

# Who am I?



- A Colombian-born-Indonesian-bred-Dutchman-with-a-Swedish-passport
- Love languages and rhetoric
- Guitar and saxophone player
- Married; three daughters and a cat
- Love sports but more “watch” than “do”
- Passionate about D&I, especially gender diversity



## Europe's historical palm oil discussion



### Ten things companies and investors can do to meet no-deforestation commitments

Deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023.

This is one of our Protect and regenerate nature goals

Explore our other Unilever Compass goals on Protect and regenerate



Plantation

**WORKING WITH  
SUPPLIERS TO DRAW  
THE LINE ON  
DEFORESTATION  
(Policy Statement)**



# EU Comm promises action ag deforestation



# Global deforestation peaked in the 1980's



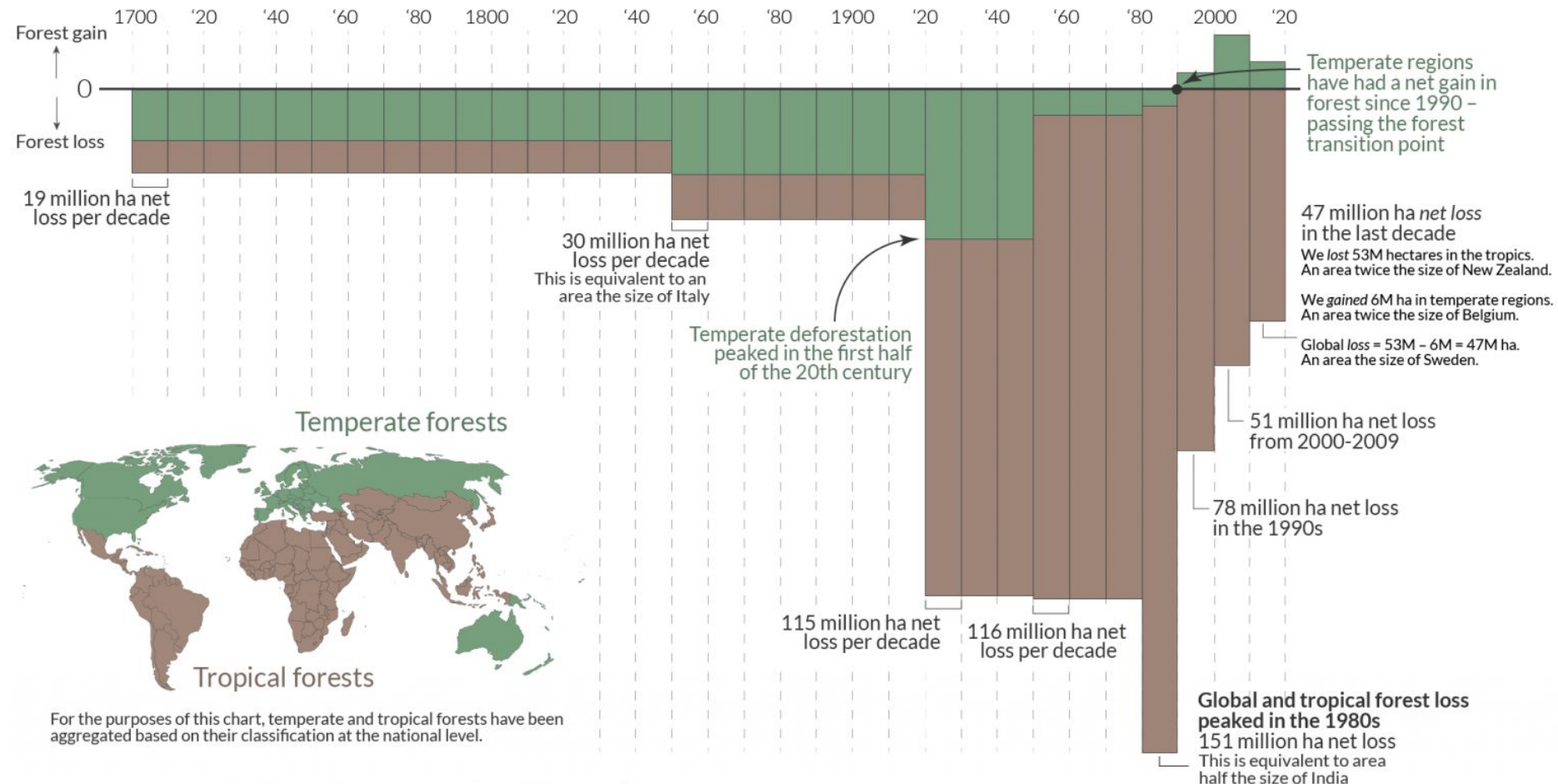
## Decadal losses in global forest over the last three centuries

Decadal forest loss is measured as the average net loss of forest area every ten years, in hectares.

