



2021/0366(COD)

31.3.2022

*****I**

DRAFT 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 (COM(2021)0706 – C9-0430/2021 – 2021/0366(COD))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Christophe Hansen

Rapporteurs for the opinion (*):

Karlsbro Karin, Committee on International Trade

Cavazzini Anna, Committee on Internal Market and Consumer Protection

(*)Associated committees – Rule 57 of the Rules of Procedure

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council
(COM(2021)0706 – C9-0430/2021 – 2021/0366(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0706),
 - having regard to Article 294(2) and Article 192 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0430/2021),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 23 February 2022¹,
 - having regard to the opinion of the Committee of the Regions of...²,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinions of the Committee on Development the Committee on International Trade, Committee on Internal Market and Consumer Protection and the Committee on Agriculture and Rural Development
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety (A9-0000/2022),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal.

² OJ C ... / Not yet published in the Official Journal.

Amendment 1

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) As regards the situation of forests within the EU, the State of Europe's Forests 2020 report²¹ states that, between 1990 and 2020, the area of forests in Europe has increased by 9%, carbon stored in the biomass has grown by 50% and wood supply has risen by 40%. However, less than 5% of European forest areas are considered undisturbed, or natural, according to the European Environment Agency's State of the Environment 2020 report²².

²¹ Forest Europe - Ministerial Conference on the Protection of Forests in Europe, State of Europe's Forests 2020, <https://foresteurope.org/state-europes-forests-2020/>.

²² European Environment Agency, State of the Environment 2020, <https://www.eea.europa.eu/soer/publications/soer-2020>.

Amendment

(8) As regards the situation of forests within the EU, the State of Europe's Forests 2020 report²¹ states that, between 1990 and 2020, the area of forests in Europe has increased by 9%, carbon stored in the biomass has grown by 50% and wood supply has risen by 40%. However, less than 5% of European forest areas are considered undisturbed, or natural, according to the European Environment Agency's State of the Environment 2020 report²², ***and climate change leads to threats ranging from extreme weather patterns to bug diseases.***

²¹ Forest Europe - Ministerial Conference on the Protection of Forests in Europe, State of Europe's Forests 2020, <https://foresteurope.org/state-europes-forests-2020/>.

²² European Environment Agency, State of the Environment 2020, <https://www.eea.europa.eu/soer/publications/soer-2020>.

Or. en

Amendment 2

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) The Union imported and consumed one third of the globally traded agricultural products associated with deforestation between 1990 and 2008. Over that period, Union consumption was responsible for

Amendment

(14) The Union imported and consumed one third of the globally traded agricultural products associated with deforestation between 1990 and 2008. Over that period, Union consumption was responsible for

10% of worldwide deforestation associated with the production of goods or services. Even if the relative share of EU consumption is decreasing, EU consumption is a disproportionately large driver of deforestation. The Union should therefore take action to minimise global deforestation and forest degradation driven by its consumption of certain commodities and products and thereby seek to reduce its contribution to greenhouse gas emissions and global biodiversity loss as well as promote sustainable production and consumption patterns in the Union and globally. To have the greatest impact, Union policy should aim at influencing the global market, not only supply chains to the Union. Partnerships and efficient international cooperation with producer and consumer countries are fundamental in that respect.

10% of worldwide deforestation associated with the production of goods or services. Even if the relative share of EU consumption is decreasing, EU consumption is a disproportionately large driver of deforestation. The Union should therefore take action to minimise global deforestation and forest degradation driven by its consumption of certain commodities and products and thereby seek to reduce its contribution to greenhouse gas emissions and global biodiversity loss as well as promote sustainable production and consumption patterns in the Union and globally. To have the greatest impact, Union policy should aim at influencing the global market, not only supply chains to the Union. Partnerships and efficient international cooperation, **including free trade agreements (FTAs)**, with producer and consumer countries are fundamental in that respect.

Or. en

Amendment 3

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) This Regulation should also respond to the 2021 Glasgow Leaders' Declaration on Forests and Land Use³⁷ that recognises that “to meet our land use, climate, biodiversity and Sustainable Development Goals, both globally and nationally, will require transformative further action in the interconnected areas of sustainable production and consumption; infrastructure development; trade, finance and investment; and support for smallholders, Indigenous Peoples, and local communities”. The signatories **also** stressed **in that Declaration** that they will strengthen their shared efforts to facilitate

Amendment

(17) This Regulation should also respond to the 2021 Glasgow Leaders' Declaration on Forests and Land Use³⁷ that recognises that “to meet our land use, climate, biodiversity and Sustainable Development Goals, both globally and nationally, will require transformative further action in the interconnected areas of sustainable production and consumption; infrastructure development; trade, finance and investment; and support for smallholders, Indigenous Peoples, and local communities”. The signatories **committed to halt and reverse forest loss and land degradation by 2030 and**

trade and development policies, internationally and domestically, that promotes sustainable development and sustainable commodity production and consumption, that work to countries' mutual benefit, ***and that do not drive deforestation and land degradation.***

³⁷ <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>.

stressed that they will strengthen their shared efforts to facilitate trade and development policies, internationally and domestically, that promotes sustainable development and sustainable commodity production and consumption, that work to countries' mutual benefit.

³⁷ <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>.

Or. en

Amendment 4

Proposal for a regulation Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) FTAs can play a key role in the implementation of the new trade policy strategy and in providing incentives to our trade partners to join forces in the path towards a more sustainable economy. However, the problem of deforestation in major trade partner countries has made it ever more difficult to gather support for the finalisation of FTAs. This Regulation is therefore pivotal to resuscitate the work on important FTAs, thus not only contributing to deforestation prevention and climate protection but to global prosperity and standard-setting.

Or. en

Amendment 5

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) The Commission should continue to work in partnership with producer countries, and more generally in cooperation with international organisations and bodies, and should be reinforcing its support and incentives with regard to protecting forests and transition to deforestation-free production, acknowledging the role of indigenous people, improving governance and land tenure, increasing law enforcement and promoting sustainable forest management, climate-resilient agriculture, sustainable intensification and diversification, agro-ecology and agroforestry. In doing so it should acknowledge the role of indigenous people in protecting forests. Building upon the experience and lessons learned in the context of the already existing initiatives, the Union and the Member States should work in partnership with producer countries, upon their request, to exploit the multi-functionalities of forest, support them in the transition to sustainable forest management, and address global challenges while meeting local needs ***and paying attention to the challenges faced by smallholders in line with the Communication to Stepping up Action to Protect and Restore the World's Forests.*** The partnership approach should help producer countries in protecting, restoring and sustainably using forest, hence contributing to the objective of this Regulation to reduce deforestation and forest degradation.

Amendment

(21) The Commission should continue to work in partnership with producer countries, and more generally in cooperation with international organisations and bodies, and should be reinforcing its support and incentives with regard to protecting forests and transition to deforestation-free production, acknowledging the role of indigenous people, improving governance and land tenure, increasing law enforcement and promoting sustainable forest management, climate-resilient agriculture, sustainable intensification and diversification, agro-ecology and agroforestry. In doing so it should acknowledge the role of indigenous people in protecting forests. Building upon the experience and lessons learned in the context of the already existing initiatives, the Union and the Member States should work in partnership with producer countries, upon their request, to exploit the multi-functionalities of forest, support them in the transition to sustainable forest management, and address global challenges while meeting local needs. The partnership approach should help producer countries in protecting, restoring and sustainably using forest, hence contributing to the objective of this Regulation to reduce deforestation and forest degradation ***in line with the Communication on Stepping up Action to Protect and Restore the World's Forests.***

Or. en

Amendment 6

**Proposal for a regulation
Recital 21 a (new)**

Text proposed by the Commission

Amendment

(21a) Given that the share of smallholders in the production of the commodities concerned can be as high as 80 %, special attention needs to be paid to the challenges that smallholders will face with the implementation of this Regulation. The new rules should aim to minimise the burden on smallholders in third countries and prevent barriers to their access to the market and international trade. It is therefore crucial that the operators buying from smallholders provide timely financial and technical support to help smallholders meet the new Union market access requirements. At the same time, the setting up of a credible traceability system can empower smallholder farmers as it can avoid the non-payment of promised sustainability premiums, allow for electronic payments to producers by using the national traceability system thus combatting fraud and enable local authorities to collect knowledge on the number of producer plots and control the number of farmers.

Or. en

Amendment 7

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) Another important action announced in the Communication is the establishment of the EU Observatory on deforestation, forest degradation, changes in the world's forest cover and associated drivers ("EU Observatory") launched by the Commission in order to better monitor changes in the world's forest cover and

Amendment

(22) Another important action announced in the Communication is the establishment of the EU Observatory on deforestation, forest degradation, changes in the world's forest cover and associated drivers ("EU Observatory") launched by the Commission in order to better monitor changes in the world's forest cover and

related drivers. Moreover, building on already existing monitoring tools, including Copernicus products, the EU Observatory will facilitate access to information on supply chains for public entities, consumers and business, providing easy-to-understand data and information linking deforestation, forest degradation, and changes in the world's forest cover to EU demand/trade for commodities and products. The EU Observatory will thus directly support the implementation of this Regulation by providing scientific evidence in regard to global deforestation and forest degradation and related trade. The EU Observatory will cooperate closely with relevant international organisations, research institutes, and third countries.

related drivers. Moreover, building on already existing monitoring tools, including Copernicus products, the EU Observatory will facilitate access to information on supply chains for public entities, consumers and business, providing easy-to-understand data and information linking deforestation, forest degradation, and changes in the world's forest cover to EU demand/trade for commodities and products. The EU Observatory will thus directly support the implementation of this Regulation by providing scientific evidence in regard to global deforestation and forest degradation and related trade. ***The Commission should also examine how land rights can be integrated into monitoring under the EU Observatory.*** ***The*** EU Observatory will cooperate closely with relevant international organisations, research institutes, ***non-governmental organisations, operators*** and third countries.

Or. en

Amendment 8

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) The Regulation should cover those commodities whose Union consumption is the most relevant in terms of driving global deforestation and forest degradation and for which a Union policy intervention could bring highest benefits per unit value of trade. An extensive review of scientific literature, namely of primary sources estimating the impact of EU consumption on global deforestation and linking that footprint to specific commodities, was carried out as a part of the study supporting the Impact Assessment and cross-checked via extensive consultation with

Amendment

(27) The Regulation should cover those commodities whose Union consumption is the most relevant in terms of driving global deforestation and forest degradation and for which a Union policy intervention could bring highest benefits per unit value of trade. An extensive review of scientific literature, namely of primary sources estimating the impact of EU consumption on global deforestation and linking that ***environmental*** footprint to specific commodities, was carried out as a part of the study supporting the Impact Assessment and cross-checked via

stakeholders. That process delivered a first list of eight commodities. Wood was directly included in the scope as it was already covered by the EUTR. The list of the commodities was then further reduced via an efficiency analysis in the Impact Assessment. This efficiency analysis compared the hectares of deforestation linked to EU consumption, as estimated in a recent research paper⁴⁴, for each of those commodities with their average value of EU imports. According to the research paper used for the efficiency analysis, six commodities represent the largest share of EU-driven deforestation among the total of eight commodities analysed in that research paper: palm oil (33,95%), soy (32,83%), wood (8,62%), cocoa (7,54%), coffee (7,01%) and beef (5,01%).

⁴⁴ Pendrill F., Persson U. M., Kastner, T. 2020.

extensive consultation with stakeholders. That process delivered a first list of eight commodities. Wood was directly included in the scope as it was already covered by the EUTR. The list of the commodities was then further reduced via an efficiency analysis in the Impact Assessment. This efficiency analysis compared the hectares of deforestation linked to EU consumption, as estimated in a recent research paper⁴⁴, for each of those commodities with their average value of EU imports. According to the research paper used for the efficiency analysis, six commodities represent the largest share of EU-driven deforestation among the total of eight commodities analysed in that research paper: palm oil (33,95%), soy (32,83%), wood (8,62%), cocoa (7,54%), coffee (7,01%) and beef (5,01%).

