

Why transparency matters?

Wood supply chain transparency has essential role in sustainability and sustainability reporting

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Corporate sustainability reporting directive (**CSRD**, related standards **ESRS**)
European voluntary sustainability reporting standards for SMEs (**VSME**)

Simplification concerning CSRD

Released reporting contents (Omnibus decision in Dec 2025)

Higher thresholds significantly reduce the number of companies required to report CSRD threshold (over 1,000 employees & turnover above €450 million)

- Smaller companies will fall outside mandatory reporting and are required to report sustainability data voluntarily or contractually obligated

SMEs protected from excessive data requests (only information covered by VSME)

- Large companies cannot pass excessive reporting obligations down to small forest contractors

Simplification of CCS3D/CSDDD

Released reporting contents (Omnibus decision in Dec 2025)

Due diligence obligations apply only to very large companies (Over 5,000 employees; turnover €1.5 Mrd/billion)

- Identify, prevent and mitigate environmental and human rights impacts in their full chain of activities
- Apply a risk-based approach that prioritizes the most exposed parts of supply chains

No requirement for transition plans

Simplified, more quantitative reporting

- No mandatory sector specific standards or indicators

Impacts on wood supply chain

Released reporting contents (incl. Omnibus decision in Dec 2025)

Reduces the number of companies required to provide sustainability and risk-related information.

Possible impacts on reporting contents:

- ✓ Less systematic data collection across wood supply chains
- ✓ Reduced traceability in early stages of the chain
- ✓ Increased reliance on voluntary standards and certification schemes (PEFC, FSC) for transparency

→ **Lower visibility of environmental and social impacts across the wood procurement chain**

P.s. The Commission will establish digital portal providing templates and guidelines

