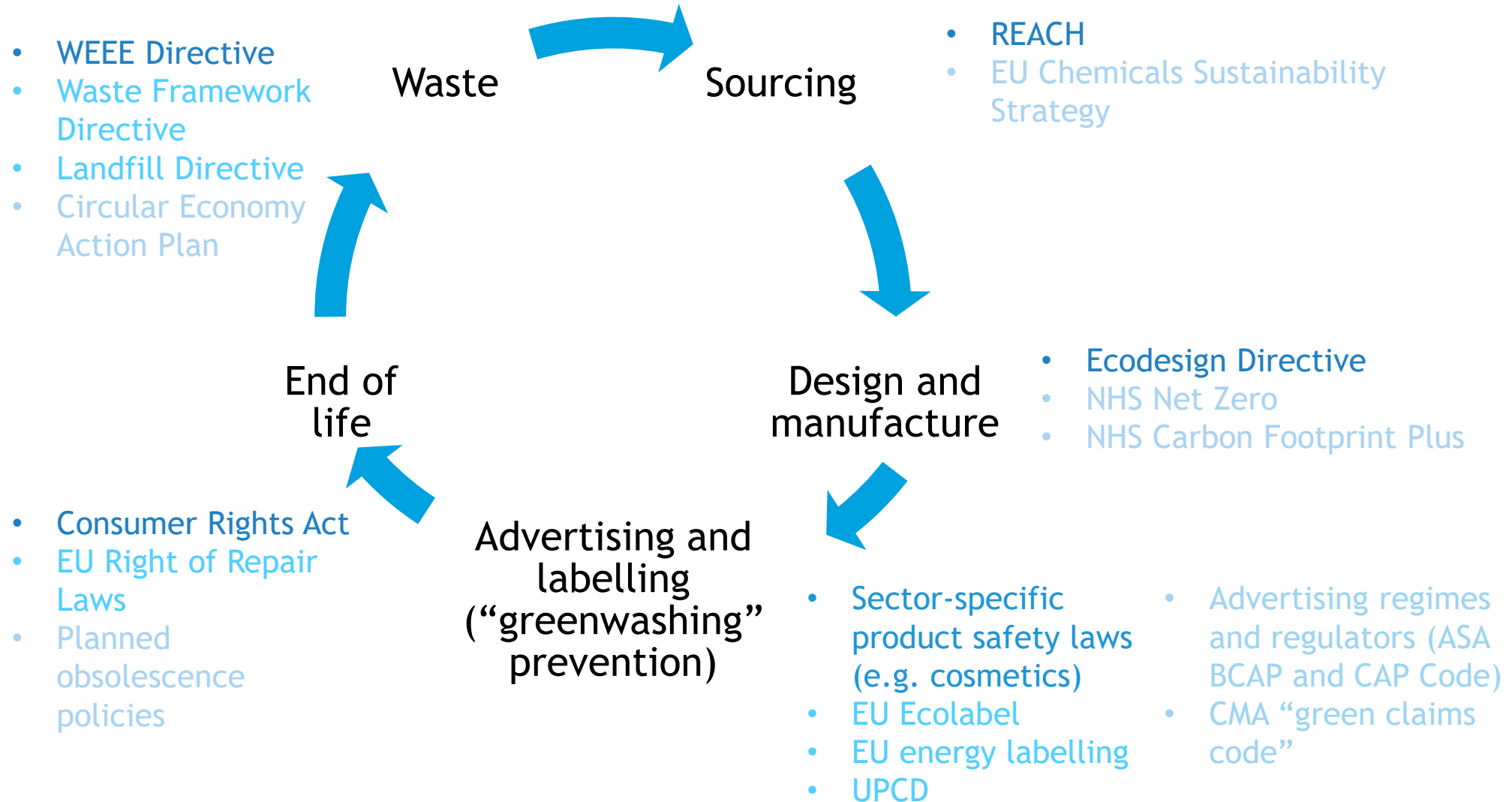


Poll Question

How many pieces of legislation that impose ESG-type obligations apply to the modern day product in the EU?

