

TRAFFIC PUBLIC STATEMENT ON THE EU CORPORATE SUSTAINABILITY DUE DILIGENCE

On 23 February 2022, the European Union (EU) demonstrated its commitment to implementing its Green Deal by publishing a proposal for a Directive on Corporate Sustainability Due Diligence. As the Directive is currently being debated in the European Parliament and by Member States, and as the Commission is consulting with stakeholders on its proposal, TRAFFIC would like to highlight the importance of this outstanding opportunity to address the negative impacts of certain business practices on wildlife and human rights.

As a specialist in monitoring and formulating solutions to curb illegal wildlife trade and ensure sustainable use of natural resources for the benefit of people and biodiversity, TRAFFIC has been closely following this EU Directive's development.

The EU is a major importer of wildlife, including fisheries products and wild plants, such as timber and other forest products. Such trade contributes to the livelihoods of millions of people worldwide, generating billions of dollars of economic value annually. However, this trade is not always regulated effectively. Many of these commodities are subject to unsustainable exploitation levels, which jeopardize the status of species, ecosystems, and the well-being of people who depend on wild resources for their living.

Many wild species are illegally traded, also generating significant illicit income, making it one of the world's most lucrative crimes. Organised crime groups trafficking wildlife commodities feed on inequality, corruption, a lack of governance in source countries, inadequate due diligence by companies, and a lack of rigorous monitoring by importing markets, such as the EU.

We warmly welcome that the proposed Directive refers to the obligations under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Convention on Biological Diversity (CBD). However, we strongly encourage the EU to also directly refer in the Directive to respecting the criteria and obligations under relevant EU legislation and policies, such as the EU Wildlife Trade Regulations (which implement CITES in the EU, but which go further in many respects) and the revised Environmental Crime Directive (the adoption of which is also in progress).

Our experience confirms the importance of ensuring the legality and sustainability of the use of natural resources and the prevention of adverse environmental impacts throughout the entire value chain, from the source to the consumer.

Regarding human rights, TRAFFIC works alongside local communities vulnerable to changes in wildlife trade policy and who are economically and politically marginalized, including but not limited to indigenous peoples. We help governments and communities ensure that the agency of people living closest to wildlife resources is respected and promoted, and that legal and sustainable trade in wildlife benefits people in ways that empower communities while protecting species. We believe equitable benefit-sharing from trade in wild species and products is critical to achieve long-term social and environmental sustainability.

We believe the Directive should make a closer link between human rights, wildlife trade, and local communities, as they are inherently interconnected. The EU must consider the local and indigenous communities that live in and alongside natural ecosystems, often depending on them for their subsistence or cultural value and income. These groups are highly vulnerable to overconsumption and other threats like land-use change and climate change. They can simultaneously act as guardians of natural resources, for example, through traditional harvesting knowledge and regular monitoring. Local communities and indigenous peoples also have a pivotal role in monitoring and preventing the impact of companies on the environment.

We welcome the EU's intention to strengthen the right of individuals and civil society organisations to submit complaints in case of (potential) damage. However, this should be accompanied by more robust protection for human rights and environmental defenders in the Directive.

The Directive must also be more explicit in requiring companies to map their supply chains in a transparent way and make these available along with other relevant information, such as their business relationships, to interested stakeholders, and consult systematically and regularly with interested stakeholders about their economic activities.

We encourage the European Parliament and the Member States to support solid and ambitious legal text to eliminate the negative impacts of certain business practices on wildlife and human rights. We also urge the Commission to make sure that the implementation of this Directive, once adopted, will be monitored closely, with its impacts reviewed on a regular basis, and in consultation with all stakeholders, in particular those it aims to protect in the source countries.