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Products of Nordic forest destruction end up on EU supermarket shelves

Through the consumption of widely spread consumer products that come from cleared and degraded land, the European Union (EU) contributes to the destruction of forests and other ecosystems, within and outside its borders. A recent WWF report estimates EU consumption to be responsible for 16% of tropical deforestation linked to internationally traded commodities like meat, palm oil or soy.

The EU's own forests are also suffering. One culprit is the production of timber for pulp and paper products that leads to the fragmentation, degradation and loss of forest. For example, logging in the boreal ecozone in Sweden and Finland – Europe's most forested countries – threatens its rich biodiversity and carbon services. Often, the destruction of ecosystems goes hand-in-hand with the violation of Indigenous People's rights and the EU's only Indigenous community, the Sámi in Sweden and Finland, are no exception.

New Greenpeace Finland analysis of the supply chain of major Finnish forest company Metsä Group confirms that a fraction of its wood products came from the degradation of Finnish forests. In 2021, Metsä Forest delivered a total of 35.3 million cubic meters (32.7 million cubic meters in 2020) of wood to clients and consumers all across Europe and beyond. Metsä has an almost entirely integrated production line, which means that, from the raw timber to the final cardboard product, Metsä Group entities are responsible for every step of the production.

To uphold the EU's commitments on climate, biodiversity and human rights, the European Commission published a proposal in November 2021 for a new EU anti-deforestation law that would for the first time cut deforestation and forest degradation as well as human rights violations out of the supply chains of products sold in the EU. In the case of timber, it would require companies to trace the wood back to the source where it was harvested, and to use geolocation to verify that the wood sold in the EU was not linked to forest degradation as defined by the law.

In an effort to ensure that the legal requirements for their businesses are as few and as weak as possible, associations of forest companies and governments in Sweden and Finland make sure that the interests of the forest industry are not undermined by the draft EU anti-deforestation law and maintain that the EU has no competence to regulate the use of the forests in member states. They are pushing to undermine or repeal provisions aimed at preventing the marketing of wood and wood products linked to forest degradation.

The public stance on the issue is clear: In 2020, over a landmark 1,193,652 people made submissions to the EU's public consultation on deforestation, demanding a strong EU law to protect the world's forests, and a recent European poll found that 82% of respondents believe businesses should not sell products that destroy the world's forests, while 78% believe governments should ban products from deforested areas. In addition, the Greenpeace European Unit and over 140 other environmental, social justice, Indigenous rights and human rights organizations recently published a statement addressed to the European Commission, European environment and agriculture ministers and Members of the European Parliament involved in negotiations on the new EU anti-deforestation law.

① Nordic forests under pressure

1.1 The EU's forests

The EU natural forests fall into several categories. The majority of EU forests are semi-natural forests, so have been altered by human influence. Primary forests lack visible indications of human activity, ecological processes are not disrupted, and biodiversity is high. With less than 3% they are generally very rare in Europe and often located in remote areas. According to a study, two thirds of Europe's primary forests are located in Finland. More than half of primary forests are not strictly protected, exposing the untouched nature to commercial exploitation.

Eurostat found Sweden and Finland to have the largest forest areas in the EU. But a study uncovered only 8,8% of Sweden's entire forest land is formally protected, whereas slightly over 6% of forest land is under strict protection in Finland according to the Ministry of Agriculture and Forestry of Finland.

The boreal forests, the world's largest land biome, featuring coniferous forests and wetlands, span large expanses of northern countries including Sweden and Finland. The European Commission says over half of all European bird species have part of their breeding grounds here. According to the Commission, "*commercial forestry is the dominant land use throughout the region so the forest is mostly of reduced conservation value.*"

1.2 Swedish forests and the forestry industry

According to the Swedish University of Agricultural Sciences, between 2015 and 2020, the amount of red-listed (i.e. threatened) species in Sweden has increased by 11%. 40% of these red-listed species depend on forests, including animals and plants native to Sweden.

