

Basic information	
2021/0366(COD)	Procedure completed
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	
Deforestation Regulation	
Repealing Regulation 2010/995 <a href="#">2008/0198(COD)</a> Amended by <a href="#">2024/0249(COD)</a> Amended by <a href="#">2025/0329(COD)</a>	
<b>Subject</b>	
3.10.11 Forestry policy 3.70.01 Protection of natural resources: fauna, flora, nature, wildlife, countryside; biodiversity	
<b>Legislative priorities</b>	
Joint Declaration 2021 Joint Declaration 2022	

Key players															
European Parliament	<table border="1"> <thead> <tr> <th>Committee responsible</th><th>Rapporteur</th><th>Appointed</th></tr> </thead> <tbody> <tr> <td><b>ENVI</b> Environment, Public Health and Food Safety</td><td>HANSEN Christophe (EPP)</td><td>15/12/2021</td></tr> <tr> <td></td><td>Shadow rapporteur BURKHARDT Delara (S&amp;D) ŞTEFĂNUȚĂ Nicolae (Renew) TOUSSAINT Marie (Greens/EFA) ZALEWSKA Anna (ECR) KONEČNÁ Kateřina (The Left)</td><td></td></tr> </tbody> </table>	Committee responsible	Rapporteur	Appointed	<b>ENVI</b> Environment, Public Health and Food Safety	HANSEN Christophe (EPP)	15/12/2021		Shadow rapporteur BURKHARDT Delara (S&D) ŞTEFĂNUȚĂ Nicolae (Renew) TOUSSAINT Marie (Greens/EFA) ZALEWSKA Anna (ECR) KONEČNÁ Kateřina (The Left)						
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	AGRI Agriculture and Rural Development	LINS Norbert (EPP)	17/12/2021
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Environment	SINKEVIČIUS Virginijus	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
Date	Event	Reference	Summary
17/11/2021	Legislative proposal published	COM(2021)0706 	Summary
17/01/2022	Committee referral announced in Parliament, 1st reading		
07/04/2022	Referral to associated committees announced in Parliament		
12/07/2022	Vote in committee, 1st reading		
25/07/2022	Committee report tabled for plenary, 1st reading	A9-0219/2022	Summary
12/09/2022	Debate in Parliament		
13/09/2022	Decision by Parliament, 1st reading	T9-0311/2022	Summary
13/09/2022	Results of vote in Parliament		
13/09/2022	Matter referred back to the committee responsible for interinstitutional negotiations		
16/01/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE740.655 EP(2023)000229	
17/04/2023	Debate in Parliament		
19/04/2023	Decision by Parliament, 1st reading	T9-0109/2023	Summary
19/04/2023	Results of vote in Parliament		
16/05/2023	Act adopted by Council after Parliament's 1st reading		
31/05/2023	Final act signed		
09/06/2023	Final act published in Official Journal		

Technical information	
Procedure reference	2021/0366(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)

Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation 2010/995 2008/0198(COD) Amended by 2024/0249(COD) Amended by 2025/0329(COD)
Legal basis	Rules of Procedure EP 57_o Treaty on the Functioning of the EU TFEU 192
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/9/07774

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE729.953	31/03/2022	
Amendments tabled in committee		PE730.104	25/04/2022	
Amendments tabled in committee		PE731.627	25/04/2022	
Amendments tabled in committee		PE731.626	29/04/2022	
Amendments tabled in committee		PE731.628	03/05/2022	
Amendments tabled in committee		PE731.704	03/05/2022	
Committee opinion	INTA	PE719.876	03/06/2022	
Committee opinion	AGRI	PE719.797	16/06/2022	
Committee opinion	DEVE	PE731.537	28/06/2022	
Committee opinion	IMCO	PE730.020	06/07/2022	
Amendments tabled in committee		PE731.737	12/07/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0219/2022	25/07/2022	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T9-0311/2022	13/09/2022	Summary
Text agreed during interinstitutional negotiations		PE740.655	21/12/2022	
Text adopted by Parliament, 1st reading/single reading		T9-0109/2023	19/04/2023	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Coreper letter confirming interinstitutional agreement	EP(2023)000229	21/12/2022		
Draft final act	00082/2022/LEX	31/05/2023		
European Commission				

