

THE UK'S GLOBAL FOOTPRINT

We are facing a climate and biodiversity loss crisis, caused by the massive destruction of nature. The COVID-19 pandemic has demonstrated how our negative impact on the natural world — and large-scale conversion and degradation of ecosystems for agriculture in particular — <u>can make us vulnerable to deadly pandemics</u>, which in turn can shut down the global economy at enormous cost.

WWF and RSPB's recent 'Riskier Business' report shows how the UK's overseas land footprint has continued to increase over recent years. The UK's demand for just seven commodities (beef & leather, cocoa, palm oil, pulp & paper, rubber, soy and timber) now requires an overseas land area of 21.3 million ha, equivalent to 88% of the entire country. Around 28% of this overseas footprint (nearly 6 million hectares, or an area three times the size of Wales) is located in countries experiencing high rates of nature destruction and showing poor track records of labour rights and governance, including Brazil, Indonesia and Ivory Coast.

The way in which food is produced, sold and consumed on a global scale is responsible for approximately 73% of tropical and sub-tropical forest loss while also accounting for approximately 24% of global greenhouse gas emissions. Deforestation and conversion of other non-forest natural ecosystems (eg.Savannah) are critical contributors to the depletion of wildlife, the loss and degradation of habitat, imbalances in power dynamics in the food chain and local water scarcity and pollution issues. Businesses are key players in halting and reversing this trend. However, despite pledges by global companies to eliminate deforestation from supply chains by 2020, not a single leading company is on track to deliver on its commitments. What's more, much of this deforestation is unnecessary. 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 agricultural and forestry commodities without the need to clear any more native vegetation.

Nature underpins our economy and its continued destruction and degradation poses huge economic and social risks. Now more than ever, ambitious action is needed to address our role in the nature and climate emergency. Continued inaction will not only lead to wider environmental harm, but also manifest itself in far greater operational, financial and reputational risks for businesses. The UK business community must step up and show leadership in protecting people, nature and climate.

THE PATH AHEAD

The UK must take ambitious action to stop the destruction of nature and protect and restore natural ecosystems to secure wildlife habitats, address climate change and reduce the overall risk and frequency of future pandemics. While the UK government works to establish its own environmental agenda and manage its global impact and influence, the world will be watching. Before the UK hosts the next international climate conference, COP26, as well as the 2021 G7 summit, it must legislate to fully align its environmental legislation and trade policies with its climate, environment and sustainable development commitments by:

ENVIRONMENT BILL

- Implementing an ambitious and legally-binding, time-bound deforestation target to remove deforestation UK supply chains by 2023;
- Implementing a robust mandatory Due Diligence Obligation requiring companies that place agricultural and forestry commodities on the UK market to ensure these are not linked to deforestation, conversion, land degradation or human rights abuse.

Due diligence practices will not only benefit society at large but also UK businesses themselves, by supporting and rewarding their sustainability efforts, and ensuring these efforts are not undercut by unfair competition with products that harm people and nature. Mandatory due diligence is quickly becoming an expectation of the way of doing business in many countries. It is an efficient method of consolidating reporting obligations and providing businesses with legal certainty. Far from penalising British businesses or damaging global trade, mandatory due diligence will position the UK at the forefront of current efforts to remove environmental and human rights impacts from supply chains and drive the UK to become a leader on the world-stage.

TRADE DEALS

- Bringing forward legally-binding provisions so that all new trade deals uphold high environmental, animal welfare and social standards and reduce our footprint by supporting sustainable farming that helps stabilise the climate and restore nature.
- Setting out in legislation a process for public and parliamentary scrutiny of trade negotiations and a binding vote once deals are concluded.

Trade deals that ignore commitments to nature protection and restoration would undermine both the UK's environmental regulations and the sustainability efforts of its leading businesses. Enabling imports produced to lower standards to enter the country would harm UK businesses who have built strong standards and would force them to compete with products which are cheaper and pose greater cost to people and nature. With almost 60,000 emails having been sent to government so far, the UK public have demonstrated clear opposition to the government's drop in food production standards and complicity with driving future pandemics.



ROLE OF BUSINESS

To effectively address unsustainable supply chain practices, we need the business community to send a clear message to the UK government to implement ambitious and robust legislative measures that benefit UK businesses and the UK economy. The UK government, including DEFRA, DIT, BEIS and Treasury have signalled that they need to hear from businesses regarding not only the urgent need to address the UKs global footprint through robust regulation, but also the most feasible and effective measures to do so. To offer constructive input to this process, we must create a unified business voice that shines a light on the true impact the UK has on the rest of the world as well as the path ahead.

We are living in a pivotal moment which presents a unique opportunity to drive systemic change. As we work towards recovering from the current crisis and 'building back better', and as the UK embarks upon critical trade negotiations on food and farming, we need the voices of UK businesses, civil society, public health sector and farming community to come together to advocate for high environmental standards to be enshrined in law and reflected in all our imports.

All businesses depend on the services provided by a resilient natural environment, so we ask businesses to use their economic influence to demonstrate to government:

- The impact that a degraded environment is having and will have on their business;
- How levelling the playing field will ensure responsible practices remain competitive;
- That upholding trade standards will avoid undermining farmers and food businesses in the UK;
- 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 adverse environmental and social impacts will be more resilient in the future:
- That they can and will earn a social license to operate and thrive

