

Understanding the requirements of the EU Deforestation Regulation (EU) 2023/1115

- What products covered and why?
- How certification scheme supports the compliance of EUDR?

Over 43 million ha, an area roughly the size of California, were lost in these deforestation fronts between 2004 and 2017.





EU Consumption Deforestation Impact Assessment

An analysis of data for 46 tropical and subtropical countries found that agriculture alone causes 73% of all deforestation, with commercial agriculture accounting for 40% of deforestation, followed by local or subsistence agriculture, which is related to 33% of deforestation.

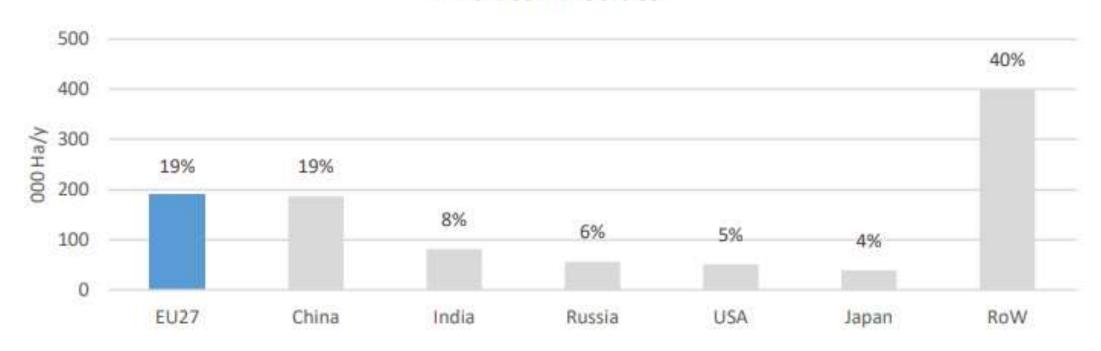
Infrastructure accounts for 10%, urban expansion for 10%, and mining for 7%.



EU Consumption Deforestation Impact Assessment

EU consumption during the period 2008-2017 was responsible for 19% of the tropical deforestation embedded in the international imports of the six commodities selected in the product scope.





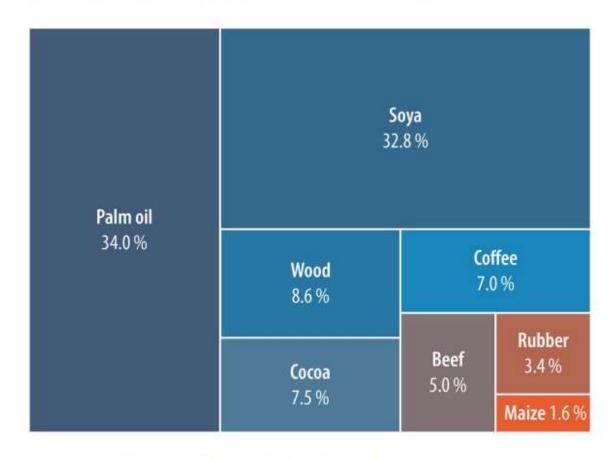


Seven Commodity Identified

Comparing the hectares of deforestation linked to EU consumption with the average value of EU imports shows the top seven forest risk commodities due to EU consumption are

Palm Oil, Soy, Wood, Coffee, Cocoa, Cattle, Rubber.

Figure 1 – Individual share of EU-embodied deforestation due to selected commodities between 2008 and 2017



Source: EPRS, based on Commission IA, p. 32. Graphic by Samy Chahri.



EUDR Product scope



Scope of products expands beyond the EU Timber Regulation

Products containing paper, cardboard, wood fibre or wood + Printed materials, charcoal products, tools, wood wool/flour, coffins, all types of seats...



