

of 31 May 2023

on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) Forests provide a broad variety of environmental, economic and social benefits, including timber and non-wood forest products and environmental services essential for humankind, as they harbour most of the Earth's terrestrial biodiversity. They maintain ecosystem functions, help protect the climate system, provide clean air and play a vital role for the purification of waters and soils as well as for water retention and recharge. Large forest areas act as a moisture source and help prevent desertification of certain regions. In addition, forests provide subsistence and income to approximately one third of the world's population and the destruction of forests has caused the displacement of considerable people, including indigenous people, and caused significant loss of biodiversity. Deforestation and forest degradation reduce essential carbon sinks. Deforestation and forest degradation also increase the likelihood of contact between wild animals, farmed animals and humans, thereby increasing the risk of spreading new diseases and the risks of new epidemics and pandemics.
- (2) Deforestation and forest degradation are taking place at an alarming rate. The Food and Agriculture Organization of the United Nations (FAO) states that 420 million hectares of forest – about 10 % of the world's remaining forests, equalling an area larger than the European Union, have been lost worldwide between 1990 and 2020. Deforestation and forest degradation are, in turn, important drivers of global warming and biodiversity loss – the two most important environmental challenges of our time. Yet, every year the world continues to lose 10 million hectares of forest. Forests are also heavily impacted by climate change and many challenges will need to be addressed to ensure the adaptability and resilience of forests in the coming decades.
- (3) Deforestation and forest degradation contribute to climate change in several ways. Most importantly, they increase greenhouse gas emissions through associated forest fires, permanently removing carbon sink capacities, decreasing the climate change resilience of the affected area and substantially reducing its biodiversity and resilience to diseases and pests. Deforestation alone accounts for 12 % of greenhouse gas emissions as stated in the Intergovernmental Panel on Climate Change (IPCC) special report on climate change and of 2019.
- (4) Climate change poses a risk to the loss of biodiversity, global biodiversity loss aggravates climate change. They are inextricably linked, as recent studies have confirmed. Biodiversity and healthy ecosystems are fundamental to climate-resilient development. Insects, birds and mammals act as pollinators and seed dispersers and can help store carbon more efficiently, directly or indirectly. Forests also ensure the continuous replenishment of water resources and the prevention of droughts and their deleterious effects on local communities, including indigenous peoples. Drastically reducing deforestation and forest degradation and systemically restoring forests and other ecosystems is the single largest nature-based opportunity for climate mitigation.
- (5) Biodiversity is essential for the resilience of ecosystems and their services both at local and at global level. Over half of the global gross domestic product depends on nature and the services it provides. Three major economic sectors – construction, agriculture, and food and drink – all highly depend on nature. Biodiversity loss threatens sustainable water cycles and food systems, putting food security and nutrition at risk. More than 75 % of global food crop types rely on animal pollination. Furthermore, several industrial sectors rely on genetic diversity and ecosystem services as critical inputs for production, in particular for medicines, including antimicrobials.
- (6) Climate change, biodiversity loss and deforestation are concerns of the highest global importance, affecting the survival of humanity and sustained living conditions on Earth. The acceleration of climate change, biodiversity loss and environmental degradation, paired with tangible examples of their devastating effects on nature, human living conditions and local economies, have led to the recognition of the green transition as the defining objective of our time and a matter of gender equality and of intergenerational equity.
- (7) Environmental human rights defenders, who strive to protect and promote human rights relating to the environment, including access to clean water, air, and land are often the target of persecution and lethal attacks. Those attacks disproportionately affect indigenous peoples. According to 2020 reports, more than two thirds of victims of those attacks were working to defend the world's forests from deforestation and industrial development.
- (8) Union consumption is a considerable driver of deforestation and forest degradation on a global scale. The impact assessment of

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Social

- No Child Labor
- No Forced Labor
- Minimum Wage Respected
- No Discrimination
- Clean Water
- Decent Housing
- Worker Rights & Benefits
- Freedom of Association
- Written Contracts
- Occupational Health & Safety



Environmental

- No Deforestation
- No Pollution
- Biodiversity Protection
- Soil Conservation
- Water Conservation
- Energy Conservation
- No GMOs
- No Banned Pesticides
- Safe Chemical Handling
- Pest & Disease Management



Economic

- Above Poverty Line
- Transparent Pricing
- Ethical Business Practices
- No Forced Land Evictions
- Sustainable Production
- Quality Improvement
- Traceability
- Access to Training
- Access to Finance
- Records Kept



