



# STEPPING UP?

THE CONTINUING IMPACT  
OF EU CONSUMPTION ON  
NATURE WORLDWIDE

**SUMMARY REPORT**



This report was written by WWF using data from Pendrill et al. (2020) and Trase, compiled by the Stockholm Environment Institute (SEI)/Trase – an initiative jointly led by SEI and Global Canopy.

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## ABOUT WWF

WWF is an independent conservation organisation, with over 30 million followers and a global network active through local leadership in nearly 100 countries. Our mission is to stop the degradation of the planet's natural environment and to build a future in which people live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

The European Policy Office contributes to the achievement of WWF's global mission by leading the WWF network to shape EU policies impacting on the European and global environment.



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# EXECUTIVE SUMMARY

Around the world, forests and other natural ecosystems like grasslands, wetlands and savannahs continue to be destroyed at an alarming rate. This contributes to climate change and the loss of biodiversity and the vital services that nature provides.

The expansion of agriculture in tropical regions remains the biggest threat to forests and other natural ecosystems, leading to the conversion of around 5 million hectares of forests into agricultural land per year between 2005 and 2017. Because the agricultural commodities that drive tropical deforestation and ecosystem conversion are traded internationally, tackling the problem is not just the responsibility of producing countries: importing countries also need to take action.

The EU is taking measures to address deforestation and other environmental and human rights impacts of its consumption. This report aims to support these efforts by providing new data and insights on the EU's role in driving deforestation and conversion through the import, use and consumption of key agricultural commodities.

The data referenced in this report covers the period 2005-2017, preceding the withdrawal of the United Kingdom from the EU. As such, all data concerning EU imports includes the United Kingdom.