⁴⁴ Pendrill F., Persson U. M., Kastner, T. 2020.

Or. en

Amendment 9

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) A cut-off date should be set to provide a basis for the evaluation of whether concerned land has been subject to deforestation or forest degradation, meaning that no commodities and products in the scope of this Regulation would be allowed to enter the Union market or be exported if they were produced on land subject to deforestation or forest degradation after that date. ***It should*** allow for the appropriate verification and monitoring, ***correspond to*** existing international commitments, such as the

Amendment

(31) A cut-off date should be set to provide a basis for the evaluation of whether concerned land has been subject to deforestation or forest degradation, meaning that no commodities and products in the scope of this Regulation would be allowed to enter the Union market or be exported if they were ***harvested or*** produced on land subject to deforestation or forest degradation after that date. ***The cut-off date shall*** allow for the appropriate verification and monitoring ***in line with*** existing international commitments, such

SDGs and the New York Declaration on Forests, *thus minimising sudden disruption to supply chains* while removing any incentive to accelerate activities leading to deforestation *and* forest degradation *in view of* the entry into force of this Regulation.

as the SDGs and the New York Declaration on Forests, while removing any incentive to accelerate activities leading to deforestation *or* forest degradation. *In order to avoid a situation in which large quantities of products and commodities concerned cannot be put on the Union market anymore and thus jeopardise supply chains, products that have been produced can still be placed on the market until one year following* the entry into force of this Regulation.

Or. en

Justification

As harvest times and storage conditions are not necessarily aligned with the entry into force of this regulation, it needs to be ensured that we avoid detrimental food waste.

Amendment 10

Proposal for a regulation

Recital 32

Text proposed by the Commission

(32) To strengthen the Union's contribution to halting deforestation and forest degradation, and to ensure that commodities and products from supply chains related to deforestation and forest degradation are not placed on the Union market, relevant commodities and products should not be placed or made available on the Union market, nor exported from the Union market unless they are deforestation-free and have been produced in accordance with the relevant legislation of the country of production. To confirm that this is the case, they should always be accompanied by a due diligence statement.

Amendment

(32) To strengthen the Union's contribution to halting deforestation and forest degradation, and to ensure that commodities and products from supply chains related to deforestation and forest degradation are not placed on the Union market, relevant commodities and products should not be placed or made available on the Union market, nor exported from the Union market unless they are deforestation-free and have been produced in accordance with the relevant legislation of the country of production. To confirm that this is the case, they should always be accompanied by a due diligence statement *and operators' due diligence systems should be controlled by a third-party external auditor on an annual basis.*

Or. en

Amendment 11

Proposal for a regulation Recital 32 a (new)

Text proposed by the Commission

Amendment

(32a) This Regulation covers different commodities and products that fall under different pre-existing legal rules. While responsibility and traceability for food products fall under Union food law, timber products have been covered by Regulation (EU) No 995/2010 of the European Parliament and of the Council. When this Regulation is adopted Regulation (EU) No 995/2010 will no longer apply. Applying the same rules and definitions for significantly different supply chains does not match the realities on the ground and will make it difficult for both operators and national control authorities to implement the regulation. Where necessary, the Commission should therefore develop guidelines laying down specific rules on due diligence requirements, traceability tools and liability rules in the supply chain for the different commodities. Those rules should also be harmonised as much as possible with the due diligence rules set out in [the forthcoming Sustainable Corporate Governance Directive].

^{1a} Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23).

Or. en

Justification

The one-size-fits all approach that was taken by the Commission in its proposal will hinder a

smooth implementation of this regulation.

Amendment 12

Proposal for a regulation

Recital 33

Text proposed by the Commission

(33) On the basis of a systemic approach, operators should take the appropriate steps in order to ascertain that the relevant commodities and products that they intend to place on the Union market comply with the deforestation-free and legality requirements of this Regulation. To that end, operators should establish and implement due diligence procedures. The due diligence procedure required by this Regulation should include three elements: information requirements, risk assessment and risk mitigation measures. The due diligence procedures should be designed to provide access to information about the sources and suppliers of the commodities and products being placed on the Union market, including information demonstrating that the absence of deforestation and forest degradation and legality requirements are fulfilled, inter alia by identifying the country and area of production, including geo-location coordinates of relevant *plots of land*. These geo-location coordinates that rely on timing, positioning and/or Earth observation could make use of space data and services delivered under the Union's Space programme (EGNOS/Galileo and Copernicus). On the basis of this information, operators should carry out a risk assessment. Where a risk is identified, operators should mitigate such risk to achieve no or negligible risk. Only after completing the required steps of the due diligence procedure and concluding that no or negligible risk exists that the relevant commodity or product is not compliant

Amendment

(33) On the basis of a systemic approach, operators should take the appropriate steps in order to ascertain that the relevant commodities and products that they intend to place on the Union market comply with the deforestation-free and legality requirements of this Regulation. To that end, operators should establish and implement due diligence procedures. The due diligence procedure required by this Regulation should include three elements: information requirements, risk assessment and risk mitigation measures. The due diligence procedures should be designed to provide access to information about the sources and suppliers of the commodities and products being placed on the Union market, including information demonstrating that the absence of deforestation and forest degradation and legality requirements are fulfilled, inter alia by identifying the country and area of production, including geo-location coordinates of relevant *production areas*. These geo-location coordinates that rely on timing, positioning and/or Earth observation *of relevant production areas* could make use of space data and services delivered under the Union's Space programme (EGNOS/Galileo and Copernicus). On the basis of this information, operators should carry out a risk assessment. Where a risk is identified, operators should mitigate such risk to achieve no or negligible risk. Only after completing the required steps of the due diligence procedure and concluding that no or negligible risk exists that the relevant

with this Regulation, should the operator be allowed to place the relevant commodity or product on the Union market or to export it.

commodity or product is not compliant with this Regulation, should the operator be allowed to place the relevant commodity or product on the Union market or to export it.

Or. en

Amendment 13

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) Operators should formally assume responsibility for the compliance of the relevant commodities or products that they intend to place on the Union market or to export by making available due diligence statements. A template for such statements should be provided by this Regulation. This is expected to facilitate enforcement of this Regulation through competent authorities and courts as well as increase compliance by operators.

Amendment

(34) Operators ***placing a commodity or product concerned for the first time on the Union market or exporting a product to a third country*** should formally assume responsibility for the compliance of the relevant commodities or products that they intend to place on the Union market or to export by making available due diligence statements. A template for such statements should be provided by this Regulation. This is expected to facilitate enforcement of this Regulation through competent authorities and courts as well as increase compliance by operators.

Or. en

Amendment 14

Proposal for a regulation

Recital 35

Text proposed by the Commission

(35) In order to recognise good practice, certification or other third party verified schemes could be used in the risk assessment procedure, however, they should not substitute the operator's responsibility as regards due diligence.

Amendment

(35) In order to recognise good practice, certification or other third party verified schemes, ***such as the Forest Stewardship Council (FSC) Programme for the Endorsement of Forest Certification (PEFC) and ISO 38200***, could be used in

the risk assessment procedure, however, they should not substitute the operator's responsibility as regards due diligence.

Or. en

Amendment 15

Proposal for a regulation

Recital 36

Text proposed by the Commission

(36) Traders should be responsible for collecting and keeping information ensuring the transparency of the supply chain of relevant commodities and products which they make available on the market. Large traders that are not small and medium-sized enterprises (SMEs) have a significant influence on supply chains and play an important role in ***ensuring that they*** are deforestation-free and should therefore have the same obligations as operators.

Amendment

(36) Traders should be responsible for collecting and keeping information ensuring the transparency of the supply chain of relevant commodities and products which they make available on the market. Large traders that are not small and medium-sized enterprises (SMEs) have a significant influence on supply chains and play an important role in ***supporting operators to ensure that supply chains*** are deforestation-free and should therefore have the same obligations as operators.

Or. en

Amendment 16

Proposal for a regulation

Recital 38

Text proposed by the Commission

(38) Other EU legislative instruments that set out due diligence requirements in the value chain with regard to adverse human rights or environmental impacts should apply in so far as there are no specific provisions with the same objective, nature and effect in this Regulation which may be adapted in the light of future legislative amendments. The existence of this Regulation should not

Amendment

(38) Other EU legislative instruments that set out due diligence requirements in the value chain with regard to adverse human rights or environmental impacts, ***such as Regulation (EU) 2020/852 of the European Parliament and of the Council^{1a} and [the forthcoming Directive on Corporate Sustainability Due Diligence]^{1b}***, should apply in so far as there are no specific provisions with the same

exclude the application of other EU legislative instruments that lay down requirements regarding value chain due diligence. Where such other EU legislative instruments provide for more specific provisions or add requirements to the provisions laid down in this Regulation, such provisions should be applied in conjunction with those of this Regulation. Furthermore, where this Regulation contains more specific provisions, they should not be interpreted in a way that undermines the effective application of other EU legislative instruments on due diligence or the achievement of their general aim.

objective, nature and effect in this Regulation which may be adapted in the light of future legislative amendments. The existence of this *commodity-specific* Regulation should not exclude the application of other EU legislative instruments that lay down requirements regarding value chain due diligence. Where such other EU legislative instruments provide for more specific provisions or add requirements to the provisions laid down in this Regulation, such provisions should be applied in conjunction with those of this Regulation. Furthermore, where this Regulation contains more specific provisions, they should not be interpreted in a way that undermines the effective application of other EU legislative instruments on due diligence or the achievement of their general aim.

^{1a} Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

^{1b} COM(2022)0071 final.

Or. en

Amendment 17

Proposal for a regulation Recital 41

Text proposed by the Commission

(41) The effective and efficient implementation and enforcement of this Regulation are essential to achieving its goals. To this end, the Commission should set up and manage an information system to support the operators and the competent authorities in presenting and accessing the

Amendment

(41) The effective and efficient implementation and enforcement of this Regulation are essential to achieving its goals. To this end, the Commission should set up and manage an information system to support the operators and the competent authorities in presenting and accessing the

necessary information on relevant commodities and products placed on the market. The operators should submit the due diligence statements to the information system. The information system should be accessible to competent authorities and customs authorities to facilitate fulfilling their obligations under this Regulation. The **information system** should also be accessible for a wider public, with the anonymised data provided in an open and machine-readable format in line with the Union's Open Data Policy.

necessary information on relevant commodities and products placed on the market. The operators should submit the due diligence statements **and an annual audit report by a third-party auditor** to the information system. The information system should be accessible to competent authorities and customs authorities to facilitate fulfilling their obligations under this Regulation. The **non-commercially sensitive data** should also be accessible for a wider public, with the anonymised data provided in an open and machine-readable format in line with the Union's Open Data Policy.

Or. en

Amendment 18

Proposal for a regulation Recital 42

Text proposed by the Commission

(42) For the relevant commodities entering or leaving the Union market, competent authorities are tasked with the verification of the compliance of relevant commodities and products with the obligations under this Regulation, whereas the role of customs is to ensure that the reference of a due diligence statement is made available in the customs declaration where applicable and, in addition as from the moment the electronic interface will be in place to exchange information between customs authorities and competent authorities, to check the status of the due diligence statement after an initial risk analysis carried out by competent authorities in the Information System and act accordingly (i.e. suspend or refuse a commodity or product if requested to do so through the status in the Information System). This specific organisation of controls discards the application of Chapter

Amendment

(42) For the relevant commodities entering or leaving the Union market, competent authorities are tasked with the verification of the compliance of relevant commodities and products with the obligations under this Regulation **based on the due diligence statements and the annual audit report submitted by the operators**, whereas the role of customs is to ensure that the reference of a due diligence statement is made available in the customs declaration where applicable and, in addition as from the moment the electronic interface will be in place to exchange information between customs authorities and competent authorities, to check the status of the due diligence statement after an initial risk analysis carried out by competent authorities in the Information System and act accordingly (i.e. suspend or refuse a commodity or product if requested to do so through the

VII of Regulation (EU) 2019/1020 in so far as the application and enforcement of this Regulation is concerned.

status in the Information System). This specific organisation of controls discards the application of Chapter VII of Regulation (EU) 2019/1020 in so far as the application and enforcement of this Regulation is concerned.

