

# THE FIGHT FOR OUR FORESTS - BUSINESS Q&A

#### 1. WHAT IS THE ISSUE?

Our forests and other precious landscapes around the world – home to some of our most iconic species – are being destroyed. And the food we eat is contributing to this destruction. Agriculture, alongside overexploitation, plays a major role in species loss and has been linked to the extinction of 75% of all species since AD 1500. The most common cause of deforestation is using land for livestock and large- and small-scale agriculture.

Amazing places like the Amazon and Cerrado in South America are being burnt to clear land, which is then used to rear cattle or grow crops to feed animals, and important habitats such as rainforests are being destroyed to produce unsustainable palm oil.

Too often the food we're consuming right here in the UK has direct links with the destruction of some of our most precious places. We need to end this.

#### 2. WHAT IS WWF DOING?

WWF are campaigning to fix the food system for good. We're pushing for changes to the law to end deforestation in our food – from behind the scenes advocacy to mobilising the public support. Despite voluntary commitments by business leaders, deforestation is still deeply embedded in food supply chains. It is therefore time to change course before we lose the opportunity to protect our last remaining forests and ecosystems. And this means we need Government action, both in the UK and internationally.

To ensure the UK government achieves its ambition of becoming an environmental leader on the world stage, WWF are calling for the Environment Bill – the first of its kind in more than a generation – to include:

- 1. A legally binding time-bound deforestation target;
- 2. Due Diligence Obligation on the procurement of deforestation-risk commodities through which businesses will be legally obligated and accountable to eliminate deforestation and conversion from food supply chains;
- 3. A legally binding time-bound global footprint target.

WWF wants to see deforestation out of our food by the end of 2020. We want to see businesses involved with supporting new government legislation in order to remove deforestation from our food and improve farming in the high-risk areas.

# 3. WHAT IS THE ROLE OF BUSINESS?

Businesses are key players in halting and reversing this trend. However, despite pledges by global companies to eliminate deforestation from their supply chains by 2020, the 2019 Forest 500 report demonstrates that not a single company are on track to deliver on their commitments.

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WWF-UK – along with the wider NGO community – is calling on the UK government to implement world-leading legislation that would place a legal due diligence obligation on businesses to identify and remove deforestation from high-risk food supply chains by the end of 2020. And businesses will have a significant role in shaping and bringing about legislative intervention. This is essential to level the playing field and set the enabling conditions for businesses to meet their own commitments. All businesses depend on the services provided by a healthy natural environment. Businesses must use their economic influence to demonstrate to governments:

- How levelling the playing field will ensure responsible practices remain competitive;
- The impact that a degraded environment is having and *will* have on their business;
- That protecting natural capital is a good use of money;
- How their supply chain leverage can be used to reduce the UK's global footprint;
- How their capital can be used to leverage additional funding for natural capital restoration at scale;
- That ethical supply chains void of deforestation & conversion will be more resilient in the future:
- That responsible practices will directly help avoid stranded assets;
- That they can and *will* earn a social license to operate and thrive.

#### 4. WHEN WILL I NEED TO HAVE DONE THIS BY?

We are asking government to commit to and set legislation by the end of 2020 to remove deforestation from supply chains by the end of 2021.

We need to get deforestation out of our supply chains as soon as possible – and 2020 offers a number of opportunities to make our ambition a reality. Throughout 2020, the UK - the first time in more than a generation - must set its own environmental agenda. If used effectively and ambitiously, the Environment Bill – which is currently making its way through Parliament – could be the mechanism to deliver mandatory deforestation-free supply chains. During this time stakeholders will have a number of formal and informal opportunities to engage policy-makers across Parliament, DEFRA and Government on the need to remove deforestation from supply chains.

If just 5% more of the Amazon is lost, we have lost the fight against climate change.