2016	2017	2018	2019	2020	2021	2022	2023	2024
Uganda	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV Ecuador Kenya Tanzania Burundi PNG DR Congo Yemen Timor Leste	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV Ecuador Kenya Tanzania Burundi PNG DR Congo Yemen USA India China Panama	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV Ecuador Kenya Tanzania Burundi PNG DR Congo Yemen USA India China Panama	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV Ecuador Kenya Tanzania Burundi PNG DR Congo Yemen USA India China Panama Ghana Laos	Uganda Costa Rica Guatemala Nicaragua Indonesia Ethiopia Colombia Vietnam Honduras Brazil Rwanda Mexico El Salvador Peru CIV Ecuador Kenya Tanzania Burundi PNG DR Congo Yemen USA India China Panama Ghana Laos Zambia Timor-Leste Australia Bolivia Malawi Philippines Malaysia

- 35 countries
- 140,000 surveys
- 95%+ of coffee production volume
- 60%+ of cocoa

Responsible sourcing from a Roaster's Perspective



Compliance

We measure our sustainability performance.

We verify the performance of our supply chain against a credible set of sustainability standards. We do this systematically, independently, and to the highest level of statistical rigor.



Traceability

We know where our product comes from. We verify traceability back to origin for every purchase.



Continuous Improvement

We work on fixing the issues. We identify the places and issues where our support can have the most impact. We invest back in our supply chain in meaningful ways - both in specific communities we buy from, as well as in initiatives that address bigger challenges facing the sector.

