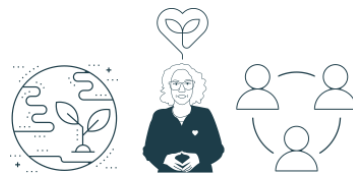




UNDERSTAND HOW EU LEGISLATION WILL IMPACT YOUR BUSINESS

EOS – 26 September 2023



OHANA PUBLIC AFFAIRS

- Boutique public affairs consultancy specialised in sustainability
- Committed to driving positive change through public affairs
- Expertise in textile industry
- Support various clients in defining an EU Public Affairs Strategy





TODAY TARGET

Translate EU legislation into business reality and actions





1st question:

Do you feel prepared for new sustainability rules and obligations coming from the European Union in the next years?

2nd question:

What type of organisations do we have in the room today?

- 1. Brands**
- 2. Brands & retailers**
- 3. Associations**
- 4. Others**





EU DECISION MAKING PROCESS

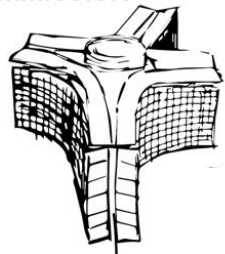




HOW IS LEGISLATION FINALISED IN BRUSSELS?

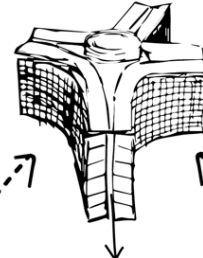
DRAFT & PUBLISH EU LEGISLATIVE PROPOSAL

EUROPEAN
COMMISSION



REVIEW & AMEND EU LEGISLATIVE PROPOSAL

EUROPEAN
COMMISSION



Suggests
amendments

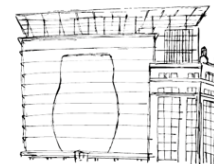
Suggests
amendments

Proposes
new laws

EUROPEAN
PARLIAMENT



COUNCIL OF THE
EUROPEAN UNION

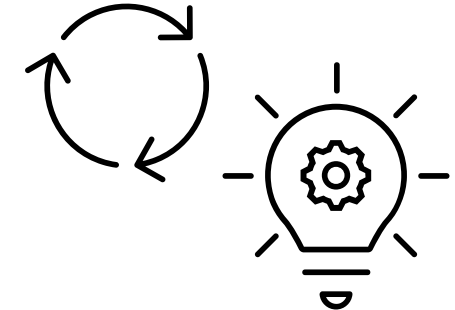
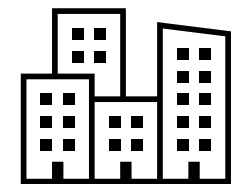


