On behalf of the undersigned organisations

To:

European Commission President Ursula Von der Leyen, Executive Vice-President Frans Timmermans, Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius, Commissioner for Justice, Didier Reynders, Commissioner for Internal Market, Thierry Breton

Request not to delay any further the adoption of the legislative proposals on: (i) minimising the risk of deforestation and forest degradation associated with products placed on the EU market; and (ii) sustainable corporate governance

Dear President Von der Leyen, Executive Vice-President Timmermans, and Commissioners Sinkevičius, Reynders and Breton,

In recent weeks, it has been reported that the Commission will delay the adoption of the legislative proposals on (i) minimising the risk of deforestation and forest degradation associated with products placed on the EU market and (ii) sustainable corporate governance – first until late July due to issues raised by the Regulatory Scrutiny Board, now until after the summer recess. This was confirmed by the indicative College of Commissioners' <u>agenda</u> for 8 June – 28 July 2021, as neither proposal is listed for discussion.

It has also been reported in the media that the sustainable corporate governance file will now be co-led by Commissioner for Internal Market, Thierry Breton.

There has been no official statement from the Commission on either initiative to explain these delays or the change in direction on the sustainable corporate governance initiative. The fate of these proposals and their new timelines for adoption is now unclear. This raises concerns.

These initiatives are essential to ensure respect for human rights, promote sustainable development, and protect the environment – founding values of the European Union. They are also crucial to the EU's efforts to address the global climate and biodiversity crises, and for protecting rights holders and communities around the world from the environmental and social impacts of EU business activities, supply chains, finance and consumption.

The European Parliament has sent a clear political signal to the Commission to develop ambitious and timely proposals on these initiatives. It adopted two landmark resolutions that formally request the Commission to propose strong legislation: on <u>22 October 2020</u> with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation, and on <u>10 March 2021</u> with recommendations to the Commission on corporate due diligence and corporate accountability.

The Council has also requested, on <u>16 December 2019</u>, that the Commission expeditiously produce a proposal for demand-side regulatory measures to reduce the EU consumption footprint on land and encourage the consumption of products from deforestation-free supply

chains, and called on the Commission, on <u>1 December 2020</u>, to table a proposal for an EU legal framework on sustainable corporate governance.

EU citizens also strongly support the timely adoption of robust EU legislation on these initiatives, demonstrated by the overwhelming response to the respective public consultations.

With respect to the deforestation initiative, <u>more than 1.1 million citizens</u> responded in support of a strong EU law to protect the world's forests, natural ecosystems and human rights, and 95% of all other respondents <u>indicated</u> that EU-level intervention on EU consumption would reduce global deforestation and forest degradation.

With respect to the sustainable corporate governance initiative, more than 80% of all respondents <u>expressed support</u> for developing an EU legal framework for due diligence, and over 80% of respondents – NGOs, companies and business associations alike – underlined the benefit of harmonisation of due diligence requirements at EU-level to avoid fragmentation.

The Commission had <u>scheduled</u> to adopt the legislative proposals on these initiatives in the second quarter of 2021. The Commission has committed to make EU supply chains more sustainable in the <u>European Green Deal</u> and in the <u>Trade Policy Review</u> 'An Open, Sustainable and Assertive Trade Policy'. On 25 October 2021 it will be 10 years since the Commission committed to implement the UN Guiding Principles on Business and Human Rights. Realisation of these commitments should not be further delayed.

These files should be top priorities for achieving the global dimension of the Green Deal.

The EU's legislative process should be open, transparent and democratic. EU citizens have a right to know why the Commission has delayed these widely-supported initiatives. EU citizens also have a right to access the impact assessments and Regulatory Scrutiny Board's opinions on them in good time to enable public discussion of the Commission's proposed choices before they are adopted (as confirmed by the Court of Justice of the European Union in Case C-57/16 P). We call on the Commission to conduct its work as openly as possible, to make the impact assessments and Regulatory Scrutiny Board's opinions available, and to publicly clarify the reasons for any delay.

These proposals are essential to protecting our most fundamental values: human rights and the environment. We urge you to ensure ambitious and timely action on these important initiatives.

Yours sincerely,

Anais Berthier, Head of EU Affairs, ClientEarth

on behalf of:

Africa Europe Faith & Justice Network (AEFJN)

Amnesty International

Anti-Slavery International

Clean Clothes Campaign European Coalition (CCC)

Conservation International - Europe

Coopération Internationale pour le Développement et la Solidarité (CIDSE)

Earthsight

Environmental Investigation Agency (EIA)

European Center for Constitutional and Human Rights (ECCHR)

European Coalition for Corporate Justice (ECCJ)

Fair Trade Advocacy Office

Fédération Internationale pour les Droits Humains (FIDH)

Fern

Forest Peoples Programme

Friends of the Earth Europe

Global Witness

Mighty Earth

Oxfam

The European Environmental Bureau

The Wildlife Conservation Society