

PRESS KIT

Regulation on deforestation-free products¹

On 13 September, the European Parliament will vote on its position regarding the proposed legislation on deforestation-free products. Marie Toussaint, shadow-rapporteur for the Greens/ EFA Group in the European Parliament's leading ENVI Committee and Anna Cavazzini MEP, rapporteur of the opinion of the Internal Market Committee, comment this as follows:

For Marie Toussaint, Greens/EFA MEP (ENVI): "We just received a strong alert from the Ingenous peoples of the Amazonia: a quarter of the forest seems to be irreversibly destroyed. Our forests are in danger, throughout the planet, from Brazil to the Congo Basin and Indonesia. The EU is part of the problem: we are the second largest importer of deforestation and this really needed to change. The piece of legislation that we will vote on this week in the European Parliament is one essential part of the answer. It aims at responsibilization the economic entities of the EU market and establishes obligations for them not to destroy the forests nor to violate human and indigenous' rights. There has been a lot of lobbying from the agro-industry against this text, but we will hold on. Because that's about saving indigenous and local peoples rights, and our planet."

For **Anna Cavazzini, Greens/EFA MEP (IMCO)**: "The regulation on deforestation-free supply chains is an urgently needed game changer. Forests are indispensable for the world's biodiversity and climate. They are home for Millions of indigenous peoples. But dramatic deforestation is putting the world's forests at risk. European companies are contributing by importing meat, animal feed and other products that have led to deforestation elsewhere. We must do everything in our power to stop this. The regulation on deforestation-free products plays a crucial role here and I therefore welcome the fact that the Parliament is strengthening the Commission's proposal. We need the same sense of urgency in the upcoming negotiations with the member states."

¹ Making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (deforestation due diligence')

CONTEXT

The EU is one of the main importers of commodities that are the main driver of global deforestation forest products at risk: palm oil (25% of world imports), soy (15%), rubber (25%), beef (41%), corn (30%), cocoa (80%), and coffee (60%). Currently, the European Union is responsible for 16% of deforestation induced by the consumption of products such as listed. According to a study by the Commission, a forest area the size of Portugal was lost worldwide between 1990 and 2008 due to the consumption by the EU of commodities grown on deforested land.

Deforestation often also leads to human rights violation of local and indigenous people, and of course contributes to massive biodiversity loss.

Following a 2020 European Parliament INI Report, the European Commission published a proposal for a regulation on EU-driven global deforestation in November 2021. The European Parliament will vote on this report, following negotiations in ENVI, on **Tuesday 13 September**. With this new law, the European Union will oblige businesses to check, through a process called "mandatory due diligence", that whatever they sell in Europe does not come from land where forests have been degraded or cleared entirely to make room for agricultural production. This new law is an important step in recognising Europe's responsibility in ending world wide deforestation and acting accordingly, but needed to close some loopholes to be efficient, which has partially been done in the ENVI Committee (vote July 12th). Now the Greens will fight in plenary to keep the ENVI text as voted previously, and avoid any watering down amendments coming from some members to be adopted.

Key objectives for the Greens/EFA

The issue of EU-Driven deforestation has been a priority for the Greens/EFA for a long time. Our key priority was to protect, and reinforce, what was achieved in the legal INI report in 2020, and achieve a strong regulation that will guarantee that all commodities and products sold in Europe are deforestation free.

We focused more specifically on several key points during negotiations.

1. To extend the scope of the proposal to all ecosystems, not just forests:

The Commission proposal focuses exclusively on forests, as defined by the FAO. This puts aside the impact of European consumption on other ecosystems such as grasslands and savannahs, wetlands, peatlands and mangroves. 23% of soy European imports come from the Cerrado, a Brazilian Savannah where soy production destroys hundreds of acres. These ecosystems must be included in the regulation or they will face even higher pressure. In ENVI, we managed to include "other wooded land" in the scope of the text (which would cover some savannahs for example) and a strong review clause.

- 2. To include international human rights legislation in the scope: The conversion of rainforests and other precious ecosystems to agricultural land is often linked to land grabbing, violence, and adverse human rights impacts, particularly for Indigenous Peoples. The EU must not be complicit in human rights abuses: commodities and products have to be produced without violating the rights of Indigenous Peoples and local communities. The issue is also linked to the protection of the environmental defenders: in 2020, 227 environmental defenders were murdered, 70% of which were working to defend the world's forests from deforestation and industrial development. In ENVI, we succeeded in strengthening human rights, indigenous rights, and local communities' rights as well as the right to defend the environment. Moreover, the Commission is required to monitor the impact of the new regulation on smallholders, Indigenous Peoples and local communities.
- 3. To extend the scope to commodities that put at risk ecosystems: The European Commission proposal only included 6 commodities in the regulation: cattle, palm oil, soy, coffee, cacao and wood. But scientists have warned that the EU should not exclude certain commodities "prematurely" from its legislation. The production of rubber and maize, for example, is also known to cause deforestation. In ENVI, we managed to add more commodities and products: rubber, maize, poultry, goats, swine and sheep, as well as charcoal and printed paper products.
- 4. To delete the category of low-risk countries, as proposed by the Commission: The Commission proposal created a category of "high risk", "standards" and "low risk" countries with different levels of due diligence requirements. In ENVI, we pushed to keep the "high risk" category in the regulation and enhance the levels of checks for these countries. Based on Anna Cavazzini's IMCO opinion, we succeeded in strengthening the simplified due diligence procedure.
- 5. To include financial institutions in the scope of the regulation: While financial institutions were excluded from the Commission proposal, ENVI adopted their inclusion. This means that financial institutions operating in the EU and funding companies that produce, process or trade products driving deforestation will face the same due diligence requirements. Indeed, between 2016 and 2020, banks and asset managers based in the EU generated €401 million in revenues on deals with companies accused of destroying tropical forests. These amendments were not part of the ENVI committee compromise. They will stay outside the compromise in plenary and are at risk.

Despite a good deal in ENVI, as described below, there is a growing risk that EPP will try to water down the text in plenary, in particular on these 4 key points. We will stay particularly vigilant before the vote to make sure that we can protect the

good compromises obtained in ENVI, especially regarding the inclusion of the financial sector, and of a wide range of products in the scope of the regulation.

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