

**Baker
McKenzie.**

ESG, supply chain and product compliance

19 - 21 September 2023

ANNUAL COMPLIANCE CONFERENCE

Annual Compliance Conference 2023

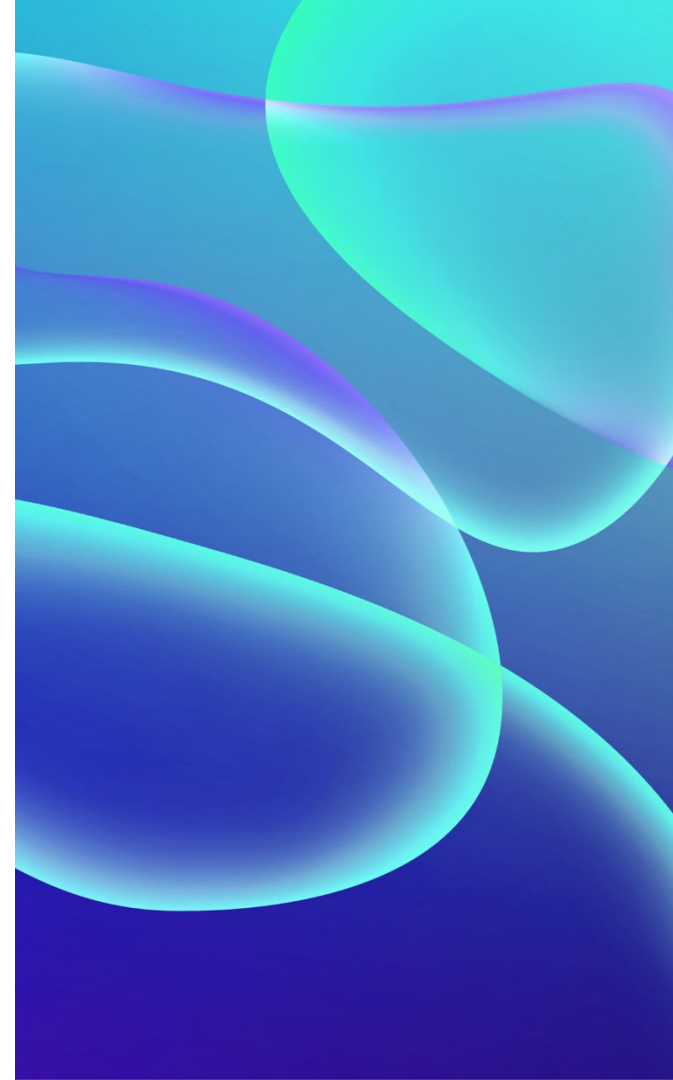
01 Anti-bribery and corruption and economic crime
5 - 7 September

02 Customs and key compliance developments
12 - 14 September

03 ESG, supply chain and product compliance
19 - 21 September

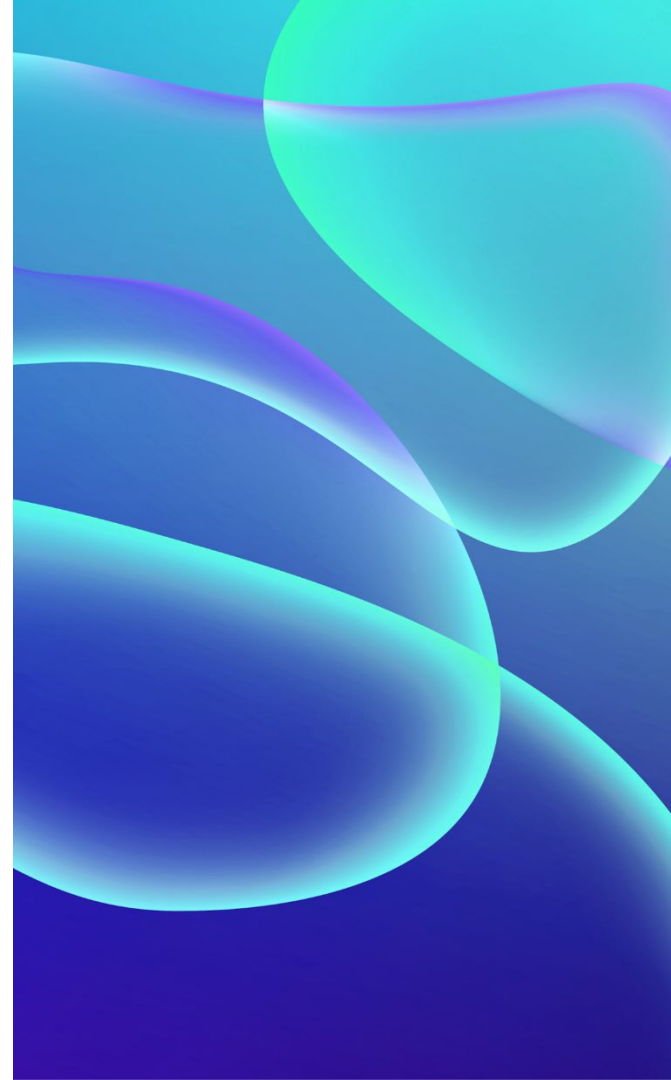
04 Sanctions and export controls
26 - 28 September