Approve
new law

NEW
EU LAW

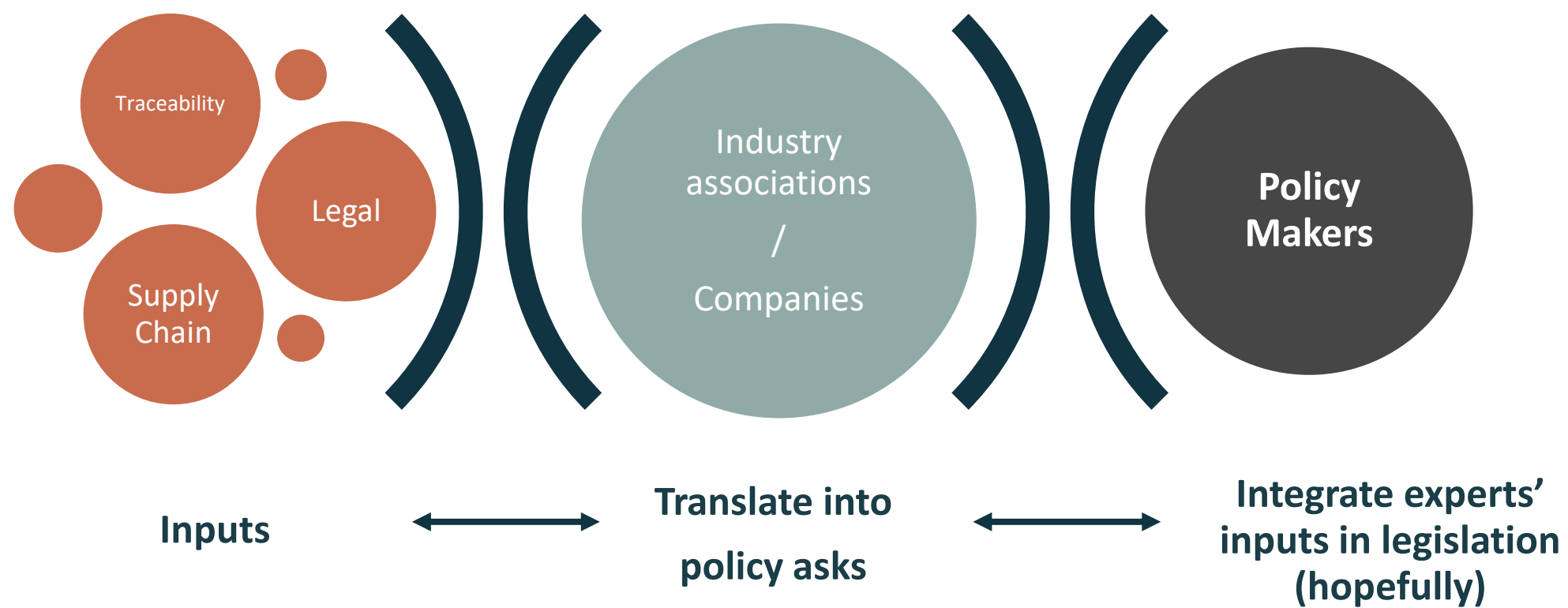


BUSINESS IMPLEMENTATION





WHAT DO WE MEAN BY INFLUENCE?





EU LEGISLATIVE CONTEXT

EU GREEN DEAL

December 2019

CIRCULAR
ECONOMY
ACTION PLAN

March 2020

TEXTILE
STRATEGY

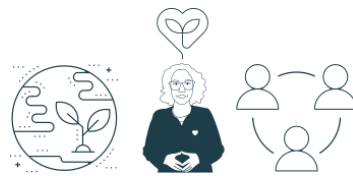
March 2022





POLITICAL CONTEXT WITHIN THE EUROPEAN UNION

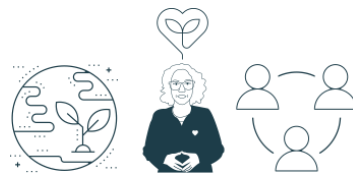




SUSTAINABILITY IS NOW REGULATED

- New license to operate
- Impact the full value chain
- Here to stay = regular review
- Leading trend worldwide





EU LANDSCAPE

EU GREEN DEAL

CONSUMER COMMUNICATION

- Empowering Consumers Directive
- Substantiating Green Claims Directive
- Right to repair
- PEF methodology
- Textile Labelling Regulation Review

COMPANY

- Sustainable Corporate Due Diligence
- Taxonomy (circular & biodiversity)
- Sustainable Corporate Reporting Directive

