Voluntary certification schemes: no "green lane" for the EU deforestation-free products regulation – but effective tools to support its implementation

ISEAL defines credible practices for sustainability standards, certification and similar systems based on emerging global consensus. We consider deforestation as one of the most pressing challenges of our time and have been actively supporting policy makers and businesses in understanding how credible sustainability systems can help tackle deforestation. This statement focuses on the role of certification systems within the EU Proposal for a Regulation on Deforestation-free Products.

We believe it is important that decision-makers have a constructive and accurate view on the role of third-party certification systems within the proposed EU regulation. We also would like to recall the commitments made in the communication on stepping up *EU Action to Protect and Restore the World's Forests* (2019), in which the Commission recognised the role of standards and certification schemes and emphasised the need to work with and strengthen these tools to identify and promote deforestation-free commodities.

In this context, we emphasise the following points regarding the role of credible standards and certification systems within the proposed EU deforestation regulation:

1. **Certification systems cannot and should not replace due diligence responsibilities placed on companies.** Certified products should not benefit from a 'green lane' under the regulation. However, effective due diligence on deforestation will require companies to develop effective strategies, for which credible certification can be part of the toolbox of solutions.

2. **Credible certification systems can provide highly relevant and verified information for companies to conduct due diligence under the regulation.** They are one of the few existing tools that do this in an inclusive way that brings value to producers. If developed with input from stakeholders, with transparent governance based on robust assurance practices, and overseen by an independent oversight body, these systems can play a variety of functions and roles:

   ○ A useful indication of compliance with the EU legality and conversion-free criteria included in the regulation.
   ○ A source of information to support the risk assessment as part of the due diligence process.
   ○ A tool to support risk mitigation as part of the due diligence process.
   ○ A framework for engaging with and supporting producers, particularly smallholder farmers, and other actors in the supply chain.
   ○ An incentive to go beyond the minimum criteria specified in the regulation, delivering additional benefits on environmental, social, and economic aspects

3. The European Commission should set strict credibility criteria for certification based on existing global definitions of good practice. Not all certification systems are equally robust, effective, transparent, and impact oriented. Poorly governed and opaque certifications should not be used to support the due diligence process as part of the regulation. The ISEAL Credibility Principles and the ISEAL Codes of Good Practice, contain normative references for credible practices of sustainability systems and certification schemes. These internationally recognised good practices should be used as a reference.

The achievements of certification systems, notably their setting of high environmental standards, safeguarding of human rights and supporting livelihoods, and the development of robust independent assurance systems that provide consistent information, are strengths that legislation can and should build on. To do so effectively within the context of mandatory due diligence policies, we recommend that companies are encouraged to focus on both their individual responsibilities as well as collective, sector-wide strategies and actions, and that they build upon existing multi-stakeholder platforms in doing so.

We urge EU decision-makers to work towards an effective regulation that integrates and maximises the contribution of robust voluntary standards and certification systems.

Find our earlier *Recommendations for strengthening the European Union's deforestation-free supply chains proposal* here.

Find our policy paper *Addressing deforestation through supply-chain regulations* here.

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