



European Commissioner Virginijus Sinkevičius  
Rue de la Loi/Wetstraat 200  
1049 Brussels  
Belgium

## **RE: Include natural rubber into the forthcoming EU's anti-deforestation law**

Dear Commissioner Sinkevičius, Executive Vice-President Dombrovskis, Executive Vice-President Timmermans,

We are writing to urge you to ensure that natural rubber is included in the list of forest and ecosystem-risk commodities in the upcoming EU law to halt deforestation and forest degradation driven by EU consumption.

We, the undersigned companies are all using natural rubber in our products and are very aware of the difficulties in sourcing rubber transparently, making sure it is deforestation-free. Still, we are managing, and we see the need and responsibility of the EU to take its responsibility and put rubber now into the EU's new deforestation regulation as a quarter of global rubber production today goes to the EU. Since rubber production is expected to increase rapidly to 2030 the postponement to include in the list of forest and ecosystem commodities and products at a later stage, after a review which will not have effect before several years, is not an option.

In short:

### **What?**

The European Commission is about to propose an important new law –putting a responsibility on European companies to care for their supply chains and make sure they are deforestation-free – and rubber as a commodity will not be included.

### **What is the problem?**

The demand for natural rubber is continuously growing, resulting in more and more land being converted from natural forests to rubber monocultures. Rubber is among the seven top agricultural imports to the EU associated with deforestation and forest degradation and 9% of all natural rubber is imported to the EU<sup>i</sup> – and by 2030 that will grow up to 14%.<sup>ii</sup> – However, the EC wants to exclude rubber from the list of forest and ecosystem risk-commodities, also because part of the industry (70% of natural rubber goes to the tire industry) was successfully lobbying so far for rubber to be excluded from the law.

### **What do we want?**

Rubber must be included in the new EU due diligence anti-deforestation law without delay to prove supply chains of key global commodities are free from deforestation, ecosystem loss and human rights abuses.

Self-regulation has been the rule and did not work – as we can see below deforestation is still taking place to grow rubber.

Many European/German companies with much smaller trading volume and thus much less bargaining power and money for their sustainability work have proven that deforestation-free value chains do work and that you can make it happen.

### **Therefore, we, a group of rubber companies...**

...all **concerned about poverty issues and driving deforestation from rubber supply chains**, would **like the EU Commission to include rubber into their proposed anti-deforestation law**, as a forest risk-commodity. If this window of opportunity is not taken immediately, **hundreds of vulnerable groups will be pushed further into poverty, and forests toward greater destruction**. Collaboration at the global level is necessary, but it cannot be an excuse to let the EU off the hook. It has a responsibility to tackle the impacts of its commodity use promptly and has the power to regulate its market!

We fully remain at your disposal for any additional questions and will keep the letter open for other companies to sign as well.

Yours sincerely,



Linda Preil, Head of Rubber Projects, einhorn products GmbH  
Bennet Müllem, Founder & CEO, releaf GmbH  
Tara Chandra, Director of Here We Flo Ltd  
Larissa Wood, Sustainable Supply Chain Manager, mela wear GmbH  
Anna Yona, Found & Company Lead, Wilding Shoes GmbH  
Fabian Knauthe, Managing Director, Richter Rubber Technology Sdn. Bhd.  
Hanna Wedekind, Co-Founder & CEO, yoyoka UG

### **CC:**

Executive Vice-President, European Commission, Frans Timmermans  
Executive Vice-President, European Commission, Valdis Dombrovskis

## Background Information:

### Why are forests important?

Forests are essential for the well-being of our planet as well as societies, covering 30% of the Earth's land area and hosting 80% of its biodiversity. Forests provide vital organic infrastructure for some of the planet's densest, most diverse collections of life. Not only do they keep our climate stable, sequester CO<sub>2</sub>, give us clean air to breathe, are responsible for soil fertility, but they also give us huge recreational value and are crucial for human health and well-being.

As highlighted in by the EC Communication report to the EU Parliament in 2019 itself: "Today, the world's forests are in danger from deforestation<sup>iii</sup> and forest degradation, with a forest area of **1.3 million square kilometers lost between 1990 and 2016; this is the equivalent of 800 football fields of forest lost every hour.**<sup>iv</sup>[...]

Deforestation and forest degradation are driven by many different factors. The increasing demands from a growing global population for food, feed, bioenergy, timber, and other commodities, combined with low productivity and low resource efficiency, put more and more pressure on land use and threaten the conservation of the world's forests. **Approximately 80% of global deforestation is caused by the expansion of land used for agriculture**<sup>v</sup>. Urban expansion, infrastructure development and mining are also factors driving deforestation. [...] Emissions from land-use and land-use change, mostly due to deforestation, are the second biggest cause of climate change after burning fossil fuels. They account for nearly 12% of all greenhouse gas emissions, and action in this area is important to fight climate change."<sup>vi</sup>

Global preservation of forests and preventing their degradation are some of the biggest sustainability challenges of our times, without which the objectives of the 2030 Agenda for Sustainable Development, the Paris Agreement, and the Green Deal cannot be met.