Continued clear-cutting of valuable forests and further fragmentation threatens the survival of animal and plant species and stands in the way of achieving Sweden's environmental goal of "levande skogar" ("living forests"). This goal is one of 16 environmental goals that describe what the Swedish government and parliament is supposed to achieve with its environmental policies by 2030. It is intended to protect the remaining biodiversity in its forests, as well as social values and sustainable production of wood. The latest assessment on the progress of this goal by the Swedish Forest Authority shows that the development is negative as valuable forests are cut down.

Additionally, destructive forestry practices threaten the livelihood of Indigenous reindeer herders and their ability to engage in their traditional activities. Traditional reindeer herding depends on expanses of old-growth and natural forests to provide shelter and the main source of food supply – ground and hanging lichens. Forest degradation reduces and fragments these forests which negatively impacts the availability of lichen. According to the Swedish University of Agricultural Sciences, reindeer herding territories experienced a decrease in lichen by 70% since 1950. Hanging lichen has decreased by 51%. The main reason for this is clear-cutting: about 60% of productive forest in Sweden has been clear-cut since 1950.

Sweden's Environmental Protection Agency's preliminary data for 2021 found high logging levels and poorer growth in its forest has sharply decreased the country's net storage of carbon dioxide from 30 million tonnes to 25 million tonnes, complicating Sweden's ability to reach the EU's climate targets for the land use sector.

But forestry plays a historic role in Sweden. It has shaped the country's forest landscape. Today, still about half of the forest area is owned by individuals, whereas 24% is owned by large companies such as SCA and Stora Enso. According to state-owned forestry company Sveaskog, it is the biggest single forest owner in Sweden. It owns 14% of Swedish forests, which corresponds to 3.9 million hectares.

The dominant management system in Swedish forests – for company-owned as well as private and state-owned forests – is so-called even-aged management. In this management system, forests are clear-cut when they are deemed mature (60 years and older) and replaced with planted monocultures, usually of pine *(Pinus sylvatica)* or spruce *(Picea abies)*. This method has dire consequences for biodiversity and people. In addition, the Swedish Environmental Agency recently published figure shows a decline in carbon sequestration in Swedish forests due to decreased growth and high logging pressure.

The Swedish Forestry Industry is both intensive and export oriented. While owning less than 1% of the world's forests, Sweden provides almost 9% of the global paper exports according to the Royal Swedish Academy of Agriculture and Forestry. This makes Sweden the world's third biggest exporter of forest products, after the USA and Canada.

This intensive forestry affects the whole country. It is reported that only between 10 and 15% of Sweden's forests are natural forests – so forests that have not been planted or heavily shaped by human activity. Most of these natural forests are located in the Swedish part of the Scandinavian mountains, where harsh conditions keep growth and forestry low. In the rest of the country the last natural forests are exploited in order to feed the Swedish and the global appetite for paper packaging, pulp and even bioenergy.

Forest degradation in Sweden (© Jason White, Greenpeace)

1.3 Finnish forests and forestry industry

In Finland, forest sinks decline as felling continues. Especially the age class structure of the forests is deteriorating. While older forests have more vegetation, younger forests are less biodiverse, store less carbon, and are more vulnerable to the effects of climate change. As a result of the felling of older forests, for the first time, the land use sector turned from a carbon sink into a net source of emissions in 2021. According to an estimate for greenhouse gas emissions in 2021, the land use sector as a whole produced an equivalent of 2.1 million tonnes of CO2. As the emissions (without land use sector) were 47.7 million tonnes it is clear that the land use sector needs to be a carbon sink instead of a source if Finland wants to achieve the EU or national climate targets. A key reason for the collapse of the sinks was an increase in felling (2021: 76.3 million cubic meter of wood) and a slowdown in tree growth. As a result, a whopping 76% of Finland's forest habitats, home to the majority of threatened species (31%), have been classified as threatened. The logging of the last remaining old-growth forests and forests with high conservation values continues – even in state-owned lands – and so the endangerment of forest species remains high.

