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WWF Environment Bill Report Stage Day 2 briefing – due diligence and deforestation

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WWF is a core member of Greener UK and Wildlife and Countryside Link. This briefing is intended to supplement the joint Greener UK/ Link Environment Bill briefings, which can be found here **https://greeneruk.org/briefings/environment-bill**

SUMMARY

- WWF welcomes the Environment Bill and encourages all MPs to attend the Report Stage Day 2 debate as an illustration of the political will across the House to protect and restore nature at home and abroad and remove deforestation and conversion from UK supply chains.
- The UK has a real opportunity to show global leadership in addressing the climate and nature crisis by being the first in the world to embed the ambition of the <u>Leaders' Pledge for Nature</u> in legislation and align our domestic and international ambition this year ahead of both COP26 and CBD COP15.
- While the inclusion of a due diligence obligation in the Bill is welcome, **WWF is** concerned that the due diligence elements of the Bill as they stand do not go far enough to protect the world's forests and other critical natural ecosystems or to meet the UK's goals on climate and nature.
- MPs should use the Report Stage Day 2 debate to call for a strengthening of the Government's proposed due diligence law.
- MPs should also use the debate to build on the Government's welcome amendment to halt the loss of species in the UK by 2030, so that the Government embeds the ambitions of the Leaders' Pledge for Nature and includes a target to significantly reduce the UK's global environmental footprint.
- **MPs should also call for a statutory deforestation target**, requiring that by 2023 UK supply chains of forest and agricultural commodities and derived products are deforestation- and conversion-free.

STREGNTHENING THE GOVERNMENT'S DUE DILIGENCE PROPOSALS

As a large consumer of forest risk commodities and host of UNFCCC Conference of the Parties 26 (COP 26), the UK has a vital role to play in reducing deforestation and land conversion. To supply the annual UK demand for just seven commodities a land area of 88% the size of the UK - a total of 21.3 million hectares - is required. To reduce the UK's role in global deforestation, the UK Government is using the Environment Bill to impose a due diligence obligation on large businesses operating in the UK on the trade and use of "forest risk commodities" and derived products. The objective of the due diligence legislation is to ensure that the forest risk commodities which businesses operating in the UK use in the course of trade are produced in compliance with the local laws in the country of production.

The Government proposals were debated during Commons Committee Stage and have now been included in the Bill. These will now be debated by MPs in the Report Stage Day 2 debate. This debate will be an opportunity for MPs to discuss how to strengthen the proposed measures.

The Government's work to address this issue is welcome. However, we are concerned that the UK has opted for a weak form of due diligence and for it to be effective it needs to be strengthened; there are many opportunities to do this. At the moment, the proposed law is based on producer country legality. This means that companies operating in the UK could only import commodities which had been produced in compliance with laws in the specific producer country. Whilst the proposed law allows the importation of all legal deforestation, this is a minimum requirement and does not ensure imports are sustainable as many producer country laws offer poor governance and enforcement of increased levels of deforestation and conversion. Countries such as Brazil (see Case Study below) are expanding the scope of what counts as legal deforestation.

In 2021 the UK holds the COP26 Presidency, chairs the G7, and assists in the development of a new framework for biodiversity at CBD COP15. The UK is therefore playing an exceptionally important role in setting the global environmental agenda. It is therefore especially important that MPs call on the Government to strengthen its flagship due diligence proposals to leverage its influential global position and demonstrate international leadership.

SETTING NATURE ON THE PATH TO RECOVERY

Nature is in freefall and we are losing vital forests and habitats at an alarming rate. WWF's 2020 Living Planet Report showed an average of 68% decline in the populations of mammals, birds, amphibians, reptiles and fish since 1970.

139 countries now have overarching frameworks like the UK Climate Change Act. That Act has provided immense global leadership and inspiration. We know from our success at tackling emissions that good laws drive change. The Environment Bill is an opportunity to do the same for nature and bend the curve of nature loss by 2030– both by actions within the UK and through tackling our global footprint.

We therefore welcome the Government's recent commitment to a legally binding target to halt species decline, following the 160,000+ people who have signed the State of Nature petition organised by Wildlife and Countryside Link and supported by WWF.

This commitment should now be enhanced and extended abroad: as well as being the first country to have a target for nature's recovery in law, the UK could be the first country to embed the ambitions of the <u>Leaders' Pledge for Nature</u> in legislation and align our domestic and international ambition this year by

- Including an ambitious target to significantly reduce the UK's global environmental footprint.
- Including a statutory deforestation target, requiring that by 2023 UK supply chains of forest and agricultural commodities and derived products are deforestation- and conversion-free.

Parliament should therefore go further than the Government's proposals by using the Government's proposed amendment to develop a legal framework to tackle the UK's global environmental footprint and ensure we don't offshore our impact. A legal requirement to significantly reduce our global footprint is a critical way for the UK to address the root causes of biodiversity loss, such as total consumption and methods of production. Additionally, a deforestation target of the kind we propose would bolster the current due diligence package and allow the Government to take a critical step towards its ambition to be a world leader on achieving deforestation- and conversion-free supply chains. It would also send a strong market signal that the Government is determined to remove deforestation and land conversion from UK supply chains within a reasonable period of time.

WWF also supports <u>proposals by Global Witness</u> for amendments to help eliminate deforestation in the UK's financial markets. These amendments would strengthen the UK's reputation as a climate leader by helping to eliminate deforestation from the UK's financial markets and require free, prior and informed consent has been obtained from indigenous peoples and local communities.

CASE STUDY: LEGAL SYSTEM AND ENFORCEMENT IN BRAZIL

The Amazon is one of the most biodiverse places on Earth, and essential to fighting climate change. Loopholes in environmental law in Brazil demonstrate how a legality-only model is insufficient to ensure all deforestation is removed from UK supply chains. New research indicates that 94% of deforestation in the Brazilian Amazon is illegal,¹ and Brazil and other producer countries lack sufficient mechanisms to identify what is legally and illegally produced. The Brazilian Government has looked to weaken the requirements of the Forest Code and its enforcement. For example, in April 2021 the BBC reported on leaked comments by the Brazilian Environment Minister Ricardo Salles saying at a cabinet meeting: "We have the chance at this moment when the media's attention is almost exclusively on COVID and not the Amazon. While things are quiet, let's do it all at once and change all the rules."² In May 2021, the lower house of the Brazilian National Congress passed proposals to weaken laws protecting the Amazon by loosening licensing requirements for infrastructure, mining and forest projects.³ Our WWF Brazil partners have produced a briefing note⁴ which gives a comprehensive overview of how the Brazilian government of President Bolsonaro are changing the law to make deforestation easier in the Amazon. UK MPs now have an opportunity to leverage the UK's international influence and strengthen the Environment Bill to include a law that covers all deforestation and conversion and minimises the UK's role in the destruction of one of the most biodiverse ecosystems on the planet.

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Download briefings at <u>wwf.org.uk/parliamentary-briefings</u>

¹ <u>https://theworldnews.net/th-news/brazil-deforestation-94-illegal-report</u>

² <u>https://www.bbc.co.uk/news/av/science-environment-56847298</u>

³ https://www.reuters.com/article/us-brazil-environment-idUSKBN2CU134

⁴ https://www.wwf.org.uk/sites/default/files/2021-04/Policy%20Brief%20-

<u>%20The%20Bolsonaro%20Government%27s%20Undermining%20of%20the%20Paris%20Agreemen</u> <u>t%20-%20April%202021.pdf</u>