### What is the EU law about?

The EC's proposed anti-deforestation law will apply to a list of key Forest and Ecosystem Risk Commodities (FERCs) - which were anticipated would cover key known forest-risk commodities, including natural rubber.

The EU has put in place a variety of regulatory and non-regulatory actions to deal with the challenges of deforestation and forest degradation. While in the EU forest cover has increased over recent decades, the rate of deforestation in other regions, namely in tropical areas, continues at alarming levels.

The proposed new regulation should impose traceability obligations on traders operating on the EU market, including the identification of the origin of commodities and products derived from them when they are placed on the EU internal market, to ensure sustainable value chains without deforestation. This law was about to include many different commodities, but lobby groups of big industry players were as successful, as they were pressuring the EU Commission to exclude rubber from the deforestation law- which is: devastating.

### Why does rubber have to be included?

Most natural rubber is used in tires (about 70% of the total), but rubber is also used in engineering and industrial applications, including boots, mattresses, condoms and latex gloves.

Following a lull over recent years and a sharp contraction under Covid-19, global demand for natural rubber will soon exceed pre-pandemic levels and is forecast to jump by a third by 2030.

Based on industry figures, the latest International Rubber Study Group (IRSG) forecasts show global natural rubber demand is set to boom by 33 percent by 2030 – up from 12.7 million tonnes in 2020 to 16.9 million tonnes in 2030 – in which the EU consumption will increase by 14,5%.<sup>vii</sup> Similarly, global consumption of natural rubber is forecast to jump by 28% over the decade to 2030.<sup>viii</sup>

While the bulk of the additional demand for natural rubber will go to booming Chinese and Asia-Pacific markets,<sup>ix</sup> consumption in the EU is still highly significant (some 318 million auto tires were produced in European plants last year)<sup>x</sup> and global forecasts show EU consumption of natural rubber for auto tires is set to rise steadily by 14.5% over the decade to 2030 – rising from 1.023m tonnes in 2020 to 1.171m tonnes in 2030.<sup>xi</sup>

The governments of Laos,<sup>xii</sup> Malaysia,<sup>xiii</sup> Myanmar,<sup>xiv</sup> and Vietnam<sup>xv</sup> intend to increase the area under cultivation, while there is also potential to intensify low yielding rubber, chiefly managed by smallholders, across Malaysia and Indonesia. Over the past decade, demand for natural rubber has grown steadily by five percent every year <sup>xvi</sup> leading to the rapid expansion of rubber plantations in tropical countries.<sup>xvii</sup>

## Rubber threatens ecosystems

The European Commission itself highlighted in a report 2018 that an estimated 3 million hectares of forests were cleared to make way for rubber cultivation in the Mekong region in Southeast Asia since 2000. There are so many proven documentations of Global Witness<sup>xviii</sup> Greenpeace,<sup>xix</sup> and Mighty Earth that rubber cultivation and it's expansion was responsible for deforestation, illegal logging, human rights abuses, habitat loss, biodiversity and livelihoods destruction in many countries like Cambodia, Laos, Vietnam, Cameroon, Indonesia and Papua New Guinea.

As highlighted in a study by Dr Eleanor Warren-Thomas *et al* in 2015<sup>xx</sup> conversion to rubber as huge negative environmental externalities and consequences. Among these are soil depletion, reduced groundwater and streamflow. Monocultures also decrease the species richness of birds, bats and carabid beetles. Not only the directly connected nature is affected, but also the freshwater taxa. In Laos for example declines in fish, crabs, shrimps, and shellfish were reported, attributed to run-off from rubber plantations (i.e. pesticide, herbicide, and sediment) and through fertilizer run-off from rubber plantations eutrophication was caused. Together, these findings show that rubber expansion could substantially exacerbate the extinction crisis in Southeast Asia.

## What is the rubber industry saying?

The ETRMA (European Tire & Rubber Manufacturers' Association) lobby group concludes rubber-related deforestation regulatory action has to be done locally, in producing countries or at the global level and the EU should not include rubber in the law.<sup>xxi</sup>

And it's not just the tire industry here. It's the meat and dairy industry, it's animal feed suppliers, especially of soy, it's palm oil producers, and including chemical industries, and many more.

## Our position:

Rubber must be included in the new EU due diligence anti-deforestation regulations to prove supply chains of key global commodities are free from deforestation, ecosystem loss and human rights abuses.