Even-aged, or rotation forest management (RFM), has been the most commonly applied forest management strategy in Europe. In Finland, for example, this type of forestry has been practiced since the early 1950s, with a strong tendency to favor conifers.

The loss of biodiversity due to such monocultural forestry practice is obvious. However, it is also a climate problem: when a forest is clear-cut the sink is lost and the carbon released back into the atmosphere.

An example is the clear-cut in Ylöjärvi – a typical example of how managed forests are used. The biodiversity was lost, the carbon in both soil and the logged trees ended up in the atmosphere. In October 2021 activists laid out the letters “luontokato” (“loss of nature”) showing the audiences how biodiversity is lost in industrial forestry.

Activists expose biodiversity loss in managed forest in Ylöjärvi (© Greenpeace / Anton Verho)

② Metsä: The Finnish forest on EU supermarket shelves

In analyzing its supply chain, Greenpeace Finland found that Metsä Group, one of Finland’s biggest forest industry corporations, is not keeping its promise of sustainability. It sells large volumes of paperboard, pulp and wood products. These kinds of products are at risk of being linked to the destruction of natural forests and biodiversity of Europe’s North, including due to the sourcing of wood from ecologically valuable forests that do not enjoy adequate protection under Finnish law.

Finnish timber moves through distribution hubs and hands all the way to companies and consumers across Europe, unaware of Metsä's impact on ecosystems, making them unwittingly complicit in the destruction of Northern forests.

The analysis, which focused on Belgium, France, Germany, Italy, the Netherlands, Spain, and Switzerland, identified over 31 companies that have received Metsä paperboard, pulp and wood products in 2022 and previous years, including:

- DURERO (Spain)
- IGEPA (Germany)
- STI Group (Germany)

2.1 A taste for forest destruction

The Finnish Nature Panel, an independent panel of scientists, has recently confirmed what numerous official scientific assessments have already found out many times before: the forests are the major habitat for species in Finland. According to the Panel the main reasons for the increased amount of endangered species and habitats are too little protection, overlogging and industrial forestry logging methods causing loss of biodiversity.

Metsä, as the other forest companies in Finland, mostly and massively uses managed forests, but there is proof of examples where they logged or bought wood from a formally unprotected but ecologically valuable forest.

Last winter, despite its promises not to do so, Metsä admitted to having cut down an ancient natural forest in Inari, between the protected areas of Mutusjärvi and Muotkatunturi. The cutting method used had been reported to the authority as cutting of hold-overs, so the removal of the largest individual trees in the forest. However, the result was close to a clear-cut of the forest. Greenpeace Finland documented pine trees of up to 400 years of age being felled and removed. This cutting is far from sustainable and violates the principles of both certifications Metsä relies on – FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification). This comes to show that certification systems are unfit to prevent the degradation of forests.

The pictures below were taken from the same forest area before logging in the summer of 2021 and after logging in June 2022.

Several hundreds years old intact forest in Inari before the logging by Metsä Group, June 2021 (© Greenpeace/Olli Manninen)

Forest degradation in the same forest in Inari, Finland, June 2022 (© Greenpeace/Olli Manninen)

Hundreds of years old wood for Metsä pulp mill from the ancient Inari forest (© Greenpeace/Olli Manninen)

Metsä's pulp mill in Kemi – almost 500 kilometers south of the logging site – is the most likely destination for wood from this far north. In any case, this logging provides another example for ancient natural forests being cut down and used for Metsä's products.

According to public information further logging is planned in many similar forest areas in Inari and elsewhere in Northern Finland. Scientific expert group Luonnonmetsätyöryhmä has been mapping the Finnish old-growth and other High Conservation Value Forests during the last two years in state-owned lands, and reported hundreds of examples of unprotected natural forests that host large numbers of habitats of red-listed species. These forests would need urgent protection as part of Finland´s commitment for biodiversity protection; however, the decisions of protection have not been taken by the authorities, and tens of these areas have been marked for logging and are thus under threat of being altogether logged or severely degraded. The main clients in the event of possible logging operations are the two largest wood buyers from Finnish state forestry enterprise Metsahallitus: Finnish forest giants Metsä Group and StoraEnso.