Or. en

Amendment 19

Proposal for a regulation Recital 46

Text proposed by the Commission

(46) The risk of non-compliant commodities and products being placed on the Union market varies depending on the commodity and product ***as well as on its*** country of origin ***and production***. Operators sourcing commodities and products from countries or ***parts*** thereof that present a low risk of growing, harvesting or producing relevant commodities in violation of this Regulation should be subject to fewer obligations, thereby reducing compliance costs and administrative burden. ***Commodities and products from high-risk countries or parts thereof should be subject to enhanced scrutiny by the competent authorities.***

Amendment

(46) The risk of non-compliant commodities and products being placed on the Union market varies depending on the commodity and product, ***the supply chain structure and the*** country ***or region*** of origin. Operators sourcing commodities and products from countries or ***regions*** thereof that present a low risk of growing, harvesting or producing relevant commodities in violation of this Regulation should be subject to fewer obligations, thereby reducing compliance costs and administrative burden.

Or. en

Amendment 20

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) For this reason, the Commission should assess the deforestation and forest degradation risk at a level of a country or

Amendment

(47) For this reason, the Commission should assess the deforestation and forest degradation risk at a level of a country or

parts thereof based on a range of criteria that reflect both quantitative, objective and internationally recognised data, and indications that the countries are actively engaged in fighting deforestation and forest degradation. This benchmarking information should make it easier for operators in the Union to exercise due diligence and for competent authorities to monitor and enforce compliance, while also providing an incentive for producer countries to increase the sustainability of their agricultural production systems and reduce their deforestation impact. This should help making supply chains more transparent and sustainable. ***This benchmarking system should be based on a three-tier classification of countries to be regarded as low, standard or high risk. In order to ensure appropriate transparency and clarity, the Commission should in particular make publicly available the data being used for benchmarking, the reasons for the proposed change of classification and the reply of the country concerned.*** For relevant commodities and products from low risk countries or parts of countries identified as low-risk, operators should be allowed to apply a simplified due diligence, ***whilst competent authorities should be required to apply enhanced scrutiny on relevant commodities and products from high risk countries or parts of countries identified as high-risk.*** The Commission should be empowered to adopt implementing measures to establish the countries or parts thereof that present a low ***or high risk of producing relevant commodities and products that are not compliant with this Regulation.***

parts thereof ***and identify low-risk countries*** based on a range of criteria that reflect both quantitative, objective and internationally recognised data, and indications that the countries are actively engaged in fighting deforestation and forest degradation. This benchmarking information should make it easier for operators in the Union to exercise due diligence and for competent authorities to monitor and enforce compliance, while also providing an incentive for producer countries to increase the sustainability of their agricultural production systems and reduce their deforestation impact. This should help making supply chains more transparent and sustainable. For relevant commodities and products from low risk countries or parts of countries identified as low-risk, operators should be allowed to apply a simplified due diligence, The Commission should be empowered to adopt implementing measures to establish the countries or parts thereof that present a low ***risk.***

Or. en

Amendment 21

Proposal for a regulation Recital 48

Text proposed by the Commission

(48) Competent authorities should carry out checks at regular intervals on operators and traders to verify that they effectively fulfil the obligations laid down in this Regulation. Moreover, competent authorities should carry out checks when in possession of and based on relevant information, including substantiated concerns submitted by third parties. For a comprehensive coverage of the relevant commodities and products, the respective operators and traders and the volumes of their share of commodities and products, a twofold approach should apply. Competent authorities should thus be required to check on a certain percentage of operators and traders, whilst also covering a specific percentage of relevant commodities and products. Such percentages should be **higher** for relevant commodities and products from **high-risk countries or parts thereof**.

Amendment

(48) Competent authorities should carry out checks at regular intervals on operators and traders to verify that they effectively fulfil the obligations laid down in this Regulation. Moreover, competent authorities should carry out checks when in possession of and based on relevant information, including substantiated concerns submitted by third parties. For a comprehensive coverage of the relevant commodities and products, the respective operators and traders and the volumes of their share of commodities and products, a twofold approach should apply. Competent authorities should thus be required to check on a certain percentage of operators and traders, whilst also covering a specific percentage of relevant commodities and products. Such percentages should be **lower** for relevant commodities and products from **low-risk sourcing areas and suppliers**.

Or. en

Amendment 22

Proposal for a regulation Recital 49

Text proposed by the Commission

(49) The checks of operators and traders by competent authorities should cover the due diligence systems and the compliance of the relevant commodities and products with the provisions of this Regulation. The checks should be based on a risk-based plan of checks. The plan should contain risk criteria that enable competent

Amendment

(49) The checks of operators and traders by competent authorities should cover the due diligence systems and the compliance of the relevant commodities and products with the provisions of this Regulation. The checks should be based on a risk-based plan of checks. The plan should contain risk criteria that enable competent

authorities to carry out a risk analysis of the due diligence statements submitted by operators and traders. The risk criteria should take into account the risk of deforestation associated to relevant commodities and products in the country of production, the history of compliance of operators and traders with the obligations of this Regulation and any other relevant information available to competent authorities. The risk analysis of due diligence statements should allow competent authorities the identification of operators, traders and relevant commodities and products to be checked, and should be carried out using electronic data processing techniques in the information system which collects the due diligence statements.

authorities to carry out a risk analysis of the due diligence statements submitted by operators and traders. The risk criteria should take into account the risk of deforestation associated to relevant commodities and products in the country of production, the history of compliance of operators and traders with the obligations of this Regulation and any other relevant information available to competent authorities. The risk analysis of due diligence statements **and the annual third-party audit report** should allow competent authorities the identification of operators, traders and relevant commodities and products to be checked, and should be carried out using electronic data processing techniques in the information system which collects the due diligence statements. ***Where necessary and technically possible, competent authorities, in close cooperation with authorities in third countries, should also conduct controls in situ.***

Or. en

Amendment 23

Proposal for a regulation Recital 50

Text proposed by the Commission

(50) In case the risk analysis of the due diligence statements reveals a high risk of non-compliance of specific relevant commodities and products, the competent authorities should be able to take immediate interim measures to prevent their placing or making available on the Union market. In case such relevant commodities and products were entering or leaving the Union market, the competent authorities should request from customs authorities the suspension of the release for free circulation or the export to enable

Amendment

(50) In case the risk analysis of the due diligence statements reveals a high risk of non-compliance of specific relevant commodities and products, the competent authorities should be able to take immediate interim measures to prevent their placing or making available on the Union market. In case such relevant commodities and products were entering or leaving the Union market, the competent authorities should request from customs authorities the suspension of the release for free circulation or the export to enable

competent authorities to carry out the necessary checks. Such request should be communicated by means of the interface system between customs and competent authorities. Suspension of the placing or making available on the Union market, of the release for free circulation or of export should be limited to **three** working days except where the competent authorities require additional time to assess the compliance of the relevant commodities and products with this Regulation. In that case, the competent authorities should take additional interim measures to extend the suspension period or request such extension to customs authorities in case of relevant commodities and products entering or leaving the Union market.

competent authorities to carry out the necessary checks. Such request should be communicated by means of the interface system between customs and competent authorities. Suspension of the placing or making available on the Union market, of the release for free circulation or of export should be limited to **five** working days except where the competent authorities require additional time to assess the compliance of the relevant commodities and products with this Regulation. In that case, the competent authorities should take additional interim measures to extend the suspension period or request such extension to customs authorities in case of relevant commodities and products entering or leaving the Union market.

Or. en

Amendment 24

Proposal for a regulation Recital 60

Text proposed by the Commission

(60) Since the objective of this Regulation, fighting against deforestation and forest degradation by reducing the contribution of consumption in the Union, cannot be achieved by the Member States individually and can therefore, by reason of its scale, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

Amendment

(60) Since the objective of this Regulation, fighting against deforestation and forest degradation by reducing the contribution of consumption in the Union **and by incentivising deforestation reduction in producer countries**, cannot be achieved by the Member States individually and can therefore, by reason of its scale, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

Or. en

Amendment 25

Proposal for a regulation Recital 61

Text proposed by the Commission

(61) Operators, traders and competent authorities should be given a reasonable period in order to prepare themselves to meet the requirements of this Regulation,

Amendment

(61) ***In order to avoid supply chain disruptions and reduce negative impacts on third countries, trade partners, and in particular smallholders***, operators, traders and competent authorities should be given a reasonable period in order to prepare themselves to meet the requirements of this Regulation,

Or. en

Amendment 26

Proposal for a regulation Article 1 – paragraph 1 – introductory part

Text proposed by the Commission

This Regulation 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

Amendment

This Regulation 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, ***rubber*** 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

Or. en

Amendment 27

Proposal for a regulation Article 1 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) contributing to a reduction in global deforestation;

Or. en

Amendment 28

Proposal for a regulation

Article 1 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

This Regulation shall also not apply to recycled materials and recycling products.

Or. en

Justification

Necessary clarification from Recital 28 in the legislative text.

Amendment 29

Proposal for a regulation

Article 2 – paragraph 1 – point 1

Text proposed by the Commission

Amendment

(1) ‘deforestation’ means ***the*** conversion of ***forest*** to agricultural use, ***whether human-induced or not***;

(1) ‘deforestation’ means ***human induced*** conversion of ***naturally generating forests or other wooded land*** to agricultural use ***or to tree plantations***;

Or. en

Amendment 30

Proposal for a regulation

Article 2 – paragraph 1 – point 2 a (new)

Text proposed by the Commission

Amendment

(2a) 'naturally generating forest' means a forest predominantly composed of trees established through natural generation;

Or. en

Justification

FAO Definition <http://www.fao.org/3/18661EN/i8661en.pdf>

Amendment 31

Proposal for a regulation

Article 2 – paragraph 1 – point 2 b (new)

Text proposed by the Commission

Amendment

(2b) 'other wooded land' means land not classified as forest, spanning more than 0,5 hectares, with trees higher than 5 meters and a canopy cover of 5 to 10 percent, or trees able to reach these thresholds in situ, or with a combined cover of shrubs, bushes and trees above 10 percent, excluding land that is predominantly under agricultural or urban use;

Or. en

Justification

Definition of FAO that would address forest-mosaic ecosystems and tropical woodlands and savannahs.

Amendment 32

Proposal for a regulation

Article 2 – paragraph 1 – point 2 c (new)

Text proposed by the Commission

Amendment

(2c) 'agricultural use' means the use of land for any one or more of the following: cultivation of temporary or annual crops that have a growing cycle of one year or less; cultivation of permanent or perennial crops that have a growing cycle of more than one year, including tree crops; cultivation of permanent or temporary meadows or pastures; or temporarily fallow land.

Or. en

Justification

Clarification for definition of 'deforestation' following FAO definition of agricultural land.