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0706 	17/11/2021	<a href="#">Summary</a>
Document attached to the procedure	SEC(2021)0395 	18/11/2021	
Document attached to the procedure	SEC(2021)0396 	18/11/2021	
Document attached to the procedure	SWD(2021)0325 	18/11/2021	
Document attached to the procedure	SWD(2021)0326	18/11/2021	
Document attached to the procedure	SWD(2021)0327 	18/11/2021	
Document attached to the procedure	SWD(2021)0328 	18/11/2021	
Document attached to the procedure	SWD(2021)0329 	18/11/2021	
Commission response to text adopted in plenary	<a href="#">SP(2023)260</a>	05/07/2023	

#### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Reasoned opinion	<a href="#">SE_PARLIAMENT</a>	<a href="#">PE730.012</a>	06/04/2022	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES5690/2021</a>	23/02/2022	

#### Additional information

Source	Document	Date
EP Research Service	Briefing	14/02/2022

## Meetings with interest representatives published in line with the Rules of Procedure

### Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives

BURKHARDT Delara	Shadow rapporteur	ENVI	15/02/2023	Together4Forests NGO coalition
KARLSBRO Karin	Rapporteur	INTA	03/02/2023	Löfbergs lila
TOUSSAINT Marie	Shadow rapporteur	ENVI	30/11/2022	Mighty Earth
TOUSSAINT Marie	Shadow rapporteur	ENVI	23/11/2022	ClientEarth AISBL Fern Global Witness Greenpeace European Unit Mighty Earth canopée
TOUSSAINT Marie	Shadow rapporteur	ENVI	17/11/2022	Global Witness
HANSEN Christophe	Rapporteur	ENVI	14/11/2022	EuroCommerce
HANSEN Christophe	Rapporteur	ENVI	07/11/2022	ClientEarth AISBL
HANSEN Christophe	Rapporteur	ENVI	03/11/2022	Fair Trade Advocacy Office
TOUSSAINT Marie	Shadow rapporteur	ENVI	26/10/2022	ClientEarth AISBL Fern Global Witness Greenpeace European Unit Mighty Earth canopée
HANSEN Christophe	Rapporteur	ENVI	25/10/2022	Suzano
HANSEN Christophe	Rapporteur	ENVI	26/09/2022	FBF
TOUSSAINT Marie	Shadow rapporteur	ENVI	02/09/2022	ClientEarth AISBL Fern Global Witness Greenpeace European Unit Mighty Earth canopee
KONEČNÁ Kateřina	Shadow rapporteur	ENVI	02/09/2022	amfori - Trade with Purpose
BURKHARDT Delara	Shadow rapporteur	ENVI	31/08/2022	Together For Forests NGO coalition
BURKHARDT Delara	Shadow rapporteur	ENVI	31/08/2022	Deutsche Umwelthilfe e.V.
TOUSSAINT Marie	Shadow rapporteur	ENVI	31/08/2022	Global Witness
HANSEN Christophe	Rapporteur	ENVI	12/07/2022	Planet
NOICHL Maria	Shadow rapporteur for opinion	DEVE	07/07/2022	Gewerkschaftsfrühstück
HANSEN Christophe	Rapporteur	ENVI	06/07/2022	ClientEarth AISBL
BURKHARDT Delara	Shadow rapporteur	ENVI	06/07/2022	Deutsche Umwelthilfe e.V.
TOUSSAINT Marie	Shadow rapporteur	ENVI	27/06/2022	Global Witness Greenpeace European Unit
BURKHARDT Delara	Shadow rapporteur	ENVI	23/06/2022	European Cocoa Association
HANSEN Christophe	Rapporteur	ENVI	21/06/2022	Australian Wilderness Society
HANSEN Christophe	Rapporteur	ENVI	20/06/2022	Kaoem Telapak
BURKHARDT Delara	Shadow rapporteur	ENVI	15/06/2022	Continental AG