Some 9% of global rubber production goes to the EU and five of the six global tire and rubber corporations (Bridgestone, Continental, Goodyear, Michelin and Pirelli) have headquarters or key markets in the EU. Self-regulation has been the rule and it did not work – as we could see above deforestation is still taking place to grow rubber.

Many European/German companies with much smaller trading volume and thus much less bargaining power and money for their sustainability work have proven that deforestation-free value chains do work and that you can make it happen.

Therefore, we – the undersigned rubber companies – would like the EU Commission to put rubber back into its anti-deforestation law, not as a low-risk commodity, but as a key forest risk-commodity. If this window of opportunity closes, vulnerable groups will be pushed further into poverty, and forests toward greater destruction. Collaboration in global level is necessary, but it cannot be an excuse to let the EU off the hook. It has a responsibility to tackle the impacts of its commodity use promptly and has the power to regulate its market!

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<sup>i</sup> [https://ec.europa.eu/environment/forests/pdf/respondents-additional-inputs/European%20Tyre%20and%20Rubber%20Manufacturers'%20Association%20\(ETRMA\).pdf](https://ec.europa.eu/environment/forests/pdf/respondents-additional-inputs/European%20Tyre%20and%20Rubber%20Manufacturers'%20Association%20(ETRMA).pdf)

<sup>ii</sup> IRSG (2021) *World Rubber Industry Outlook: Review and Prospects*, July 2021, IRSG: Singapore

<sup>iii</sup> Deforestation is the conversion of forest to other land use independently whether human-induced or not (FAO 2018, Global Forest Resources Assessment 2020. Terms and Definitions. <http://www.fao.org/3/i8661EN/i8661en.pdf>).

<sup>iv</sup> Five Forest Figures, the World Bank. Available at: <https://blogs.worldbank.org/opendata/five-forest-figures-international-day-forests>

<sup>v</sup> FAO. 2016. State of the World's Forests 2016. Forests and agriculture: land-use challenges and opportunities. Rome. <http://www.fao.org/3/a-i5588e.pdf>

<sup>vi</sup> European Commission (2019) Communication from The Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions, Stepping up EU Action to Protect and Restore the World's Forests, 23 July 2019

<sup>vii</sup> IRSG (2021) *World Rubber Industry Outlook: Review and Prospects*, July 2021, IRSG: Singapore

<sup>viii</sup> IRSG (2021) *World Rubber Industry Outlook: Review and Prospects*, July 2021, IRSG: Singapore

<sup>ix</sup> IRSG (2021) *World Rubber Industry Outlook: Review and Prospects*, July 2021, IRSG: Singapore

<sup>x</sup> ETRMA (2020) *The European Tyre Industry Facts and Figures 2020 Edition*, European Tyre & Rubber Manufacturers' Association (ETRMA): Brussels

<sup>xi</sup> IRSG (2021) *World Rubber Industry Outlook: Review and Prospects*, July 2021, IRSG: Singapore

<sup>xii</sup> Baird, I.G. (2010). Land, rubber and people: rapid agrarian changes and responses in Southern Laos. *J. Lao Stud.*, **1**, 1- 53.

<sup>xiii</sup> ETP. (2013). EPP 9.1: Increasing average national rubber productivity & EPP 9.2: Ensuring sustainability of the upstream rubber industry. Economic Transformation Program of Malaysian Government National Transformation Program.

<sup>xiv</sup> Woods, K. (2011). Ceasefire capitalism: military–private partnerships, resource concessions and military–state building in the Burma–China borderlands. *J. Peasant Stud.*, **38**, 747- 770.

<sup>xv</sup> Li, Z. & Fox, J.M. (2012). Mapping rubber tree growth in mainland Southeast Asia using time-series MODIS 250 m NDVI and statistical data. *Appl. Geogr.*, **32**, 420- 432.

<sup>xvi</sup> ETRMA. 2019a. European tyre and rubber industry, statistics, 48. <https://www.etrma.org/wp-content/uploads/2019/10/20191114-Statistics-booklet-2019-Final-for-web.pdf>.

<sup>xvii</sup> FAOSTAT. 2019. FAO Statistical Database. <http://faostat.fao.org/>.

<sup>xviii</sup> <https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/>

<sup>xix</sup> <https://storage.googleapis.com/planet4-africa-stateless/2018/10/8f21a9bc-8f21a9bc-greenpeace-africa-sudcam-report-2018-1.pdf>

<sup>xx</sup> Warren-Thomas (2015): <https://conbio.onlinelibrary.wiley.com/doi/full/10.1111/conl.12170>

<sup>xxi</sup> <https://www.etrma.org/wp-content/uploads/2020/12/20201005-Due-diligence-and-deforestation-ETRMA-position.pdf>