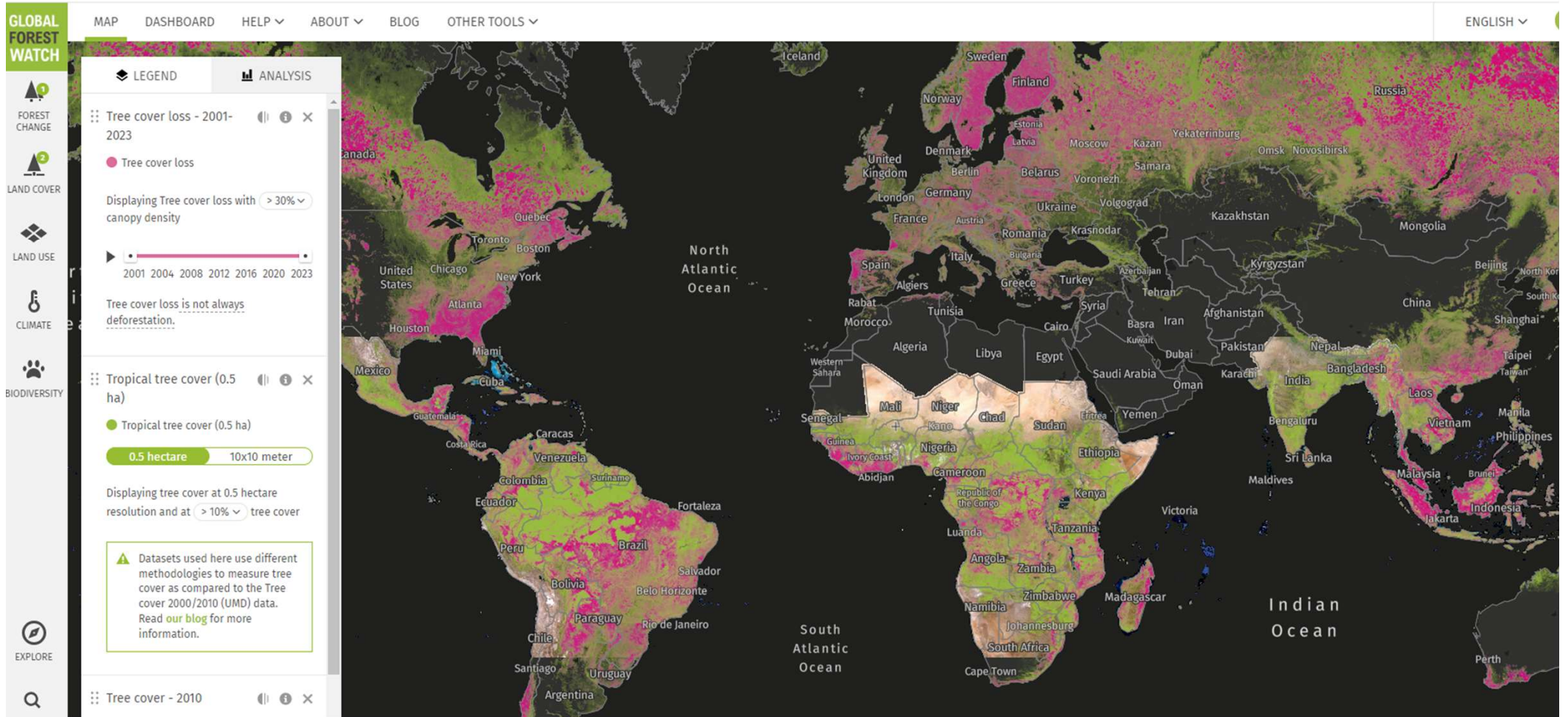
Article 2

Definitions

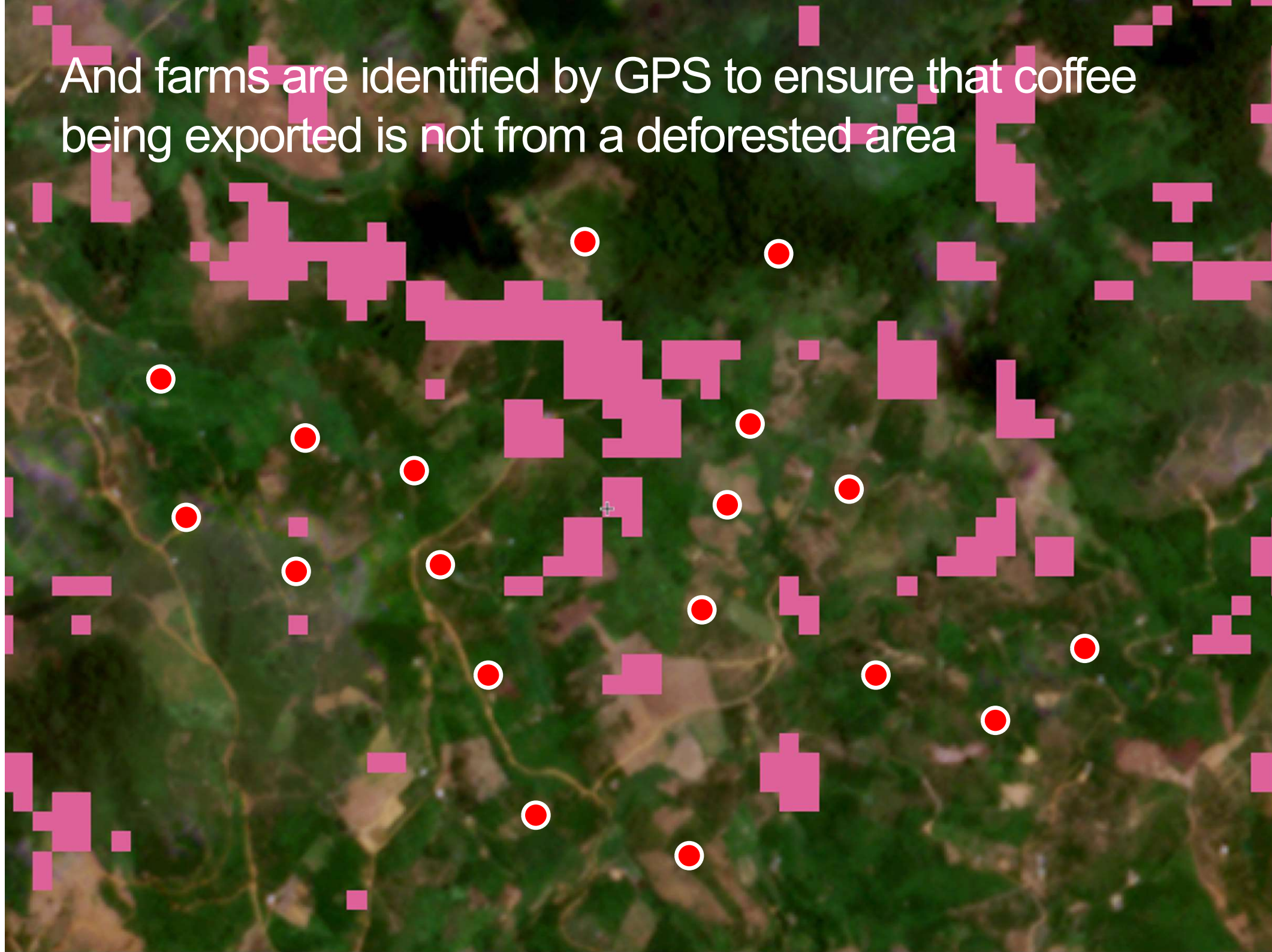
For the purposes of this Regulation, the following definitions apply:

- (1) ‘relevant commodities’ means cattle, cocoa, coffee, oil palm, rubber, soya and wood;
- (2) ‘relevant products’ means products listed in Annex I that contain, have been fed with or have been made using relevant commodities;
- (3) ‘deforestation’ means the conversion of forest to agricultural use, whether human-induced or not;
- (4) ‘forest’ means land spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of more than 10 % or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use;
- (5) ‘agricultural use’ means the use of land for the purpose of agriculture, including for agricultural plantations and set-aside agricultural areas, and for rearing livestock;
- (6) ‘agricultural plantation’ means land with tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations, olive orchards and agroforestry systems where crops are grown under tree cover; it includes all plantations of relevant commodities other than wood; agricultural plantations are excluded from the definition of ‘forest’;

The intent is that forest and deforested areas are mapped using satellite imagery



And farms are identified by GPS to ensure that coffee being exported is not from a deforested area



For this to happen, three things are needed

Was the land EU defined forest on 31st Dec 2020?

 Forest

 Tree crop





Non-compliant product







For this to happen, three things are needed

Has the land been deforested since 31 st Dec 2020?	 Deforested	 Not deforested
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Non-compliant product

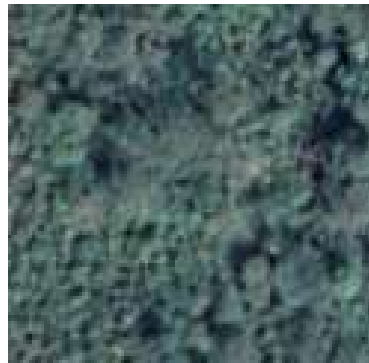
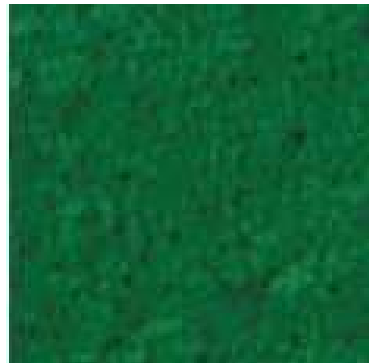
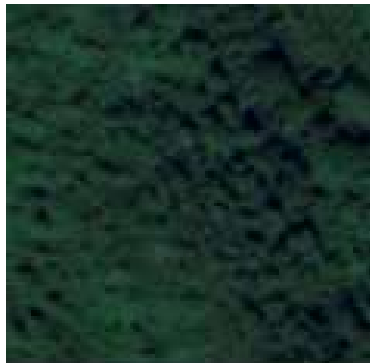
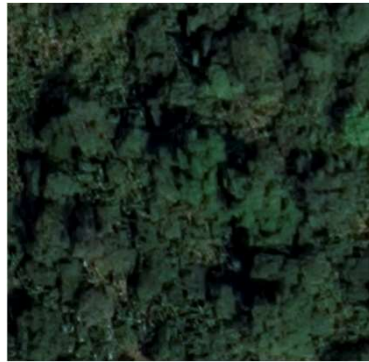
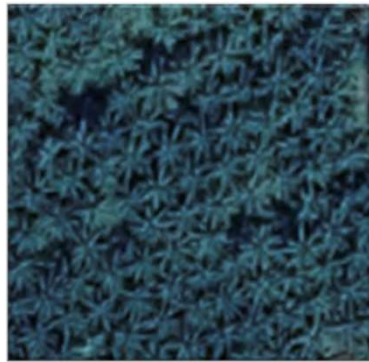
Deforested Vs Not deforested