## WHAT WE'VE LEARNT

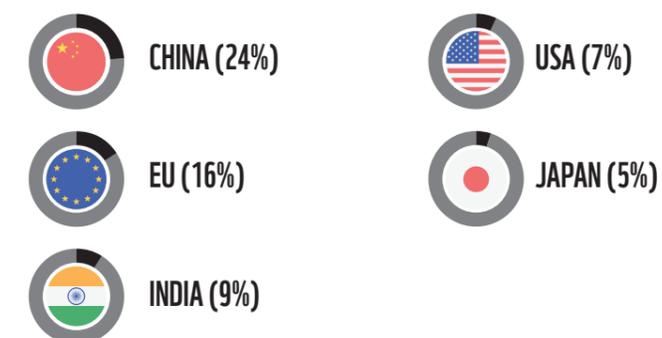
### 1 EU IMPORTS STILL DRIVE SIGNIFICANT DEFORESTATION AND ECOSYSTEM CONVERSION

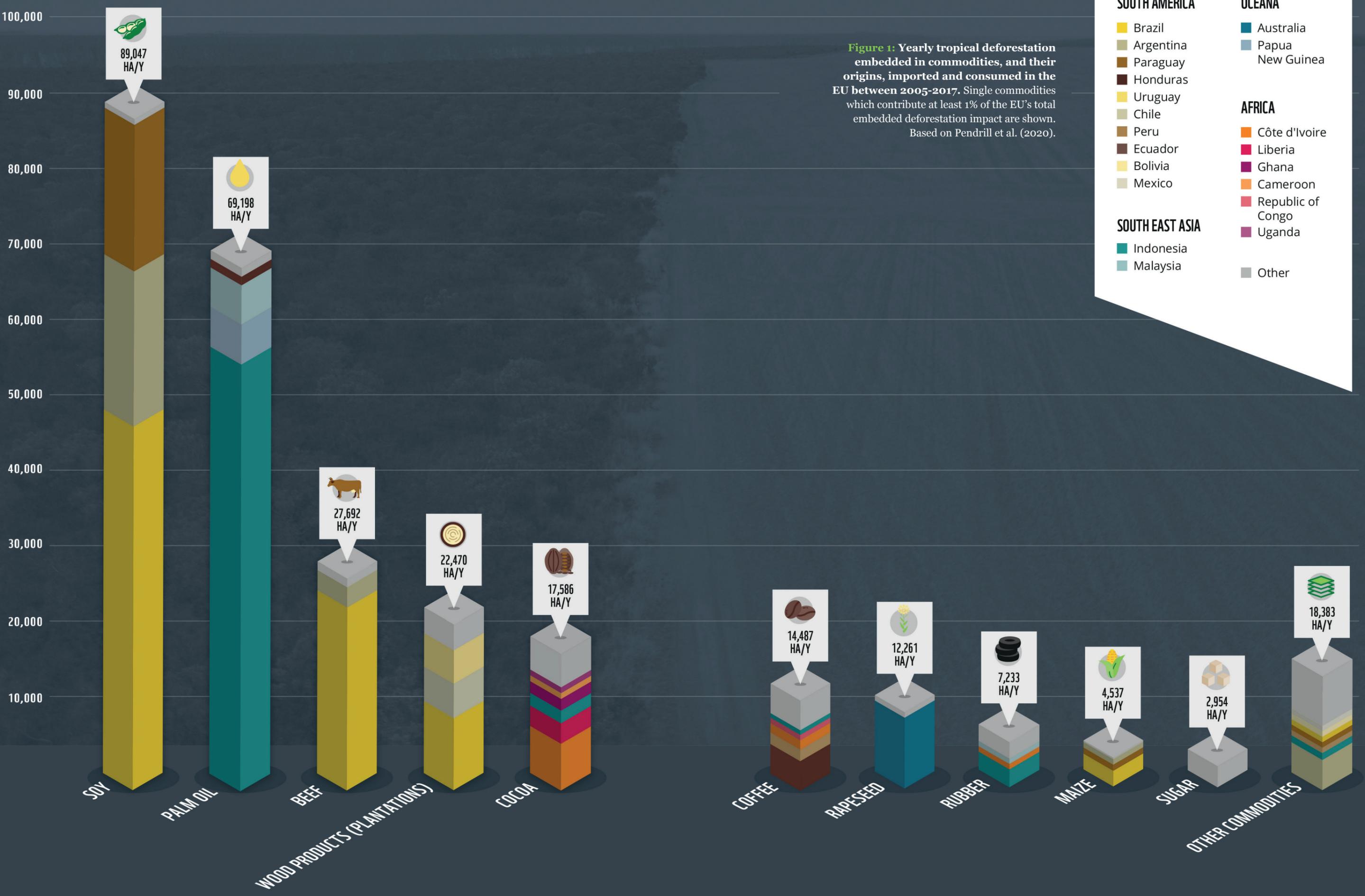
The EU is the second largest importer of tropical deforestation and associated emissions. It caused more deforestation than any other country through its imports of agricultural commodities between 2005 and 2013, before being surpassed by China in 2014. Between 2005-2017, EU imports caused 3.5 million hectares of deforestation, emitting 1,807 million tonnes of CO<sub>2</sub>. This is equivalent to 40% of the EU's overall annual emissions.

Though deforestation associated with its imports fell steadily by around 40% between 2005 and 2017, the EU was responsible for 16% of deforestation associated with international trade in 2017, totalling 203,000 hectares and 116 million tonnes of CO<sub>2</sub>. This puts it after China (24%) but ahead of India (9%), the USA (7%) and Japan (5%).

Soy, palm oil and beef were the commodities with the largest embedded tropical deforestation imported into the EU, followed by wood products, cocoa and coffee. Embedded deforestation was greatest for imports from Brazil, Indonesia, Argentina and Paraguay.

#### DEFORESTATION ASSOCIATED WITH INTERNATIONAL TRADE





- SOUTH AMERICA**
  - Brazil
  - Argentina
  - Paraguay
  - Honduras
  - Uruguay
  - Chile
  - Peru
  - Ecuador
  - Bolivia
  - Mexico
- SOUTH EAST ASIA**
  - Indonesia
  - Malaysia
- OCEANIA**
  - Australia
  - Papua New Guinea
- AFRICA**
  - Côte d'Ivoire
  - Liberia
  - Ghana
  - Cameroon
  - Republic of Congo
  - Uganda
- Other**

