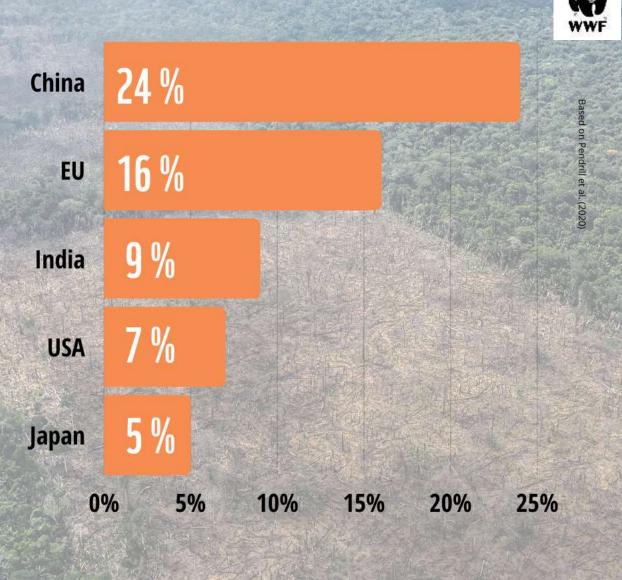


EU IMPORTS STILL DRIVE SIGNIFICANT DEFORESTATION AND HABITAT CONVERSION

Percentage of tropical deforestation associated with international trade in 2017



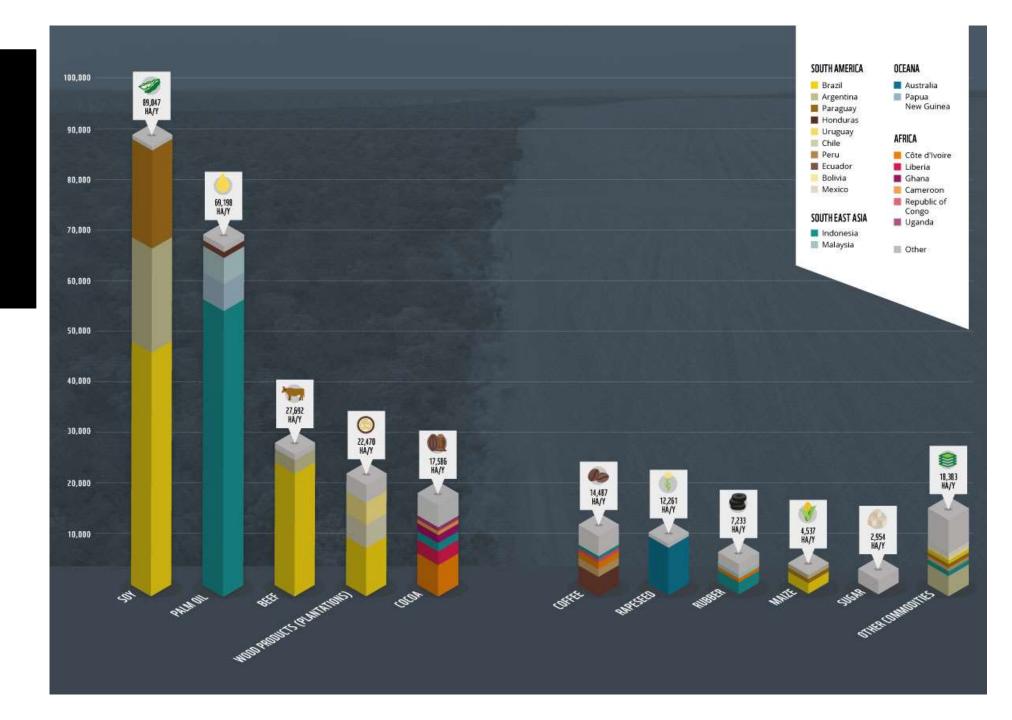
Source: WWF, 2021. Data compiled by Trase/Stockholm Environment Institute.

Stepping up? The continuing impact of EU consumption on nature worldwide.

Image: Marizilda Cruppe / WWF-UK

Tropical deforestation embedded in yearly EU imports of commodities (2005-2017)

- 1. Soy
- 2. Palm oil
- з. Beef
- 4. Wood
- 5. Cocoa
- 6. Coffee



How the EU law on deforestation-free products will be agreed





Proposes legislation



Develops position on the proposal from the European Commission



Develops position (for EU Member States) on the proposal from the European Commission

Trilogue: negotiations between Council and European Parliament moderated by European Commission to determine the final text of the law

Policy timeline EU deforestation law





WWF's 8 asks for a strong EU law on deforestation-free products



1



Products and commodities to be **sustainable**, and not only "legal" in country of origin.