TOUSSAINT Marie	Shadow rapporteur	ENVI	10/06/2022	WWF European Policy Programme
HANSEN Christophe	Rapporteur	ENVI	08/06/2022	EarthSight
HANSEN Christophe	Rapporteur	ENVI	02/06/2022	Malaysian Timber Council
TOUSSAINT Marie	Shadow rapporteur	ENVI	01/06/2022	Global Witness Greenpeace European Unit
HANSEN Christophe	Rapporteur	ENVI	31/05/2022	FERRERO International
TOUSSAINT Marie	Shadow rapporteur	ENVI	31/05/2022	Greenpeace European Unit
BURKHARDT Delara	Shadow rapporteur	ENVI	23/05/2022	Deutscher Verband Tiernahrung e.V.
BURKHARDT Delara	Shadow rapporteur	ENVI	13/05/2022	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
KONEČNÁ Kateřina	Shadow rapporteur	ENVI	11/05/2022	EarthSight
TOUSSAINT Marie	Shadow rapporteur	ENVI	11/05/2022	Mighty Earth
BURKHARDT Delara	Shadow rapporteur	ENVI	11/05/2022	Fern
BURKHARDT Delara	Shadow rapporteur	ENVI	11/05/2022	EarthSight
BURKHARDT Delara	Shadow rapporteur	ENVI	05/05/2022	Stiftung Wissenschaft und Politik
NOICHL Maria	Shadow rapporteur for opinion	DEVE	03/05/2022	Deutsche Umwelthilfe e.V. Germanwatch
WARBORN Jörgen	Shadow rapporteur for opinion	INTA	21/04/2022	IKEA
WARBORN Jörgen	Shadow rapporteur for opinion	INTA	20/04/2022	European DIY Retail Association (EDRA)
BURKHARDT Delara	Shadow rapporteur	ENVI	19/04/2022	Coalition of German NGOs
HANSEN Christophe	Rapporteur	ENVI	12/04/2022	European Tyre Industry
HANSEN Christophe	Rapporteur	ENVI	05/04/2022	FEDIOL
TOUSSAINT Marie	Shadow rapporteur	ENVI	04/04/2022	Fern Global Witness Greenpeace European Unit WWF European Policy Programme
WARBORN Jörgen	Shadow rapporteur for opinion	INTA	30/03/2022	Svenska Träskyddsföreningen
BURKHARDT Delara	Shadow rapporteur	ENVI	23/03/2022	Mars Incorporated
TOUSSAINT Marie	Shadow rapporteur	ENVI	18/03/2022	ClientEarth AISBL Fern Global Witness Greenpeace European Unit Mighty Earth WWF European Policy Programme
KUMPULA-NATRI Miapetra	Shadow rapporteur for opinion	INTA	17/03/2022	Confederation of European Paper Industries
WARBORN Jörgen	Shadow rapporteur for opinion	INTA	17/03/2022	Skogsindustrierna
CAVAZZINI Anna	Rapporteur for opinion	IMCO	16/03/2022	Global Witness

WARBORN Jörgen	Shadow rapporteur for opinion	INTA	16/03/2022	Lantbrukarnas Riksförbund Kommerskollegium
BURKHARDT Delara	Shadow rapporteur	ENVI	16/03/2022	Confederation of European Forest Owners
WARBORN Jörgen	Shadow rapporteur for opinion	INTA	16/03/2022	Norvida
NOICHL Maria	Shadow rapporteur for opinion	DEVE	15/03/2022	Oxfam Deutschland
CAVAZZINI Anna	Rapporteur for opinion	IMCO	15/03/2022	Greenpeace EU
KUMPULA-NATRI Miapetra	Shadow rapporteur for opinion	INTA	15/03/2022	Finnish Forest Industries Federation (Metsäteollisuus ry)
TOUSSAINT Marie	Shadow rapporteur	ENVI	15/03/2022	ClientEarth AISBL Fern Global Witness Greenpeace European Unit Mighty Earth WWF European Policy Programme
HANSEN Christophe	Rapporteur	ENVI	08/03/2022	Bundesverband Lebensmittelhande
BURKHARDT Delara	Shadow rapporteur	ENVI	24/02/2022	Deutscher Kaffeeverband
TOUSSAINT Marie	Shadow rapporteur	ENVI	23/02/2022	Fern Global Witness Greenpeace European Unit WWF European Policy Programme
BURKHARDT Delara	Shadow rapporteur	ENVI	21/02/2022	Fair Trade Advocacy Office
BURKHARDT Delara	Shadow rapporteur	ENVI	21/02/2022	Rainforest Alliance
BURKHARDT Delara	Shadow rapporteur	ENVI	18/02/2022	togehter4forests NGO coalition
TOUSSAINT Marie	Shadow rapporteur	ENVI	16/02/2022	ongidef
TOUSSAINT Marie	Shadow rapporteur	ENVI	14/02/2022	Confederation of European Forest Owners CEPF
TOUSSAINT Marie	Shadow rapporteur	ENVI	11/02/2022	Fern
HANSEN Christophe	Rapporteur	ENVI	18/01/2022	European Forest Owners
VILLUMSEN Nikolaj	Committee chair	ENVI	13/01/2022	VerdensSkove