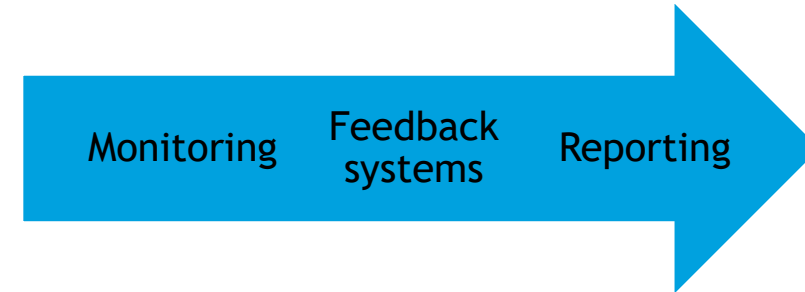
- A. 10s
- B. 100s
- C. 1,000s
- D. 10,000s
- E. None of the above

Product ESG-type obligations



ESG Reporting Obligations

Impacted stage of product life cycle	Legal framework
Sourcing and supply chain	Timber Regulations Conflict Minerals Regulation
Labour and Personnel	Modern Slavery Act EU Human Rights Strategy
Omnipresent	(Proposed) Directive on Corporate Sustainability Due Diligence (Proposed) Directive on Corporate Sustainability Reporting

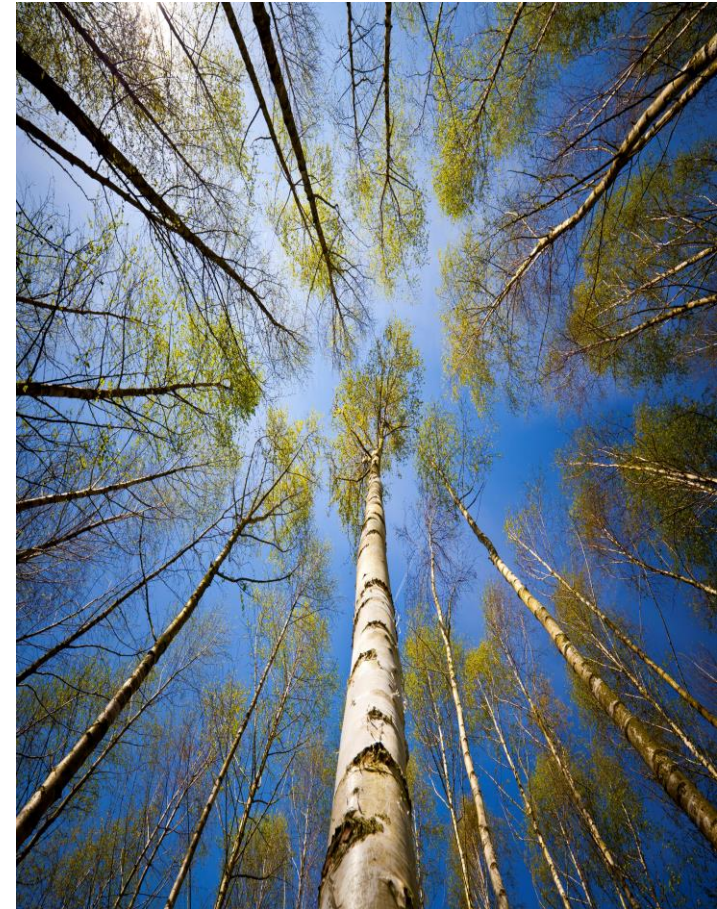


Legal consequences and penalties

Type of penalty	Nature of penalty
Monetary penalties	Applicable monetary sanctions for breach of product safety regulations are often unlimited in many EU jurisdictions, or otherwise amount to a significant percentage of business turnover.
Criminal sanctions (incarceration)	Breach of product safety can result in terms of imprisonment, including in significant amounts of time in many jurisdictions.
Mandatory ADR/mediation processes	The proposed corporate due diligence process includes a requirement for mediation/ADR/other complaint mechanisms with complainants. This can result in business-critical delays of production or otherwise.
Civil liability	Victims of breaches of certain ESG-legislation, for example the proposed Due Diligence regime, will be entitled to compensation for damages if a company fails to comply with the mandatory requirements
Reputational harm	The impact of non-compliance with ESG-type obligations, particularly those around forced labour, are particularly difficult for a company to recover from.

