

Breakout Session 8: Enhancing Human Rights and Labour Rights, Adapting to Future Due Diligence and Deforestation Legislation



SCALING UP THE SUSTAINABLE PALM OIL
VALUE CHAIN THROUGH COLLECTIVE ACTION



Pending EU supply chain legislation



**Deforestation
Regulation
(final negotiations)**



**Corporate Sustainability
Due Diligence Directive
(early negotiations)**



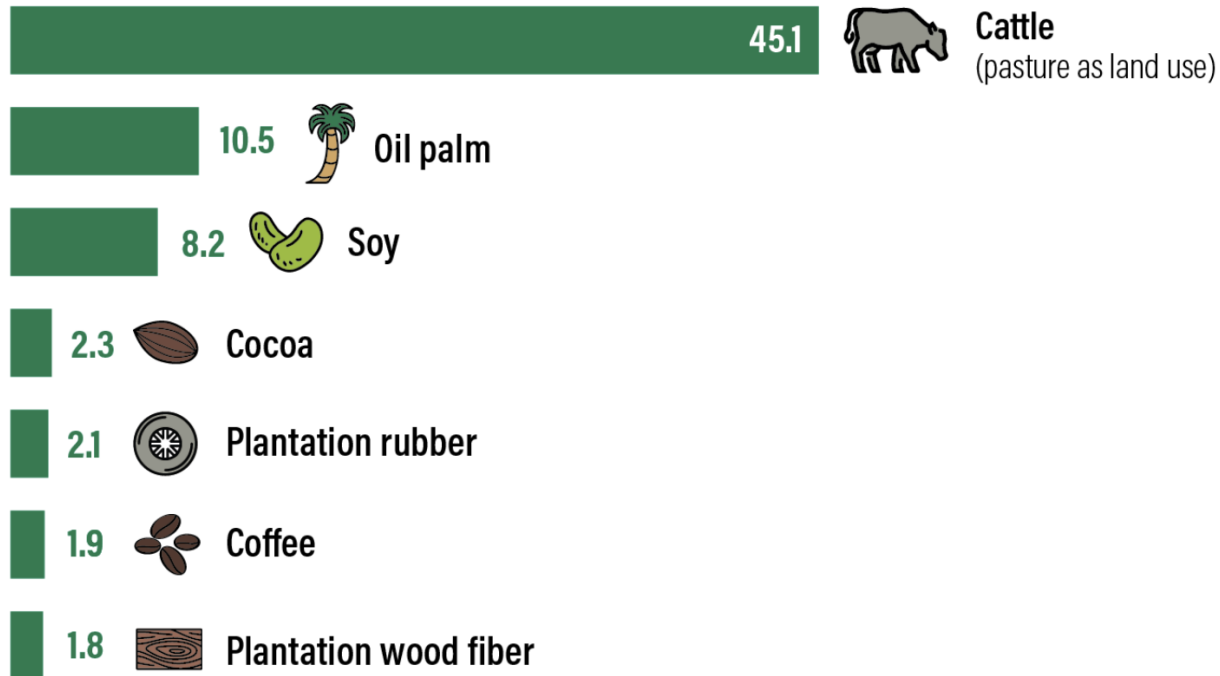
**Forced Labour
Regulation
(new proposal)**

Deforestation-free Products Regulation

World

Total forest replacement by analyzed commodities (2001-15)

Deforestation (2001-15, million hectares)



Seven commodities accounted for over a quarter of global deforestation from 2001 - 2015

Source: [World Resources Institute](#)

European Union



The EU is responsible for 21% of trade-related deforestation.

Consumption of six commodities accounts for more than 80% of EU tropical deforestation (2005-2017)

Source: [WWF](#)

Deforestation Regulation

- Proposed November 2021. Currently being negotiated.
- Product-based: cattle (leather, beef), cocoa, coffee, palm oil, soy, wood. Listed products only.
- Will apply to EU operators, importers and exporters (not producers) after transition period.
- Product requirements: “deforestation-free” and produced legally.
- Due diligence (per shipment) including:
 - Supply chain traceability (geolocation of the area of production).
 - Adequate information, supported by evidence, that products are compliant.
 - Risks assessment.
 - Negligible risk (or risk mitigation).



Deforestation Regulation

- Does not require:
 - Supply chain mapping.
 - Identity-preserved supply chains.
 - Exclusion of smallholders.
 - Disclosure of producer, concession or product information.
- Implies segregated, deforestation-free and legal supply chains.
- Implications for other supply chain models? Mass-balance? Certificate trading?
- Implications for growers (including smallholders)? Buyers? The RSPO?
- Similar laws being developed in the UK & US.



CSDD Directive

- Proposed February 2022. Currently being reviewed.
- Directive: sets objectives to be implemented in national laws.
- Corporate due diligence: identifying, preventing, mitigating, ending and accounting for adverse human rights and environmental impacts.
- Limited company scope based on turnover and employees (operating in the EU).
- Due diligence at value-chain level: own operations + direct and *some* indirect business relationships.
- Enforcement through reporting, administrative supervision and civil liability.



Forced Labour Regulation

- Proposed September 2022. Awaiting review.
- Prohibits products made with ‘forced or coerced labour’ being placed on or exported from the EU market.
- ILO Convention on Forced Labour.
- Applies to all products and all companies (placing products on the EU market, importing or exporting).
- Supported by national laws and voluntary due diligence.
- Risk-based checks, investigations and assessments. Potential for product ban or recall.



Thank you.

Questions?