

Public Consultation by DG Environment: *Deforestation and forest degradation*
– *reducing the impact of products placed on the EU market*

Remarks by companies and civil society organisations associated with the German Initiative for Sustainable Agricultural Supply Chains (INA)

Despite significant corporate voluntary action to eliminate deforestation from supply chains by 2020 and considerable reductions of deforestation in company's supply chains, deforestation driven by agricultural commodity production continues at near record rates. Therefore, we **welcome the EU communication *Stepping up EU Action to Protect and Restore the World's Forests*** and the progress made towards EU action to tackle deforestation and forest degradation. The European Commission's commitment – announced in the European Green Deal, the EU Biodiversity Strategy for 2030 and the Farm to Fork Strategy – to **present in 2021 a legislative proposal** and other measures to avoid or minimise the placing of products associated with deforestation or forest degradation on the EU market is an important step in the right direction.

From our perspective, we need a **smart mix of both regulatory and non-regulatory demand side measures to minimise deforestation in EU-supply chains that covers all relevant commodities to level the playing field**. The list of commodities should include at least soy, palm oil, meat and leather, cocoa, coffee, rubber and maize. We emphasise that we need **regulation specifically on deforestation and forest degradation**. It should be **well aligned with the upcoming EU-legislation on mandatory due diligence for human rights and the environment** as announced by the European Commissioner for Justice, Didier Reynders, in April 2020. We also point out that there are already a variety of instruments supporting deforestation-free supply chains – ranging from sustainability standards to transparency initiatives – that EU measures can build on.

Forests and other valuable ecosystems are crucial for climate and biodiversity. Agriculture depends on many ecosystem services provided primarily by forests such as the regulation of water balance and regional climate patterns. Also, the livelihood of many people depends on forests. To support sustainable development, the criteria underlying any EU regulation should **go well beyond tackling illegal deforestation, forest degradation and ecosystem conversion**. It needs to strive for a **sustainable commodity production**. In the light of upcoming demand side EU regulation, we encourage the EU and member states to **support production countries** – especially their smallholders and indigenous communities.

Based on the considerations above, **we strongly encourage the Commission to draft an ambitious legislative proposal based on the current impact assessment on potential regulatory and non-regulatory demand side measures to tackle deforestation and forest degradation**.