# 5. SHOULD BUSINESSES REMAIN IN KEY LANDSCAPES IF THEY CAN'T GUARANTEE THEIR SUPPLY CHAINS ARE DEFORESTATION FREE?

WWF-UK believe businesses should not remove themselves from the precious landscapes they have played a part in degrading, but instead hold fast and play a positive role in the landscape's future. To halt and reverse deforestation, we need good companies in challenging places to help drive the changes needed.

To urgently protect and restore our forests, businesses must not only use their voice and leverage to help bring about the legislative changes so desperately needed (as above), but also assess their global contribution to deforestation and habitat conversion and:

- 1. Initiate and invest in conservation and restoration in key sourcing landscapes.
- 2. Take a broader socioeconomic approach to tackling interconnected drivers of deforestation at the root.

By doing so, businesses can supply sustainable and nutritious food to the growing global population while protecting our natural world for future generations.

Boycotting certain products – either through public boycotts or companies avoiding them – can have unintended consequences, both for people and the planet.

When it comes to soy for example, many smallholder farmers depend on soy for their livelihoods – and it can be produced in a sustainable way. By avoiding all soy, there's a risk of unfairly hurting those who are working to ensure soy is produce in the right way.

Similarly, palm oil is an incredibly efficient crop, producing more oil per land area than any other equivalent vegetable oil crop. Globally, palm oil supplies 35% of the world's vegetable oil demand on just 10% of the land. To get the same amount of alternative oils like soybean or coconut oil you would need anything between 4 and 10 times more land, which would likely shift the problem to other parts of the world and threaten other habitats and species.

We have an infrastructure in place to produce the required commodities for our needs – we just need to make it more sustainably and "future-proof".

#### 6. WHAT ARE THE FINANCIAL IMPLICATIONS?

To ensure supply chains are operating to a high standard, they will need to a) become and b) remain transparent. Implementing a system that ensures full transparency of multiple supply chains across an array of commodities will inevitably have financial implications – both on businesses and government. However, many leading businesses over the years have already pushed ahead of the curve to commit to and act upon ethical sourcing practices. New deforestation legislation will therefore have significantly less financial impact on those businesses as their ethical sourcing infrastructure will already be in place.

### 7. IS THIS A SILVER-BULLET?

Deforestation-free legislation in itself is not a fix-all-solution. There is an array of other environmental impacts that come alongside deforestation which will not be significantly impacted by this change. Additionally, legislation is nothing without effective implementation and enforcement – specifically enforcement that has teeth to effectively incentivise businesses.

Additionally, agricultural practices in producer countries will have a major role to play in ensuring new UK legislation will be successful. Currently, unsustainable agricultural practices – which includes regularly destroying primary forest to access healthy nutritious soil – are the cheaper option for farmers. There are more than 2 billion ha of degraded or abandoned land globally (an area larger than South America) that could be used to produce much-needed food commodities without the need to clear any more native vegetation.

Without an effective financial and supportive mechanisms to incentivise farmers in producer countries to uptake restorative agricultural practices, supply chains will be hard to shift.

# 8. WHICH FOOD COMMODITIES ARE KEY DRIVERS OF DEFORESTATION? AND SHOULD WE AVOID THEM?

There are <u>four main deforestation-risk food commodities</u> that contribute to deforestation and land use change: soy, palm oil, cocoa and beef.

Soy - UK soy imports are nearly three times higher in the UK than palm oil, yet it has received little attention until now. Recognised as a highly nutritious protein source used mostly as animal feed (approximately 80% of soy is used to feed pigs, chickens and cattle), soy has seen an 8-fold increase in production since the 1960s, and it has doubled since 2000. Soy imported to the UK uses 1.68 million hectares of land on average per year.

Palm Oil - The UKs annual imports of Palm oil – a highly versatile vegetable fat – requires a land footprint of 1.16 million hectares. It is present in over 50% of packaged supermarket products. 65% of the supply is from countries at high risk of deforestation and social issues including Indonesia and Malaysia, with some African countries becoming a new frontier region for production.

