

ESG & Product Compliance

While 'Product' compliance should not be the 'only' focus of a product manufacturer - there are a few actions that the product compliance team can take to assist towards the company's overall ESG strategy -

REVIEW PRODUCT PORTFOLIO

Given the way ESG obligations have arisen in this area, many companies are not fully aware of new obligations that may apply to their product portfolio. Companies should track and then review the application of new legislation to their existing product portfolios.

BE SELECTIVE WITH SUPPLY CHAIN

Although difficult to balance with competing lack of supply of relevant products in some areas, companies should require any new partner to complete thorough and comprehensive onboarding and include protective contractual clauses within any supply agreements to ensure ESG obligations





imposed on companies are requirements suppliers need to adhere to also.

Regular and thorough review processes should be implemented to monitor supply chain compliance with these obligations. Companies could consider requiring declarations from the supply chain throughout the lifetime of their supply.

CONSIDER ALTERNATIVE MATERIALS & PRODUCTION MECHANISMS

Scrutiny is likely to be imposed on certain materials, such as plastics and single-use items. Companies should consider whether they are able to find long-term alternatives to reduce the use of these highly taxed and regulated products. Similarly, the reduction of the use of natural resources during production should be considered. Companies should ensure these changes do not compromise the integrity, safety, and standard of their products, and that the new product is fully compliant with [applicable product safety standards](#).

BE DILIGENT WITH RECORD MAKING & KEEPING

Companies should consider in advance their mechanisms for tracing and recording their consideration of ESG obligations to assist in establishing due diligence and complying with reporting requirements. Streamlined and formalized report forms should be made. Systems to flag growing concerns should also be implemented. Ideally, a separate and dedicated business unit should be created for [compliance with ESG obligations](#). Such systems should ensure they capture all relevant information that is covered by the legal frameworks.

Check out our In Practice Series – [How To Be An ESG-Conscious Product Manufacturer](#)