

Proving **Palm Oil Compliance** With **EUDR Regulations**

**DIGITAL TRACEABILITY FROM PLOTS TO
MANUFACTURERS—AND BEYOND**

USE CASE

CONTEXT

The European Union's Deforestation Regulation (EUDR) is set to come into force by June 2023, giving stakeholders throughout the palm oil supply chain 18 months (large companies) or 24 months (SMEs) to comply.

Manufacturers and traders placing or exporting palm oil, a forest-risk commodity, will have to carry out due diligence and reporting to prove that products were produced legally and on land that has not been deforested. Non-compliant businesses could face stiff fines of at least 4% of their total EU-wide annual turnover.¹

However, according to Forest 500, a project of Global Canopy², the majority of palm oil manufacturers and traders are unprepared for the incoming EU regulation.³



Have no traceability
commitment



Have publicly
committed to meeting
EUDR traceability
requirements—but not
to the plot level



Have committed to trace
supply all the way to the
plot level

THE CHALLENGE

- Looming EUDR regulation coming into force, requiring compliance within months
- Ensuring complete and accurate reporting from a complex and multi-layer palm oil supply chain
- Enabling smallholders to integrate within the traceability process
- Simple integration and onboarding of all supply chain partners
- Relying on real-time, accurate data throughout each supply chain step
- Easy reporting, in line with EUDR requirements

1. <https://www.europarl.europa.eu/news/en/press-room/20221205IPR60607/deal-on-new-law-to-ensure-products-causing-deforestation-are-not-sold-in-the-eu>