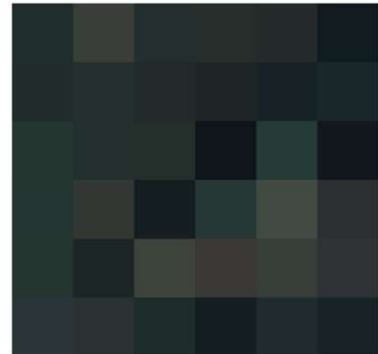
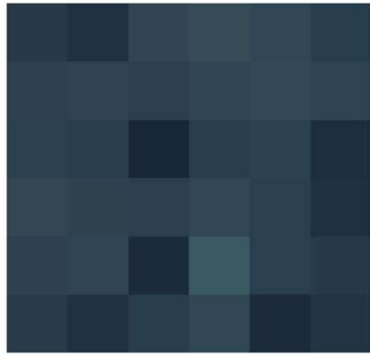
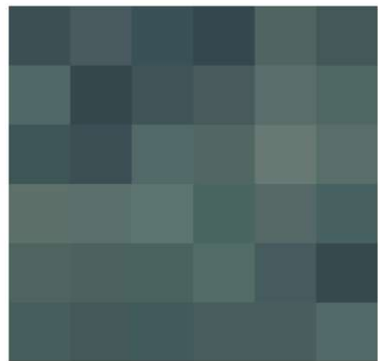
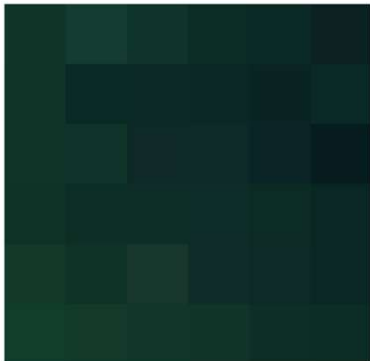
Other models cannot distinguish deforestation and normal commercial agricultural activities.