This equals deforestation minus any increases in forest area through afforestation.

1.5 billion hectares of global forest was lost between 1700 and 2020 – this is equal to an area 1.5-times the size of the USA.

Our World  
in Data



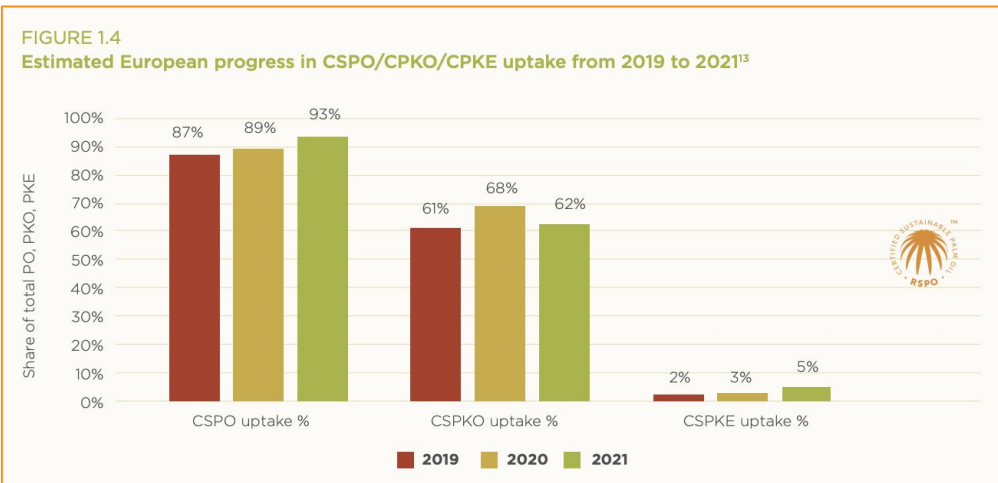
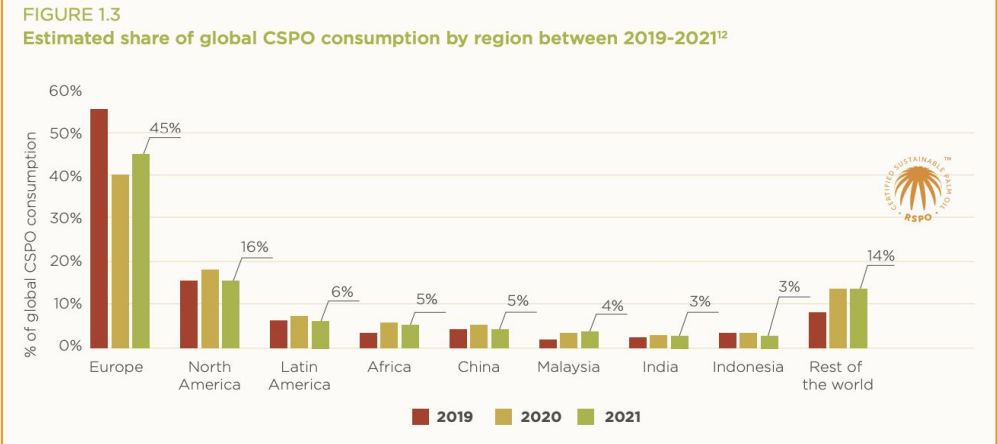
OurWorldinData.org – Research and data to make progress against the world's largest problems.

Data sources: Based on pre-1990 data from Williams (2006). Deforesting the Earth. Post-1990 data from UN FAO Global Forest Resources Assessment (2020).

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## Europe's historical palm oil discussion; state of play

- For the past two decades, Europe has been a frontrunner in sustainable palm oil
- 45 % of all CSPO produced globally goes to Europe
- 93% of all palm oil imported into Europe for food, feed and oleochemicals is certified sustainable.
- In 2020 the deforestation rate in Indonesia fell by 75% to its lowest level since monitoring began
- Latest success is the EU regulation to ban products from the EU market which are related to deforestation 6.12.2022
- There is still a lot of work to be done to raise the global uptake of CSPO and get other markets on board
- That is why Europe must continue to show there is a market for responsibly produced certified sustainable palm oil





# The changing debate

## EUROPEAN UNION



- EU member states
- EU membership candidates
- EU membership potential candidates

# Key elements of 2 EU legislative proposals



1. Regulation for an import ban related to goods related to forced labour



2. Directive for Social Corporate Due Diligence



**Regulations** have binding legal force throughout every Member State and enter into force on a set date in all the Member States.

**Directives** lay down certain results that must be achieved but each Member State is free to decide how to transpose directives into national laws.

