

The Role of the Legal Profession in Addressing Environmental, Social and Governance (ESG) Issues in an Ever-Shifting World



The EBC and its Legal Service Committee organised the first EBC briefing for 2023. The event was held on 1 February at the EU Delegation.

The briefing started with EU Ambassador Jean-Eric Paquet welcoming everyone to the EU Delegation. He talked about the various EU initiatives addressing ESG and emphasised the importance of this topic.

First among the presenters was Ulrich Kirchhoff of Arqis. He talked in-depth about the German Supply Chain Due Diligence Act, introduced on 1 January 2023. The Act defines among other things relevant risks such as child labour, hazardous working conditions, insufficient living wage, pollution etc. There are, furthermore, penalties for not fulfilling the requirements.

Next speaker was Ken Toyoda, Director at METI. He spoke about “the Guidelines on Respecting Human Rights in Responsible Supply Chains”. In March 2022, METI set up a study group to give input to the Japanese Government. While the guidelines are not legally binding, several business organisations stand behind the guidelines and promote them to their members.

As the third presenter, Tony Andriotis of DLA Piper and the new Legal Committee Chair, gave a presentation on ESG litigation. This area is growing as investor

activists and consumers are using ESG to get countries and companies to further commit to ESG goals.

Angela Yuen from JERA Co., Inc. presented JERA's actions. JERA, as a large energy company, is committed to leading the way in creating a zero-carbon society. To cover the other aspects of ESG, Angela explained how JERA is actively hiring people with backgrounds that are not yet represented in the group. This also includes increasing the number of women in managerial roles, and outside directors.

As the last presenter, Jochen Ellrott of Freshfields Bruckhaus Deringer, talked about ESG in M&A. Jochen emphasised the importance of ESG due diligence in all areas of ESG such as hazardous waste working conditions, and board representation in the company of interest. This is important both for legal aspects, such as deforestation and shareholder rights, but also for non-legal aspects such as community relations and business ethics.

The formal part of the event was concluded with a panel discussion moderated by Tony Andriotis. The panel members were: Angela Yuen, Jochen Ellrott and Koji Aso, from Sumitomo Corp.

After the panel, the participants gathered for an informal reception where discussions were continued.

