

Ms Jessika Roswall
Commissioner for Environment, Water Resilience and a Competitive Circular Economy
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels, Belgium

21 JUNE 2026

Subject: Ensuring legal certainty through timely and consistent implementation of the EU Deforestation Regulation

Dear Commissioner Roswall,

The undersigned institutional investors, representing approximately **EUR 5.53 trillion in assets under management, together with investor networks wish to reiterate our support for the EU Deforestation Regulation**, following the results of its simplification review, **and to underscore the importance of its full and effective implementation in line with the existing agreed timelines, starting in December 2026.**

As long-term investors acting in fulfilment of our fiduciary duties, we consider deforestation to be a systemic financial risk with tangible implications for portfolio resilience and long-term value creation. Corporate exposure to deforestation can lead to physical, regulatory, operational and reputational risks that not only erode the value of individual companies and assets but also have wider systemic impacts through the disruption of supply chains and weakened economic stability. These risks are increasingly visible in agricultural landscapes through prolonged droughts, shifting rainfall patterns, soil degradation and declining ecosystem resilience, all of which threaten the long-term stability and productivity of global commodity supply chains. Effective action to halt deforestation is integral to achieving net zero and broader nature-related commitments, while simultaneously ensuring investor abilities to generate long-term, risk-adjusted portfolio returns.

In this context, we continue to support the EUDR as a landmark legislative framework that aligns EU market access with global climate and biodiversity goals by establishing a harmonised and enforceable baseline for due diligence and traceability. We recognise that stakeholders across supply chains have raised concerns regarding implementation challenges, including traceability requirements, administrative burdens for SMEs, and readiness in some producing countries. We firmly believe that these concerns are best addressed through practical guidance, proportionate implementation measures, technical assistance and capacity-building support. However, reopening or delaying the Regulation

would create further risks and uncertainty for businesses and investors, undermine the level playing field the Regulation is intended to establish and damage EU's reputation for stable, predictable and rules-based policymaking.

The Regulation also serves to recognise and reinforce the efforts of companies that have invested in traceability, transparency and responsible sourcing practices over recent years, helping to create a more equal and competitive market environment. From an investor perspective, voluntary initiatives alone are insufficient to address this systemic risk at scale. Clear, credible and consistently applied regulation is required to ensure effective deforestation risk management and meaningful integration of deforestation into capital allocation and investment decision making. We support the Commission's efforts to provide practical guidance and capacity support that helps suppliers and companies—particularly in producing countries—meet requirements in a workable and equitable way, without weakening the Regulation's objectives. This is reinforced by initiatives such as the EUDR Community of Practice established by the EU Sustainable Supply Chains Coalition and the European Forest Institute to bring competent authorities together with operators and other stakeholders to discuss challenges and identify potential solutions and best practices.

We commend the European Commission for addressing changes to the product scope through a Delegated Act, following the collection of stakeholder feedback via a public consultation, instead of reopening the legislative process. We also encourage the Commission to publish the final Delegated Act as soon as possible following the conclusion of the consultation process in order to provide legal clarity and avoid further uncertainty regarding the Regulation's scope and application. Several investor networks represented in this letter provided detailed input to this process to highlight how scope adjustments may affect investors' stewardship activities, risk assessments and capital allocation decisions, and to stress the importance of preserving legal clarity and the overall effectiveness of the Regulation. Narrowing of the product scope, including the proposed exclusion of leather, risks weakening the effectiveness and comparability of the framework, while increasing uncertainty for market participants seeking to assess and manage deforestation exposure across global value chains.

Ensuring Integrity, Predictability and Effective Delivery of the EUDR

As the EU Deforestation Regulation transitions from adoption to application, market participants place particular importance on preserving the integrity of the regulation and ensuring it is carried through to full implementation as intended. Clear, consistent and predictable delivery will be central to its effectiveness. Against this backdrop, we would like to highlight three priorities that we view as critical at this stage.

1. **Avoiding reopening or renegotiating the legislative text:** The EUDR has undergone an extensive legislative and implementation process over several years, including delays to allow additional time for preparation and to address stakeholder

concerns. Reopening the legislative process would introduce material uncertainty for investors and market participants, delay progress, and increase transition and compliance costs. Experience shows that such political processes are inherently unpredictable and can undermine trust in the EU's regulatory commitments, both domestically and with partner countries.

2. **Maintain implementation timelines and policy predictability:** Investors and companies require a clear and stable implementation pathway to plan capital allocation, operational adjustments and redirect corporate strategies. Shifting timelines or signalling potential revisions risks slowing momentum, undermining policy credibility and diverting resources away from the practical implementation of the regulation. For long-term investors, regulatory timelines directly inform capital allocation decisions, including investments in companies and technologies that support traceability, monitoring and sustainable land use. Uncertainty in these timelines may delay or deter such investments.
3. **Provide legal stability and regulatory certainty through clear, consistent and harmonised interpretation:** Consistent application of the regulation across Member States will be essential to ensure a level playing field and to avoid regulatory fragmentation that would increase costs and complexity for companies operating across jurisdictions. Investors support practical simplification measures that improve usability and reduce unnecessary administrative burden, provided these do not weaken the core objectives, traceability requirements or enforceability of the Regulation. In parallel, sustained technical and capacity-building support for producing countries will be necessary to facilitate effective implementation, maintain access to EU markets and ensure that compliance burdens are not disproportionately transferred along the supply chain.

We reaffirm our strong support for the EU Deforestation Regulation and call for its full and timely implementation without reopening the legislation. Maintaining its integrity, legal certainty and agreed timelines is critical to giving investors the confidence to act as responsible, long-term owners of investee companies in relevant sectors, while actively exploring additional investment opportunities. Investors expect the Regulation to support and reward demonstrable progress on supply chain transparency and responsible sourcing, while ensuring accountability for companies that have not yet taken sufficient action.

Clear guidance, harmonised application and practical support for producing countries will enable predictable delivery, protect long-term value, and sustain business competitiveness through a stable and level regulatory playing field. We therefore encourage the Commission to continue signalling its commitment to the integrity and long-term stability of the EUDR as a key enabler of sustainable finance and responsible global supply chains.

Yours sincerely,

Achmea	Impax Asset Management
Achmea Investment Management	Institutional Investors Group on Climate Change (IIGCC)
AkademikerPension	Investor Policy Dialogue on Deforestation (IPDD)
Ashmore Group	Keyridge Asset Management
Border to Coast Pensions Partnership	KLP
California State Teachers Retirement System	L&G Asset Management
CANDRIAM	Mercer Global Investments Europe
Cardano Asset Management	Oxfordshire Pension Fund
CCLA Investment Management	Pensioenfonds ABP
Church of England Pensions Board	PFA Pension
Danica	PGGM
Danske Bank Asset Management	Principles for Responsible Investment
Domini Impact Investments, LLC	Quilter
Etica Funds – Responsible Investments	RBC BlueBay Asset Management
Ethos Foundation	Robeco
Ethos Engagement Pool International	Sampension
Evenlode Investment	Scottish Widows
Fulcrum Asset Management	Storebrand Asset Management
Future Group Investment Management Pty Ltd	The FAIRR Initiative
Generation Investment Management LLP	United Nations Joint Staff Pension Fund
Green Century Capital Management	Violet
Hargreaves Lansdown Fund Managers	

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