Amendment 33

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Text proposed by the Commission

Amendment

(6) 'forest degradation' means harvesting operations that are not sustainable and cause **a** reduction or loss of the biological or economic productivity and complexity of forest ecosystems, resulting in the long-term reduction of the overall supply of benefits from forest, which includes wood, biodiversity and other products or services;

(6) 'forest degradation' means harvesting operations that are not sustainable and **that** cause **an irreversible** reduction or loss of the biological or economic productivity and complexity of forest ecosystems, resulting in the long-term reduction, of the overall supply of benefits from forest, which includes wood, biodiversity and other products or services; **and where after harvesting, the forest site is not regenerated through planting or natural regeneration leading to an overall decrease of forest land;**

Or. en

Amendment 34

Proposal for a regulation

Article 2 – paragraph 1 – point 7

Text proposed by the Commission

Amendment

(7) ‘sustainable harvesting operations’ means harvesting that is carried out considering maintenance of soil quality and biodiversity with the aim of minimising negative impacts, in a way that avoids harvesting of stumps and roots, degradation of primary forests or their conversion into plantation forests, and harvesting on vulnerable soils; minimises large clear-cuts and ensures locally appropriate thresholds for deadwood extraction and requirements to use logging systems that minimise impacts on soil quality, including soil compaction, and on biodiversity features and habitats;

deleted

Or. en

Justification

FAO states that "a globally agreed definition of sustainable forest management (SFM) is impractical because of the huge diversity of forest types, conditions and socioeconomic contexts worldwide."

Amendment 35

Proposal for a regulation

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

Amendment

(12) ‘operator’ means any natural or legal person who, in the course of a commercial activity, places relevant commodities and products on the Union market or exports them from the Union market;

(12) ‘operator’ means any natural or legal person who, in the course of a commercial activity, places relevant commodities and products **for the first time** on the Union market or exports them from the Union market;

Or. en

Amendment 36

Proposal for a regulation Article 2 – paragraph 1 – point 18

Text proposed by the Commission

(18) ‘non-compliant products’ means relevant commodities and products that were not produced in a ‘deforestation-free’ manner, or were not produced in accordance with the relevant legislation of the country of production, **or both**;

Amendment

(18) ‘non-compliant products’ means relevant commodities and products that were not produced in a ‘deforestation-free’ manner, or were not produced in accordance with the relevant legislation of the country of production **or with international laws and standards on the rights of indigenous people and tenure rights of local communities, or were not covered by a due diligence statement**;

Or. en

Justification

In accordance with Article 3, the definition should also make clear that all three criteria have to be met in order to place a product on the market.

Amendment 37

Proposal for a regulation Article 2 – paragraph 1 – point 19

Text proposed by the Commission

(19) ‘plot of land’ **is an extension of land within a single real-estate property, as recognised by the laws of the country of production, and which enjoys sufficiently homogeneous conditions as to allow to evaluate on the aggregate level the risk of deforestation and forest degradation associated with commodities produced on that extension of land**;

Amendment

(19) ‘**production area**’ means an area of land delineated for traceability and monitoring purposes, including a plot of land, farm, plantation, cooperative or village;

Or. en

Amendment 38

Proposal for a regulation

Article 2 – paragraph 1 – point 21

Text proposed by the Commission

(21) ‘substantiated concern’ means well-founded claim based on objective and verifiable information regarding non-compliance with the present Regulation and which may require the intervention of competent authorities;

Amendment

(21) ‘substantiated concern’ means well-founded claim based on objective and verifiable information regarding non-compliance with the present Regulation and which may require the intervention of competent authorities ***in accordance with Regulation (EC) No 1367/2006 of the European Parliament and of the Council;***

1^a Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies (OJ L 264, 25.9.2006, p. 13).

Or. en

Amendment 39

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) they have been produced in accordance with the relevant legislation of the country of production; ***and***

Amendment

(b) they have been produced in accordance with the relevant legislation of the country of production ***as well as international laws and standards on the rights of indigenous people and local communities, including customary tenure rights and the right to free, prior and informed consent;***

Or. en

Justification

Including the UN Declaration on the Rights of Indigenous People, The UN Declaration on the rights of Peasants and other People working in rural Areas, the International Labour Organization Convention 169, the OECD guideline on human rights and businesses

Amendment 40

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

1. Operators shall exercise due diligence prior to placing relevant commodities and products **on** or prior to their export from the Union market in order to ensure their compliance with Article 3(a) and (b). To that end, they shall use a framework of procedures and measures, hereinafter referred to as a ‘due diligence’, as set out in Article 8.

Amendment

1. Operators shall exercise due diligence prior to placing relevant commodities and products **for the first time on the Union market** or prior to their export from the Union market in order to ensure their compliance with Article 3(a) and (b). To that end, they shall use a framework of procedures and measures, hereinafter referred to as a ‘due diligence’, as set out in Article 8.

Or. en

Amendment 41

Proposal for a regulation Article 4 – paragraph 3

Text proposed by the Commission

3. **By making available the due diligence statement**, the operator assumes responsibility for the compliance of the relevant commodity or product with the requirements of this Regulation. Operators shall keep record of **the** due diligence **statements** for 5 years from the date of making available via the information system referred to in Article 31.

Amendment

3. The operator **who placed a product for the first time on the Union market** assumes responsibility for the compliance of the relevant commodity or product with the requirements of this Regulation. Operators shall keep record of **their annual** due diligence **procedure** for 5 years from the date of making available via the information system referred to in Article 31 **and share the due diligence statements with subsequent operators and traders in the supply chain.**

Amendment 42

Proposal for a regulation

Article 4 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Operators shall, on an annual basis, publicly report on their due diligence system, including on the steps taken to implement their obligations. Operators which are SMEs are exempted from that requirement.

Or. en

Justification

Clarification from Recital 37 and mentioning of applicable exemption for operators.

Amendment 43

Proposal for a regulation

Article 4 – paragraph 7

Text proposed by the Commission

Amendment

7. Operators shall offer all assistance necessary to competent authorities to facilitate the performance of the **checks** under Article 15, including as regards access to premises and the presentation of documentation or records.

7. The due diligence system of operators placing products for the first time on the Union market or exporting them shall be verified by a third party audit on an annual basis. Operators shall share those third-party audits with the competent authorities. Operators shall also offer all assistance necessary to competent authorities to facilitate the performance of the **controls** under Article 15, including as regards access to premises and the presentation of documentation or records.

Or. en

Amendment 44

Proposal for a regulation Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4a

Obligations of traders and exemptions for SMEs

- 1. Traders which are not SMEs and which place a commodity or product concerned for the first time on the Union market or export a commodity or product, shall be considered operators and shall be subject to the obligations and provisions set out in Articles 3, 4, 5, 8 to 12, Article 14(9), and Articles 15 and 20 with regard to the relevant commodities and products they make available in the Union market.***
- 2. Traders which are SMEs shall collect and keep the following information relating to the relevant commodities and products they intend to make available on the market:***

the name, registered trade name or registered trade mark, the postal address, the email, and, if available, a web address of the operators or the traders which have supplied the relevant commodities and products to them or to which they have supplied the relevant commodities or products.
- 3. Traders which are SMEs shall keep the information referred to in this Article for at least 5 years and shall provide that information to the competent authorities upon request.***
- 4. Traders which are SMEs that have received new information, including substantiated concerns, that the relevant commodity or product that they have already made available on the market is not in conformity with the requirements of this Regulation shall immediately inform the competent authorities of the***

Member States in which they made available the relevant commodity or product on the market.

5. Traders, whether they are SMEs or not, shall offer all assistance necessary to competent authorities to facilitate the performance of the checks under Article 16, including as regards access to premises and the presentation of documentation or records.

Or. en

Amendment 45

Proposal for a regulation Article 6

Text proposed by the Commission

Amendment

Article 6

deleted

Obligations of traders

1. Traders which are SMEs may only make available on the market relevant commodities and products if they are in possession of the information required under paragraph 2.

2. Traders which are SMEs shall collect and keep the following information relating to the relevant commodities and products they intend to make available on the market:

(a) the name, registered trade name or registered trade mark, the postal address, the email and, if available, a web address of the operators or the traders who have supplied the relevant commodities and products to them;

(b) the name, registered trade name or registered trade mark, the postal address, the email and, if available, a web address of the traders to whom they have supplied the relevant commodities and products.

3. Traders which are SMEs shall keep the information referred to in this Article for at least 5 years and shall provide that information to the competent authorities upon request.

4. Traders which are SMEs that have received new information, including substantiated concerns, that the relevant commodity or product that they have already made available on the market is not in conformity with the requirements of this Regulation shall immediately inform the competent authorities of the Member States in which they made available the relevant commodity or product on the market.

5. Traders which are not SMEs shall be considered operators and be subject to obligations and provisions in Articles 3, 4, 5, 8 to 12, 14(9), 15 and 20 of this Regulation with regard to the relevant commodities and products that they make available in the Union market.

6. Traders shall offer all assistance necessary to competent authorities to facilitate the performance of the checks under Article 16, including as regards access to premises and the presentation of documentation or records.

Or. en

Justification

Deletion due to reorganization of Articles 4-6.

Amendment 46

Proposal for a regulation Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

(1a) If there is no manufacturer or importer established in the Union, online marketplaces shall comply with the

obligations set out in Article 10 for products for which they facilitate the sale.

Or. en

Amendment 47

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. Prior to placing relevant commodities and products on the market or before exporting them, operators shall exercise due diligence with regard to all relevant commodities and products supplied by each particular supplier.

Amendment

1. Prior to placing relevant commodities and products ***for the first time*** on the market or before exporting them, operators shall exercise due diligence with regard to all relevant commodities and products supplied by each particular supplier.

Or. en

Amendment 48

Proposal for a regulation Article 8 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. By ... [date 12 months after the entry into force of this Regulation], the Commission shall adopt delegated acts in accordance with Article 33 supplementing this Regulation with commodity-specific guidance to clarify due diligence responsibilities and traceability rules of operators tailored to fit the respective supply chain. The Commission shall take into account the concept of the control point enterprises outlined in the OECD Due Diligence Guidance for Responsible Business Conduct as well as other due diligence requirements arising from Union law, in particular [the forthcoming Directive on Sustainable Corporate

Amendment 49

**Proposal for a regulation
Article 8 – paragraph 2 b (new)**

Text proposed by the Commission

Amendment

2b. Products that have been processed in the Union and contain ingredients that have already undergone due diligence compliance in accordance with Article 4, paragraph 1, shall not require an additional due diligence procedure.

Or. en

Justification

Avoidance of duplication of due diligence requirements.

Amendment 50

**Proposal for a regulation
Article 9 – paragraph 1 – point c**

Text proposed by the Commission

Amendment

(c) identification of the country of production;

(c) identification of the country **and region** of production;

Or. en

Amendment 51

**Proposal for a regulation
Article 9 – paragraph 1 – point d**

Text proposed by the Commission

Amendment

(d) geo-localisation **coordinates**,

(d) **production area coordinates**

latitude and longitude of all plots of land where the relevant commodities and products were produced, as well as **date or** time range of production;

collected via geo-localisation, **including for a plot** of land, **farm, plantation, cooperative or village**, where the relevant commodities and products were produced, as well as **the** time range **or harvesting season** of production;

Or. en

Justification

It might not be possible to trace back every single cocoa bean e.g. to a particular farm of a smallholder, but rather to the production area from which a cooperative is sourcing. Allowing to monitor a certain production area instead of every single plot of land will make it easier to implement the regulation and minimise the risk of excluding smallholders from the supply chain.

Amendment 52

Proposal for a regulation

Article 9 – paragraph 1 – point h

Text proposed by the Commission

(h) adequate and verifiable information that the production has been conducted in accordance with relevant legislation of the country of production, including **any arrangement conferring** the right to **use the respective area for the purposes of the production of the relevant commodity**;

Amendment

(h) adequate and verifiable information that the production has been conducted in accordance with relevant legislation of the country of production **as well as international laws and standards**, including **the tenure rights of indigenous people and** the right to **free and prior Consent**;

Or. en

Amendment 53

Proposal for a regulation

Article 9 – paragraph 3

Text proposed by the Commission

3. The Commission may adopt delegated acts in accordance with Article 33 to supplement paragraph 1 concerning

Amendment

deleted

further relevant information to be obtained that may be necessary to ensure the effectiveness of the due diligence system.

