Dear Ms. Fink-Hooijer,

COCERAL, FEDIOL and FEFAC would like to share with you their position paper on "Mandatory Due Diligence as a part of the Smart Mix of EU Measures to tackle Deforestation and Human Rights Issues".

We consider that setting up a mandatory horizontal due diligence obligation for all commercial actors in the supply chain should be seen as a means to mainstream supply chain transformation. In our paper, we acknowledge that such process should be risk-based and should, as in the OECD/FAO guidelines and UN Guiding Principles, require companies to set up a process and to do their utmost for avoiding or mitigating adverse impacts caused by their activities.

However, due diligence should not be implemented in isolation from other mechanisms or tools, but rather as part of a smart mix of instruments that will be needed to achieve an effective sustainable transformation of supply chains.

Concerning the intention to promote, further to the horizontal due diligence obligation applying to companies, a vertical regulatory approach specific to Forest Risk Commodities, we underline the importance of preventing unintended consequences of a marketing standard working as a prohibition. European supply chain actors need a leverage to continue driving change in producer countries, via the establishment of specific measures, including gradual implementation, biome or landscape specific adjustments, and through incentives that would provide appropriate responses to socio-economic drivers of deforestation.

We hope you will find this useful and we would be glad to discuss further any specific
elements.

Yours sincerely,
On behalf of COCERAL, FEDIOL and FEFAC