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The new EC environmental policies: some lessons learned for our brainstorming on the company culture?

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1

A daring hypothesis

- The EC is underway an ambitious change in its environmental policies
- In some way this change can be understood as a change of a company culture
- Which element of reflection can we derive from this process?
- (...understanding the contents of the current changes)

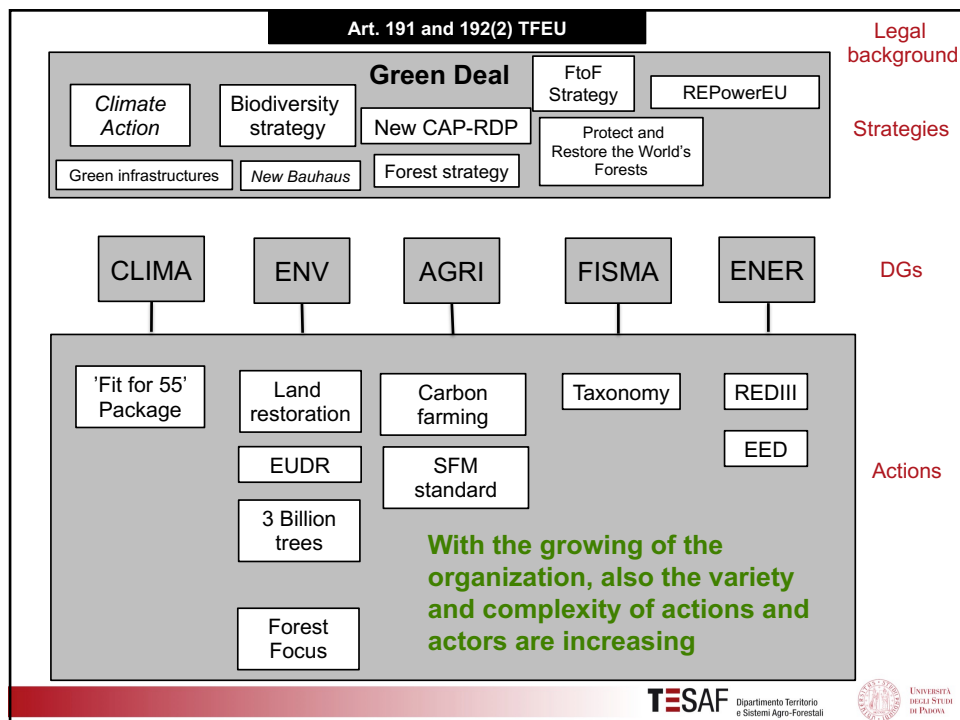
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2

Note for the editing

- In **red** and in **black** letters: the contents of the new policies
- In **bold green letters**: the element of reflection for our brainstorming on company culture



The legal basis (the purpose)

The legal basis for this proposal is Article 192(1) of the Treaty on the Functioning of the European Union that sets out how Article 191 of the Treaty should be implemented. Article 191 of the Treaty provides the objectives of EU environmental policy:

- preserving, protecting and improving the quality of the environment;
- protecting human health;
- utilising natural resources prudently and rationally;
- promoting measures at international level to deal with regional or worldwide environmental problems, in particular to combat climate change.

An ambitious purpose should be connected to adequate procedure and decision-making rules

Here the new EC approach (Foundations: how we take decisions?)

Action at EU level is justified because of the scale and transboundary nature of biodiversity loss and ecosystem degradation, its impact on the public, and the economic risks. EU-wide rules and obligations are necessary to significantly restore biodiversity and ecosystems. The lack of progress in the biodiversity strategy up to 2020 shows that voluntary commitments by the Member States are not enough to achieve the EU's objectives for restoring ecosystems.

→ Defining multiple binding targets and obligations

Source: Proposal for a nature Restoration Regulation; 22.6.2022 COM(2022) 304 final

New normative development: multiple binding targets and obligations

a. Biodiversity Strategy:

- 30% protected
- 10% strictly protected
- “Effectively manage all protected areas, defining clear conservation objectives and measures, and monitoring appropriately”

b. Forestry strategy

- Protection of all old growth forests

c. REDIII: no public incentives for wood from primary resources used for energy

d. Land Restoration Regulation

General obligations:

- Land Restoration National Plans (approved by the EC)
- 20% of the land and sea areas restored by 2030
- all ecosystems in need of restoration restored by 2050

Specific targets:

Urban forests:

- an increase in the total national urban green areas of at least 3% of the total area (in 2021) by 2040, and at least 5% by 2050;
- a minimum of 10% urban tree canopy cover by 2050

For forests:

an increasing trend at national level of each of the following indicators in forest ecosystems (to be measured in 2030, and every 3 years thereafter):

- (a) standing deadwood;
- (b) lying deadwood;
- (c) share of forests with uneven-aged structure;
- (d) forest connectivity;
- (e) common forest bird index;
- (f) stock of organic carbon.

e. Taxonomy = the criteria for defining a forest activity «sustainable» (→ responsible finance)