For this to happen, three things are needed





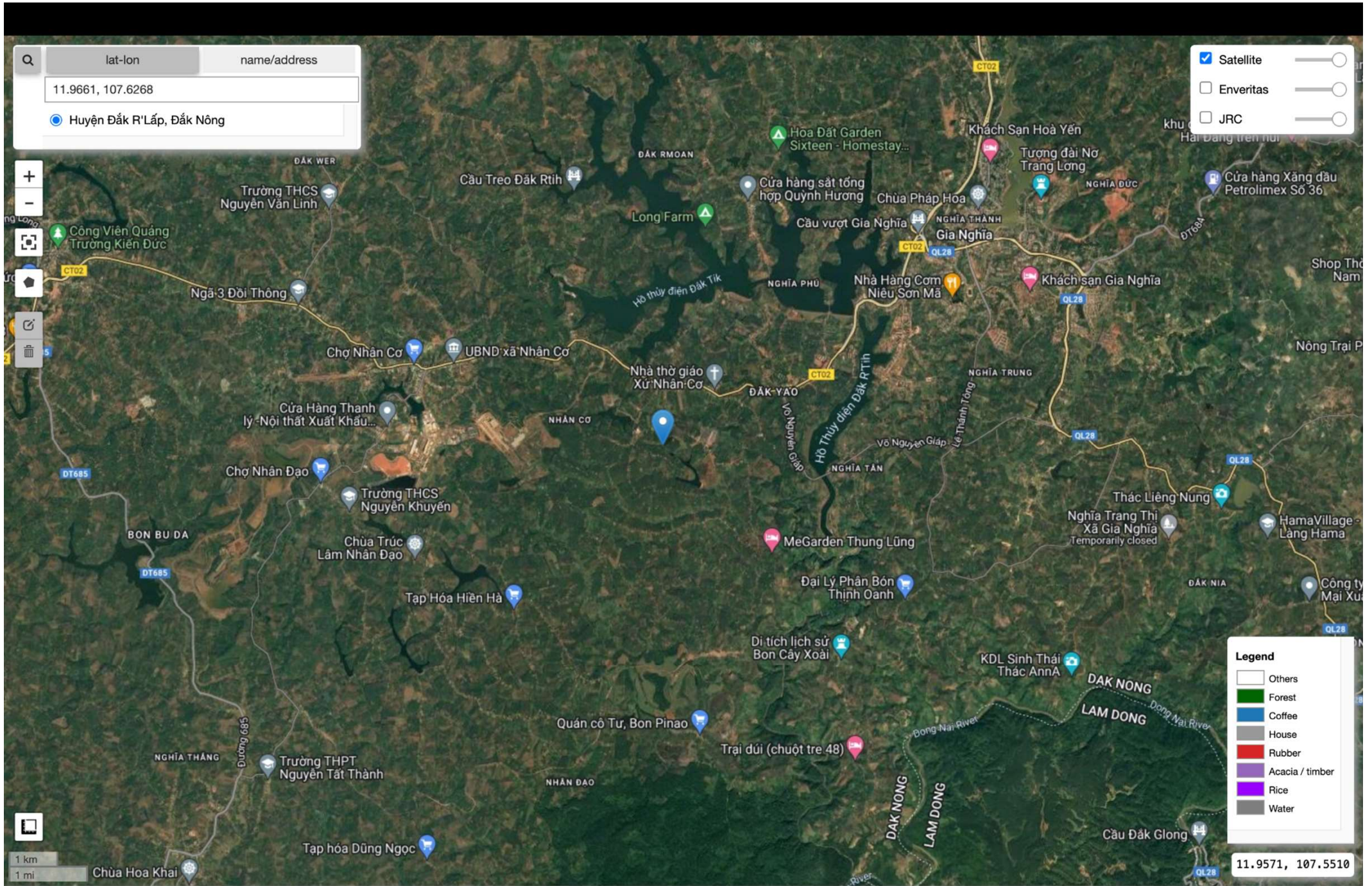




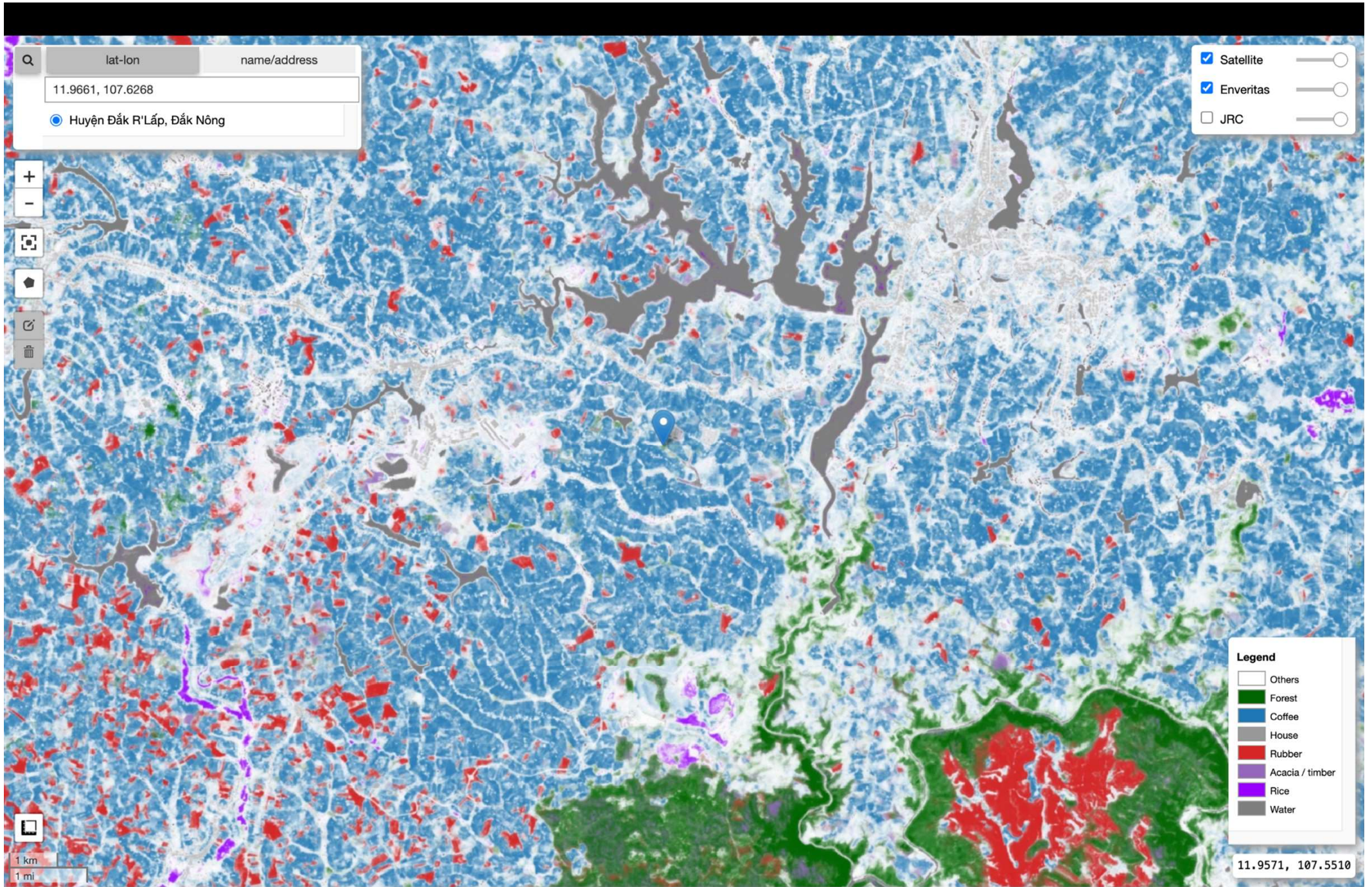
We have travelled into remote terrain across the world