## Other Members

Transparency		
Name	Date	Interest representatives
TORVALDS Nils	27/11/2023	Stora Enso Oyj
VAN BREMPT Kathleen	07/10/2022	Permanente Vertegenwoordiging België bij de EU
ARIMONT Pascal	06/09/2022	WWF Belgium
VAN BREMPT Kathleen	10/08/2022	WWF
NIINISTÖ Ville	06/07/2022	WWF European Policy Programme
DECERLE Jérémie	04/07/2022	EUROFAC
BOGOVIČ Franc	07/06/2022	Bunge Ltd

O'SULLIVAN Grace	22/03/2022	Fairtrade Ireland
SARVAMAA Petri	04/03/2022	Confederation of European Paper Industries
DECERLE Jérémie	16/02/2022	EUROFAC
TORVALDS Nils	08/02/2022	Stora Enso Oyj

## Final act

Regulation 2023/1115  
OJ L 150 09.06.2023, p. 0206

[Summary](#)

# Deforestation Regulation

2021/0366(COD) - 17/11/2021 - Legislative proposal

PURPOSE: to curb deforestation and forest degradation that is provoked by EU consumption and production.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: deforestation and forest degradation are taking place at an alarming rate. The Food and Agriculture Organization of the United Nations estimates that 420 million hectares of forest – about 10% of the world's remaining forests and an area larger than the European Union – have been lost worldwide between 1990 and 2020. In addition, deforestation and forest degradation contribute to the global climate crisis in multiple ways. Most importantly, they increase greenhouse gas emissions through associated forest fires, permanently removing carbon sink capacities, decreasing climate change resilience of the affected area and substantially reducing its biodiversity. Deforestation alone accounts for 11 % of greenhouse gas emissions.

The existing EU legislative framework focuses on tackling illegal logging and associated trade and does not address deforestation directly. Therefore, this new draft regulation set out measures to address Union-driven deforestation and forest degradation.

CONTENT: this proposal aims to **curb deforestation and forest degradation** that is provoked by EU consumption and production. It lays down rules regarding the placing and making available on the Union market, as well as the export from the Union market, of cattle, cocoa, coffee, oil palm, soya and wood ('relevant commodities') and products, as listed in Annex I, that contain, have been fed with or have been made using relevant commodities ('relevant products'), with a view to:

- minimising the Union's contribution to deforestation and forest degradation worldwide;
- reducing the European Union's contribution to greenhouse gas emissions and global biodiversity loss.

The definition of deforestation-free sets a cut-off date of 31 December 2020. This means that no commodities and products in the scope of the regulation would be allowed to enter or exit the EU market if they were produced on land subject to deforestation or forest degradation after that date.

## *Due diligence and enhanced scrutiny*

In order to achieve the objective of minimising the EU's contribution to deforestation and forest degradation, the proposal lays down a tiered, mandatory due diligence system, relying on a deforestation-free definition, combined with a **benchmarking system** to assess countries and their level of risk of deforestation and forest degradation driven by the commodities in the scope of the regulation. The benchmarking system will assign each country or parts thereof one of three possible levels of risk: low, standard and high risk. The objective of this system is to incentivise countries to ensure stronger forests protection and governance, to facilitate trade and to better calibrate enforcement efforts by helping competent authorities to focus resources where they are most needed, and to reduce companies' compliance costs.

Competent authorities should carry out the risk analysis of due diligence statements by electronic data processing techniques integrated in the information system.

When relevant commodities and products are sourced from a country or parts thereof that has been assessed as high risk according to the country benchmarking system, they are subject to enhanced scrutiny by the relevant competent authorities. Competent authorities should ensure that the checks they carry out on an annual basis cover at least 15% of the operators, as well as 15% of the quantity of relevant commodities and products produced in high-risk countries or parts thereof.