- Natural rubber
- Compounded rubber, Unvulcanised & vulcanised rubber
- Pneumatic tyres and inner tubes
- Articles of apparel and accessories (including gloves)
- Hard rubber in all forms



Product scope



- Coffee (whether or not roasted or decaffeinated); Coffee husks and skins
- Coffee substitutes containing coffee



- Soybeans (whole or broken)
- Soybean flour and meal
- Soybean oil and its fractions
- Oil cake and other solid residues



- Palm oil and its fractions
- Palm nuts and kernels
- Crude palm kernel and babassu oil and fractions
- Oilcake and other solid residues of palm nuts or kernels
- Various Chemical derivatives



Product scope



- Live cattle
- Meat of cattle and offal
- Raw hides and skins of cattle
- Tanned or crust hides and skins of cattle
- Leather of cattle, further prepared after tanning or crusting



- Cocoa beans, whole or broken, raw or roasted
- Cocoa shells, husks, skins and other cocoa waste
- Cocoa paste
- Cocoa butter, fat and oil
- Cocoa powder, not containing added sugar or other sweeteners
- Chocolate and other food preparations containing cocoa



Role of certification schemes

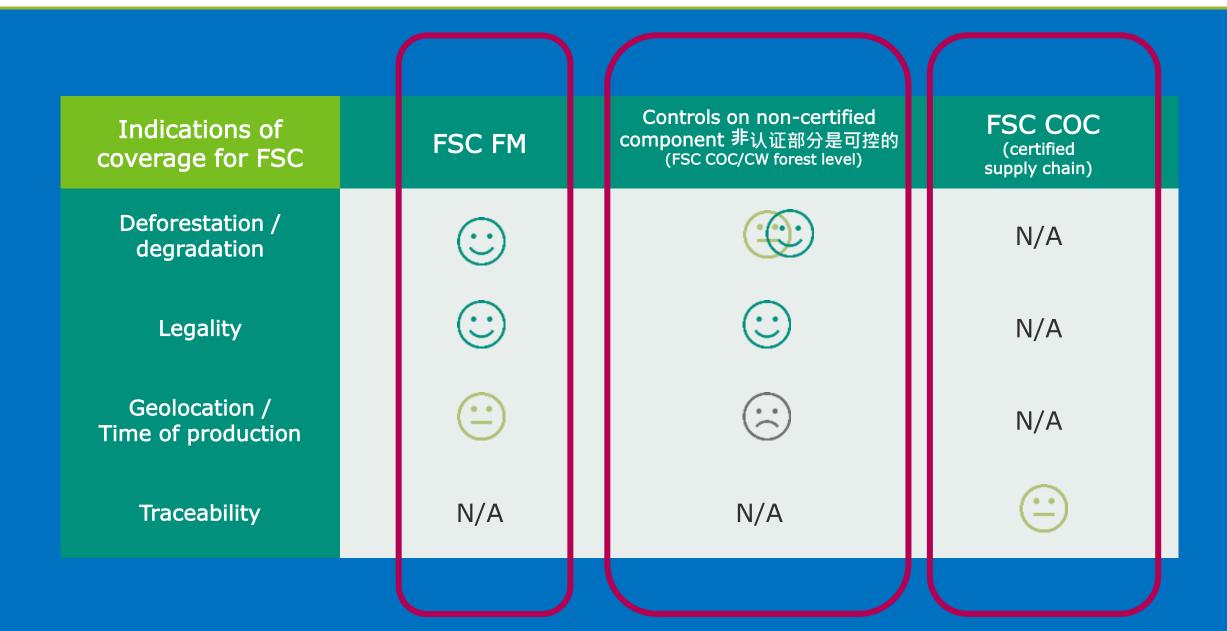
For the purposes of risk assessment, operators shall take into account:

• (j) ...information supplied by certification or other third-party-verified schemes...

Recital 35: In order to recognise good practice, certification or other third party verified schemes could be used in the risk assessment procedure, however, they should not substitute the operator's responsibility as regards due diligence.

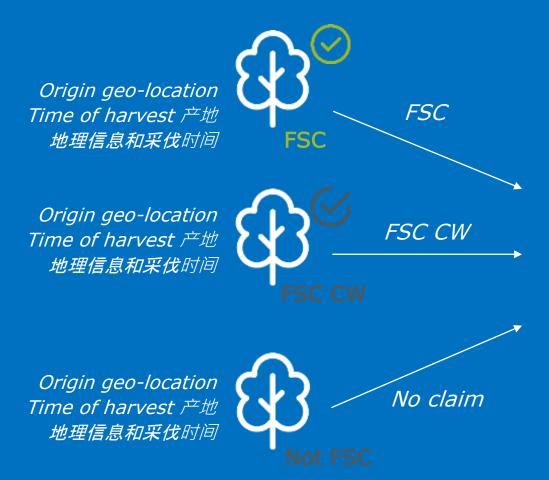


Case example: indications of coverage for FSC





Case example: FSC (but relevant to all COC systems...)