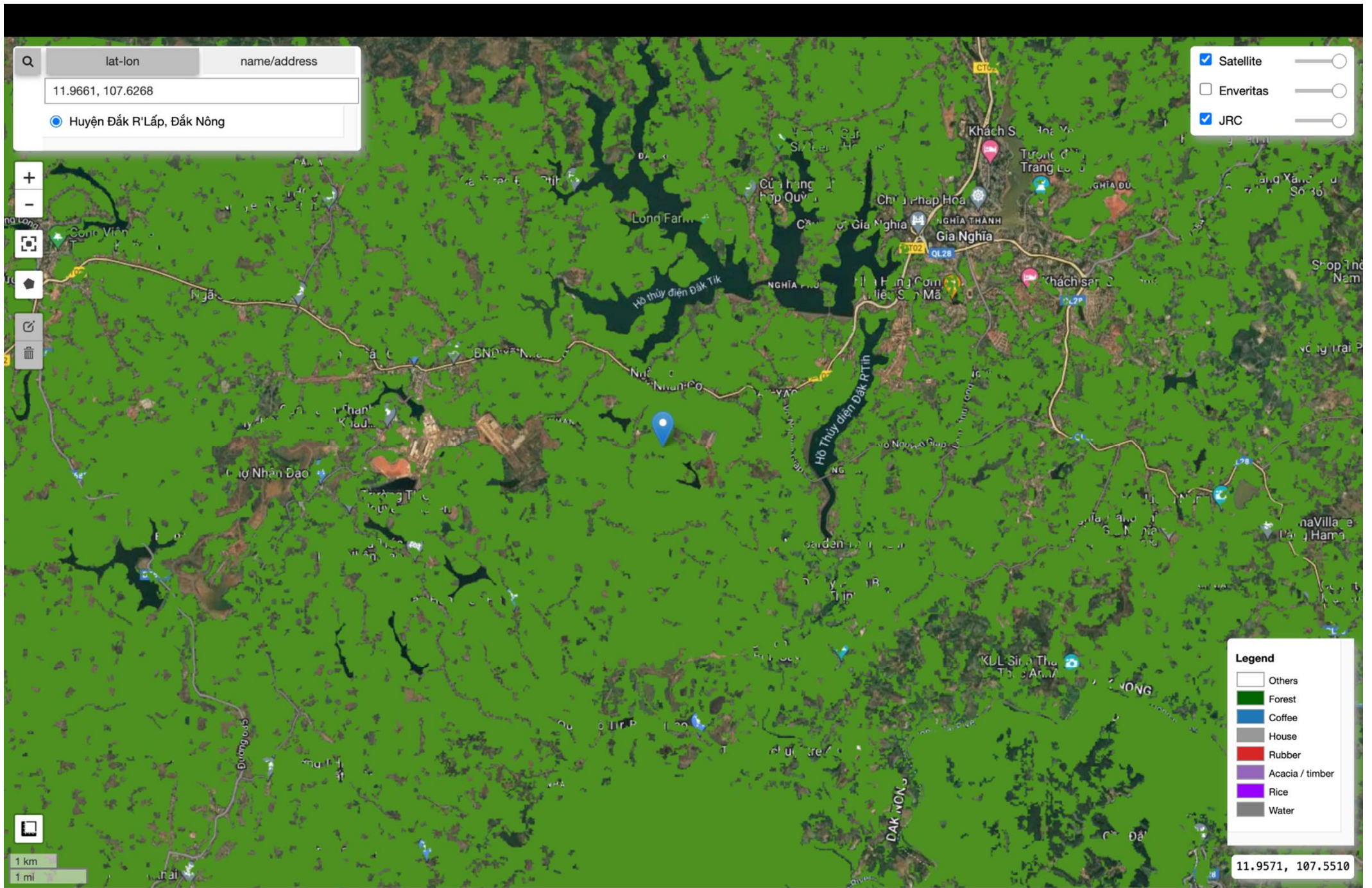
Dak Nong in Vietnam – a coffee growing region