Cocoa – Cocoa imported into the UK uses 600,000 hectares of land annually, with the majority of this being produced in Cote d'Ivoire (80%). Cocoa is mostly used in chocolate goods but also beans, butter, paste and powder. Not only is there a habitat loss issue surrounding the production of cocoa, but there is also a social aspect with farmers receiving only a small percentage of the cocoa price.

The scary truth is that it's often not possible to know where deforestation is hiding in our food. From the chicken that has been fed on soy grown in the Cerrado, to the loaf of bread which contains palm oil from Indonesian rainforests.

#### 9. WHAT IS DEFORESTATION?

<u>Deforestation</u> is the loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

- Deforestation is one form of conversion (conversion of natural forests).
- No-deforestation refers to no gross deforestation of natural forests.
- Zero net deforestation refers to no net loss in forest area between two points in time, taking into account both losses from deforestation and gains from forest regeneration and restoration.

#### 10. WHAT IS HABITAT CONVERSION?

<u>Conversion</u> is the change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.

- No-conversion refers to no gross conversion of natural ecosystems
- Conversion includes severe degradation or the introduction of management practices that result in substantial and sustained change in the ecosystem's former species composition, structure or function
- Conversion under this definition is considered to be conversion regardless of whether or not it is legal

### 11. ISN'T DEFORESTATION AND CONVERSION A GLOBAL ISSUE?

Most food companies have global supply chains. We therefore need robust legislative action that can effectively address the environmental impacts in these supply chains.

By ending deforestation in our products, our Government will also be in a much stronger position to lead the world in the fight for our forests. By setting an example, we will have much more

credibility when encouraging other countries to follow our lead and stop deforestation across the world.

The UK government must also work with other global governments to tackle the global climate and deforestation emergency at every upcoming global event. We want them to use all the tools at their disposal, including trade deals, to support countries making a rapid transition to a climate and nature friendly future.

# 12. WHAT IS THE ACCOUNTABILITY FRAMEWORK INITIATIVE (AFI)?

The <u>Accountability Framework initiative</u> (AFi) is a diverse coalition of NGOs that came together to accelerate progress and improve accountability on company commitments to protect forests, natural ecosystems and human rights. The members of this coalition launched the AFi after recognising the need to close the gap between commitments and results.

The <u>Accountability Framework</u> is a set of common definitions, norms and guidelines for delivering on companies' ethical supply chain commitments.

Using the framework will provide a common roadmap for setting, implementing and monitoring ethical supply chain commitments in agriculture and forestry. The Framework provides companies with in-depth guidance to support effective and measurable improvement trajectories towards meeting their commitments. By using the Framework, companies can help ensure that their commitments, activities, monitoring systems, and reporting practices reflect common and agreed-upon norms and specifications.

By having greater clarity, consistency and effectiveness, this helps to halt deforestation, protect other natural ecosystems, respect human rights and support livelihoods.

#### 13. WHAT ABOUT BEING RTRS OR RSPO CERTIFIED?

In order to comprehensively address the interrelated environmental and social concerns related to soy, WWF initiated the <u>Round Table on Responsible Soy</u> (RTRS) in 2005 as a forum for all stakeholders involved in and/or affected by soy cultivation to voice their concerns, and develop and implement a shared vision for an industry where responsible soy practices are the norm.

The <u>Roundtable of Sustainable Palm Oil</u> (RSPO) was formed in 2004 in response to increasing concerns of the impacts palm oil was having on the environment and on society. The RSPO has a production standard that sets best practices producing and sourcing palm oil, and it has the buyin of most of the global industry.

By following these two certification schemes, WWF strongly believes that both the palm oil and soy industries can grow and prosper without sacrificing tropical forests. However, like any other certification scheme, both RSPO and RTRS are currently voluntary schemes - and the uptake of these schemes from companies has not been enough to achieve the desired results. Instead, the results have been too small and fragmented to make any progress in more sustainable practices.

# 14. AS A BUSINESSES, WHO FROM WWF CAN ADVISE US?

If your business would like to join the fight for our world, please contact the corporate partnership team on <a href="mailto:business@wwf.org.uk">business@wwf.org.uk</a>,