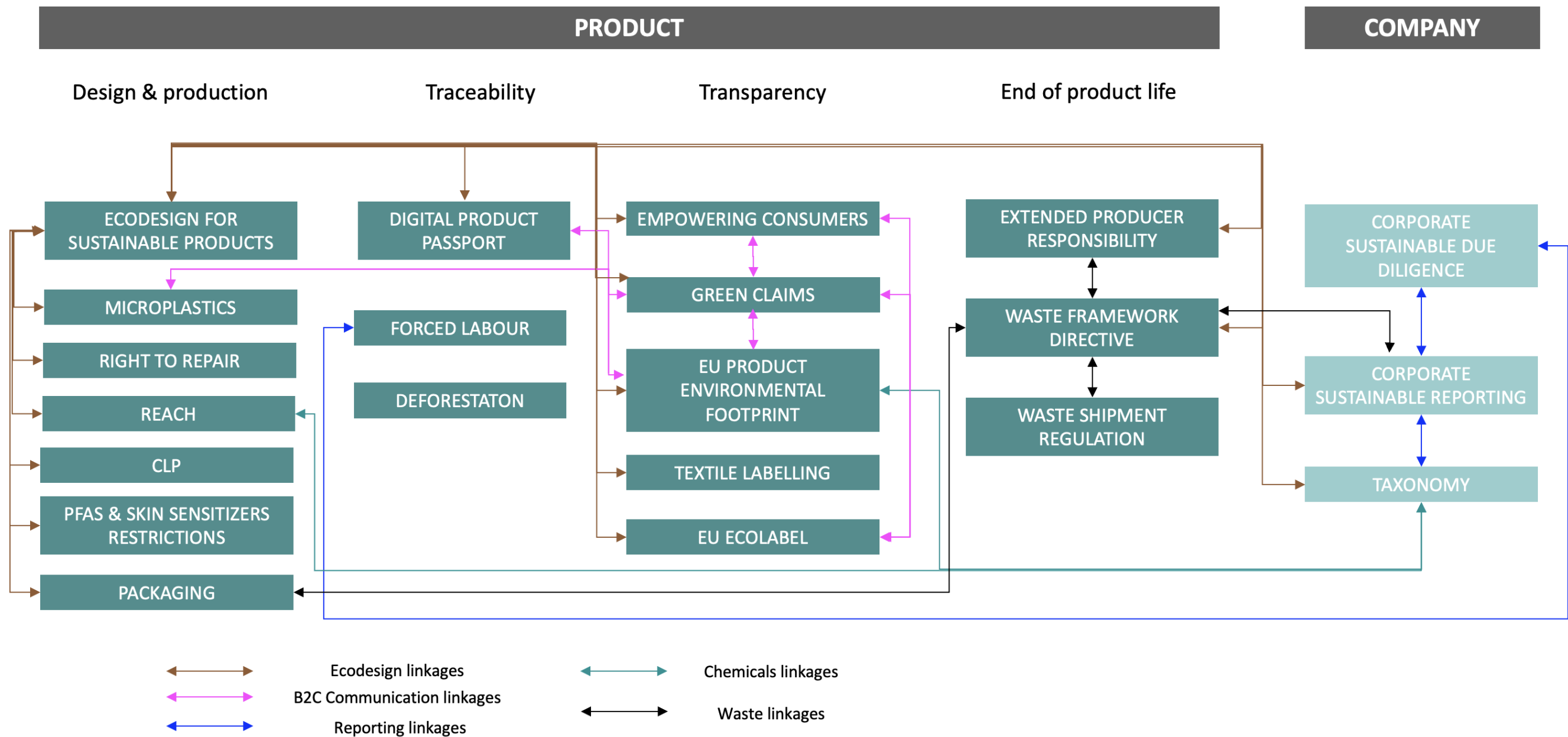
PRODUCT

- Eco-design for Sustainable Products Regulation (ESPR)
- Revision of the EU chemical framework (REACH)
- Chemical restrictions (e.g. PFAS)
- Packaging & Packaging Waste Regulation
- Digital Product Passport (included in ESPR)
- EU Forced Labour Regulation
- Deforestation-Free Products Regulation
- Waste Framework Directive (including EPR)