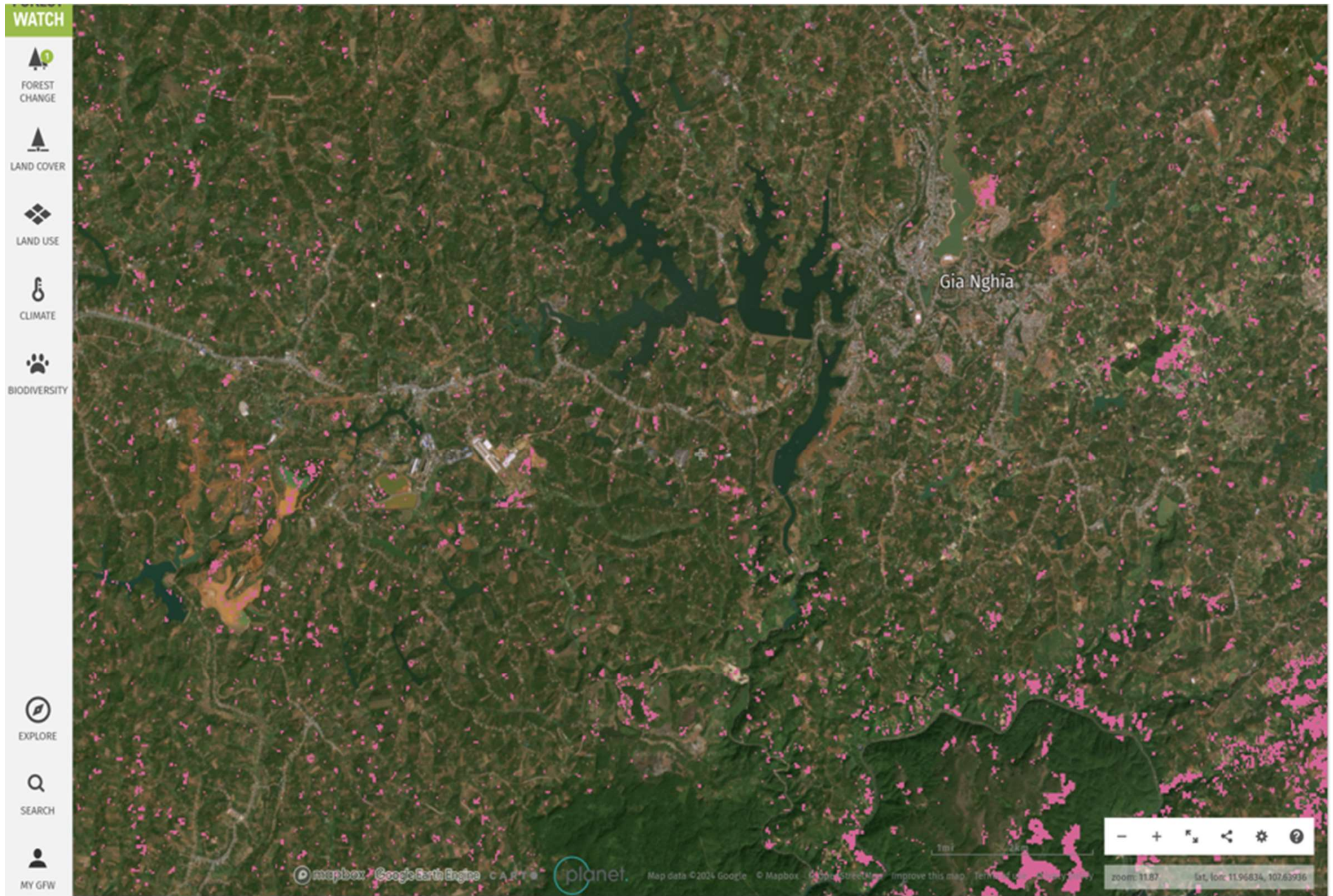
Coffee plots identified by Enveritas model (blue)



Other models find forest



Which leads to false positives for deforestation



Our analysis shows that in most countries, less than 100 plots of coffee are currently non-compliant.



From land use detection to EUDR due diligence

Route 1 : **Full traceability (GPS/ polygon list)**

- accurate assessment of lists, eliminating false positives

Route 2 : **Declaration in Excess approach**

- assessment of a higher number of plots of production

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