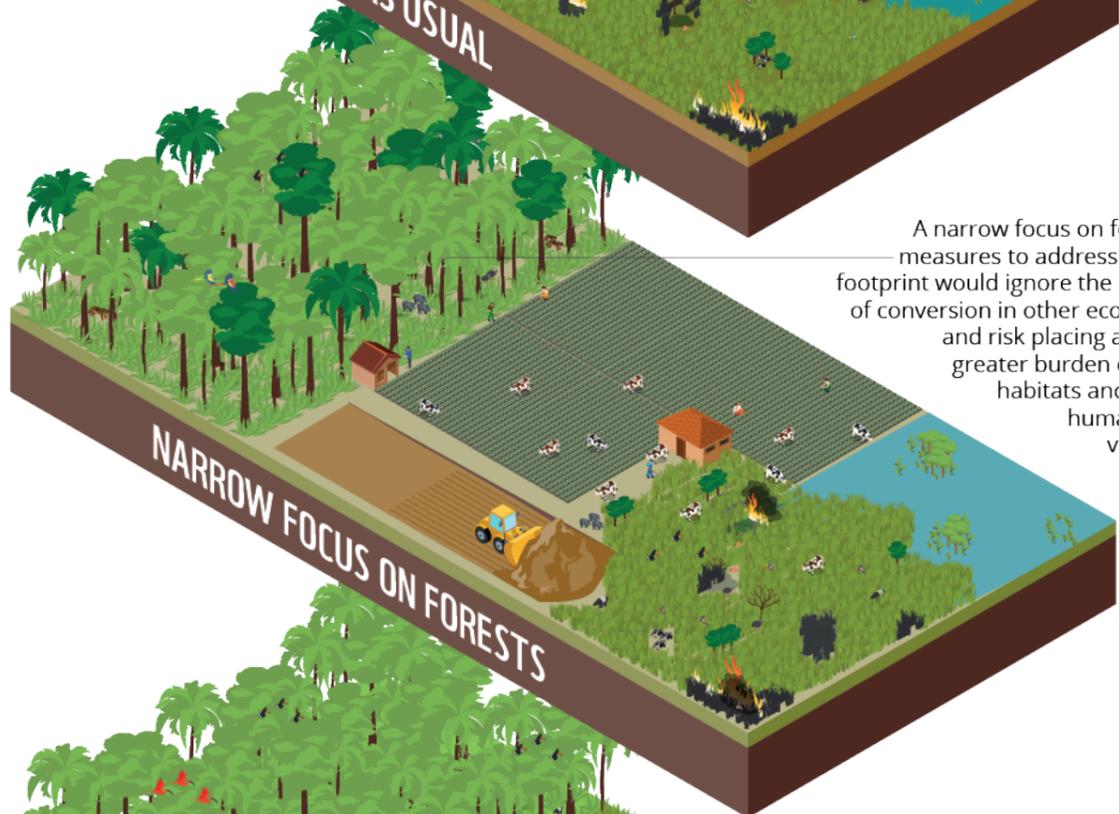
# WHY THE EU LEGISLATION SHOULD INCLUDE FOREST AND NON-FOREST ECOSYSTEMS



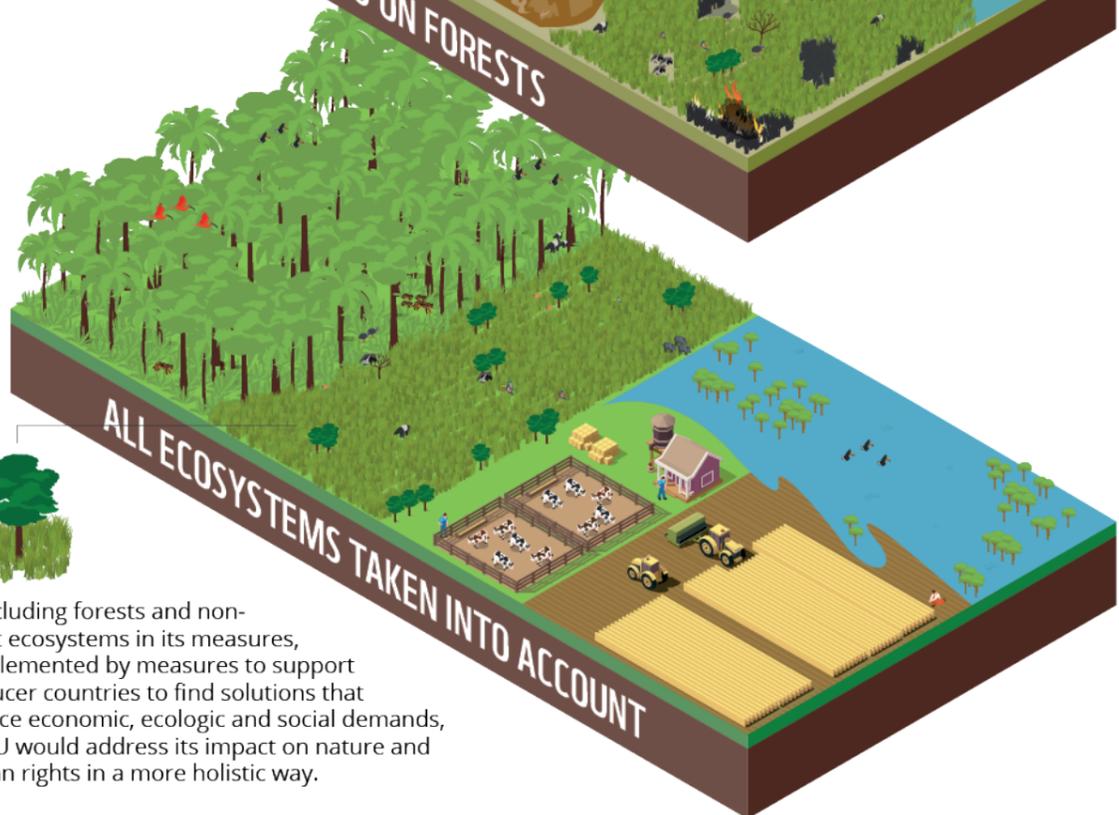
EU consumption of agricultural commodities is contributing to the destruction of forests and other natural ecosystems, including grasslands and wetlands, as well as human rights violations



A narrow focus on forests in measures to address the EU's footprint would ignore the problem of conversion in other ecosystems and risk placing an even greater burden on these habitats and related human rights violations



By including forests and non-forest ecosystems in its measures, complemented by measures to support producer countries to find solutions that balance economic, ecologic and social demands, the EU would address its impact on nature and human rights in a more holistic way.



## 2 EU DEMAND DRIVES CONVERSION IN DEFORESTATION FRONTS

EU imports are associated with production located in agricultural frontiers, where farmland, plantations and pastures are expanding into sensitive natural ecosystems. Detailed analysis shows clear links between EU consumption, particularly of soy and beef, and several of the deforestation hotspots identified in WWF's recent *Deforestation Fronts* report – the Cerrado and Amazon in Brazil and the Chaco in Argentina and Paraguay. EU imports are also likely associated with deforestation fronts in other regions, notably cocoa from West Africa, Central Africa and Indonesia and palm oil from Indonesia, Malaysia and Papua New Guinea.

Advances in supply chain transparency and traceability enable us to identify specific production locations. This can improve understanding of local drivers of deforestation and conversion and help design more effective responses. In South America, the greatest impacts of EU consumption are concentrated in the Cerrado, where imports of both soy and beef have driven large-scale conversion.

## 3 ZERO-DEFORESTATION COMMITMENTS AND CERTIFICATION SCHEMES HAVE NOT ALWAYS DELIVERED CLEAR IMPACT

Despite numerous commitments by companies and governments, efforts to eliminate deforestation from commodity supply chains by 2020 have not succeeded.

Private sector commitments are highly variable and patchy in their coverage among commodities and biomes. In 2018, 62% of EU imports of soy from South America were covered by an exporter's zero-deforestation commitment or supply-side initiative, compared to just 19% of imports of South American beef in 2017.

The zero-deforestation commitments that do exist have not always delivered the desired impact. The Amazon Soy Moratorium – an agreement by grain traders not to purchase soy grown on recently deforested land –, adopted

in 2006, contributed to a dramatic reduction in deforestation directly related to soy conversion in the Brazilian Amazon. In the Cerrado and other biomes where soy is produced, however, recent zero-deforestation/conversion commitments do not yet appear to have reduced deforestation/conversion.

