

BCA Sustainability Committee – 6th July 2022**Item 8 – ECF Activities**

Beyond the actions relating to the EU forest risk commodities there are two other ongoing issues for the ECF Sustainability Committee.

Corporate Sustainability Reporting Directive

- This proposes new reporting standards to replace those from the 2014 Non-Financial Reporting Directive
- Would extend requirements to all companies except micro businesses listed at EU level
- Determines rules on liability for breaches of Due Diligence & Deforestation legislation
- Aim is that is to apply from 1st Jan 2023 but a longer lead in period for SMEs (first reports in 2026)

Corporate Sustainability Due Diligence

- Commission proposal made in February
- Some challenge to it being a Directive rather than a Regulation (which is directly applicable)
- Does not apply to SMEs
- Human rights and environmental due diligence need to be incorporated into company policy and an annually updated due diligence policy
- Potential to be finalised late 2022/ early 2023

Forced Labour Product Ban proposal

- Regulation being planned which would effectively ban EU import of products produced, extracted or harvested with forced labour
- Aim to link with a risk based enforcement framework
- Member States would be responsible for enforcement