# 1. Forced labour, the background

- **The EU's 2020-2024 action plan on human rights and democracy** includes as a priority on the part of the EU and Member States to promote the eradication of forced labour and the implementation of international standards on responsible business conduct, such as the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises and Due Diligence<sup>1</sup>.
- In July 2021, the Commission and the European External Action Service published **guidance to assist EU businesses in taking appropriate measures to address the risk of forced labour in their operations and supply chains**, based on international standards. That document served as a bridge towards legislation targeting forced labour
- The general elements of this proposal were laid down on 23 February 2022 in the Commission **Communication on decent work worldwide; proposal for a regulation banning products that are a result of forced labour and the Commission proposal for a directive on corporate sustainability due diligence**.

There are 25 million people out there, who are threatened or coerced into forced labour. We can never accept that they are forced to make products – and that these products then end up for sale in shops here in Europe.  
**So we will propose a ban on products in our market that have been made by forced labour. Human rights are not for sale – at any price.**

President von der Leyen in the State of the Union speech on 15 September 2021



# Forced Labour regulation



## Scope:

### What?

Any product that can be valued in money and is capable, as such, of forming the subject of commercial transactions, whether it is extracted, harvested, produced or manufactured (but it shall not cover withdrawal from goods that have already reached the end-user)



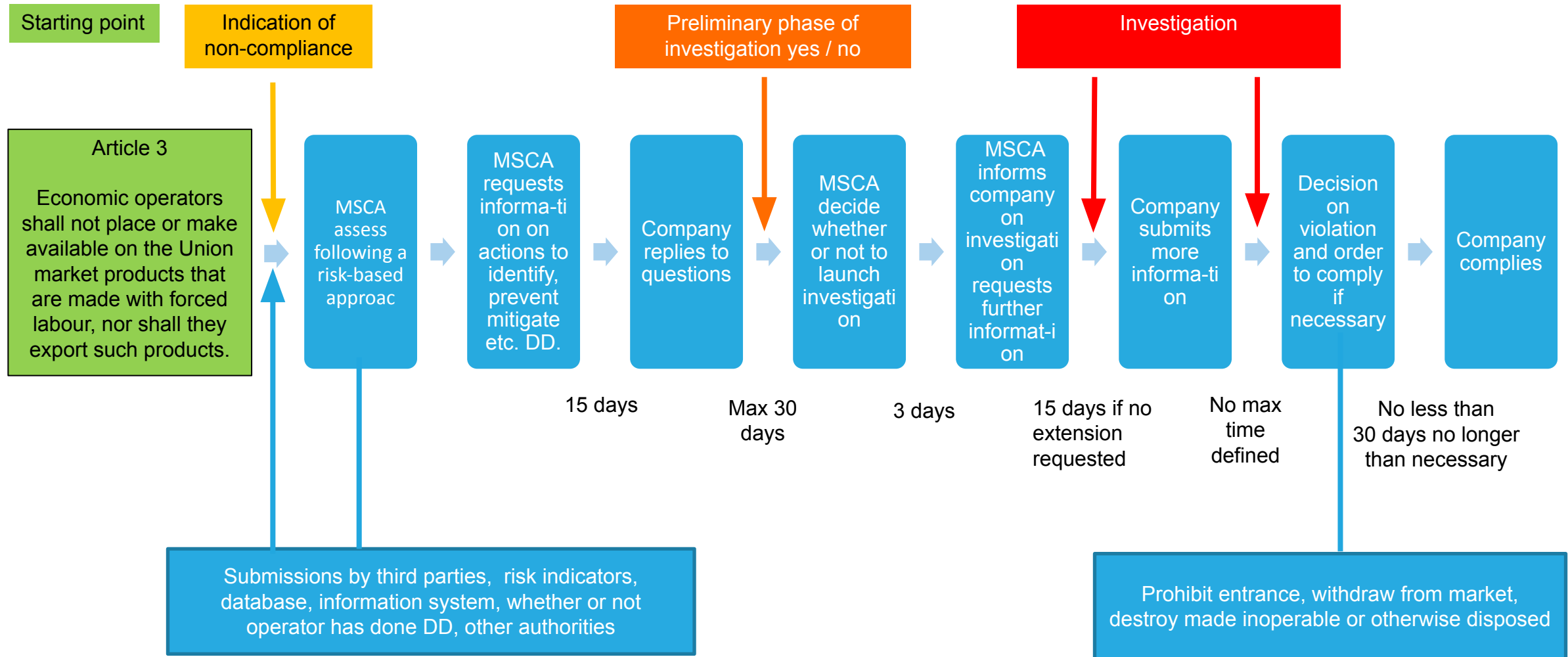
The Commission is empowered to adopt **delegated acts in accordance with Article 27 to supplement this Regulation by identifying the products or product groups** for which the information referred to in paragraph 2 shall be provided to customs authorities,..., (article 16)