3 Forest Management Approaches (FMA)

- **Underpinning principle:** Greater naturalness is a prerequisite for maintaining global forest biodiversity. Intensively managed operations have lower biodiversity compared to more intact forest ecosystems. Therefore, criteria need to be tailored according to approach
- **Three categories of FMAs** that distinguish between degrees of intensity of deviation from natural forest structure and function are used to capture but simplify the full spectrum of forest management approaches (FMAs):
 - **FMA 1: Close to Nature Managed Forest (CTN)** – Exploited forests of self-sown native trees more closely resembling natural forest structure and function (e.g., species mix, uneven age class and distribution, continuity of canopy, etc) - also known as 'extensive, 'continuous cover' or 'uneven aged' forestry'
 - **FMA 2: Intensive, even-aged mixed native species** – i.e., intensively managed even-aged forestry consisting of at least 3 native tree species established by planting or sowing. This category can also include plantation-like forest that is self-sown with native species but of similar even-aged structure and regular spacings, with high intensity management
 - **FMA 3: Intensive even-aged monocultures** – i.e., intensively managed even-aged forestry (non-native or native species)

This approach is intended to provide industry with flexibility, giving the opportunity for all forms of forestry, anywhere in the world, to contribute substantially to biodiversity and ecosystems by demonstrating the criteria of the most appropriate of the three FMAs. Further the criteria can also be applied to capture those moving between categories.

Always a science-based approach (in nature many old-growth forests of shadow-demanding species and of species in extreme conditions are monospecific)

	FMA 1: Close to Nature	FMA 2: Intensive even-aged mixed native species	FMA 3: Intensive even-aged monocultures
Set-aside	10%	20%	30% (if 20% also put under FMA 1 or FMA 2). If not, 50%
Age structure	Uneven, all age classes	N/A	N/A
Retention trees	30 / 10% (largest)	30 / 10% (largest)	N/A
Max harvest / clear cut area	0.3 Ha	1 Ha (broadleaf/mixed) 3 Ha (conifer)	N/A
Deadwood	+ 100m gaps between No extraction of deadwood Min. 20 m³ in conifer forest / 30 m³ in broadleaf or mixed Salvage harvesting fallback	+ 100m gaps between Min. 20 m³ in conifer forest / 30 m³ in broadleaf or mixed	N/A
Tree species	All local species at viable populations	90% + native 3+ native species (unless naturally less)	N/A
Regeneration	Natural regeneration only	Local genotypes	N/A
Degradation	No degradation / simplification of the composition, structure & function of utilised forests	No degradation / simplification of the composition, structure & function of utilised forests	N/A

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13

e. LULUCF: Reg. 2018/841 with revision proposal
554/2021: Net removal target for 2030: - 310 Mt
CO₂ eq

f. Climate policy:

- -55% emission by 2030;
- zero net emission by 2020

→ Circular bioeconomy involving substitution of
fossil energy, fossil fuels and fossil products (bio-
textiles, bio-plastic, ... green chemicals)

Increased
biodiversity protection
with a land segregative
approach



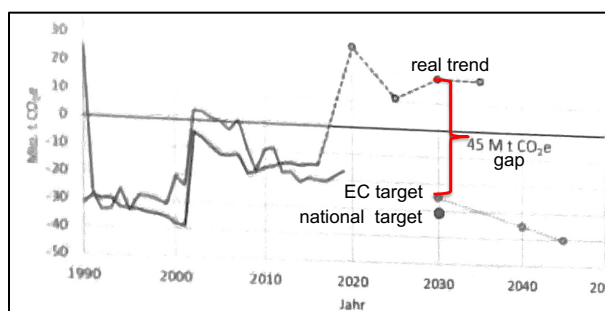
Increased
biomass production (multi-
functional forests? a land
integrative approach?)

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14

- Germany: damages by storms and bark beetles (2018-21): **376,000 ha = 217.4 M m³**
- Non harvested wood (February 2021): **30 M m³ (13.8%** of the damaged wood)

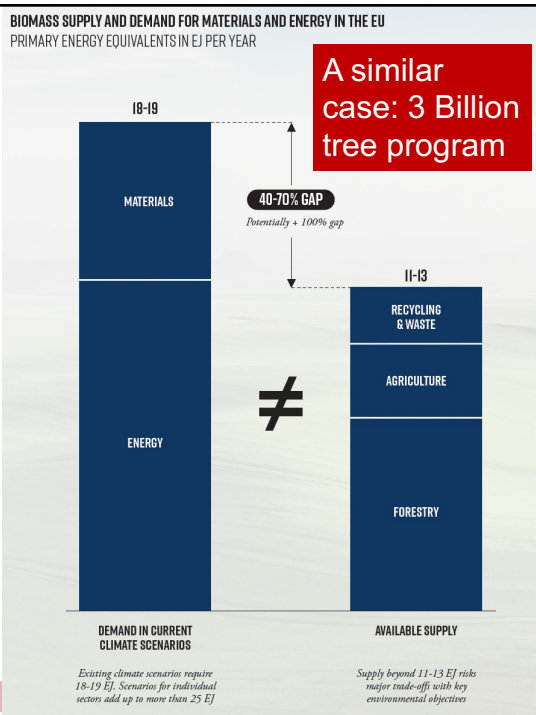


Need for a realistic check between values, resources and behaviours

A large gap between consumption and production in the EU: more import?! (embedded deforestation)