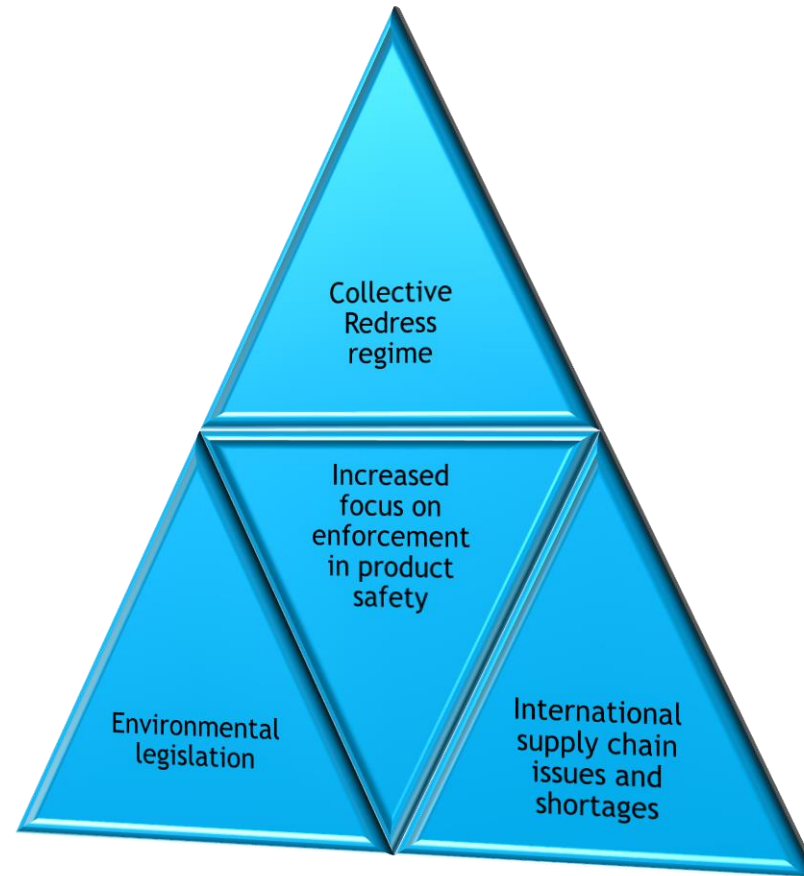
Enforcement in practice

- **EU Timber Regulations - UK case studies**
 - Level of fines (£4,000 to £13,000 approximately)
 - History of non-compliance/non-cooperative
 - Historical breaches actionable even where later remedial action eliminated the issue



The Future

The perfect storm



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[kennedyslaw.com](https://www.kennedyslaw.com)

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A Smarter Way to Achieve your ESG Objectives

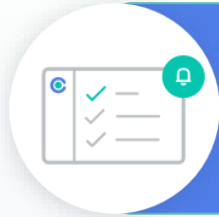
Poll Question

What is the most difficult for you to accomplish when managing your ESG Program?

- A. Understanding which ESG regulations apply to you and how to interpret them into requirements
- B. Understanding which ESG reporting frameworks to use
- C. Aligning and collaborating with internal stakeholders in setting and tracking ESG targets
- D. Quantifying and communicating the risk to your business
- E. Managing inquiries about your ESG compliance

Trying to keep on top of **it all...**

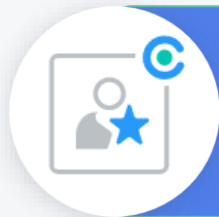




Powerful Enterprise
Technology



Extensive Global Regulatory
Content



Team of Subject
Matter Experts

Holistic solution to
achieve your ESG
objectives...

To achieve your
ESG objectives,
you need to ...



Demonstrate Compliance



For what is required



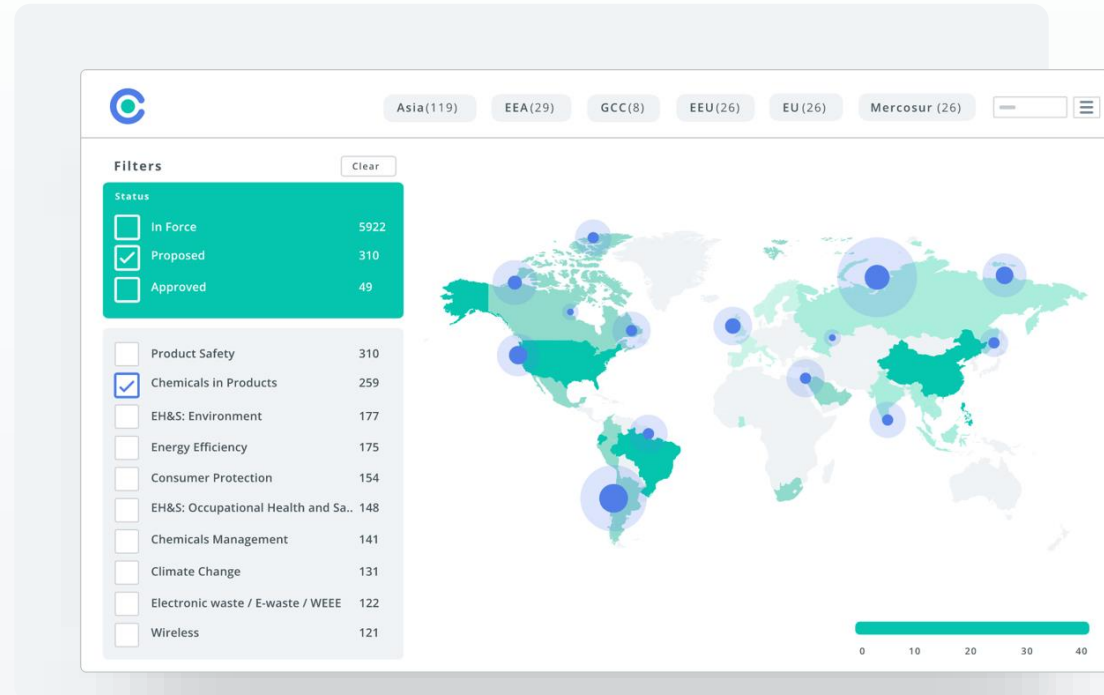
Driven by Global
Regulations & Standards