### Who?

- Those who place on the market: means the first making available of a product on the Union market
- Those "who make available" : supply of a product for distribution, consumption or use on the Union market in the course of a commercial activity



# The process (MSCA = Member State Competent Authority)



## Preliminary feedback from the RSPO to the commission



1. Allegations should be evidence based and qualified with minimum requirements, in order to avoid resources being used for unsubstantiated allegations?
2. Investigation should be substantial as opposed to mere desktop research.
3. There has to be a presumption of innocence on the side of the economic operator until the Competent authorities have proven otherwise
4. What will happen with the goods that are waiting to be imported onto the EU market in the meantime?
5. Competent authorities are requested to reach a conclusion within a reasonable time frame on the case notified to them by the customs authorities. To avoid undue delay which have commercial implications, the Commission may wish to set the range for what is deemed as 'reasonable time frame'?
6. An impact assessment should be done, especially on the effect on smallholder farmer
7. 'Human Rights Dialogues' should be undertaken with key voluntary certification schemes.

## 2. Directive on Corporate Sustainability Due Diligence



### Scope:

#### What?

This Directive lays down rules (a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by **entities with whom the company has an established business relationship** and (b) on liability for violations of the obligations mentioned above.

#### Who?-

- EU Companies with + 500 employees on average and a net worldwide turnover of more than EUR 150 million;
- EU Companies with + 250 employees on average and a net worldwide turnover of more than EUR 40 million, provided that at least 50% of this net turnover was generated in one or more of the following sectors: (i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; (ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; (iii) the extraction of mineral resources, the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products
- Third country companies with net turnover of + 150 million per year
- Third country companies with net turnover of + 40 million per year if from risk sector
- SME's are explicitly excluded but will be affected as part of the value chains and the "established business relationship clause".

## 1. Due Diligence obligations

## 2. Actions to fight climate change





<i>Topic</i>	<i>Proposal</i>	Regulation to ban products linked to deforestation or forest degradation	Regulation to ban products made with forced labour	Directive on Corporate Sustainability Due Diligence
<b>Import ban in case of non-compliance</b>	Yes	Yes	Yes	No
<b>Main content</b>	Description of obligations and DD information companies must supply to show goods are deforestation free and legally produced.	Description of the process and timeline for investigation for Member States Competent Authorities (MSCA) in case of suspected forced labour in production.	Forces MS to ensure companies conduct human rights and climate change due diligence by complying with specific DD requirements	
<b>Due Diligence requirements</b>	Traceability criteria such as geolocation coordinates to plot of land; email addresses etc.	No DD but based on suspicion of NC by third parties, risk indicators, EU database etc.	Describes the steps of the Due Diligence cycle companies must fulfill and climate actions they should take	
<b>Products in scope</b>	Coffee, Cocoa, Cattle, Soy, Oil Palm Wood, Rubber; precise list in annex 1 (“certain” PO derivatives)	All goods and products as long as they have not reached end-user, can be specified in secondary legislation	Not product specific	
<b>Scope target</b>	“Operators and traders” i.e. first importers and those who handle it commercially, SME operators and traders excluded, intent is to avoid duplication of admin and costs.	“Those who place and make available on the market”, i.e. also operators and traders	EU companies + 500 empl. and a net turnover of + EUR 150m or +250 empl, and 40m turnover if risk sector such as agriculture. Non EU also with same turnover no empl. limit.	
<b>Benchmarking for producer countries</b>	3-tier, high-middle-low risk	No benchmarking but Commission will make a database of forced labour risk areas	No third country component but applicable to third country companies.	
<b>Financial services in scope</b>	No	No	Yes	
<b>Timeline and process</b>	Preliminary agreement reached 6.12.22. Technical discussions foreseen in Q1 2023; obligations for companies	First reading has taken place in Council WG, negotiations ongoing in Council over 2023. shall apply 24 months after coming	First reading has taken place in Council WG, negotiations ongoing in Council over 2023. MS must	

# Key take away



**German parliament passes mandatory human rights due diligence law**

**DUTCH LEGISLATORS PROPOSE HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE LAW**

**All you need to know about France's Corporate Duty of Vigilance law**



**Commission moves to ban products made with forced labour on the EU market**

On 1 July 2022, the Norwegian Transparency Act entered into force.

**Major investors call on UK government to implement due diligence legislation**



For your convenience



[Link EU monitoring report 2022](#)



[Link RSPO Impact Report 2022](#)

# Thank you for your attention!



- Every second Thursday of the month from 10.30 – 11.30. **RSPO members are invited to join the Monthly Member Update Meeting** from RSPO/Europe. If you want to join please reach out.
- Please feel free to contact me with any other questions or concerns on EU related affairs and the position of the RSPO at:

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