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WWF Environment Bill Lords Second Reading 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 peers to attend the Second Reading debate on 7 June** 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 [Leaders' Pledge for Nature](#) 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.
- **Peers should use the Second Reading debate to call for a strengthening of the Government's proposed due diligence law.**
- **Peers should also use the debate to call on the Government to build on its 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 by the same date**, ensuring that we do not achieve our domestic environmental objectives by offshoring our environmental impact.
- WWF will be publishing a report in early June that sets out an appropriate global footprint target for the UK and the actions required to drive action to meet it, and a number of follow deep dive reports on seafood, raw materials and deforestation finance.
- **Peers 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.

STRENGTHENING 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 that is a result of the supply of commodities such as soy and palm oil. 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', ie soy used for animal feed, palm oil used for soap and other products, and cocoa, are imported into the UK only where they are 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. However, at the Commons Report Stage debate in May 2021, MPs from both sides of the House called for the Bill to go further to reduce the UK's role in global deforestation.

The Government's work to address this issue is welcome. However, like many members of both Houses WWF is concerned that the UK has opted for a weak form of due diligence which will lead to perverse consequences and needs to be strengthened. There are many opportunities to do this, but critically the law needs to provide for sustainable imports, not those subject to the often-poor governance of the producer countries. At the moment, the proposed law is based on producer country legality. This means that companies operating in the UK must demonstrate that their imported commodities were produced in compliance with existing in country laws. Many producer country laws are weak, allow some deforestation legally and are poorly enforced. The prevailing laws are also subject to the political climate of the producer country. It is well known that in certain countries such as Brazil there is a significant risk of deregulation, as such countries expand the scope of what counts as legal deforestation (see case study below). Only an Environment Bill that enshrines sustainably sourced imports will provide an effective safeguard against deforestation, such as the proposed deforestation target that relies on a cut-off date for demonstrating levels of present-day deforestation and land conversion. This is also far simpler for businesses to demonstrate due diligence.

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 playing an exceptionally important role in setting the global environmental agenda. It is therefore especially important that peers call on the Government to strengthen its 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. Forthcoming research to be published by WWF in June will show that the UK will need to dramatically reduce its global footprint of production and consumption.

We therefore welcome the Government's recent commitment to a legally binding target to halt species decline by 2030, following the 160,000+ people who have signed the State of Nature petition organised by Wildlife and Countryside Link and supported by WWF. This should set the UK nature at home on a path to recovery but our impact on nature knows no geographical boundaries.

This commitment should now be enhanced and extended to ensure we mitigate our environmental impact 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 [Leaders' Pledge for Nature](#) 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 by 2030.
- 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 key element of the Government's 25 Year Environment Plan. 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— WWF's forthcoming research will show how to measure and mitigate against offshored impacts. As the UK currently imports between 46 and 47% of the food and goods it consumes, such action will also have the benefit of increasing the resilience of UK supply chains. 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.

As well as supporting the Greener UK coalition asks addressed in the [Greener UK debate briefing](#), WWF also supports [proposals by Global Witness](#) for amendments to help eliminate deforestation in the UK's financial markets. These amendments, [26 and 27 in the Commons Report Stage Day 2 debate](#), 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. We will be publishing a report later in the summer which will provide further evidence of the exposure of the UK's financial sector to deforestation and shows how due diligence can be applied to the finance sector.

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. As forthcoming WWF research on due diligence will show, loopholes in environmental law in Brazil demonstrate how a legality-only model is insufficient to ensure all deforestation and conversion is removed from UK supply chains. Research indicates that Brazil and other producer countries lack sufficient mechanisms to identify what is legally and illegally produced. This means it would be challenging for business to show compliance with the legislation, in fact it would be easier and less costly for business to demonstrate that their

supply chains are deforestation and conversion free, for example using satellite imagery. The Brazilian Government has looked to weaken the requirements of the Forest Code and its enforcement. Our WWF Brazil partners have produced [a briefing](#) which gives a comprehensive overview of how the Brazilian government of President Bolsonaro are changing the law to make deforestation easier in the Amazon. Peers 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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