



Department
for Environment
Food & Rural Affairs

UK Due Diligence Legislation

Helen O'Connor (Head, Reducing Demand on Nature)





Background – due diligence legislation

- Recognising the link between supply chains and deforestation, the UK government launched the Global Resource Initiative in 2019 to review options for action.
- Approximately **50%** of global recent tropical deforestation was caused by **illegal deforestation** for commercial agriculture and timber plantations (Forest Trends, 2014 and updated 2019).
- Apart from timber, there is currently **no legal requirement** on UK businesses to ensure that commodities they use have not been produced on land that has been deforested illegally.
- **99%** of respondents to the government's recent consultation agreed that the Government should introduce legislation to make these commodities more sustainable - most stated that we must do so **urgently**.
- **Environment Bill currently going through UK parliament – includes the provision for due diligence or secondary legislation.**



Background - The Global Resource Initiative



- The Global Resource Initiative was launched in October 2018
- In July 2019, an independent taskforce of leaders from business, finance, government and civil society was convened to recommend actions that could be taken to:
“ensure that the UK’s global commodity supply chain footprint on land, natural resources and ecosystems is sustainable, avoids deforestation and other environmental degradation, and supports jobs, livelihoods and investment in resilient and sustainable food system.”
- The taskforce published its final recommendations report in July 2019. It provided 14 recommendations, from introducing a legally binding target to end deforestation and introducing a mandatory due diligence obligation, to mobilising private capital.
- [GRI Report Executive summary \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)



Part of a wider package of measures





What will our due diligence measures do?

- Set out mandatory requirements on larger businesses that use forest risk commodities in their UK commercial activities
- Create a common floor based on legality
- Provide the basis for building partnerships with producer countries around the world to uphold laws that protect forests and other vital ecosystems.
- Provide a consistent framework for due diligence across geographies and commodities used in supply chains in the UK.
- Align with the COP26 Forest Agriculture and Commodity Trade campaign.



How are we going to do it?

- The legislation introduces 3 core requirements on regulated businesses:
 1. It **prohibits** them from using forest risk commodities that were produced on land that was illegally occupied or used.
 2. They must establish a system of **due diligence** for each regulated commodity.
 3. They must **report** on their due diligence exercise annually. To ensure transparency, parts of their reports will be published.
- Businesses that do not comply with any one of these requirements may be subject to fines and other civil sanctions.
- The Secretary of State will be responsible for issuing fines, supported by a regulator who will be responsible for investigating business' compliance.
- Review clause – every 2 years



Due diligence – forward look

- Environment Bill – Royal Assent expected Autumn 2021
- **Consultation on Due Diligence – later this year**
 - Commodities and businesses in scope – TBC
 - Online portal @gov.uk
 - First consultation had more than 60,000 responses - [Due diligence on forest risk commodities - Defra - Citizen Space](#)
- Secondary Legislation –2022