05 Antitrust compliance
3 - 5 October



This week: ESG, supply chain and product

01	Tuesday 19 September 2.30 - 3.30 pm BST 3.30 - 4.30 pm CEST 9.30 - 10.30 am EDT	Product compliance & liability: adapting to the new legal landscape
02	Wednesday 20 September 2.30 - 3.30 pm BST 3.30 - 4.30 pm CEST 9.30 - 10.30 am EDT	Cracking down on green claims: enforcement and litigation risks
03	Thursday 21 September 2.00 - 3.00 pm BST 3.00 - 4.00 pm CEST 9.00 - 10.00 am EDT	Perspectives on mandatory supply chain due diligence
04	Thursday 21 September 3.45 - 4.45 pm BST 4.45 - 5.45 pm CEST 10.45 - 11.45 am EDT	ESG reporting: preparing for mandatory climate disclosures



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Perspectives on mandatory supply chain due diligence

Thursday 21 September, 2.00 - 3.00 pm BST

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Speakers



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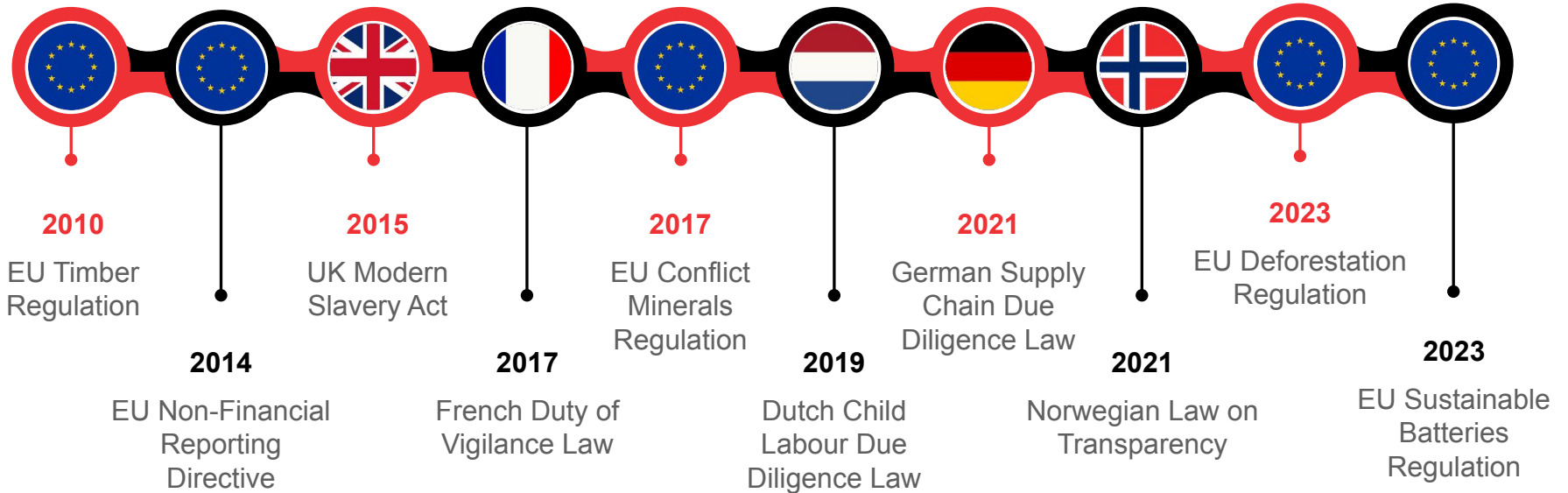


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0 EU / UK Developments
1

Current EU/UK ESG DD Laws



EU Corporate Sustainability Due Diligence Directive ("CS3D")



23 February 2022 –
EU Commission
published a proposal
for a directive on
**corporate
sustainability due
diligence** obligations.