Metsä: Pulping the forest mill after mill

Almost all the Metsä Group products are certified by FSC or PEFC or both. However, the Inari example shows wood from old natural forests still ends up in the company's supply chains proving how unreliable certification systems are and the need for a strong new EU anti-deforestation law that will put in place an actual mechanism that will stop products of forest destruction from being sold on the EU market.

The table below shows the sales in Europe in 2021:

	Sales in million € (2021)
Finland	987.9
Germany	535.5
Italy	186.9
Sweden	231.2
France	195.3
Poland	142.8
Other EU Countries	712.8
EU total	2,992.4

Metsä's mills in Finland and Sweden

Kemi mill (Finland)
More than 2.8 million m³ of wood were turned into 610,000 tonnes of chemical pulp at Metsä's fiber pulp mill in Kemi, Northern Finland, in 2020. This mill produces softwood and hardwood pulp, biochemicals and bioenergy.

A large share of the mill's capacity was used to produce 425,000 tonnes of white kraftliner, e.g. used for MetsäBoard in 2020. Vessels would transport the products from either Ajos port in Kemi or ports in Southern Finland to clients in Europe and North America.

Currently, Metsä is building a new pulp mill in Kemi which further increases the demand for wood. Once the construction is completed, the Kemi bioproduct mill will use approximately 7.6 million cubic meters of pulpwood a year, which is 4.5 million cubic meters more than the current pulp mill in Kemi.

The investment in the mill is massive. According to Metsä, the value of the investment totals EUR 1.85 billion making it "the largest investment ever made by the Finnish forest industry in Finland."

Äänekoski mill (Finland)
Each year, the bioproduct mill in Äänekoski, Finland, turns around 6.5 million m³ wood into up to 1.3 million tonnes of pulp. According to Metsä, the mill is "the largest wood-processing plant in the northern hemisphere." The mill manufactures softwood and birch pulp for board, tissue and printing paper and speciality products. Board products then go to the board mill in Äänekoski, producing 260,000 tonnes of folding boxboard every year that is transported to ports on Finland's south coast by rail or road and from there to buyers in Europe.

Joutseno mill (Finland)

The pulp mill in Joutseno, Finland, turns more than 3.3 million m³ wood into pulp each year. It is mainly used for boxboard production at Metsä's board mills such as Tako Board Mill in Tampere and the board mills in Simpele and Ääneskoski.

Rauma mill (Finland)
The Metsä Fibrepulp Rauma mill in Rauma, Finland, consumes 3.3 million m³ to produce softwood pulp which is then used for paperboard, tissue and printing papers, and speciality products.

Husum mill (Sweden)
Norra Skog has purchased from Metsä a 30% stake in the pulp mill in Husum, Sweden. Norra Skog supplies the mill with wood along with several more domestic and international wood suppliers. The board and pulp mill produces folding boxboard, uncoated white kraftliner and bleached chemical pulp for main markets Europe and North America. Ships are transporting the products to terminals in Germany, the UK and North America where they go on via rail or road to clients.

③ The Commission's proposal for an EU regulation on deforestation-free products

The EU is taking action to address the loss of biodiversity and the impact on climate change due to deforestation and the degradation of forests described in the previous sections.

On 17 November 2021, the European Commission published a legislative proposal to prevent commodities and products linked to deforestation and forest degradation from being placed or made available on, or exported from, the EU market. The Commission's proposal equally applies to EU and non-EU commodities and products.

This proposal aims at regulating a number of commodities (palm oil, soy, beef, cocoa, coffee and, which is relevant for this briefing, wood) as well as products deriving from, or containing such commodities. It foresees that these can be placed and made available on the EU market (or exported) only when they are deforestation and degradation-free and when they comply with the law of the country of production. Once approved, the proposal will replace Regulation 995/2010 (the EU Timber Regulation), which prohibits the placing of illegal timber on the EU market. It will require timber to be not only "legal", but also "sustainable" (i.e. deforestation and degradation-free).

