Government sets out plans to clean up the UK's supply chains to help protect forests

Plans to clean up the UK's supply chains to tackle illegal deforestation were stepped up today (3 December) as the government launched a <u>consultation</u> on how to implement new measures in the Environment Act.

Demonstrating the UK's commitment to go further than ever before to clamp down on illegal deforestation, the consultation will help shape plans requiring due diligence from businesses to ensure they are using commodities produced in line with relevant local laws.

The measures will make it illegal for larger businesses in the UK to use commodities whose production is associated with large-scale forest loss such as cocoa, beef, soy, coffee, maize and palm oil, where they have not been produced in line with relevant local laws.

Businesses will be also required to undertake due diligence to show that they have taken action to ensure this is the case, and report on this annually.

Launching the consultation, International Environment Minister, Lord Goldsmith, said:

Our forests not only have a vital role in cooling the planet, they are a source of clean air and water, home to indigenous communities and some of the most precious biodiversity on Earth — protecting them is essential to our survival.

Now the Environment Act has passed into law, we have the opportunity to shape these due diligence measures so we are effectively tackling key drivers of deforestation. Alongside introducing these world leading measures, we intend to ensure the global coalition that we brought together last month under the UK presidency at COP26 to commit to halt and reverse deforestation by 2030 becomes reality.

Forests absorb up to one-third of the global CO2 released from burning fossil fuels every year, but we are losing them at an alarming rate. Between 2015-20 an area of forest the size of 27 football pitches was lost every minute — with almost three quarters of deforestation linked to the expansion of agriculture, with land being cleared to make way for grazing animals and to grow crops.

Globally, nearly half of all recent tropical deforestation was the result of illegal clearance for commercial agriculture and timber plantations, and this figure is closer to 90% in some key forests. It is therefore vital to work

with producer countries and support their efforts to uphold their laws and protect their forests. The UK, working with 28 producer and consumer governments which account for 75% of global trade of key commodities, has developed a shared roadmap of actions to protect forests and other ecosystems while promoting sustainable development and trade dialogue. This FACT (Forest, Agriculture and Commodity Trade) Roadmap also launched at COP26 was backed up by £500m of UK finance to aid delivery.

Justin Adams, Executive Director, Tropical Forest Alliance, said:

The UK COP Presidency deserves credit for bringing the nature agenda into the heart of the recent climate negotiations at COP26 — there is simply no path to 1.5 degrees without changing how we produce food and manage our landscapes. While there were many truly significant public and private sector commitments and investments announced in Glasgow, the real test is turning those into action. The Due Diligence requirements in the landmark Environment Act is a good example of how these political signals can be implemented in the right way. The key lesson we have learnt from tackling deforestation over the last decade is that no single actor can do it alone — collective action and partnership are key to success. Seeking input from producers, other consumer countries, and the companies who are working to address deforestation in their supply chains will be crucial.

The consultation will seek views on:

- Which forest risk commodities should be brought under initial regulations
- Which businesses should be in scope of the regulations
- How businesses should conduct due diligence exercises to identify, assess and mitigate risk; and what information should be included in their annual reports:
- What elements of business reports should be made public
- How the enforcement authority will monitor and ensure compliance with regulations.

Today's announcement follows the UK's hosting of COP26, which saw commitments from over 141 global leaders to work collectively to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.

It forms part of a package of measures to ensure that greater resilience, traceability and sustainability are built into the UK's supply chains and contribute to global efforts to protect forests and other ecosystems.

Secondary legislation is needed to implement the Environment Act regulations, which will then make it illegal for larger UK companies to use designated key forest risk commodities if they have not been produced in line with relevant local laws, and require due diligence on company supply chains to ensure

this. Businesses that do not comply with these requirements may be subject to fines and other civil sanctions.

The consultation will run for 14 weeks and gather evidence on how government can implement due diligence regulations effectively. Feedback for the consultation is to be submitted online or via post.