Or. en

Amendment 54

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

1. Operators shall verify and analyse information collected in accordance with Article 9 and any other relevant documentation, and on this basis carry out a risk assessment to establish whether there is a risk that the relevant commodities and products ***intended to be placed on or exported from the Union market*** are non-compliant with the requirements of this Regulation. If the operators cannot demonstrate that the risk of non-compliance is negligible, they shall not place the relevant commodity or product on the Union market nor export it.

Amendment

1. Operators ***which intend to place the relevant commodities and products for the first time on the Union market or export them from the Union market*** shall verify and analyse information collected in accordance with Article 9 and any other relevant documentation, and on this basis carry out a risk assessment to establish whether there is a risk that the relevant commodities and products are non-compliant with the requirements of this Regulation. If the operators cannot demonstrate that the risk of non-compliance is negligible, they shall not place the relevant commodity or product on the Union market nor export it.

Or. en

Amendment 55

Proposal for a regulation Article 10 – paragraph 2 – point a

Text proposed by the Commission

(a) the assignment of risk to the relevant country or parts thereof in accordance with Article 27;

Amendment

deleted

Or. en

Justification

In line with adaptations to Article 27.

Amendment 56

Proposal for a regulation

Article 10 – paragraph 2 – point e

Text proposed by the Commission

(e) concerns in relation to the country of production and origin, such as level of corruption, prevalence of document and data falsification, lack of law enforcement, armed conflict or presence of sanctions imposed by the United Nations Security Council or the Council of the European Union;

Amendment

(e) concerns in relation to the country of production and origin, such as level of corruption, prevalence of document and data falsification, ***violation or*** lack of law enforcement ***of tenure rights and rights of indigenous people and local communities,*** armed conflict or presence of sanctions imposed by the United Nations Security Council or the Council of the European Union;

Or. en

Amendment 57

Proposal for a regulation

Article 10 – paragraph 2 – point f

Text proposed by the Commission

(f) the complexity of the relevant supply chain, in particular difficulties in connecting commodities and/or products to the plot of land where they were produced;

Amendment

(f) the complexity of the relevant supply chain, in particular difficulties in connecting commodities and/or products to the plot of land where they were produced ***or national data protection rules which prohibit the transmission of such data;***

Or. en

Amendment 58

Proposal for a regulation

Article 10 – paragraph 2 – point j

Text proposed by the Commission

(j) complementary information on compliance with this Regulation, which may include information ***supplied by certification or other third-party-verified*** schemes, including voluntary schemes recognised by the Commission under Article 30(5) of Directive (EU) 2018/2001⁴⁹, ***provided that the information meets the requirements set out in Article 9;***

⁴⁹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328/82, 21.12.2018, p. 82–209).

Amendment

(j) complementary information on compliance with this Regulation, which may include information ***on existing industry standards and third-party*** certification schemes, including voluntary schemes recognised by the Commission under Article 30(5) of Directive (EU) 2018/2001⁴⁹.

⁴⁹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328/82, 21.12.2018, p. 82–209).

Or. en

Amendment 59

Proposal for a regulation Article 10 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. In order to ensure that producers and in particular smallholders do not lose a crucial source of income, operators shall only disengage from suppliers as a means of last resort after attempts at measures of risk mitigation as referred to in Articles 10 and 28 have repeatedly failed.

Or. en

Amendment 60

Proposal for a regulation Article 10 – paragraph 8

Text proposed by the Commission

8. The Commission may adopt delegated acts in accordance with Article 33 to supplement paragraphs 2, 4 and 6 as regards relevant information to be obtained, risk assessment criteria and risk mitigation measures that may be necessary to supplement those referred to in this Article to ensure the effectiveness of the due diligence system.

Amendment

8. The Commission may adopt delegated acts in accordance with Article 33 to supplement paragraphs 2, 4 and 6 as regards relevant information to be obtained, risk assessment criteria and risk mitigation measures, ***including minimum criteria based on best practices for the use of private certification or third-party-verified schemes***, that may be necessary to supplement those referred to in this Article to ensure the effectiveness of the due diligence system.

Or. en

Amendment 61

**Proposal for a regulation
Article 11 – paragraph 2**

Text proposed by the Commission

2. Unless otherwise provided by other EU legislative instruments that lay down requirements regarding sustainability value chain due diligence, operators which are not SMEs shall, on an annual basis, publicly report as widely as possible, including on the internet, on their due diligence system including on the steps taken by them to implement their obligations as set out in Article 8. Operators falling also within the scope of other EU legislative instruments that lay down requirements regarding value chain due diligence may fulfil their reporting obligations under this paragraph by including the required information when reporting in the context of other EU legislative instruments.

Amendment

2. Unless otherwise provided by other EU legislative instruments that lay down requirements regarding sustainability value chain due diligence, operators which are not SMEs shall, on an annual basis, publicly report as widely as possible, including on the internet, on their due diligence system including on the steps taken by them to implement their obligations as set out in ***Articles 8, 9 and 10 as well as measures they have taken to support the compliance of their suppliers, in particular smallholders, via investments and capacity building***. Operators falling also within the scope of other EU legislative instruments that lay down requirements regarding value chain due diligence may fulfil their reporting obligations under this paragraph by including the required information when reporting in the context of other EU legislative instruments.

Amendment 62**Proposal for a regulation
Article 12 – paragraph 1***Text proposed by the Commission*

1. When placing relevant commodities or products on the Union market or exporting them from it, operators are not required to fulfil the obligations under Article 10 where they can ascertain that all relevant commodities and products have been produced in countries or parts thereof that were identified as low risk in accordance with Article 27.

Amendment

1. When placing relevant commodities or products on the Union market ***for the first time*** or exporting them from it, operators are not required to fulfil the obligations under Article 10 where they can ascertain that all relevant commodities and products have been produced in countries or parts thereof that were identified as low risk in accordance with Article 27.

Amendment 63**Proposal for a regulation
Article 14 – paragraph 3***Text proposed by the Commission*

3. To carry out the checks referred to in paragraph 1, the competent authorities shall establish a plan based on a risk-based approach. The plan shall contain at least risk criteria to carry out the risk analysis under paragraph 4 and thereby inform the decisions on checks. In establishing and reviewing the risk criteria, the competent authorities shall take into account ***in particular the assignment of risk to countries or parts thereof in accordance with Article 27***, the history of compliance of an operator or trader with this Regulation and any other relevant information. Based on the results of the checks and the experience on

Amendment

3. To carry out the checks referred to in paragraph 1, the competent authorities shall establish a plan based on a risk-based approach. The plan shall contain at least risk criteria to carry out the risk analysis under paragraph 4 and thereby inform the decisions on checks. In establishing and reviewing the risk criteria, the competent authorities shall take into account the history of compliance of an operator or trader with this Regulation and any other relevant information. Based on the results of the checks and the experience on implementation of the plans, the competent authorities shall review those plans and risk criteria on a regular basis in order to

implementation of the plans, the competent authorities shall review those plans and risk criteria on a regular basis in order to improve their effectiveness. When reviewing the plans, the competent authorities shall establish a reduced frequency of checks for those operators and traders who have shown a consistent record of full compliance with the requirements under this Regulation.

improve their effectiveness. When reviewing the plans, the competent authorities shall establish a reduced frequency of checks for those operators and traders who have shown a consistent record of full compliance with the requirements under this Regulation.

Or. en

Amendment 64

Proposal for a regulation Article 14 – paragraph 7

Text proposed by the Commission

7. The suspensions referred to in paragraph 6 shall end within **3** working days unless the competent authorities, based on the result of the checks conducted within that period, conclude that they require additional time to establish whether the relevant commodities and products comply with the requirements of this Regulation. In such case, the competent authorities shall extend the period of suspension by means of additional interim measures taken under Article 21 or, in the case of relevant commodities or products entering or leaving the Union market, by notifying the customs authorities of the need to maintain the suspension under Article 24(6).

Amendment

7. The suspensions referred to in paragraph 6 shall end within **five** working days unless the competent authorities, based on the result of the checks conducted within that period, conclude that they require additional time to establish whether the relevant commodities and products comply with the requirements of this Regulation. In such case, the competent authorities shall extend the period of suspension by means of additional interim measures taken under Article 21 or, in the case of relevant commodities or products entering or leaving the Union market, by notifying the customs authorities of the need to maintain the suspension under Article 24(6).

Or. en

Justification

Even a first check will take longer than 3 working days as authorities have to request the relevant information from operators and traders involved and ask for feedback from the authorities from other Member States.

Amendment 65

Proposal for a regulation Article 14 – paragraph 9

Text proposed by the Commission

9. Each Member State shall ensure that the annual checks carried out by their competent authorities cover at least **5%** of the operators placing, making available on or exporting from the Union market each of the relevant commodities on their market as well as **5%** of the quantity of each of the relevant commodities placed or made available on or exported from their market.

Amendment

9. Each Member State shall ensure that the annual checks carried out by their competent authorities cover at least **15 %** of the operators placing, making available on or exporting from the Union market each of the relevant commodities on their market as well as **15 %** of the quantity of each of the relevant commodities placed or made available on or exported from their market. ***For commodities or products from countries or regions thereof categorised as low risk in accordance with Article 27, a Member State may reduce the annual checks to 5 %.***

Or. en

Amendment 66

Proposal for a regulation Article 14 – paragraph 10

Text proposed by the Commission

10. For relevant commodities and products produced in a country or parts thereof listed as high risk in accordance with Article 27 or if there is a risk of relevant commodities or products produced in such countries or parts thereof entering the relevant supply chain, the competent authority shall carry out enhanced scrutiny specified in Article 20.

Amendment

deleted

Or. en

Amendment 67

Proposal for a regulation Article 15 – title

Text proposed by the Commission

Amendment

Checks on operators

Checks on operators *and non-SME traders*

Or. en

Justification

Clarification following Article 6.

Amendment 68

Proposal for a regulation Article 15 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) examination of the due diligence system, including risk assessment and risk mitigation procedures;

(a) examination of the due diligence system, including *third-party audit of* risk assessment and risk mitigation procedures;

Or. en

Amendment 69

Proposal for a regulation Article 16 – title

Text proposed by the Commission

Amendment

Checks on traders

Checks on *non-SME* traders

Or. en

Justification

Clarification of responsibilities following Articles 4-6.

Amendment 70

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. Competent authorities shall cooperate with each other, with authorities from other Member States, with the Commission, and if necessary, with administrative authorities of third countries in order to ensure compliance with this Regulation.

Amendment

1. Competent authorities shall cooperate with each other, with **customs authorities and implementing** authorities from other Member States, with the Commission, **with NGOs and operators**, and if necessary, with administrative authorities of third countries in order to ensure compliance with this Regulation.

Or. en

Amendment 71

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

3. Competent authorities shall exchange information necessary for the enforcement of this Regulation. This shall include giving access to and exchange of data on operators and traders including due diligence statements with other Member States' competent authorities to facilitate the enforcement of this Regulation.

Amendment

3. Competent authorities shall exchange information necessary for the enforcement of this Regulation. This shall include giving access to and exchange of data on operators and traders including due diligence statements with other Member States' competent authorities to facilitate the enforcement of this Regulation.
Competent authorities shall strictly abide by Union and national data protection rules when exchanging information.