TECHNOLOGY - C2P

C2P

The Key to Managing your ESG objectives

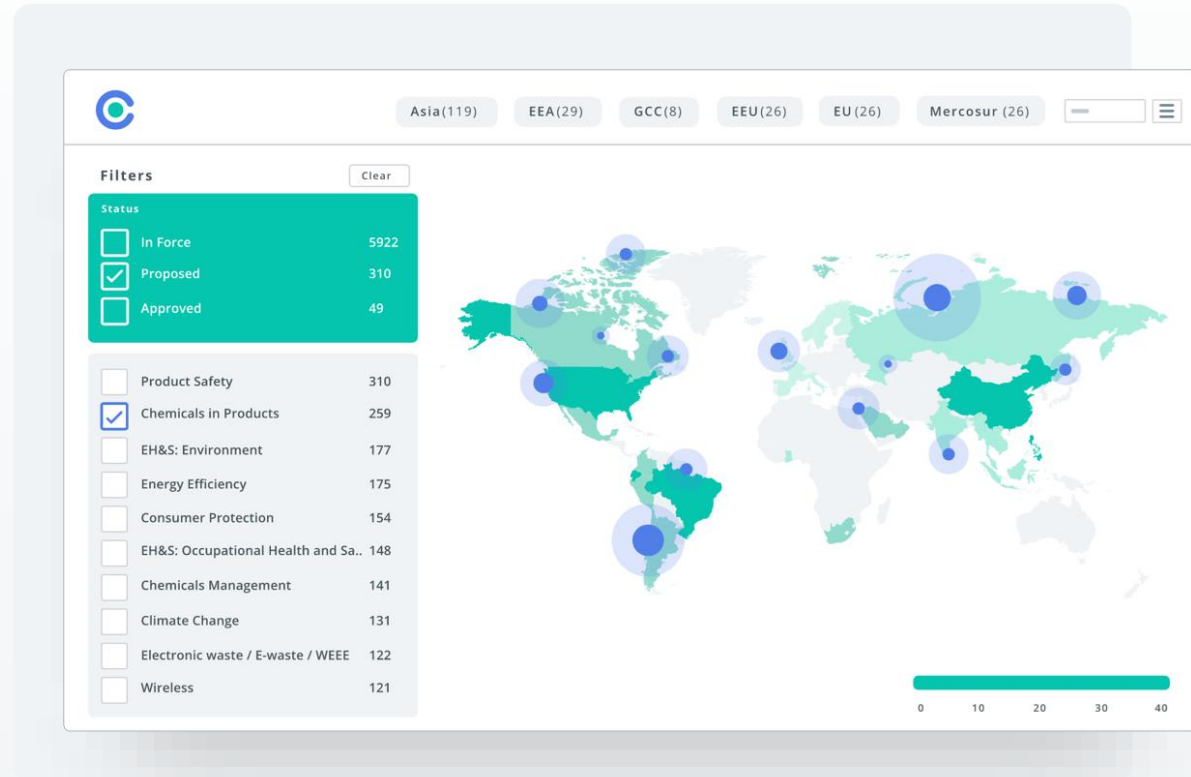
- Enterprise grade technology
- Cloud based platform
- Access to regulatory coverage in 195 countries
- Heatmaps with what's hot & where
- Intelligent search
- AI powered probability analysis
- Productivity tools to improve team collaboration



TECHNOLOGY - C2P

Manage everything in One Place...

- Collaborate on your ESG objectives with confidence
- Keep all compliance evidence up to date & live linked back to their Regulations, Standards & Requirements
- Continually monitor regulatory changes & keep ahead of proposed changes before they happen



WHY C2P?

Why Invest in a Technology Platform?

- Accelerate your ESG objectives
- Reduce non-compliance risks
- Enable business continuity
- Improve efficiency
- Save time



Q&A