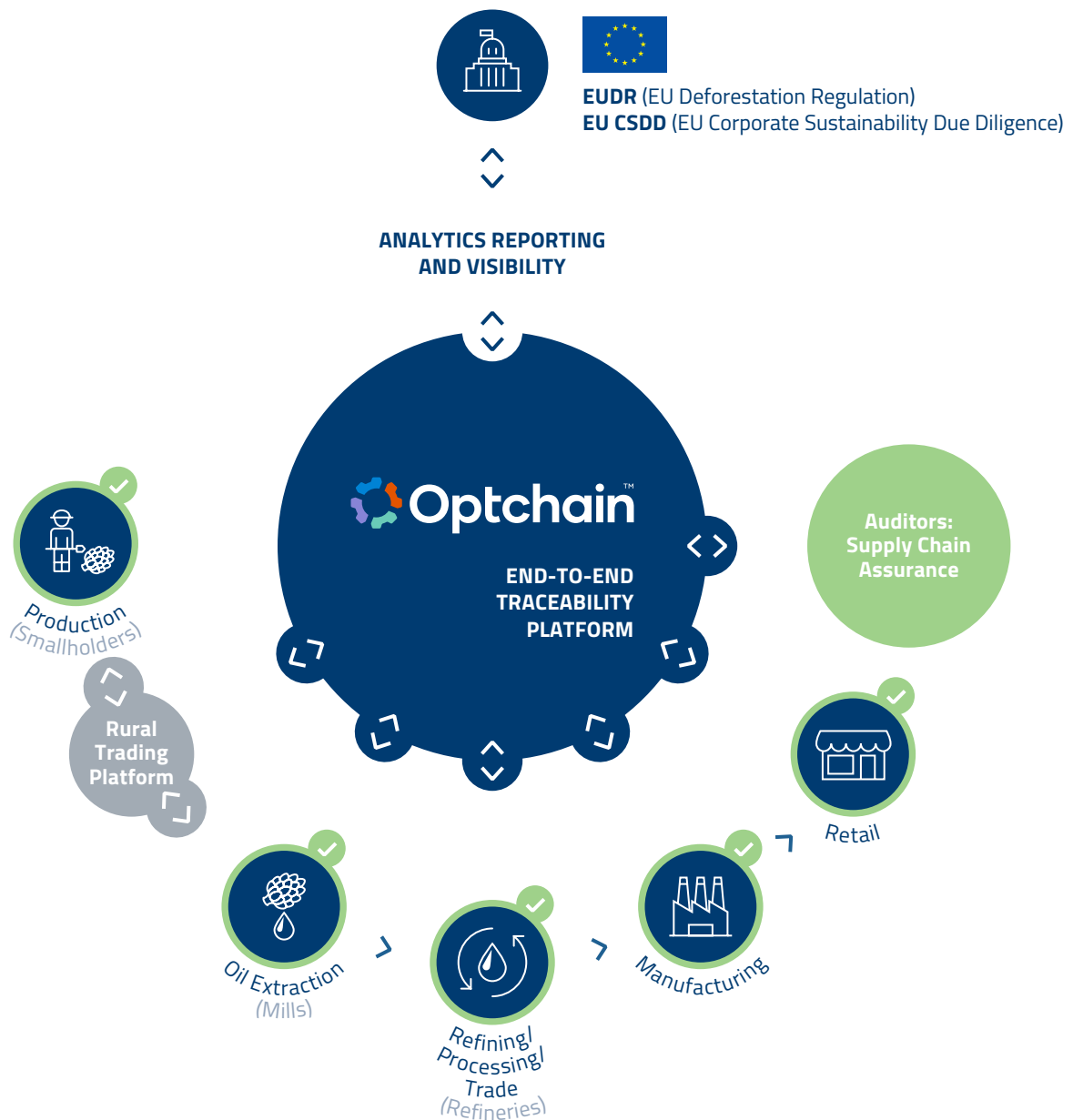
2. <https://globalcanopy.org/>

3. <https://forest500.org/analysis/insights/forest-500-analysis-shows-companies-greatest-influence-deforestation-are-currently>



SOLUTION

Manufacturers and traders must implement an end-to-end traceability platform capable of capturing, gathering and aggregating palm oil supply chain data from smallholder farmers all the way to manufacturers and beyond.





HOW PALM OIL SUPPLY CHAIN TRACEABILITY WORKS

When a smallholder farmer sells their fresh fruit bunches to a mill, information about their transaction is captured via PemPem rural trading platform, bringing valuable information such as the farm location or sustainability practices. PemPem offers trading services to smallholder farmers, ensuring they receive fair prices for their commodities while providing Optchain with relevant supply chain data.

Once the oil palm is handed off to mill, the data is then integrated into OPTTEL's Optchain™, a cloud-based and end-to-end traceability platform through a seamless API integration with PemPem. As oil palm travels down the supply chain through mills, refineries, traders and finally manufacturers, additional real-time product data is sent to the Optchain™ cloud database.

Traders and manufacturers can then use Optchain™ to carry out due diligence to identify, assess, and address the risks of deforestation and forest degradation in their supply chains. Thanks to Optchain™'s extensive reporting capabilities, companies will be able to easily submit their statements to a EUDR information system that they have successfully exercised their due diligence and confirm that products—right to the batch and plot levels—are compliant with EUDR rules.

What's more: the reports will include the geographical (GPS) coordinates of the farms or plantations where the oil palm was grown. This data can be compared with satellite deforestation monitoring solutions, which typically use satellite imagery to demonstrate that no forested land was cleared for farming.

TAP INTO A WEALTH OF COMPLIANCE INFORMATION

- Farm plot
- Deforestation check
- Harvest date
- Farmer identification
- Batch/lot of oil palm fresh fruit bunches
- Price vision (commodity prices, market prices, etc.)
- Timeline (transactions dates, etc.)

KEY FEATURES

- All-in-one platform that can be used by all stakeholders in the palm oil supply chain
- Seamless integration with PemPem mobile trading platform for smallholder commodities
- Interoperability with other solutions, including EUDR systems
- Solution built around the reality of supply chain users and stakeholders
- Easily scalable to add or remove supply chain stakeholders
- Many data-entry methods
- Only authorized users can send data to the platform
- Secure cloud database
- Data storage capacity can be adjusted easily



THIRD-PARTY AUDITING

OPTEL has partnered with Bureau Veritas, a world leader in testing, inspection and certification services (TIC). This partnership means that Bureau Veritas can independently verify that all your EUDR reporting data is accurate, no matter where it originates in a palm oil supply chain. Bureau Veritas audits give you peace of mind that your supply chain reporting meets the highest quality and reliability standards.

CONTACT US

To learn more about OPTEL's traceability solutions, contact us at optelgroup.com/contact/.



HAVE QUESTIONS?

Chat with us: optelgroup.com

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