While some third-party certification schemes for palm oil, soy, cocoa, coffee and other commodities seek to prevent deforestation, market uptake is limited and uneven and results are inconclusive. In some cases, certification resulted in lower forest cover loss, but there is no evidence on whether voluntary standards have wider effects on deforestation outside the boundaries of certified areas.

## 4 TO REDUCE THE PRESSURE ON NATURE, SOLUTIONS NEED TO GO BEYOND FORESTS

A narrow focus on deforestation ignores the problem of conversion in other ecosystems. While tropical forests receive most attention, non-forest ecosystems such as grasslands, savannahs and wetlands also have extremely rich biodiversity and provide vital services to local people.

Some of the most significant impacts of EU consumption are already concentrated in landscapes that do not classify as forests, as in parts of the Cerrado and Chaco. EU demand may also be driving conversion of other less scrutinized ecosystems.

Integrated approaches across regions and sectors are needed to prevent displacement or potential leakage into other ecosystems. Legislation and market policies and commitments should avoid focusing exclusively on a single biome or commodity but consider all major landscapes affected by commodities that risk driving habitat conversion. Integrated approaches can help to optimize production on already degraded lands and reduce the overall land footprint, rather than expanding into natural ecosystems.

IN 2018  
**23%**  
OF EU SOY IMPORTS FROM SOUTH AMERICA CAME FROM THE CERRADO AND  
**70%**  
OF THE EU'S CONVERSION FOOTPRINT LINKED TO SOY PRODUCTION WAS CONCENTRATED IN THIS BIOME

## 5 URGENT ACTION IS NEEDED AS AGRICULTURE EXPANDS INTO NEW FRONTIERS

Global markets are putting increasing pressure on remaining intact areas of tropical forest and other ecosystems around the world, creating new conversion frontiers. Measures to address the EU's overseas footprint need to take account of these emerging frontiers, in addition to those where most deforestation and ecosystem conversion has occurred to date.

Large-scale commercial agriculture is a primary and increasing driver of forest and ecosystem conversion in the Chaco in South America, in Cameroon and in the Mekong region in South-East Asia. Small-scale agriculture, including for cash crops destined in part for export markets, is increasingly driving deforestation and conversion in frontiers in West and Central Africa, and the Mekong region. Cattle ranching is driving deforestation in the Amazon, Eastern Australia and the Chaco.

Regulations in producing countries are not sufficient to protect natural ecosystems: even with zero illegal deforestation, 7 million hectares of land in Paraguay, 10.5 million hectares in Argentina and 88 million hectares in Brazil could still be legally deforested. This makes demand-side measures in consumer countries, including the EU, all the more important.