INTERLINKAGES

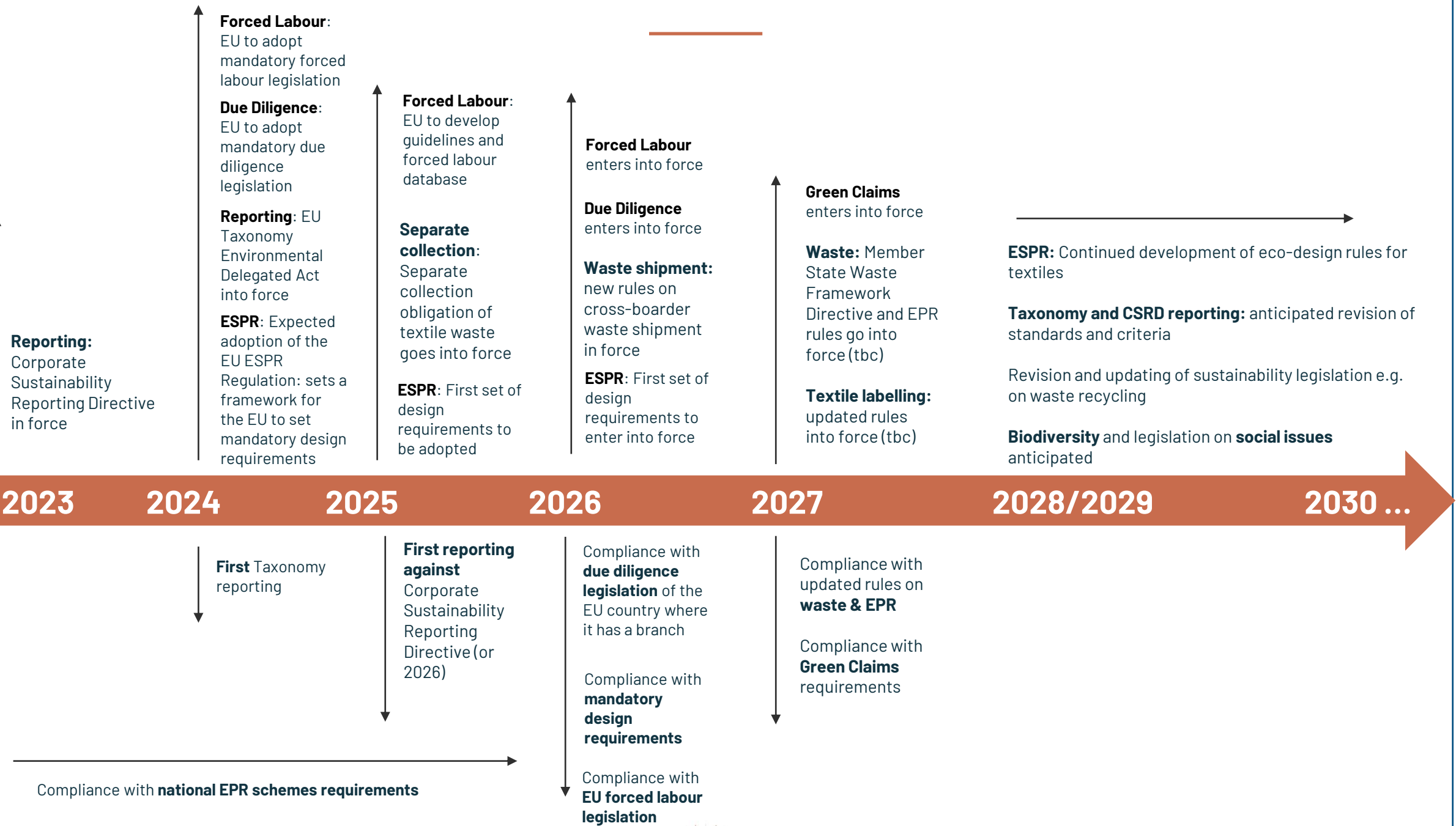


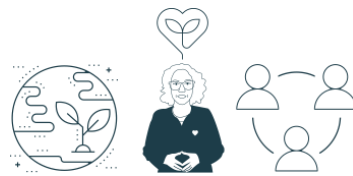


MILESTONES & ROADMAP UNTIL 2030

POLICY MILESTONES

INDUSTRY MILESTONES





WHAT ARE THE IMPACTS ON YOUR SUSTAINABILITY & BUSINESS STRATEGIES?

