



Statement of support from businesses for an effective EU law to halt the trade in commodities and products linked to deforestation and conversion

We, the undersigned companies, are deeply concerned by the ongoing destruction of natural forests and other natural ecosystems globally and its contribution to climate change, biodiversity loss and human rights violations. The continued destruction and degradation of nature directly and negatively affects agricultural production and other economic activities, impacting markets and human well-being. Unfair competition, based on products linked to destructive management practices, harms those companies committed to acting responsibly on the European market.

We welcome the European Commission's initiative to reduce the impact of products placed on the EU market on deforestation, ecosystem conversion and nature degradation as well as the actions laid out in the EU Communication (2019) on "Stepping up EU action to protect and restore the world's forests" as a good start. As companies committed to responsible supply chains, we believe that effective EU legislation is urgently needed to tackle this problem – establishing a level playing field for more sustainable commodities and products to be placed on the EU market.

We therefore consider it important that the European Union adopts a robust law that minimises the risk of conversion and degradation of natural ecosystems (alongside deforestation and the degradation of natural forests) as well as human rights violations, associated with commodities and products placed on the EU market.

We urge the European Commission, the European Parliament and the EU Member States to integrate the following elements into a new cross-commodity EU regulation, as they reflect our own ambitions and can ensure that the new law is effective and beneficial for nature, people and business:

- **Requirements for increased supply chain transparency and traceability for all companies.** We have been working with our supply chains to collect and verify information related to the origin, sustainability and quality of commodities for years, but there continue to be significant barriers in supply chain traceability and transparency. In order to overcome these, we welcome regulatory solutions to further encourage materials suppliers or traders in or importing into Europe to disclose the required supply chain information to the EU Member State authorities and (with permission to publish) to their customers. These requirements should be developed in a way that enable better cross-industry collaboration along the supply chain.

- **Development of a clear legislative framework including a due diligence obligation, taking into account the experience of different stakeholders and based on objective and scientific criteria.** Companies that first place a product or commodity onto the EU market should assess and minimise to a negligible level the risk of their products and commodities being linked to the conversion or degradation of forests and other ecosystems or human rights violations before it is placed on the market; this should also include an obligation to report regularly how the system is applied.
- **Include the finance sector and institutions financing commodities and products.** Financial organisations operating in the EU and providing finance, investment, insurance or other services to companies, should also be required to carry out due diligence, identifying, preventing and mitigating negative environmental and human rights impacts of their investments and engagement with companies;
- **Address both deforestation and the conversion of other natural ecosystems as well as their degradation.** The scope of EU legislation should address commodities and products that bear a risk to be linked to the conversion and degradation of natural ecosystems alongside deforestation and the degradation of natural forests. Limiting the scope of the law to natural forests, and leaving out conversion of other natural ecosystems, will exacerbate the already existing high pressures on other ecosystems. Definitions should preferably be aligned with the Accountability Framework Initiative's definitions
- **Ensure that new legislation is implemented and enforced in a harmonised way across the EU.** Effective implementation of the new law will be crucial for its success. Therefore, its enforcement by EU Member States should be aligned to the greatest extent possible, to avoid undue burden for companies following different requirements;
- **Introduce measures complementary to legislation and work in partnership with producer countries to address underlying root causes** such as lack of tenure rights or challenging law enforcement that are linked to deforestation and ecosystem conversion, facilitating an enabling environment for our companies. Legislation at the European level should be complemented by other targeted measures and processes that include all stakeholders to reduce pressures on natural forests and other natural ecosystems, to address human rights risks such as tenure rights, and to support smallholders (e.g, multi-stakeholder based land use planning). Cooperation between producer and consumer countries should be strengthened.

We also recommend that other consumer countries beyond the EU seek to harmonise their regulatory frameworks along these points to avoid leakage of products and commodities produced under lower standards but also to facilitate the application of these criteria for companies. In particular, we call on the UK government to adopt a robust mandatory due diligence obligation in the UK Environment Bill which goes beyond legality, in alignment with the EU market's due diligence obligation.

The EU has a historic opportunity to help companies operating in Europe to achieve deforestation- and conversion-free supply chains, and show global leadership by putting nature protection, human rights and public health at the heart of its policies, helping to fulfill its commitments made under the CBD, the Paris Agreement and the New York Declaration on Forests.

Signatories

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Aigremont

*ALDI Einkauf SE & Co. oHG for ALDI Nord
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ALDI SOUTH Group

Alliance for the Preservation of Forests

Axfood

*Belgian Alliance for Sustainable Palm Oil
(BASP)*

*British and Irish Association of Zoos and
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*BUDNI Handels- und Service GmbH & Co.
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Carrefour

*Centraal Bureau Levensmiddelenhandel
(CBL)*

Compass Group PLC

Coop Sweden

EDEKA ZENTRALE Stiftung & Co. KG

Elior

Ferrero

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Groupe Bel

Hilton Food Group

HK Scan Denmark A/S

International Paper

Iswari

Jalofoods

Jumbo Supermarkten B.V.

L'Oréal

Lidl Stiftung & Co. KG

Löfbergs

Martin&Servera

Medico Hair Care ApS

Meerdink Bruggen

Netto Marken-Discount Stiftung & Co. KG

Polarbrödsgruppen

Robeco

Royale Lacroix

Sodexo

Sofidel

Stichting Apenheul

Superunie

Sysco France

The Body Shop

Vandemoortele

Waitrose & Partners

Winterbotham Darby