In order to meet the new legislation's sustainability standards, commodities and products (including wood and wood products) sold in the EU will have to be produced on land that was not deforested, or subject to forest degradation, after a given cutoff date (31 December 2020, according to the Commission Proposal).

The legislative proposal foresees that companies that place goods like wood or wood products on the market will have to carry out “due diligence”. This is a process that consists of

1. the collection of information on the precise origins of the goods (e.g. the plot of land where the wood was harvested including geolocalisation coordinates),
2. the assessment of the risk that these goods might be linked to deforestation or forest degradation or that they might have been produced illegally, and
3. the mitigation of those risks, so that they are, at most, negligible.

In the proposal, the Commission excluded the possibility for companies to use certificates in order to prove the compliance of their goods with the requirements of the law. Instead, they will only be able to rely on certificates as “complementary information”. This means that the use of certificates will not shield operators from liability, in case their commodities and products are found to be in breach of the law.

The Commission proposal came at the end of a long preparatory process: on 23 July 2019, the Commission published a communication on “*Stepping up EU Action to Protect and Restore the World’s Forests*”, in which it committed to assess the option of putting laws in place to regulate the demand of forest and ecosystem risk commodities, “*in order to increase supply chain transparency and minimize the risk of deforestation and forest degradation associated with commodity imports in the EU*.”

One year later, on 22 October 2020, the European Parliament adopted a report with “*Recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation*”. In this report, the European Parliament pointed out, among others “*that global preservation of forests and preventing their degradation are some of the biggest sustainability challenges of our times*” and that the “*destruction and degradation of natural forests is not only happening in tropical areas, but all over the world, including inside the Union and in its direct neighborhood*”.

The European Parliament called on the Commission to present the legislative proposal that is currently being discussed by the European Parliament and by the ministers of EU member states.

④ Opposing EU anti-deforestation rules

4.1 The industry asked …

The Swedish Forestry Industries Federation (Skogsindustrierna, or SFIF) and the Finnish Forest Industries Federation (Metsäteollisuus, or FFIF) made it clear at the outset that they did not favor the adoption of new legislation to regulate the EU forestry sector.

They have carried out lobbying activities on behalf of their members – some of Europe's biggest forest companies like StoraEnso (Finland), UPM (Finland), SCA (Sweden) and Metsä Group – to influence the decisions of the Commission, of Members of the European Parliament and the positions of the Swedish and Finnish governments.

Their position is that forestry products (such as wood, wood pulp or cellulose) should not be subject to the deforestation and degradation-free requirements set out in the Commission proposal and that, in any case, these requirements should not go beyond those already foreseen under the legislation in force in Member States.

At the end of 2020, the Commission launched a public consultation, to gather stakeholders' views on the legislative proposal in preparation.

Skogsindustrierna took the radical view that wood and wood products should not be included in the scope of the proposal: "*as forest products is not an important factor of deforestation, SFIF highly recommends the European Commission and the co-legislators to focus on the products containing the commodities outside the forest sector to tackle the issues related to global deforestation*".

In its submission, Metsäteollisuus made similar points: firstly, it argued that the new legislation should focus on agricultural commodities and not on wood "*agricultural production is the main driver of deforestation with soy, palm oil and cocoa representing 80% of EU imports from deforested area*". Secondly, it claimed that rules to prevent forest degradation should not apply to "*commercial, sustainably managed forests"*, and it called for wood to be regulated by the existing EU Timber Regulation (which only tackles illegal logging and not deforestation or forest degradation).

The position of these two industry organizations did not change during the legislative process. They continued to advocate for the weakening (or even the deletion from EU law) of rules to prevent forest degradation, for the recognition of national practices as sustainable (even though, as shown above, these practices are responsible for the destruction of boreal forests) and for the recognition of certificates as a proof of compliance.