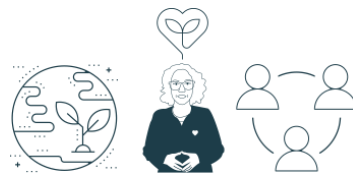




EXPECTED IMPACTS ON BUSINESSES

- Beyond sustainability impacts: business models, operations from product design to end of life management of garments
- How to market products
- Sustainability reporting & communication to investors
- Require companies to analyse and manage their supply chain risks
- Compliance will likely be as of 2025/2026





IMPACTS AND INDUSTRY ACTORS

BRANDS & RETAILERS

- Define material sourcing strategy
- Define traceability strategy
- Design products
- Market products
- Manage supply chain risks
- Produce products
- Report on sustainability
- Implement climate plans

MANUFACTURERS

- New requests as customers will work towards compliance
- Requests will come from EU and non-EU customers

MATERIAL PRODUCERS

- New requests as customers will work towards compliance
- Increased customers' requests to provide data on materials
- Increased demand for low-impact and recycled materials

Some obligations will trickle down:

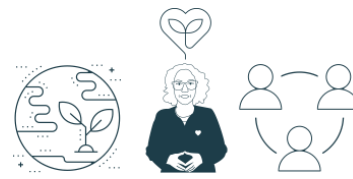
- Gather data ahead of the EU compliance deadline
- Define traceability strategy
- Manage supply chain risks