The proposal also stipulates that operators should collect the **geographic coordinates** of the land where the commodities they place on the market were produced. This strict traceability is meant to ensure that only deforestation-free products enter the EU market – and that enforcement authorities in Member States have the necessary means to control that this is the case.

### **Penalties**

The proposal establishes the obligation of Member States to lay down rules on penalties applicable to infringements of this Regulation. These may include fines, the confiscation of the relevant commodities and products as well as the confiscation of revenues, the suspension or prohibition of relevant economic activities and the exclusion from public procurement processes for the operators and traders that violate the Regulation.

### **Reporting**

Member States should make available to the public and the Commission, at the latest by 30 April of each year, information on the application of this Regulation during the previous calendar year. This information shall include their plans for checks, the number and the results of the controls carried out on operators and traders, including the contents of these checks, the volume of relevant commodities and products checked in relation to the total quantity of relevant commodities and products placed on the market, the countries of origin and of production of relevant commodities and products as well as the measures taken in case of non-compliance and the costs of controls recovered.

The Commission services should make publicly available, on an annual basis, a Union-wide overview of the application of this Regulation.

### **Budgetary implications**

A total budget of EUR 16 519 000 is foreseen for the setting up and implementation of the Regulation during the first five years of operation (provisionally foreseen from 2023 to 2027.) This includes a budget of EUR 6 650 000 under Heading 7 of the Multiannual Financial Framework (MFF) for human resources and other administrative expenses. It also includes a budget of EUR 9 869 000 under Heading 3 of the MFF. The latter is linked to support various implementation tasks related to the legislative provisions that will be carried out by Commission services from 2022 to 2027, including procurement and potential administrative arrangements.

## **Deforestation Regulation**

2021/0366(COD) - 25/07/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Christophe HANSEN (EPP, LU) on the REPORT on the proposal for a regulation of the European Parliament and of the Council on 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.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

### **Subject matter and enlarged scope**

This proposal lays down rules regarding the placing and making available on the Union market, as well as the export from the Union market, of cattle, cocoa, coffee, oil palm, soya and wood (relevant commodities) and products, as listed in Annex I, that contain, have been fed with or have been made using relevant commodities (relevant products), with a view to minimising the Union's contribution to deforestation, forest degradation and forest conversion worldwide and contributing to a reduction in global deforestation.

The report also stipulated that the proposed Regulation should also lay down obligations for **financial institutions** headquartered or operating in the Union that provide financial services to natural or legal persons whose economic activities consist, or are linked to, the production, supply, placing on or export from the Union market of the relevant commodities and products.

As regards the **scope**, Members want to include pigmeat, sheep and goats, poultry, maize and rubber, as well as charcoal and printed paper products, and bring the cut-off date one year forward, to 31 December 2019.

The report called on the Commission to evaluate, no later than two years after the entry into force, whether the rules need to be extended to other goods such as **sugar cane, ethanol and mining products**, and how feasible this is. Members also wanted them to cover other natural ecosystems such as grasslands, peatlands and wetlands, if deemed appropriate by the Commission, within one year after the entry into force.

### **Prohibition**

Members included a new article stipulating that financial institutions should provide financial services to customers only when the financial institutions conclude that there is no more than a negligible risk that the services in question potentially provide support directly or indirectly to activities leading to deforestation, forest degradation or forest conversion.

### **Due diligence obligations of operators**

While no country or commodity will be banned, companies placing products on the EU market would be obliged to exercise due diligence to evaluate risks in their supply chain. This due diligence information, which will be provided in a harmonised and digital manner via a due diligence statement, will then be passed on to the other operators and traders in the supply chain. They can for example use satellite monitoring tools, field audits, capacity building of suppliers or isotope testing to check where products come from. EU authorities would have access to relevant information, such as geographic coordinates. Anonymised data would be available to the public.

The operator assumes responsibility for the compliance of the relevant commodity or product with the requirements of this Regulation. Operators should therefore undertake reasonable, documented efforts to support the compliance of **smallholders** with the provisions and requirements set out in this Regulation. They should keep record of the due diligence statements for 5 years from the date of making available via the 'Register' Information System and share the due diligence statements with subsequent operators and traders in the supply chain.