Or. en

Amendment 72

Proposal for a regulation Article 18 – paragraph 4

Text proposed by the Commission

4. Competent authorities shall immediately alert competent authorities of other Member States **and** the Commission when they detect infringement of this Regulation and serious shortcomings that may affect more than one Member State. Competent authorities shall, in particular, inform competent authorities of other Member States when they detect a relevant commodity or product on the market that is not compliant with this Regulation, to enable the withdrawal or recall of such commodity or product from sales in all Member States.

Amendment

4. Competent authorities shall immediately alert competent authorities of other Member States, the Commission **as well as the operators and traders concerned** when they detect infringement of this Regulation and serious shortcomings that may affect more than one Member State. Competent authorities shall, in particular, inform competent authorities of other Member States when they detect a relevant commodity or product on the market that is not compliant with this Regulation, to enable the withdrawal or recall of such commodity or product from sales in all Member States.

Or. en

Amendment 73

**Proposal for a regulation
Article 19 – paragraph 1**

Text proposed by the Commission

1. Member States shall 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.

Amendment

1. Member States shall 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 publication shall respect relevant data protection law in the***

Amendment 74

**Proposal for a regulation
Article 20**

Text proposed by the Commission

Amendment

Article 20

deleted

Enhanced scrutiny

Where relevant commodities or products were produced in a country or part thereof listed as high risk in accordance with Article 27, or there is a risk of relevant commodities or products produced in such countries or parts thereof entering the relevant supply chain, each Member State shall ensure that the annual checks carried out by their competent authorities cover at least 15% of the operators placing, making available on or exporting from the Union market each of the relevant commodities on their market as well as 15% of the quantity of each of the relevant commodities placed or made available on or exported from their market from high risk countries or parts thereof.

Amendment 75

**Proposal for a regulation
Article 22 – paragraph 2 – point d**

Text proposed by the Commission

Amendment

(d) ***destroying*** the relevant commodity or product ***or donating it*** to charitable or public interest purposes.

(d) ***donating*** the relevant commodity or product to charitable or public interest purposes.

Justification

Destroying a product would not be in line with the EU's approach to sustainability or its circular economy objective.

Amendment 76**Proposal for a regulation****Article 23 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. *In the case of repeated infringements, authorities shall also enforce available criminal penalties and publish the names of the operators and traders that committed the offences.*

Or. en

Amendment 77**Proposal for a regulation****Article 24 – paragraph 10**

Text proposed by the Commission

Amendment

10. ***Customs authorities may destroy a non-compliant relevant commodity or product upon the request of the competent authorities or where they deem it necessary and proportionate.*** The cost of such measure shall be borne by the natural or legal person holding the relevant commodity or product. ***Articles 197 and 198 of Regulation (EU) No 952/2013 shall apply accordingly. Upon request of competent authorities, non-compliant relevant commodities and products may alternatively be confiscated and placed by customs at the disposal of the competent authorities.***

10. Non-compliant relevant ***commodities or products may be confiscated and placed by customs at the disposal*** of the competent authorities ***for sale or donation***. The cost of such measure shall be borne by the natural or legal person holding the relevant commodity or product.

Justification

The destruction of goods as outlined in Article 197 of Regulation (EU) No 952/2013 (Customs Code) could only be justified if the goods pose a risk to consumers. As this is not true in case of non-compliance with this regulation, the destruction of products would not be sustainable and cannot be justified.

Amendment 78**Proposal for a regulation
Article 25 – paragraph 1***Text proposed by the Commission*

1. To enable the risk-based approach referred to in Article 14(3) for relevant commodities and products entering or leaving the Union market and to ensure that checks are effective and performed in accordance with the requirements of this Regulation, the Commission, competent authorities **and** customs authorities shall cooperate closely and exchange information.

Amendment

1. To enable the risk-based approach referred to in Article 14(3) for relevant commodities and products entering or leaving the Union market and to ensure that checks are effective and performed in accordance with the requirements of this Regulation, the Commission, competent authorities, customs authorities, **and the operators and traders concerned** shall cooperate closely and exchange information.

Or. en

Amendment 79**Proposal for a regulation
Article 25 – paragraph 3 – point b a (new)***Text proposed by the Commission**Amendment*

(ba) between operators, traders and national competent authorities.

Or. en

Amendment 80

Proposal for a regulation Article 26 – paragraph 1

Text proposed by the Commission

1. The Commission shall develop an electronic interface based on the EU Single Window Environment for Customs to enable the transmission of data, in particular the notifications and requests referred to in Article 24, paragraphs 5 to 8, between national customs systems and the information system referred to in Article 31. This electronic interface shall be in place at the latest **four** years from the date of adoption of the relevant implementing act referred to in paragraph 3.

Amendment

1. The Commission shall develop an electronic interface based on the EU Single Window Environment for Customs to enable the transmission of data, in particular the notifications and requests referred to in Article 24, paragraphs 5 to 8, between national customs systems and the information system referred to in Article 31. This electronic interface shall be in place at the latest **two** years from the date of adoption of the relevant implementing act referred to in paragraph 3.

Or. en

Amendment 81

Proposal for a regulation Chapter 5 – title

Text proposed by the Commission

Country benchmarking system and cooperation with third countries

Amendment

Low-risk countries and cooperation with **other** third countries

Or. en

Amendment 82

Proposal for a regulation Article 27 – paragraph 1

Text proposed by the Commission

1. ***This Regulation establishes a three-tier system for the assessment of countries or parts thereof. Unless identified in accordance with this Article***

Amendment

1. The Commission ***shall*** identify countries or ***regions*** thereof that present a low of producing relevant commodities or products that are not compliant with

as presenting a low or high risk, countries shall be considered as presenting a standard risk. The Commission *may* identify countries or *parts* thereof that present a low *or high risk* of producing relevant commodities or products that are not compliant with Article 3, point (a). The list of the countries or *parts thereof* that present a low *or high* risk shall be published by means of implementing act(s) to be adopted in accordance with the examination procedure referred to in Article 34(2). That list shall be updated as necessary in light of new evidence.

Article 3, point (a). The list of the countries or *regions thereof* that present a low risk shall be published by means of implementing act(s) to be adopted in accordance with the examination procedure referred to in Article 34(2). That list shall be updated as necessary in light of new evidence.

Or. en

Amendment 83

Proposal for a regulation

Article 27 – paragraph 2 – introductory part

Text proposed by the Commission

2. The identification of low *and high* risk countries or *parts* thereof pursuant to paragraph 1 shall take into account information provided by the country concerned and be based on the following assessment criteria:

Amendment

2. The identification of low risk countries or *regions* thereof pursuant to paragraph 1 shall take into account information provided by the country, *regional authorities* concerned, *operators as well as NGOs and other local stakeholders* and be based on the following assessment criteria:

Or. en

Amendment 84

Proposal for a regulation

Article 27 – paragraph 3 – introductory part

Text proposed by the Commission

3. The Commission shall notify the countries concerned of its intent to *assign a change to the existing risk category* and

Amendment

3. The Commission shall notify the countries, *regional authorities as well as the operators and traders* concerned of its

invite them to provide any information deemed useful in this regard. The Commission shall allow the countries adequate time to provide a response, which may include information on measures taken by the country to remedy the situation in case its status or the status of parts thereof might be changed to a higher risk category.

intent to ***remove a country or region thereof from the low-risk list*** and invite them to provide any information deemed useful in this regard. The Commission shall allow the countries ***and regional authorities*** adequate time to provide a response, which may include information on measures taken by the country ***or regional authority*** to remedy the situation in case its status or the status of parts thereof might be changed to a higher risk category. ***The Commission shall also inform the operators and traders concerned in order to allow sufficient time to implement risk mitigation measures in accordance with Article 10 or, where necessary, adaptations in their supply chain.***

Or. en

Amendment 85

Proposal for a regulation

Article 27 – paragraph 3 – subparagraph 1 – point a

Text proposed by the Commission

(a) the reason or reasons for the intention to change the risk identification of the country or ***parts*** thereof;

Amendment

(a) the reason or reasons for the intention to change the ***low-risk*** identification of the country or ***region*** thereof;

Or. en

Amendment 86

Proposal for a regulation

Article 27 – paragraph 3 – subparagraph 1 – point c

Text proposed by the Commission

(c) the consequences of its ***identification as a high or low risk country***.

Amendment

(c) the consequences of its ***removal from the low-risk list***.

Amendment 87

Proposal for a regulation Article 28 – paragraph 1

Text proposed by the Commission

1. The Commission shall engage with producer countries concerned by this Regulation to **develop** partnerships and **cooperation** to jointly address deforestation and forest degradation. Such partnerships and cooperation mechanisms will focus on the conservation, restoration and sustainable use of forests, deforestation, forest degradation and the transition to sustainable commodity production, consumption processing and trade methods. Partnerships and cooperation mechanisms may include structured dialogues, support programmes and actions, administrative arrangements **and provisions in existing agreements or agreements** that enable producer countries to make the transition to an agricultural production that facilitates the compliance of relevant commodities and products with the requirements of this regulation. **Such agreements and their effective implementation will be taken into account as part of the benchmarking under Article 27 of this Regulation.**

Amendment

1. The Commission shall engage with producer countries concerned by this Regulation to **use existing and future** partnerships and **free trade agreements and develop new aid tools** to jointly address deforestation and forest degradation. Such partnerships and cooperation mechanisms will focus on the conservation, restoration and sustainable use of forests, deforestation, forest degradation and the transition to sustainable commodity production, consumption processing and trade methods. Partnerships and cooperation mechanisms may include structured dialogues, **financial and technical** support programmes and actions, administrative arrangements that enable producer countries **and regions** to make the transition to an agricultural production that facilitates the compliance of relevant commodities and products with the requirements of this regulation, **while securing subsistence of forest-dependent communities, smallholders and indigenous people. The Commission shall particularly engage with producing countries to remove legal obstacles to their compliance, including national land tenure governance and data protection law. The aim of those partnerships is the development of joint roadmaps to support continuous improvement towards a categorisation of low risk in accordance with Article 27.**

Amendment 88

Proposal for a regulation Article 28 – paragraph 3

Text proposed by the Commission

3. Partnerships and cooperation shall promote the development of integrated land use planning processes, relevant legislations, fiscal incentives and other pertinent tools to improve forest and biodiversity conservation, sustainable management and restoration of forests, tackle the conversion of forests and vulnerable ecosystems to other land uses, optimise gains for the landscape, tenure security, agriculture productivity and competitiveness, transparent supply chains, strengthen the rights of forest dependent communities including smallholders, indigenous peoples and local communities, and ensure public access to forest management documents and other relevant information.

Amendment

3. Partnerships and cooperation shall promote the development of integrated land use planning processes, relevant legislations, fiscal incentives and other pertinent tools to improve forest and biodiversity conservation, sustainable management and restoration of forests, tackle the conversion of forests and vulnerable ecosystems to other land uses, optimise gains for the landscape, tenure security, agriculture productivity and competitiveness, transparent supply chains **and traceability**, strengthen the rights of forest dependent communities including smallholders, indigenous peoples and local communities, and ensure public access to forest management documents and other relevant information.

Or. en

Amendment 89

Proposal for a regulation Article 28 – paragraph 4

Text proposed by the Commission

4. The Commission shall engage in international bilateral and multilateral discussion on policies and actions to halt deforestation and forest degradation, including in multilateral fora such as Convention on Biological Diversity, Food and Agriculture Organization of the United Nations, United Nations Convention to Combat Desertification, United Nations Environment Assembly, United Nations

Amendment

4. The Commission shall engage in international bilateral and multilateral discussion on policies and actions to halt deforestation and forest degradation, including in multilateral fora such as Convention on Biological Diversity, Food and Agriculture Organization of the United Nations, United Nations Convention to Combat Desertification, United Nations Environment Assembly, United Nations

Forum on Forests, United Nations Framework Convention on Climate Change, World Trade Organisation, G7 and G20. Such engagement shall include the promotion of the transition to sustainable agricultural production and sustainable forest management as well as the development of transparent and sustainable supply chains as well as continue efforts towards identifying and agreeing robust standards and definitions that ensure a high level of protection of forest ecosystems.