1 December 2022 -
the Council adopted
its General Approach
on the Commission's
proposal.



1 June 2023 - the
Parliament adopted
its position.



Tripartite negotiations
underway, with the
legislation expected
to be adopted in
2024.

EU CS3D Proposal

	Commission	Council	Parliament
Covered entities	<p>EU: 500+ employees + net worldwide turnover of EUR 150m OR</p> <p>250+ employees + net worldwide turnover of EUR 40m with >50% from high-impact sectors</p> <p>Non-EU: Net EU turnover of EUR 150m OR</p> <p>Net EU turnover of EUR 40m with >50% from high-impact sectors</p>	<p>Same as Commission</p>	<p>EU: 250+ employees + EUR 40m in net worldwide turnover</p> <p>Non-EU: Net worldwide turnover of EUR 150m provided > EUR 40m generated in the EU</p> <p>Parent companies: 500+ employees + net worldwide turnover of EUR 150m (+ for non-EU parent companies >EUR 40m generated in the EU)</p>
Scope of the obligation: Upstream + downstream	<p>Includes the use and disposal of the product</p>	<p>Only applies downstream where a downstream business partner carries out activities for or on behalf of the company</p> <p>Excludes the disposal of products by consumers</p>	<p>Includes waste management, transport and storage of products</p> <p>Excludes waste management and use of products by consumers</p>
Financial undertakings	<p>Applies to regulated financial undertakings</p>	<p>Member states to decide whether to include</p>	<p>Applies to regulated financial undertakings, but with conditions</p>

Key Issues in the Triologue Negotiations



The types of entity needing to comply with the CSDD, namely the applicable thresholds and the inclusion of undertakings offering financial services.



The scope of the applicable obligations, including the scope of an "established" business relationship and adverse impacts, the application of obligations to downstream companies.

Other EU / UK Regulatory Developments

EU Deforestation
Regulation

UK Forest Risk
Commodities

EU Sustainable
Batteries Regulation

EU Forced Labour
Guidance

Proposed EU Forced
Labour Market Ban

UK Modern Slavery Act
reforms



0 US Developments

2

US Enforcement

CBP Forced Labor Enforcement Process



US Enforcement of Forced Labor

Concerns

Enforcement actions impact a substantial volume of US trade

Active Withhold Release Orders & Findings

This map provides an overview of all active WROs and Findings around the world. CBP is currently enforcing 52 active WROs and 8 Findings across the globe.



CBP issues a Withhold Release Order (WRO) when the agency has reasonable evidence of the use of forced labor in the manufacturing or production of a good or goods entering the U.S. supply chain. A WRO allows CBP to detain the products in question at all U.S. ports of entry until/unless importers can prove the absence of forced labor in their product's supply chain.

CBP issues a finding when the agency has conclusive evidence of the use of forced labor in the manufacturing or production of a good or goods entering the U.S. supply chain. A finding allows CBP to seize the product(s) in question at all U.S. ports of entry.



0 Conducting Supply Chain 3 Due Diligence

The background features a gradient of blue and teal colors. A large white shape, resembling a speech bubble or a stylized letter 'Q', is positioned on the left side of the frame. The word "Questions" is written in a bold, black, sans-serif font within this white shape.

Questions

Baker McKenzie delivers integrated solutions to complex challenges.

Complex business challenges require an integrated response across different markets, sectors and areas of law. Baker McKenzie's client solutions provide seamless advice, underpinned by deep practice and sector expertise, as well as first-rate local market knowledge. Across more than 70 offices globally, Baker McKenzie works alongside our clients to deliver solutions for a connected world.

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