Due diligence should also be strengthened to consider international **human rights and the rights of indigenous people**.

#### **Checks and assessment of countries**

Members considered that the Commission should classify countries, following a transparent and objective assessment process, into low, standard or high risk within six months of entry into force of the proposed Regulation.

Each Member State should ensure that the annual checks carried out by their competent authorities cover at least **10 %** of the operators placing, making available on or exporting from the Union market each of the relevant commodities and products on their market as well as **10 %** of the quantity of each of the relevant commodities and products placed or made available on or exported from their market. For commodities or products from countries or parts thereof categorised as low-risk, Member States should reduce the annual checks to **5 %**.

## **Deforestation Regulation**

2021/0366(COD) - 19/04/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 552 votes to 44, with 43 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on 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.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

#### **Subject matter and scope**

This Regulation lays down rules regarding the placing and making available on the Union market as well as the export from the Union of relevant products, that contain, have been fed with or have been made using relevant commodities, namely **cattle, cocoa, coffee, oil palm, rubber, soya and wood**, with a view to:

- **minimising the Union's contribution to deforestation and forest degradation worldwide**, and thereby contributing to a reduction in global deforestation;
- reducing the Union's contribution to greenhouse gas emissions and global biodiversity loss.

Relevant commodities and relevant products should not be placed or made available on the market or exported, unless all the following conditions are fulfilled: (a) they are deforestation-free; (b) they have been produced in accordance with the relevant legislation of the country of production; and (c) they are covered by a due diligence statement.

The amended text defines '**forest degradation**' as structural changes in forest cover, taking the form of conversion of: a) primary or naturally regenerated forests to plantation forests or other wooded areas; or b) primary forests into planted forests.

#### **Obligations on operators**

Operators should not place relevant products on the market or export them without prior submission of a **due diligence statement**. Operators that obtain or are made aware of relevant new information, including substantiated concerns, indicating that a relevant product that they have placed on the market is at risk of not complying with this Regulation should immediately inform the competent authorities of the Member States in which they placed the relevant product on the market, as well as traders to whom they supplied the relevant product.

Operators that are **SMEs** should not be required to exercise due diligence for relevant products contained in or made from relevant products that have already been subject to due diligence in accordance with this Regulation.

#### **Information requirements**

Operators should collect, organise and keep for five years from the date of the placing on the market or of the export of the relevant products the following information, accompanied by evidence, relating to each relevant product:

- a description, including the trade name and type of the relevant products as well as, in the case of relevant products that contain or have been made using wood, the common name of the species and their full scientific name; the product description shall include the list of relevant commodities or relevant products contained therein or used to make those products;
- the quantity of the relevant products; for relevant products entering or leaving the market, the quantity is to be expressed in kilograms of net mass;
- the country of production and, where relevant, parts thereof;
- the **geolocation of all plots of land** where the relevant commodities that the relevant product contains, or has been made using, were produced, as well as the date or time range of production.

### **Assessment of countries**

This Regulation establishes a three-tier system for the assessment of countries or parts thereof. For that purpose, Member States and third countries, or parts thereof, should be classified into one of the following risk categories: **'high risk'**; **'low risk'** and **'standard risk'**.

On the entry into force of the Regulation, all countries should be assigned a standard level of risk. The Commission should classify countries or parts thereof, that present a low or high risk on the basis of an **objective and transparent assessment** within 18 months of the entry into force of the legislation.

### **Checks on operators and non-SME traders**

The competent authorities should use a **risk-based approach** to identify the checks to be carried out. Special attention will be paid to the situation of countries or parts thereof classified as high risk, the history of non-compliance of operators or traders with this Regulation, risks of circumvention, and any other relevant information. The proportion of checks is performed on operators according to the country's risk level: **9%** for high-risk countries, **3%** for standard-risk and **1%** for low-risk.

The checks on operators and non-SME traders should include an examination of their due diligence system and an examination of documentation and records attesting that specific relevant product in question is compliant. It should also include:

- on-the-ground examination of relevant commodities or of the relevant products with a view to ascertaining their correspondence with the documentation used for exercising due diligence;
- any technical and scientific means adequate to determine the species or the exact place where the relevant commodity or relevant product was produced, including anatomical, chemical or DNA analysis;
- any technical and scientific means adequate to determine whether the relevant products are deforestation-free, including Earth observation data such as from the Copernicus programme and tools or from other publicly or privately available relevant sources.