Forum on Forests, United Nations Framework Convention on Climate Change, World Trade Organisation, G7 and G20, **COP26**. Such engagement shall include the promotion of the transition to sustainable agricultural production and sustainable forest management as well as the development of transparent and sustainable supply chains as well as continue efforts towards identifying and agreeing robust standards and definitions that ensure a high level of protection of forest ecosystems.

Or. en

Amendment 90

Proposal for a regulation Article 29 – paragraph 2

Text proposed by the Commission

2. Competent authorities shall diligently and impartially assess the substantiated concerns and take the necessary steps, including checks and hearings of operators and traders, with a view to detecting potential breaches of the provisions of this Regulation and, where appropriate, interim measures under Article 21 to prevent the placing making available on and export from the Union market of relevant commodities and products under investigation.

Amendment

2. Competent authorities shall diligently and impartially assess the substantiated concerns ***based on the criteria laid down in Article 11 of Regulation (EU) No 1376/2006*** and take the necessary steps, including checks and hearings of operators and traders, with a view to detecting potential breaches of the provisions of this Regulation and, where appropriate, interim measures under Article 21 to prevent the placing making available on and export from the Union market of relevant commodities and products under investigation.

Or. en

Justification

The Aarhus Regulation provides detailed rules of members of the public to request the review of non-legislative administrative acts adopted by an EU institution or body, if these acts have legal and external effects and contain provisions that may contravene environmental law. Its criteria for bringing forward substantial concerns should therefore be applied.

Amendment 91

Proposal for a regulation Article 30 – paragraph 1

Text proposed by the Commission

1. Any natural or legal person having sufficient interest, including those having submitted substantiated concern in accordance with Article 29, shall have access to a court or other independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the competent authority under this Regulation.

Amendment

1. ***In accordance with Regulation (EU) No 1376/2006***, any natural or legal person having sufficient interest, including those having submitted substantiated concern in accordance with Article 29, shall have access to a court or other independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the competent authority under this Regulation.

Or. en

Justification

See justification above.

Amendment 92

Proposal for a regulation Article 32 – paragraph 1

Text proposed by the Commission

1. No later than two years after the entry into force, the Commission shall carry out a first review of this Regulation, and shall present a report to the European Parliament and the Council accompanied, if appropriate, by a legislative proposal. The report shall focus in particular on an evaluation of the need and the feasibility of extending the scope of this Regulation to other ecosystems, including land with high carbon stocks and land with a high biodiversity value such as grasslands, peatlands and wetlands ***and further***

Amendment

1. No later than two years after the entry into force, the Commission shall carry out a first review of this Regulation, and shall present, ***based on a detailed impact assessment***, a report to the European Parliament and the Council accompanied, if appropriate, by a legislative proposal. The report shall focus in particular on

commodities.

(a) an evaluation of the need and the feasibility of extending the scope of this Regulation to other ecosystems, including land with high carbon stocks and land with a high biodiversity value such as grasslands, peatlands and wetlands;

(b) the need and feasibility of extending the scope of this Regulation to other commodities and products; in particular to other meat from animals that have been fed with commodities and products covered by this regulation, processed beef, charcoal, sugar cane;

(c) the impact of this Regulation on farmers, in particular smallholders, indigenous peoples and local communities and the possible need for additional support for the transition towards sustainable supply chains;

(d) the need for and feasibility of additional trade facilitation tools to support the achievement of the objectives of this Regulation including through recognition of certification schemes.

Or. en

Justification

The review of the impact on smallholders is very important and urgent as the EU has to avoid increasing poverty by an unintended shift of operators to large plantations in their supply chain. It should also be feasible to already review the impact on them after two years.

Amendment 93

Proposal for a regulation Article 32 – paragraph 2

Text proposed by the Commission

Amendment

2. No later than five years after the entry into force and at least every five years thereafter, the Commission shall carry out a general review of this

deleted

Regulation, and shall present a report to the European Parliament and the Council accompanied, if appropriate, by a legislative proposal. The first of the reports shall include in particular, based on specific studies, an evaluation of:

(a) the need for and feasibility of additional trade facilitation tools to support the achievement of the objectives of the Regulation including through recognition of certification schemes;

(b) the impact of the Regulation on farmers, in particular smallholders, indigenous peoples and local communities and the possible need for additional support for the transition to sustainable supply chains.

Or. en

Amendment 94

Proposal for a regulation Article 32 – paragraph 3

Text proposed by the Commission

3. Without prejudice to the general review under paragraph 1, ***a first review of Annex I shall be carried out by the Commission no later than two years after the entry into force of this Regulation, and thereafter*** at regular intervals in order to assess whether it is appropriate to amend or extend the relevant products listed in Annex I in order to ensure that all products that contain, ***have been fed with*** or have been made using relevant commodities are included in that list, unless the demand for those products has a negligible effect on deforestation. The reviews shall be based on an assessment of the effect of the relevant commodities and products on deforestation and forest degradation, and take into account changes in consumption, as indicated by scientific evidence.

Amendment

3. Without prejudice to the general ***first*** review under paragraph 1, the Commission ***shall conduct*** at regular intervals ***a review of Annex I*** in order to assess whether it is appropriate to amend or extend the relevant products listed in Annex I in order to ensure that all products that contain, or have been made using relevant commodities are included in that list, unless the demand for those products has a negligible effect on deforestation. The reviews shall be based on an assessment of the effect of the relevant commodities and products on deforestation and forest degradation, and take into account changes in consumption, as indicated by scientific evidence. ***The Commission may adopt delegated acts in accordance with Article 33 to amend***

Annex I to include relevant products that contain or have been made using relevant commodities.

Or. en

Amendment 95

Proposal for a regulation Article 32 – paragraph 4

Text proposed by the Commission

Amendment

4. *Following a review as set out in paragraph 3, the Commission may adopt delegated acts in accordance with Article 33 to amend Annex I to include relevant products that contain or have been made using relevant commodities.*

deleted

Or. en

Amendment 96

Proposal for a regulation Article 36 – paragraph 2

Text proposed by the Commission

Amendment

2. Articles 3 to 12, 14 to 22, 24, 29 and 30 shall apply **12** months from the entry into force of this Regulation.

2. Articles 3 to 12, 14 to 22, 24, 29 and 30 shall apply **24** months from the entry into force of this Regulation.

Or. en

Justification

The setting up of segregated supply chains for the commodities and products concerned will take time and might require commodity specific rules and guidelines as commodity specific challenges in the supply chains may vary significantly from one product to another.

Amendment 97

Proposal for a regulation Article 36 – paragraph 3

Text proposed by the Commission

3. Articles referred to paragraph 2 shall apply **24** months from the entry into force of this Regulation for operators that are microenterprises⁵³ established by December 31, 2020, except for products covered in the Annex to Regulation (EU) No 995/2010.

⁵³ As defined in Article 3(1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.

Amendment

3. Articles referred to paragraph 2 shall apply **36** months from the entry into force of this Regulation for operators that are microenterprises ⁵³ **or SMEs** established by December 31, 2020, except for products covered in the Annex to Regulation (EU) No 995/2010.

⁵³ As defined in Article 3(1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.

Or. en

Amendment 98

Proposal for a regulation Annex I – table

Text proposed by the Commission

Cattle

ex 0102 Live cattle
ex 0201 Meat of cattle, fresh or chilled
ex 0202 Meat of cattle, frozen
ex 0206 10 Edible offal of cattle, fresh or chilled
ex 0206 22 Edible cattle livers, frozen
ex 0206 29 Edible cattle offal (excluding tongues and livers), frozen
ex 4101 Raw hides and skins of cattle (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split
ex 4104 Tanned or crust hides and skins of

cattle, without hair on, whether or not split, but not further prepared
ex 4107 Leather of cattle, further prepared after tanning or crusting, including parchment-dressed leather, without hair on, whether or not split

Cocoa	1801 00 00 Cocoa beans, whole or broken, raw or roasted 1802 00 00 Cocoa shells, husks, skins and other cocoa waste 1803 Cocoa paste, whether or not defatted 1804 00 00 Cocoa butter, fat and oil 1805 00 00 Cocoa powder, not containing added sugar or other sweetening matter 1806 Chocolate and other food preparations containing cocoa
Coffee	0901 Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion
Oil palm	1511 Palm oil and its fractions, whether or not refined, but not chemically modified 1207 10 Palm nuts and kernels 1513 21 Crude palm kernel and babassu oil and fractions thereof 1513 29 Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding Crude oil) 2306 60 Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nuts oils or kernels oils
Soya	1201 Soya beans, whether or not broken 1208 10 Soya bean flour and meal 1507 Soya-bean oil and its fractions, whether or not refined, but not chemically modified 2304 Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of

Wood

soya-bean oil

4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms

4403 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared

4406 Railway or tramway sleepers (cross-ties) of wood

4407 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm

4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm

4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed

4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances

4411 Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances

4412 Plywood, veneered panels and similar laminated wood

4413 00 00 Densified wood, in blocks,

plates, strips or profile shapes

4414 00 Wooden frames for paintings, photographs, mirrors or similar objects

4415 Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood

(Not including packing material used exclusively as packing material to support, protect or carry another product placed on the market.)

4416 00 00 Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves

4418 Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes

Pulp and paper of Chapters 47 and 48 of the Combined Nomenclature, with the exception of bamboo-based and recovered (waste and scrap) products

9403 30, 9403 40, 9403 50 00, 9403 60 and 9403 90 30 Wooden furniture

9406 10 00 Prefabricated buildings of wood

Amendment

Cattle

ex 0102 Live cattle

ex 0201 Meat of cattle, fresh or chilled

ex 0202 Meat of cattle, frozen

Cocoa

1801 00 00 Cocoa beans, whole or broken, raw or roasted

1802 00 00 Cocoa shells, husks, skins and other cocoa waste

1803 Cocoa paste, whether or not defatted

1804 00 00 Cocoa butter, fat and oil

1805 00 00 Cocoa powder, not containing added sugar or other sweetening matter

1806 Chocolate and other food preparations containing cocoa ***if produced outside the EU***

Coffee

0901 Coffee, whether or not roasted or

	decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion
Oil palm	1511 Palm oil and its fractions, whether or not refined, but not chemically modified
	1207 10 Palm nuts and kernels
	1513 21 Crude palm kernel and babassu oil and fractions thereof
	1513 29 Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding Crude oil)
	2306 60 Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nuts oils or kernels oils
	<i>HS code groups and subheadings 1517..., 3401..., 3823..., 3824..., 3826 Palm-oil and palm kernel oil-based derivates</i>
Soya	1201 Soya beans, whether or not broken
	1208 10 Soya bean flour and meal
	1507 Soya-bean oil and its fractions, whether or not refined, but not chemically modified
	2304 Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil
Wood	4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
	4403 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared
	4406 Railway or tramway sleepers (cross- ties) of wood

4407 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm

4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm

4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed

4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances

4411 Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances

4412 Plywood, veneered panels and similar laminated wood

4413 00 00 Densified wood, in blocks, plates, strips or profile shapes

4414 00 Wooden frames for paintings, photographs, mirrors or similar objects

4415 Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood

(Not including packing material used exclusively as packing material to support, protect or carry another product placed on the market.)

