

SUSTAINABILITY NEWS



NEW EU DEFORESTATION REGULATION (EUDR)

**5 KEY THINGS TO
KNOW ABOUT THE NEW
EU DEFORESTATION
REGULATION**

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On December 6th 2002, the European Council, Parliament and Commission agreed on a preliminary deal to adopt the deforestation-free regulation. This is a first of its kind law that tackles deforestation caused by consumption.



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**THE WORLD HAS LOST
ROUGHLY ONE THIRD
OF ITS FORESTS**

5 THINGS TO KNOW ABOUT EUDR

➤➤➤ 1. A WIDE RANGE OF PRODUCTS ARE COVERED, FROM BEEF TO BOOKS

The EUDR covers seven commodities (i.e., cattle, cocoa, coffee, oil palm, rubber, soya, and wood), as well as many derived products listed in the annex to the regulation (e.g., meat products, leather, chocolate, coffee, palm nuts, palm oil derivatives, glycerol, natural rubber products, soybeans, soy-bean flour and oil, fuel wood, wood products, pulp and paper, printed books).

The EUDR applies to goods produced on or after 29 June 2023 (except for timber and timber products, which are covered if produced before that date and placed on the EU market from 31 December 2027). However, it does not apply to goods produced entirely from material that has completed its lifecycle and would otherwise have been discarded as waste.





➤➤➤ 2. EUDR ALSO COVERS LEGAL DEFORESTATION AND FOREST DEGRADATION

'Deforestation-free' means that the relevant products contain, have been fed with or have been made using, relevant commodities that were produced on land that **has not been converted from forest to agricultural use**, whether human-induced or not, after 31 December 2020. Further, for products that contain or have been made using wood, it means they were harvested from forests without inducing forest degradation after 31 December 2020. 'Forest degradation' means the conversion of primary forests or naturally regenerating forests into plantation forests or into other wooded land.

➤➤➤ 3. THE AREA OF PRODUCTION MUST COMPLY WITH LOCAL SOCIAL AND ENVIRONMENTAL LAWS

The EUDR requires that products be produced in accordance with the relevant legislation of the country of production concerning the legal status of the area of production in terms of: land use rights; environmental protection; forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting; third parties' rights; labour rights; human rights protected under international law; the principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples; and tax, anti-corruption, trade, and customs regulations.

**EU CONSUMPTION
ALONE IS
RESPONSIBLE FOR
16% OF TROPICAL
DEFORESTATION**

➤➤➤ 4. PRIMARY RESPONSIBILITY LIES WITH THE COMPANY PLACING THE PRODUCT ON THE EU MARKET

As from 30 December 2024, a company that places relevant products on the EU market will need to first upload a due diligence statement to their competent national authority, through a dedicated information system to be established by the European Commission. By issuing such a statement, companies assume responsibility for the product's compliance with the EUDR. Similarly, the obligation to conduct due diligence under the EUDR applies to companies who place relevant products on the EU market or export such products from the EU market. Non-EU companies may increasingly be asked by their customers to provide necessary information to comply with their due diligence obligations under the EUDR.

➤➤➤ **READ MORE**

**MAIN DRIVERS OF FOREST LOSS:
CATTLE, COCOA, COFFEE, OIL
PALM, RUBBER, SOYA, WOOD
AND DERIVED PRODUCTS (SUCH
AS LEATHER)**



➤➤➤ 5. DUE DILIGENCE MUST FOLLOW THE PRESCRIBED METHOD WITH TRANSPARANCY AND INFORMATION ALONG THE SUPPLY CHAIN

The EUDR sets out how the due diligence should be conducted. It should involve:

- collecting detailed information that demonstrates the products comply with the EUDR;
- carrying out a risk assessment in relation to each product to ascertain the risk of non-compliance with the EUDR. This will reflect numerous factors including the risk category of the country of production ('high risk', 'standard risk', or 'low risk', to be set out by the European Commission); and
- mitigating risks by carrying out independent surveys/ audits, gathering additional documentation, or working with suppliers (particularly SMEs) through capacity building and investments.

Due diligence statements will be accessible to authorities, traders, and to a more limited extent the general public. Companies who place relevant product on the market also have an obligation to communicate the reference numbers of due diligence statements down the supply chain all information necessary to demonstrate that due diligence was performed, and that no more than a negligible risk was identified.

➤➤➤ **FOR MORE INFORMATION
PLEASE GO TO:
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