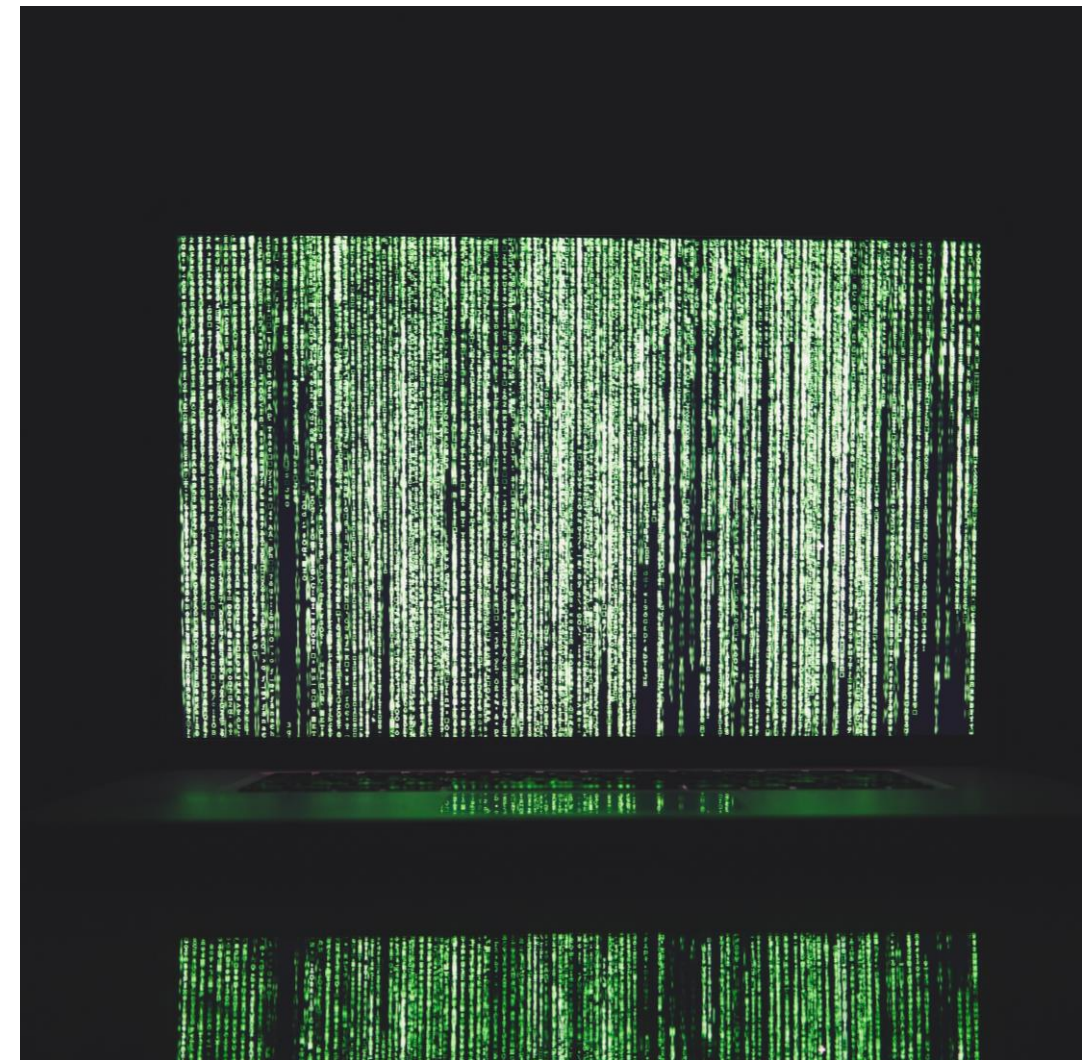
RECOMMENDED INTERNAL NEXT STEPS

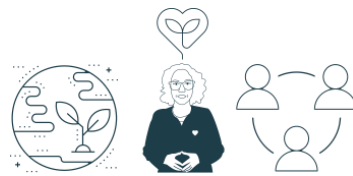




SUSTAINABILITY TRACEABILITY WILL BE KEY

**No data = No compliance = No
business in Europe**





ENSURE EARLY COMPLIANCE



- Keep your business relevant
- Be ahead of the game

**YOU CAN'T CLAIM BEING A
SUSTAINABILITY LEADER WITHOUT
COMPLIANCE**





RECOMMENDED STEPS FORWARD

Engage with EU policy makers now

- **Leverage industry associations**
- **Gather facts and examples**
- **Think long term**

Compliance: Do not wait for 2024

- **Start the conversation internally and with business partners now**
- **Establish an implementation project management structure**
- **Build a traceability strategy**





ESTABLISH A COMPLIANCE PROJECT

Key approach to cover all new requirements at once

- Numerous interlinkages between legislation

Long-term project

- Sponsored by top management
- Involve all relevant functions
- Focus on 5 themes:

01. Circularity

- Eco-design
- Product & Packaging
- Waste strategy

02. Consumers

- Product marketing
- Sustainability Reporting

03. Supply chain management

- Due diligence
- Forced labor

04. Traceability

- Overarching for all laws
- Data in full value chain
- Establish IT systems

05. Climate Plan

- Define a plan for scope 1, 2 and 3 emissions





HIGH-LEVEL LEGISLATIVE TIMELINE

2022-2023

Publication of EU legislative proposals

2022 - 2024

EU institutions to review and adopt the final legislation

2024-2025

Expected final legislation

~2025 - 2027

Implementation within companies!

Business impacts

- Start raising awareness
- Identify gaps in your business processes and sustainability strategy

Business impacts

Opportunity to influence legislation

Business impacts

Final gap analysis and definition of a compliance plan

Business impacts

Mandatory compliance





THANK YOU

OHANA Public Affairs

Avenue des Arts 44, BE - 1040 Brussels

European transparency register number : 616845734550-41

www.ohanapublicaffairs.eu

Pascale Moreau

+32 494 48 45 45

pascale@ohanapublicaffairs.eu

