

### **Sustainable Food Policy Alliance Principles on Forest and Natural Ecosystem Conservation**

Sustainable Food Policy Alliance (SFPA) member companies Danone North America, Mars, Incorporated, Nestlé USA, and Unilever United States are committed to addressing deforestation risks in their agricultural supply chains. Forest conservation is an essential part of our overall efforts to meet science-based targets and create business pathways to achieve net zero emissions. We believe that a legislative approach that ensures a pathway to no more than 1.5 degrees Celsius global warming and strengthening worldwide supply chains is necessary to complement voluntary efforts by industry to address deforestation.

As global companies, we believe any legislation aimed at addressing deforestation risks in agricultural supply chains in developed and developing markets must include the following:

1. Coordination across international governments, especially as the European Union moves forward its policy proposal to combat deforestation.
2. Clarity and consistency in definitions – including covered products, deforestation and conversion of natural ecosystems, point of origin, etc. – within U.S. and European law, in lieu of depending on country-of-origin definitions.
3. Clear incentive and penalty structure for importers and all producer countries bolstered by mandatory due diligence (i.e., traceability requirements, verification systems, etc.) on both legal and illegal deforestation and the conversion of natural ecosystems.
4. Adequate government resources, realistic implementation timelines and regular instances of policy review to ensure that regulations are put in place and kept up to date via consistent assessment.
5. Prioritization of credible requirements to help further supply chain due diligence, transparency, and reporting – including adequate due process provisions and a verifiable framework for addressing complaints, concerns, and other issues as the legislation is developed and installed.
6. Strong support for the development of and investment in institutional frameworks to advance appropriate policy environments in all producer countries.
  - a. These frameworks should avoid penalizing the livelihoods of smallholder producers and farmers who depend on these crops as well as the displacement of unsustainable production and sale within the same country or to other importing countries.
  - b. Bilateral agreements and/or other forms of capacity support and sharing of best practices can ensure robust cooperation between importing and producing countries.
7. Appropriate U.S. verification and enforcement capacity to ensure compliance across the supply chain.

These actions together will expedite the global transition of the supply base to more responsibly sourced forest-derived commodities and facilitate accountability and trust from all stakeholders.