Indeed, in its “*Position on the proposed regulation on deforestation-free products*” of 15 February 2022, SFIF insisted that the proposed legislation should *“focus on ensuring that EU consumption does not cause deforestation or comes from illegal activities*”, but should not regulate forest degradation on the grounds that “*while forest degradation is a serious problem, the concept is complex and context- and country-dependent*”. SFIF also argued that the EU should not adopt a common definition of forest degradation (which would have encroached with the Swedish industry’s exploitation of Boreal forests), suggesting instead that if the law was to include forest degradation *“the FAO approach of defining forest degradation at the national level”* should be followed, *“while ensuring that forests are managed according to the principles of sustainable forest management*”.

SFIF also took the view that new legislation should rely on “*existing global forest certification schemes, such as FSC and PEFC*” as “*key tools in the forest industry’s risk management and risk mitigation procedures*.” And it challenged the *“requirement on operators to collect the geographic coordinates of all plots of land where the relevant commodities and products were produced*” on the grounds that it would lead to “*a substantial implementation challenge and a disproportionate increase in administrative burden*.”

Likewise, in its 2022 report on “Forest Industry’s Current EU Affairs”, Metsäteollisuus took a very negative stance on the new EU legislation, arguing among others that it should not apply to the forestry sector, that it should not aim at preventing forest degradation and that it should not encroach with national sovereignty on forests: “*From the point of view of the forest industry, the regulation should only apply to deforestation caused by agricultural use and not to forest degradation. While forest degradation is a serious issue, it is also very specific to land and forest ecosystems and therefore complex to define and measure. Moreover, defining criteria for sustainable logging at EU level overrides national sovereignty over forests. Therefore, this legislation should focus only on combating deforestation without causing significant harm to sectors and operators acting responsibly.”*

Metsäteollisuus also claimed that the new law should allow operators to rely on certification schemes, instead of requiring the traceability of wood and the exercise of due diligence: “*Although the aim of the regulation to halt deforestation is commendable, its means of collecting data on wood procurement are excessive. The proposal would require operators to be able to demonstrate, in addition to the legality required by the EU Timber Regulation, that a product placed on the EU market or exported to third countries is deforestation-free and does not cause forest degradation.*” *[...]* “*The forest industry welcomes efforts to combat deforestation, but the associated verification methods must be affordable for companies. In addition, the key role of voluntary forest certification schemes in demonstrating sustainability must not be overlooked. Market-based certification schemes are global tools that have long been developed in extensive cooperation with various stakeholders*.”

4.2 … and the EU governments followed …

In the context of the Council negotiations on the new legislation, the Swedish and Finnish governments took position on the Commission's proposal to lay out rules to prevent forest degradation linked to the production of wood and wood products.

The positions of the two governments reflected the perspectives, objectives and demands of their respective industries: the EU should not try to regulate deforestation in a way that would limit operators' ability to exploit forests. According to the governments, the EU should respect national sovereignty on forests (a position that would jeopardize the Union's ambition to introduce sustainability criteria for commodities and products) and, ultimately, the definition of forest degradation should be reworded or even deleted from the legislative proposal.

In particular, Sweden took the view that "*when we take action against global deforestation and forest degradation we must bear in mind that economic, social and environmental conditions for farming and forestry vary between countries both within Europe and beyond*" and that "*the new legislation should separate legal deforestation within the framework of sustainable land use from illegal deforestation"*. (Agri Council of 21 February 2022)

It argued that "*the proposal needs to more clearly reflect the diversity and different characteristics of forestry in different countries and regions*" and that "*the new rules must respect member states' competence and it must still be possible for member states to design cost efficient policies*." (Environment Council of 17 March 2022)

With reference to the definitions, Sweden clearly stated, at the meetings of both the Agriculture and Environment Council, that "*the proposal also includes definition that are inappropriate in their current form as they would lead to detailed regulation on national forestry*" and concluded that "*it is therefore necessary to redraft some of the proposed definitions such as forest degradation and sustainable harvesting operations or delete them from the text*."