### **Penalties**

The penalties for non-compliance should be effective, proportionate and dissuasive. The maximum amount of such a fine shall be **at least 4 %** of the operator's or trader's total annual Union-wide turnover. Penalties also include: (i) temporary exclusion for a maximum period of 12 months from public procurement processes and from access to public funding, including tendering procedures, grants and concessions; (ii) temporary prohibition from placing or making available on the market or exporting relevant commodities and relevant products, in the event of a serious infringement or of repeated infringements.

## **Deforestation Regulation**

2021/0366(COD) - 13/09/2022 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 453 votes to 57, with 123 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council on 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.

The matter was referred to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary are as follows:

### **Broadening the scope**

While the Commission proposal covers cattle, cocoa, coffee, palm oil, soya and wood, including products that contain, have been fed with or made from these products, Parliament also wants to include **swine, sheep and goats, poultry, maize and rubber, as well as charcoal and printed paper products**.

Members defined 'zero deforestation' as goods produced on land that has not been deforested or degraded after **31 December 2019**, one year earlier than the Commission proposes.

The Commission should:

- present, no later than one year after the date of entry into force of the regulation, an impact assessment accompanied, if appropriate, by a legislative proposal to **extend the scope of the regulation to other natural ecosystems**, including land with a high carbon stock and land with a high biodiversity value, such as grasslands, peatlands and wetlands, in addition to forests and other wooded land;
- assess, no later than two years after entry into force, whether the rules should be extended to other commodities such as **sugar cane, ethanol and mining products**, and to what extent this is feasible.

### **Provision of financial services**

Members included a new article stipulating that financial institutions should provide financial services to customers only when the financial institutions conclude that there is no more than a negligible risk that the services in question potentially provide support directly or indirectly to activities leading to deforestation, forest degradation or forest conversion.

### ***Due diligence obligations of operators***

Companies placing products on the EU market would be required to carry out due diligence to assess the risks in their supply chain.

Operators should make a **due diligence statement** available to the competent authorities before placing the commodities and products concerned on the EU market or exporting them. The statement, which should be **transmitted and certified electronically**, should confirm that due diligence has been carried out, disclose the steps that have been taken in this regard to verify the compliance of the relevant commodities and products concerned with the Regulation and explain why the assessment found no or negligible risk.

The operator should assume **responsibility** for the compliance of the relevant commodity or product with the requirements of this Regulation. Operators should therefore undertake reasonable, documented efforts to support the compliance of smallholders with the provisions and requirements set out in this Regulation. They should keep record of the due diligence statements for 5 years from the date of making available via the information system and share the due diligence statements with subsequent operators and traders in the supply chain.

Operators should also: (i) **engage meaningfully with vulnerable stakeholders**, such as smallholders, indigenous peoples and local communities, in their supply chain; (ii) ensure that those vulnerable stakeholders receive adequate assistance and fair remuneration so that their commodities and products can comply with the rules.

### ***Human rights and indigenous peoples***

Members also wanted companies to ensure that goods are produced in accordance with human rights provisions in international law and with respect for indigenous peoples. Operators should:

- collect **adequate and verifiable information** disclosing the views of any indigenous peoples, local communities and other groups that claim tenure rights in respect of the area used for the purpose of producing the relevant commodities and products regarding the production of those relevant commodities and products;
- ensure, where relevant, that risk assessments and mitigation measures are adopted which provide for the participation and consultation of indigenous peoples, local communities, and other customary tenure rights holders that are present in the area of production of the relevant commodities and products.

### ***Country monitoring and assessment***

Members believe that the Commission should classify countries, following a transparent and objective assessment process, as **low, standard or high risk**, within six months of the proposed regulation coming into force.

Each Member State should ensure that the annual checks carried out by their competent authorities cover at least **10 %** of the operators placing, making available on or exporting from the Union market each of the relevant commodities and products on their market as well as 10 % of the quantity of each of the relevant commodities and products placed or made available on or exported from their market. Where commodities have been produced in a country identified as high risk, annual checks should cover at least 20% of operators. For commodities from countries considered low risk, Member States could reduce annual checks to **5%**.