4416 00 00 Casks, barrels, vats, tubs and

other coopers' products and parts thereof, of wood, including staves

Pulp and paper of Chapters 47 and 48 of the Combined Nomenclature, with the exception of bamboo-based and recovered (waste and scrap) products

9403 30, 9403 40, 9403 50 00, 9403 60 and 9403 90 30 Wooden furniture

9406 10 00 Prefabricated buildings of wood

Rubber

4001 Natural rubber, balata, gutta-percha, guayule, chicle and similar gums; in primary forms or in plates, sheets or strip

4005 Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip

4006 Unvulcanised rubber in other forms (e.g. rods, tubes and profile shapes) and articles (e.g. discs and rings)

4007 Vulcanised rubber thread and cord

4008 Plates, sheets, strips, rods and profile shapes, of vulcanised rubber other than hard rubber

4010 Conveyer or transmission belts or belting, of vulcanised rubber

4011 New pneumatic tyres, of rubber (other)

4012 Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber

4013 Inner tubes, of rubber

4015 Articles of apparel and clothing accessories (including gloves), for all purposes of vulcanised rubber other than hard rubber

4016 Articles of vulcanised rubber other than hard rubber, n.e.s. in chapter 40

4017 Hard rubber (i.e. ebonite) in all forms

including waste and scrap; articles of hard rubber

Or. en

EXPLANATORY STATEMENT

Introduction

Global forests are the lungs of our planet. They store CO₂ and thus protect us from global warming. Additionally they host 80% of the Earth's biodiversity and provide a source of livelihood and income for about 25% of the world's population. The increasing deforestation of global forests is therefore extremely worrying. The Food and Agriculture Organization of the United Nations (FAO) estimates that from 1990 to 2020 420 million hectares of forest were cut down. This is the equivalent to an area larger than the European Union. The rapporteur welcomes that the European Commission followed the demands from the European Parliament in its legislative own-initiative report from October 2020 to propose a legal framework to halt and reverse EU-driven global deforestation. He believes, however, that there is some room for improvements to the proposal as outlined in this report.

Scope

The major driver of deforestation is the expansion of agricultural land to produce commodities such as cattle, wood, palm oil, soy, cocoa, coffee and rubber. A growing world population and increasing demand for agricultural products are expected to further increase demand for agricultural land and put additional pressure on forests. Therefore it is pivotal that the regulation does not only cover wood products, but also those commodities that are being planted or produced on former forest areas, which have been converted to agricultural land. The Commission claims that it has evaluated the inclusion of the commodities and products that will be covered by this regulation based on a detailed cost-benefit analysis and has thus selected those commodities where an intervention could bring highest benefits per unit value of trade. Although maize and rubber were included in its impact assessment, the Commission has decided not to include them in the scope of its proposal as "it would require a very large effort and significant financial and administrative burden, with limited return in terms of curbing deforestation driven by EU consumption."

The rapporteur disagrees with this conclusion and proposes to include at least rubber in the scope of this regulation. Also he enlarges the scope to products derived from palm oil-based products such as cosmetics since these products account for a large share of imported palm oil. According to the team of scientists who produced the embodied deforestation data set for the Commission impact assessment, there is a fundamental inconsistency in the cost-benefit ratio, which leads to a mismatch when estimating embodied deforestation and the associated economic value. Eventually, the Commission has calculated the embodied deforestation on the basis of the import of natural rubber only and not the value of all processed rubber products.

The rapporteur believes that the list established in the impact assessment is a good starting point, but should be further reviewed in the future to add more ambition to the regulation. He therefore asks the Commission to review the regulation two years after its entry into force and conduct, in the meantime, detailed impact assessments regarding the eventual extension of the scope to other ecosystems and commodities such as other meat, processed beef, sugar cane and charcoal.

Role of rights of indigenous people

The Commission proposal sets out three clear conditions that have to be fulfilled in order to

place commodities and products on the EU market. Unfortunately, the Commission only names compliance with national laws as one of the three conditions. The rapporteur believes that this condition should also include the respect of international standards on customary tenure rights and indigenous people. They are the first to fall victim to deforestation, losing their homes and livelihood. At the same time studies show that deforestation rates in lands held by indigenous communities are significantly lower as they tend to actively and sustainably manage the forests they live from.

The rapporteur pays a special attention to the living conditions of the most vulnerable population groups that under no circumstance shall be altered by this regulation.

Smallholders

The share of smallholders in the commodities that will be covered by this regulation is very high, reaching up to 80% in the cocoa sector for example. It is therefore fundamental to design this regulation in a way that will not lead to the exclusion of these smallholders. The rapporteur therefore emphasises the need to provide financial and technical support to help smallholders meet the new requirements in particular with regard to the geolocalisation requirement. The rapporteur proposes to allow for some more flexibility providing the possibility for geolocalisation coordinates for a production area and not necessarily for every single plot of land in order to avoid exclusion of smallholders.

Traceability System

The idea of traceability up to each plot of land via geolocalisation is the most innovative element of the COM proposal. While this new idea makes the proposal tangible and comprehensive for every citizen, it poses the biggest challenges for the implementation on the ground.

Commodities with risk of deforestation or forest degradation are often sourced from global supply chains. Companies can have up to 10,000 assortment items and up to 190,000 suppliers in their systems and ingredients with risk relevance can come from an average of 15 countries of origin. The supply chains for these commodities can differ significantly from one commodity to another. Under the current rules, it would not be possible for each product to be traced back to an individual smallholder parcel. For many commodities, operators share supply chain infrastructures. That means that trucks pick up commodities from different regions (deforestation free and non-deforestation free), mix those commodities in storages or mills where they are then transported to ships in mixed tanks that can supply several continents. Making sure that a commodity is “deforestation-free” inevitably means that segregated supply chains will have to be set up. The examples of GMO-free products have shown that this is possible, but it is complicated, requires time and is costly. The rapporteur therefore believes that the Commission should analyse the different supply chains and establish rules on due diligence requirements, traceability tools and liability rules for the different supply chains that are covered by this regulation. These guidelines should also take into consideration the specific nature of commodities. Coffee plants, for example, have to be cut down every five years. Such procedures should not be interpreted as deforestation. For the sake of allowing a proper implementation of this regulation and adapting supply chains, the rapporteur has furthermore extended the dates of application as outlined in Article 36 respectively by one year.

Due Diligence System

According to the Commission's due diligence system, operators and non-SME traders should ensure that the risk of non-compliant commodities or products being placed on the market is negligible. They shall therefore apply the concept of due diligence including the gathering of relevant information (Article 9) as well as the conduct of risk assessment and risk mitigation measures (Article 10). While the rapporteur welcomes the due diligence approach, the responsibilities and liabilities of the different operators and traders in the supply chain are very vague in the current Commission proposal leaving room for legal uncertainty. The way the Commission proposal is drafted would mean that every single operator and every non-SME trader in the supply chain has to take all the steps of the due diligence procedure. That would result in a huge administrative burden, duplication of efforts and make operators at the end of the supply chain liable for questions that are out of their control. The rapporteur therefore clarifies that the first due diligence analysis should only be conducted by the operator or trader placing a product for the first time on the EU market. 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.

Country risk benchmarking

The Commission proposal intends to set up a three-tier benchmarking system assigning countries or parts thereof with low, standard or high-risk status. Thereby the Commission hopes to incentivise high-risk countries to ensure stronger efforts for forest protection and allow for a gradual reduction of due diligence and control requirements for operators and competent authorities. The rapporteur believes that the three-tier approach will create problems rather than help in the implementation of this regulation. Assigning countries a high-risk category might be challenged by the country concerned before the WTO. While a high-risk assessment does not automatically lead to a ban for commodities from these countries, the increased due diligence criteria might deter companies from maintaining supply chains from high-risk countries. Furthermore, it would punish producers in high-risk countries or regions that have already undertaken efforts and investments to ensure deforestation-free production. The rapporteur therefore proposes to restrain the risk-benchmarking to identify low-risk countries in order to allow producers to apply simplified due diligence for these countries and incentivise other countries to undertake efforts to move towards the low-risk status.

Destruction of non-compliant products

The Commission proposal provides for the option that customs authorities may destroy non-compliant commodities or products upon the request of the competent authority. Given that non-compliant products do not pose a threat to the health of EU consumers and the EU has committed to a circular economy that avoids (food) waste to the best possible extent, the rapporteur believes that a destruction of non-compliant products cannot be justified.

Concluding remarks

EU consumption is responsible for only about 10% of global deforestation. The rapporteur is

nevertheless convinced that this proposal can make a big difference not only to the Union's contribution to deforestation, but also in the global fight against irreversible deforestation. The EU is known to lead by example. If our trade partners and third countries see that setting up deforestation-free supply chains works, they will make use of the tools that the EU will put in place and convince more and more farmers and forest owners to participate in more sustainable use of forests and agricultural land. In the end, this regulation is an inevitable step if we want to be successful in the fight against climate change. It must be clear to all of us that, without curbing global deforestation, all the efforts that we are taking on EU ground to curb climate change will be nothing but a drop in the ocean.

**ANNEX: LIST OF ENTITIES OR PERSONS
FROM WHOM THE RAPPOREUR HAS RECEIVED INPUT**

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities in the preparation of the draft report:

Entity and/or person
Fern - Making the EU work for People and Forests
Indigenous Peoples and local communities organisations (22 associations from 33 countries)
Mighty Earth
Global Witness
Greenpeace
Rainforest Alliance
Preferred by Nature
Wildlife Conservation Society
Brainforest - Gabon
Inclusive Development International
Youth for Promotion of Development - Cameroon
Synaparcam - Cameroon
Green Development Advocates - Ghana
Zoological Society of London
Resourcetrust Network - Ghana
National Action pour la Promotion et Protection des Peuples et Espèces Menacés DR Congo)
FarmForce
ClientEarth
Conservation International Europe
Environmental Investigation Agency
Forest People Programme
Accountability Framework Initiative (NGO)
ISEAL Alliance
Earthsight
Fairtrade Advocacy
Tropenbos
Solidaridad
IUCN - Netherlands
FTAO
Human Rights Watch
WWF European Policy Office
Earthworm
Round Table on Responsible Soy
Ivorian Multistakeholder organization (30 CSOs and 35 farmer`s organizations)
EDRA/GHIN - European Retail and Home Improvement Association
DIHK - Deutsche Handwerkskammer (German Chamber of Crafts)

FoodDrinkEurope - European Food and Drink Industry
BVLH - Deutscher Handelsverband Lebensmittel (German food retailer association)
PepsiCo
FEDIOL - EU vegetable oil and proteinmeal industry association
Coceral - European association of trade in cereals, oilseeds, rice, pulses, olive oil, oils and fats, animal feed and agrosupply
FEFAC - European Feed Manufacturer`s Association
AVEC - European Poultry Meat Sector
CIBE - International Confederation of European Beet Growers
WILMAR International Limited
USSEC - U.S. Soybean Export Council
CEFIC - European Chemicals Industry Council
APAG - European Oleochemicals & Allied Products Group
CESIO - European Committee of Organic Surfactants and their Intermediates
BASF
European Brands Association (AIM)
BDSI - Bund deutscher Süßwarenindustrie (German Sweets Association)
ECA - European Chocolate Association
DBV - Deutscher Bauernverband - (German Farmer`s Association)
CEPF - Confederation of European Forest Owners
CopaCocega - European Farmers and Agricooperatives
ELO - European Landowners Association
USSE - Union de Selvicultores del Sur de Europa
EUSTAFOR - Managing State Forests Responsibly
FECOF - Federation Europeen des Communes Forestieres
UEF - Union of European Foresters
Stora Enso
FFIF - Finnish Forest Industries
Swedish Forest Industries
EOS - European Organization of the Sawmill Industry
FAM
HDH - Hauptverband der deutschen Holzindustrie (Association of German Wood Industry)
French Conseil National du Cuir (French Leather Council)
Carbonex
CEPI - European Paper Industry
ECF - European Coffee Federation