Along the same lines, Finland made clear its view that "(*t)he forest degradation Regulation has an impact on the whole value chain of forestry*", thus highlighting its intention to prioritize economic over environmental interests, and stressed that "*forest policy has to in the future be a national prerogative and national competence because member states and their forests are very different*" (AGRI Council of 21 February 2022). If upheld, such a position would undermine any effective common EU action to minimize the impact of its consumption on natural forests and ecosystems.

Concerning the issue of degradation and its definition, Finland stated that "*definitions have to be unambiguous and as widely acceptable as possible taking into account also international cooperation. This concerns especially the definitions of forest degradation. The whole issue on forest degradation involves many difficult questions. These are associated with for example administrative burden, trade policy and level playing field*." (Environment Council of 17 March 2022).

Other EU Ministers, including Poland, raised concerns on the definition of forest degradation, with the Polish Minister stating his support for the position defended by Sweden: "*in terms of definition just to keep it short, I can fully support what Annika [the then Minister for Climate and Environment] said for Sweden.*" (ENVI Council of 17 March 2022).

Critical comments of this type triggered a reaction from the EU Environment Commissioner during his closing remarks at the ENVI Council who responded to concerns on definitions by reminding the audience that they are based on work from the FAO and the sustainability criteria to the renewable energy directive and warned of the danger of leaving them to the national level to decide: *"this would mean losing the deforestation-free sustainability element and we would go back to just legality. This is precisely what we don't want to".*

In June 2022, after months of negotiations, European Environment Ministers finally agreed on a common position (general approach). Instead of strengthening the Commission proposal, they severely weakened it by supporting a new definition of "forest degradation" that would only apply to the conversion of primary forests into plantation forests. Primary forests make up for an extremely small percentage of Europe's forests (below 3% according to the European Commission's Joint Research Center).

This new definition would leave the vast majority of forests in the EU unprotected and allow the continuation of many harmful forestry practices. Combined with the definition of "deforestation" proposed by the Commission, which only applies to the conversion of forests to agricultural land, this narrow definition of "degradation" could also leave the EU market open to products like wood and paper that come from destroyed forests, including primary forests, before they are formally converted to tree plantations or farmland.

Forest degradation according to the Council

"Structural changes to forest cover taking the form of the conversion of primary forests into plantation forests or into other wooded land."

4.3 … but the European Parliament resisted

Just a few weeks after the Environment Ministers decision, on 12 July 2022, the European Parliament's Environment Committee (ENVI) voted to introduce definitions of deforestation and forest degradation. These definitions improve those proposed by the Commission and are significantly more robust than those agreed by the EU Council.

Degradation according to the ENVI Committee

"*The reduction or loss of biological or economic productivity and complexity of forests and other wooded land and other natural ecosystems, affecting their species composition, structure or function, whether or not directly caused by humans; this includes illegal exploitation of forests, other wooded land or other natural ecosystems as well as the use of management practices that result in a substantial or sustained impact on their capacity to support biodiversity or deliver ecosystem services*."

Before the vote in the ENVI committee, a group of scientists wrote to MEPs warning that *" failure to include degradation in the regulation would run counter to the aims of the Glasgow Leaders' Declaration and undermine the EU's professed desire to see Europe become the first climate-neutral continent by 2050".* They added that excluding degradation in the EU regulation would *"gravely weaken the EU's ability to argue for unified global action to protect forests"*, given that the majority of the commodities and products included in the Regulation are produced in tropical countries and not in the EU. Noting that within the EU "*forest degradation is relatively more prevalent than "deforestation",* removing degradation from the regulation could *"create a perception that the EU is evading its own forest-related responsibilities".*

Importantly, the scientists made clear in their letter that, by "*degradation*" they referred to "*changes within a forest that significantly and negatively affect its species composition, structure or function, and reduce the forest's capacity to absorb carbon, and deliver other ecosystem services, support biodiversity and supply forest products"*. The definition of degradation adopted by the ENVI Committee includes several elements of the suggestion made by scientists in their letter, and takes an approach that prioritizes scientific and environmental considerations over the protection of economic interests.