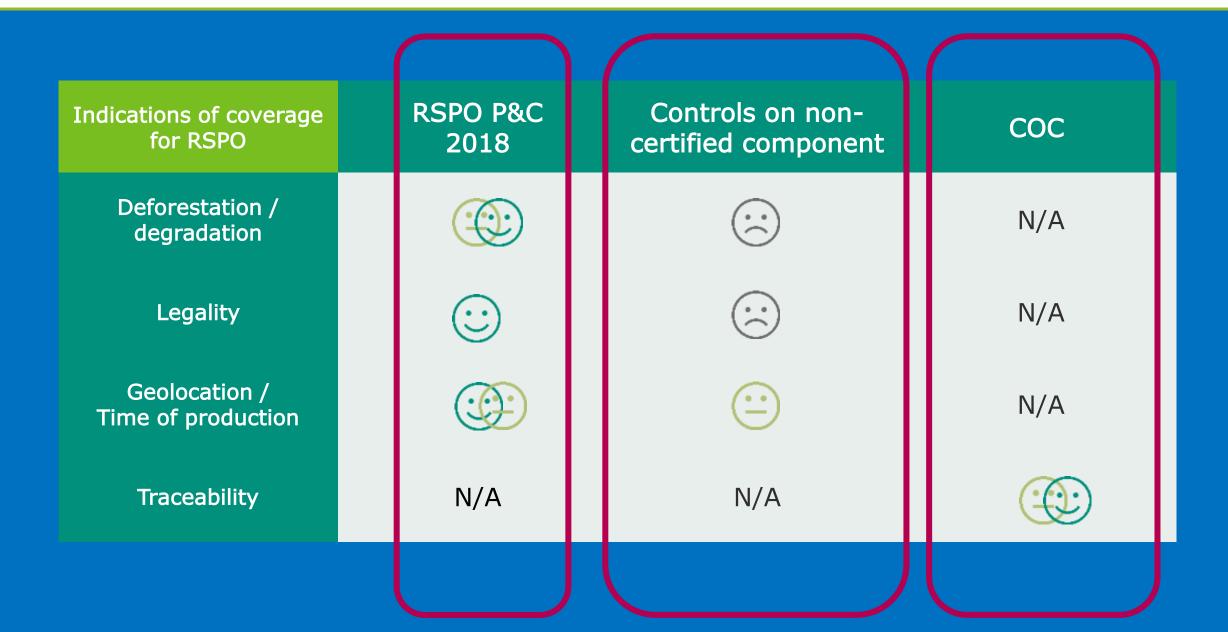


- 1. Maintaining, aggregating and passing down information about origin + time of production
- 2. Avoidance of mixing within / between entities
- 3. Transferring correct claim information.
- 4. Validation of transactions (digital platforms can help achieve this)



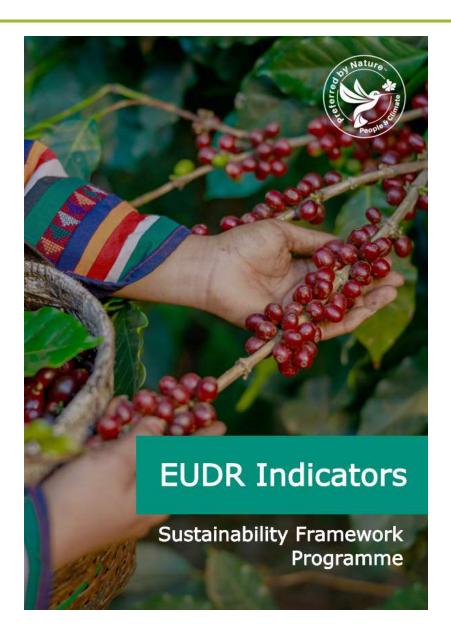


Case example: indications of coverage for RSPO





In a nutshell



- Certification cannot replace EUDR, certified doesn't equal to compliance with EUDR
- Certification can be used as risk mitigation solution.
- Certification scheme are working on identify and bridge gaps to EUDR.
- For companies adopting certification scheme, benchmarking the certification scheme to EUDR is necessary.
- Preferred by Nature conducted benchmarking and develop EUDR indications.