Mandatory requirements for businesses and the finance sector to ensure due diligence, traceability of commodities and supply chain transparency



2



Protection of **forests and other ecosystems** (such as grasslands, savannahs, wetlands, mangroves).

Clear definitions for relevant terms and concepts used in the law.



3



Covers **products and commodities at risk** of being linked to conversion or degradation of natural forests & ecosystems.

Full **implementation & enforcement** of the legislation across EU Member States.



4



No violation of human rights.

Complementary additional measures and **strengthen cooperation** with producers & other consumer countries.



Elements of the new legislation I



 Commodities/products placed on the EU market are required to be legal and free from deforestation and forest degradation (and destruction of other wooded land)



- Product scope includes: soy, palm-oil, timber, beef, cocoa, coffee, (rubber, maize)
- The EU Timber regulation will be integrated in the new legislation
- Cut-off date will likely be around 2020.



- Due Diligence needs to be carried out by operators and large traders before placing a product on the EU market and also applies to exports:
 - Risk assessment and risk mitigation, before a product is placed in the EU market (and online platforms)
 - Operators need to fill in a "due diligence statement" that will be stored in an EU wide database
 - <u>Certification systems</u> can be used to help a company for risk assessment and mitigation but <u>cannot</u> <u>replace the responsibility</u> of an operator to carry out due diligence (no "green lane").
 - <u>Traceability requirements</u> to the place a commodity or product was harvested/produced are established, including geolocation





Elements of the new deforestation law II



• Clear **enforcement measures**, including % based checks and financial **penalties** linked to company turnover are proposed. Also, interim measures, such as seizure are being discussed.



 Definitions are under discussion for deforestation, forest degradation, other wooded land, human rights etc.



 A review is foreseen (likely after 1 year or after 2 years) to include other ecosystems such as grasslands but savannahs might be covered already now (through definition of other wooded land)



 Cooperation with producing countries and other countries will be enhanced by the EU. Companies should have a look at smallholder related challenges (assistance)

Examples for traceability



Interactive Map of Farmer Groups that are part of Mars' Responsible Cocoa Program

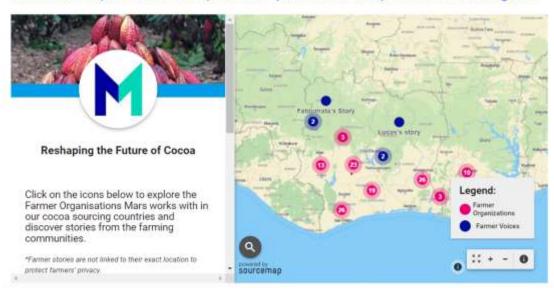
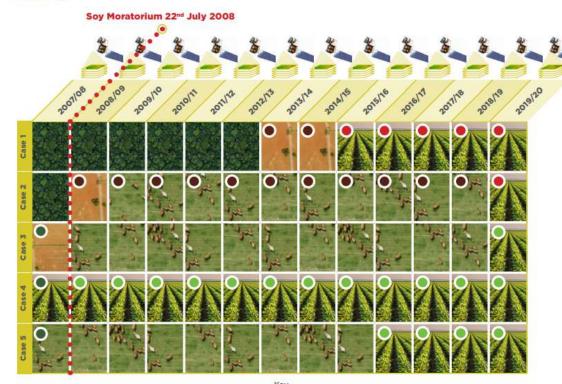




FIGURA 7.

SCHEMATIC OF THE MONITORING PROCEDURE OF SOY CROPS IN AREAS DEFORESTED PRIOR TO THE MORATORIUM (CASES 1 AND 2) AND DURING THE MORATORIUM (CASES 3, 4 AND 5).



Deforestation prior to the Moratorium Deforestation during the Moratorium

 Soy not in compliance with the Moratorium Soy in compliance with the Moratorium ---

Integrating the EUTR



No deforestation
No degradation
Due diligence before
placing on the market
Due diligence for
traders
Traceability to
geolocation
(Inclusion of other
ecosystems)
(New wood products)

Strong Due DiligenceTransparency & Traceability

Broad Product scope

• Effective implementation, including penalties & checks

Legality
Due diligence for
operators
Traceability
requirements
EUTR product scope
timber

New elements

Existing elements in EUTR