Unsurprisingly, the Confederation of European Paper Industries (CEPI) reacted negatively to the definition adopted by the ENVI committee, and urged MEPs to follow the Council's approach which, as mentioned above, would fail to protect the vast majority of European forests.

According to these industry representatives, *"a focus on the degradation of primary forests and the change of other wooded land to plantation forests would be easier to* *implement and would have the advantage of efficiently targeting forest degradation at the source".* Little mattered to them that scientists from all over the world were clear in indicating the need to *"retain a strong definition of forest degradation within the regulation".*

The proposals of the ENVI Committee went to the plenary of the European Parliament for adoption in September 2022. MEPs resisted pressure from the industry and, on 13 September 2022, confirmed the position adopted in July by their ENVI Committee peers. The position of the European Parliament sends a clear signal that the public interest in climate and biodiversity protection comes before industry concerns for profit and opens a concrete possibility that the EU will finally adopt a law that will protect forests, both within and outside the EU, from deforestation and degradation linked to commodity production.

4.4 What happens now?

On 26 September 2022, three-way negotiations on the final law began between the European Commission, Parliament and national governments. The EU has the opportunity to adopt landmark legislation and lead the way globally in terms of nature protection. With the UN Climate and Biodiversity Summits in sight, the EU must show it is serious about its climate and biodiversity commitments, this requires putting its own house in order and tackling forest destruction within its borders as well as outside. It's time for EU Environment Ministers to step up and join MEPs in supporting a strong law that will ensure the products EU consumers use every day are not linked to forest degradation. In short, that public and environmental interests are prioritized over short-sighted economic gains in the forestry sector.

This battle is by no means won, especially with the recent launch of a new forest lobbying group by Finland and Sweden together with Austria and Slovenia. According to the Finnish Agriculture and Forestry Minister Antti Kurvinen, the "For Forest" group stresses the importance of keeping decision-making on forestry at national level. It reportedly vows to block initiatives based on "false or unscientific facts" and work for "sensible and sustainable" legislation related to forests, which ensures the European forest industry can remain competitive and provide employment, instead of being driven solely by climate and environment considerations.

⑤ Greenpeace demands

The Greenpeace European Unit and over 140 other environmental, social justice, Indigenous rights and human rights organizations have recently published a statement addressed to the European Commission, European environment and agriculture ministers and Members of the European Parliament involved in the negotiations of the new EU anti-deforestation law. The statement includes the following demands taking into account the best options on the table:

1. Clear, robust and credible definitions set at EU level, including for "deforestation" and "forest degradation", that effectively protect forests in and outside the EU.
2. Robust due diligence obligations for operators and large traders that require full traceability, based on geolocation, to all plots of land for all products without exceptions. Compliance should be confirmed in due diligence statements and the actions taken to comply should be detailed in periodic public reports.
3. A limited role for third-party certification as "complementary information" that does not absolve operators or traders of their due diligence obligations, as proposed by the Commission.
4. A comprehensive list of commodities including, cattle, cocoa, coffee, soy, oil palm and wood, rubber, maize, sheep, goat and pig meat, poultry and the most derived products possible.

The statement further demands the following:

5. Protections for internationally-recognised human rights, particularly the rights of Indigenous Peoples, local communities, and environmental and human rights defenders, and the right to Free, Prior and Informed Consent (FPIC).
6. Immediate protection of "other wooded land" and a time-bound commitment to extend protection to other natural ecosystems (like savannahs, peatlands, wetlands) within one year.
7. Equivalent due diligence obligations for EU-based financial institutions.
8. A strong and comprehensive enforcement framework that includes mandatory minimum compliance checks as proposed by the Parliament, dissuasive and uniform penalties, and strong substantiated concern and access to justice mechanisms.
9. A cut off date no later than 31 December 2019 as proposed by the Parliament.
10. Measures to support vulnerable stakeholders in producing countries, in particular to empower Indigenous Peoples, local communities, women, smallholders and civil society.

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