Material Economics (2022). EU Biomass Use in a Net-Zero Economy. A course correction for EU biomass

We need to prevent any relevant contradiction between inspiring values and concrete outcomes



Many different fields of actions with active investments to be carried out

→ new financial resources needed

- European Trading Scheme (Carbon taxation)
- Carbon Border Adjustment Mechanism (initially for cement, iron and steel, aluminium, fertilisers, electricity)
- Taxation of the extra profits of large transnational companies (OECD Reform of the international corporate taxation framework approved in 2021 by more than 130 countries that are members of the OECD/G20)
- Other env. taxes (on non-recycled plastic packaging waste) and fines imposed when businesses fail to comply with EU rules

Let's be realistic: implementing some values can be expensive. How do we cover all the additional costs?

In summary,
some needs in the change of a
company culture

New areas of action, increased no. employees,
increased turnover, increased visibility in the market:

- Acknowledgement of our constraints and limitations
- Revising the coherence of our theoretical framework, coordination tools, formal rules

what to do with our Orban(s)?



Riconoscersi

In un momento storico come quello attuale, contrassegnato dall'affermazione di crisi di carattere sistemico, sembra emergere una **rinnovata consapevolezza di come le sfide che ci troviamo davanti non** possano trovare soluzioni adeguate attraverso la messa in campo di **risposte individuali**.

Al contrario, l'unica strada per uscire da una posizione meramente difensiva e formulare un nuovo ideale di futuro, è quella di **scommettere su un agire corale caratterizzato da alleanze, collaborazioni** e sperimentazioni inedite.

Allo stesso tempo però, qualunque gioco di squadra si regge su una **premessa** dalla quale è impossibile prescindere, ovvero l'esistenza di un **mutuo riconoscimento tra sé e l'altro**.

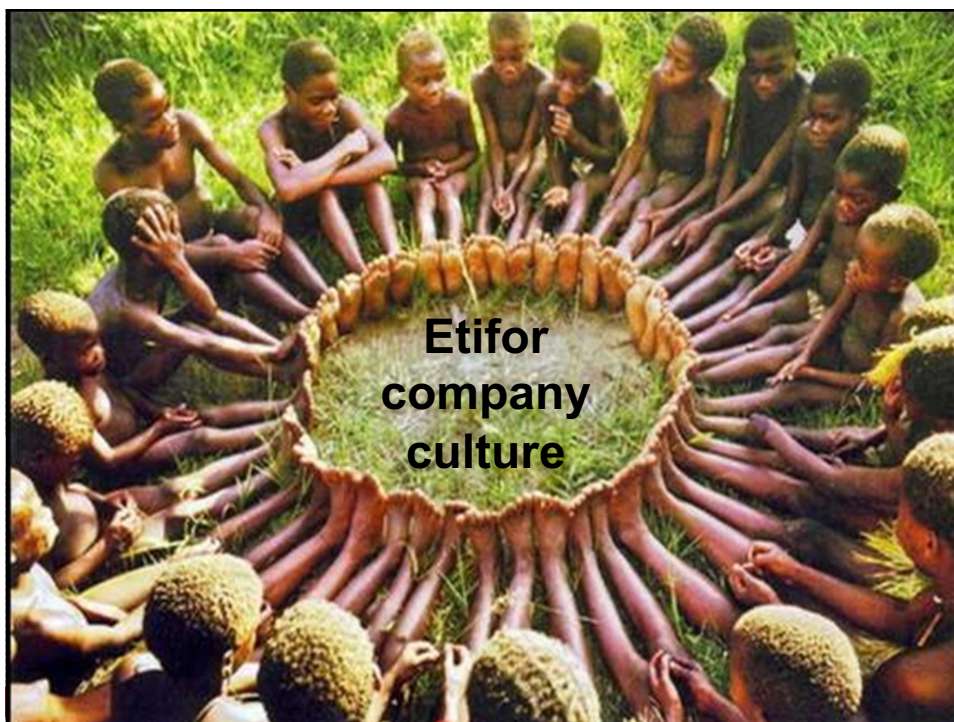
È il riconoscere una particolare forma di legame con l'altro che motiva l'agire, legame che in primo luogo si manifesta in ciò che possiamo definire **interdipendenza**. Allearsi e collaborare diventa possibile solo quando riconosciamo di essere legati all'altro in virtù di una relazione di interdipendenza: **il mio futuro dipende dal futuro dell'altro**.

Source: position paper of the coming Bertinoro meeting

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20



21