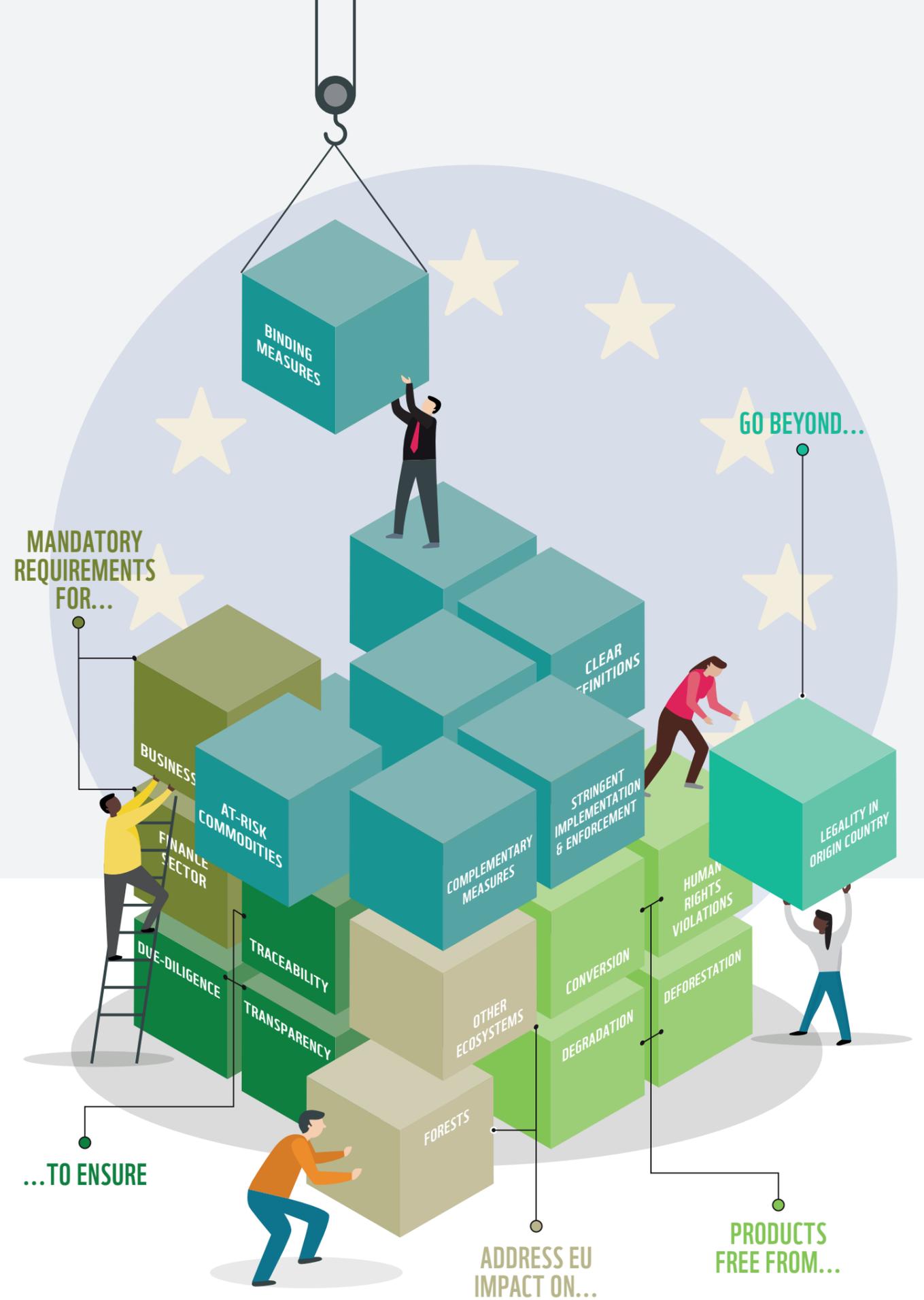
## THE FOUNDATIONS OF A STRONG EU LAW

The EU, together with other countries, committed to halt deforestation by 2020 under the Sustainable Development Goals – and although 2020 has gone by, we are far from achieving this goal. As this report shows, the EU continues to drive the destruction of forests and other ecosystems beyond its borders through its consumption of commodities.

New EU legislation, together with other complementary measures such as support to producing countries, is urgently needed to stop the destruction of forests and other ecosystems. We want to see new legislation that ensures the following:<sup>1</sup>

- 1 Products and commodities placed on the EU market are sustainable instead of only being considered “legal” according to the country of origin.
- 2 The scope of EU legislation includes the conversion and degradation of natural ecosystems alongside deforestation and the degradation of natural forests.
- 3 Based on objective and scientific criteria, the new legislation covers commodities and products at risk of being linked to conversion or degradation of natural forests and ecosystems.
- 4 No violation of human rights is linked to the harvest or production of commodities placed on the EU market.
- 5 Mandatory requirements are introduced for businesses and the finance sector to ensure due diligence, traceability of commodities and supply chain transparency.
- 6 Clear definitions are provided for relevant terms and concepts used in the legislation.
- 7 The legislation is stringently implemented and enforced across the EU Member States, with effective, proportionate and dissuasive sanctions.
- 8 Complementary additional measures are introduced to address the destruction and degradation of natural forests and other natural ecosystems.

1. For WWF's full position and asks, please see: [wwf.eu/wwf\\_news/publications/7uNewsID=2175966](http://wwf.eu/wwf_news/publications/7uNewsID=2175966)



**OUR MISSION IS TO STOP THE  
DEGRADATION OF THE EARTH'S  
NATURAL ENVIRONMENT AND  
TO BUILD A FUTURE IN WHICH  
HUMANS LIVE IN HARMONY  
WITH NATURE.**



Working to sustain the natural world for the benefit of people and wildlife.

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