

The European Union Deforestation Regulation

Summary of requirements

Introduction

As part of our [Responsible forest management and procurement policy](#), we implement a Due Diligence System in compliance with **the European Union Deforestation Regulation (EU DR)**.¹ and the **US Lacey Act** . (2008).

This document provides a summary of the European Union Deforestation Regulation (EU DR)

The RDUE was approved on May 31, 2023 with the objective of minimizing the consumption of products from supply chains associated with deforestation or forest degradation, while ensuring the legality of the products.

The regulations will come into effect on Dec. 30, 2024 (June 30, 2025 for Small and Medium Enterprises²). The regulation applies to a range of products (palm oil, soya, coffee, cocoa, beef, timber, etc.). The European Union Timber Regulation (EU TR) will be repealed on December 30, 2024, except for wood produced before June 29, 2023, it remains applicable until December 31, 2027.

The EU DR includes the requirements of the EU BR, with additional requirements (in blue), in particular regarding the absence of deforestation or degradation of the forests where the wood was produced/harvested .

Summary of requirements

Article 2: Definitions (simplified)

- 3) deforestation** : the conversion, anthropogenic or not, of the forest for agricultural use;
- 4) forest**: an area of more than 0.5 hectare characterized by a stand of trees with a height greater than 5 meters and by a forest cover of more than 10%, or by a stand of trees capable of reaching these thresholds in situ;

¹ [Regulation \(EU\) 2023/1115](#) of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and on the export from the Union of certain basic products and products associated with deforestation and forest degradation, and repealing Regulation (EU) 995/2010.

² As defined in [DIRECTIVE 2013/34/EU](#) . Large companies exceed at least 2 of the following 3 criteria: 1) a balance sheet > 20 million EUR; 2) turnover > 40 million . EUR; 3) >250 workers. Small and medium-sized enterprises (SMEs) do not exceed 2 mentioned criteria.

7) forest degradation : structural modifications made to the forest cover, taking the form of conversion of:

- a) forests or forests naturally regenerated into plantation forests or other wooded areas;
- b) or from primary forests to planted forests ;

13) zero deforestation:

- a) products that come from land that has not been subject to deforestation activities **after 31 Dec. 2020** (no conversion to agricultural use).
- b) in the case of wood products, the wood was harvested without causing forest degradation **after Dec. 31. 2020** (no conversion of natural forest to planted forests).

40) relevant legislation of the country of production: the laws applicable in the country of production relating to the legal status of the production area with regard to:

- a) land use rights ;
- b) environmental protection ;
- c) forest-related rules, including forest management and biodiversity conservation, when directly related to wood harvesting;
- d) third parties' rights;
- e) labour rights ;
- f) human rights protected under international law ;
- g) the principle of free, prior and informed consent, including as set out in the UN Declaration on the Rights of Indigenous Peoples;
- h) tax, anti-corruption , trade and customs regulations.

Art. 3: Prohibition

Products cannot be placed on the EU market, marketed in the EU or exported , unless all of the following conditions are met:

- a) they come from zero deforestation;
 - b) they have been produced in accordance with the relevant legislation of the country of production;
- And
- c) they are subject by a due diligence declaration.

Art. 4: Obligations incumbent on operators

All companies must carry out Due Diligence the first time the product is placed on the EU market (e.g. upon importation, and also for products placed on the market inside the EU).

Large companies ²must exercise Due Diligence (DR) for every purchase, also within the EU (obtain the DR declaration number and re-do a new assessment and DR declaration).

SMEs ²must within the EU, obtain the DR declaration number and pass to the customer.

Art. 8: Obligations of operators

Obligation for the operator who places timber on the EU market (or sells or exports timber from the EU) to carry out due diligence , in particular:

- a) the collection of information (art. 9);
- b) risk assessment measures (art. 10) ;
- c) the risk mitigation measures referred to in Article 11.

Art. 9: Requirements for access to information

- the description (**name of the essence and full scientific name**) ;
- the quantity (expressed in mass, in net volume, or in number of units)
- the country of production, and if relevant the zones or regions of production;
- **the date or period of production;**
- supplier and customer contacts ;
- sufficient and verifiable information attesting that:
 - the production was done in accordance with the laws of the country of production, including any agreement conferring the right to harvest the products (in the case of timber);
 - **the products come from "zero deforestation", includes providing the geolocation of the production plots;**

Art. 10: Risk assessment

Obligation to analyze and assess the risk of deforestation or forest degradation and illegality, taking into account the following criteria:

- a) The level of risk of the area or country;
- b) the presence of forests;
- c) **the presence of indigenous peoples ;**
- d) **consultation and cooperation with indigenous populations and**
- e) **the presence of complaints ;**
- f) **the extent of deforestation or forest degradation;**
- g) **the source and reliability of the information referred to in Article 9;**
- h) the risks of the country of production in terms of:
 - corruption and the extent of the falsification of documents and data,
 - the absence of law enforcement measures,
 - human rights violations ,

- the presence of armed conflicts or the existence of sanctions imposed by the UN Security Council or the EU Council.
- i) supply chain complexity ;
- j) the risk of mixing with non-compliant products or products of unknown origin;
- k) [expert findings/substantiated reports from civil society](#) ;
- l) concerns about supplier records, non-compliance/illegal practices;
- m) [any information that indicates that the products are not in conformity](#);
- n) additional compliance information from certification schemes or other systems verified by third parties .

Products with a FLEGT license are considered compliant in terms of legality, but not for deforestation requirements or the obligation to make a declaration of due diligence.

Art. 11: Risk mitigation

1. Except where the identified risk is negligible, the operator **should adopt risk mitigation procedures and measures, which may include:**
 - a) a request for additional information or documents;
 - b) carrying out independent investigations or audits;
 - c) and /or requiring third-party verification.
2. [For Operators, policies, controls and procedures shall be in place, including:](#)
 - a) [Model risk management practices, reporting, record keeping, internal control and compliance management and designation of a compliance officer at management level for large companies;](#)
 - b) [The independent audit to verify the policies, controls and procedures referred to in point \(a\).](#)
3. [Review the risk mitigation annually and make it available to competent authorities upon request.](#)

Art. 12: Requirement of the Due Diligence System (RDS)

- 1) A framework of procedures and measures;
- 2) Annual review of the SDR and keep records for five years;
- 3) [A public annual report](#);
- 4) [Information contained in the annual report:](#)
 - a) [A summary of the information \(art. 9, a\), b\), c\)\)](#)
 - b) [The conclusions of the risk assessment and the measures taken \(art. 10 and 11\);](#)
 - c) [If applicable, a description of the consultation process with indigenous peoples, local communities and other customary land rights holders or civil society organizations present in the production area.](#)