Where an operator sets up new operations or engages new business partners, it should identify the actors involved in the new supply and investment chains, and assess their policies and practices, as well as their harvesting, production, extraction and processing sites. For existing operations, ongoing adverse impacts and harms as well as potential risks should be identified and assessed. Risk analysis should be done with regard to the risks occurring from the operator’s activities to, or impact on, natural forests and natural ecosystems, indigenous peoples, local communities and individuals affected, rather than material risk to corporate shareholders. When operators have large numbers of suppliers, they should identify general areas where the risk of adverse impacts is most significant and, based on this risk assessment, prioritise suppliers for due diligence.
Amendment 16
Anna Zalewska, Elżbieta Kruk, Jadwiga Wiśniewska, Zbigniew Kuźmiuk
on behalf of the ECR Group

Report
Delara Burkhardt
Deforestation
2020/2006(INL)

Motion for a resolution
Annex I – paragraph 23 – subparagraph 5

Motion for a resolution

Except where the risk identified in the course of the risk identification and assessment procedures referred to in point (b) is negligible, and therefore the operator has no residual reason to be concerned that the commodities and products may not meet the criteria set out in this framework, the operators should adopt risk mitigation procedures. Those procedures should consist of a set of adequate and proportional measures that effectively and demonstrably reduce to a negligible level all identified risks e.g. amending contracts with suppliers, providing support to suppliers to change their practices, changing its purchasing and investment practices, for the purpose and in view of the lawful placing of the covered commodities and products on the internal market.

Amendment

Operators should establish risk mitigation measures which should consist of a set of measures and procedures that are adequate and proportionate to effectively minimise that risk and which may include requiring additional information or documents and/or requiring third-party verification.
Amendment 17
Anna Zalewska, Elżbieta Kruk, Jadwiga Wiśniewska, Zbigniew Kuźmiuk
on behalf of the ECR Group

Report
Delara Burkhardt
Deforestation
2020/2006(INL)

Motion for a resolution
Annex I – paragraph 23 – point e

(e) Monitoring and continuously improving the effectiveness of their due diligence system and its implementation
(c) Amending resolution on annual corporate reporting on supply chain due diligence

Or. en
Operators should **periodically** check to see if their due diligence system is fit for preventing harm and ensure the compliance of commodities and products with the framework and if not, adjust it or develop other actions. The evaluation of the due diligence system should be based on qualitative and quantitative indicators, internal and external feedback and clear accountability processes.

Operators should **annually** check to see if their due diligence system is fit for preventing harm and ensure the compliance of commodities and products with the framework and if not, adjust it or develop other actions. The evaluation of the due diligence system should be based on qualitative and quantitative indicators and internal **at board level** and external feedback and clear accountability processes.

Or. en
Third-party certification schemes can complement and ensure the identification of origin of products, risk assessment and mitigation components of due diligence systems, provided that these schemes are adequate in terms of scope and strength of sustainability criteria for the protection of natural forests and natural ecosystems against their conversion and degradation, as set out in the proposal and in terms of their ability to monitor the supply chain, and provided that they meet adequate levels of transparency, impartiality and reliability. By means of delegated act, the Commission should establish minimum criteria and guidance for operators to assess the credibility and solidity of third-party certification schemes. Those minimum criteria should in particular ensure independence from the industry, inclusion of social and environmental interests in standard-setting, independent third-party auditing, public disclosure of auditing reports, transparency at all stages, and openness. Certification schemes should only award certification to products with 100% certified content. Only certification schemes meeting those criteria can be used by operators for their due diligence systems. Third-party certification should not impair the principle of the operator’s liability.

The implementation of and compliance with those third-party schemes should be taken into account when designing liability schemes. The Commission should establish minimum criteria for certification schemes and certify certification schemes; operators should be allowed to use EU-certified certification schemes as an industry standard. Whenever possible, existing certification schemes and monitoring should be used.