### ***Satellite imagery and access to forest data***

The Commission should establish a **platform** using satellite imagery, including Copernicus Sentinel, that covers forest areas worldwide and is accompanied by a range of tools to enable all parties to quickly move towards no-deforestation supply chains.

### ***Guidelines***

No later than one year after the entry into force of the Regulation, the Commission should issue user-friendly commodity-specific guidelines to clarify due diligence responsibilities and traceability rules of operators that are tailored to fit their respective supply chains.

## **Deforestation Regulation**

2021/0366(COD) - 09/06/2023 - Final act

**PURPOSE:** to combat deforestation and forest degradation by reducing EU consumption that contributes to it.

**LEGISLATIVE ACT:** Regulation (EU) 2023/1115 of the European Parliament and of the Council 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.

**CONTENT:** the Regulation aims to **minimise the risk of deforestation and forest degradation** associated with products placed on or exported from the EU market. It also aims to reduce the EU's share of global greenhouse gas emissions and biodiversity loss.

### ***Due diligence***

The Regulation lays down mandatory due diligence rules for all operators and traders who place, make available or export the following commodities from the EU market: **palm oil, cattle, wood, coffee, cocoa, rubber and soy**.

These rules also apply to a number of by-products such as chocolate, furniture, printed paper and certain palm oil derivatives (used, for example, as components in personal care products).

Due diligence systems should be designed to make accessible information on the sources and suppliers of commodities and products placed on the market, including information demonstrating compliance with no deforestation and forest degradation and legality requirements, *inter alia* by identifying the **country of production** or parts thereof and providing the **geographical coordinates of the plots** concerned.

Smaller operators will be able to call on larger operators to prepare the due diligence statements.

By making the due diligence declaration available to the competent authorities, the operator will assume responsibility for the conformity of the product in question. Operators will be required to keep a record of due diligence declarations for five years from the date of submission of the declaration.

Operators will verify and **analyse the information collected** and any other relevant documentation. Based on that information and documentation, the operators will carry out a risk assessment to establish whether there is a risk that the relevant products intended to be placed on the market or exported are non-compliant.

#### **Product checks**

The competent authorities will use a **risk-based approach** to identify the checks to be carried out. Special attention will be paid to the situation of countries or parts of countries classified as high risk, the history of non-compliance by operators or traders and the risks of circumvention. Products from low-risk countries will be subject to a simplified procedure.

The Regulation creates a **benchmarking system**, which assigns a level of risk related to deforestation and forest degradation (**low, standard or high**) to countries inside and outside the EU.

The competent authorities will have to carry out checks on **9%** of operators and traders trading in products from high-risk countries, **3%** in the case of standard-risk countries and **1%** in the case of low-risk countries, in order to verify that they are actually fulfilling the obligations laid down in the regulation. In addition, the competent authorities will carry out checks on **9% of the commodities and products** concerned placed on, made available on or exported from their market by high-risk countries.

The checks on operators and non-SME traders will include:

- on-the-ground examination of relevant commodities or of the relevant products with a view to ascertaining their correspondence with the documentation used for exercising due diligence;
- any technical and scientific means adequate to determine the species or the exact place where the relevant commodity or relevant product was produced, including anatomical, chemical or DNA analysis;
- any technical and scientific means adequate to determine whether the relevant products are deforestation-free, including Earth observation data such as from the Copernicus programme and tools or from other publicly or privately available relevant sources.

#### **Human rights aspects**

The new rules also take into account the protection of human rights in relation to deforestation. Respecting the rights of indigenous peoples in relation to forests and the principle of free, prior and informed consent, as set out in particular in the UN Declaration on the Rights of Indigenous Peoples, will help to protect biodiversity, mitigate climate change and address related public interest concerns.

#### **Penalties**

Member States should ensure that sanctions are **effective, proportionate and dissuasive**. Fines commensurate with the environmental damage and the value of the commodities or products concerned must be set at a minimum of **4% of the operators' annual EU turnover** and accompanied by temporary exclusion from public procurement procedures and access to public funding.

#### **Cut off date**

The regulation sets the date of application of the new rules at **31 December 2020**, which means that only products that have been produced on land that has not been subject to deforestation or forest degradation after 31 December 2020 will be allowed on the EU market or authorised for export.

ENTRY INTO FORCE: 29.6.2023.