

EUDR FAQ

➤ The **EU Deforestation Regulation (EUDR)** is a legal framework designed to reduce the import and consumption of products in the EU that contribute to deforestation and forest degradation. Below, we address the most common questions about the regulation and its implementation.





Which products fall under the EUDR?

- The EUDR covers a range of commodities including **soy, coffee, cocoa, wood, rubber, beef, palm oil, and their derivatives**. Annex I of the EUDR lists the exact products.

If a product is not in Annex I, it is exempt from complying with the EUDR's requirements, even if it contains commodities covered by the regulation.

For instance, products like soap are not required to comply, even if it contains palm oil which is covered by the EUDR.

[Click here](#) to learn more.






Are there any exemptions for certain products or companies?

- No general exemptions exist; however, the regulation allows for some flexibility in enforcement and support mechanisms for smallholders.





I use packaging, which is included in the EUDR (under HS code 4415), to transport my products. Do I need to comply with the EUDR?

- >** If packaging is used to 'support, protect or carry' another product, it is not covered by the regulation.



What are the key dates for the EUDR?

June 29th,
2023

Adoption

June 29th,
2023

Applicability date
The EUDR will apply
to all products
harvested from this
date onwards

December 30th,
2025

**Implementation
deadline for
large companies**

June 30th,
2026

**Implementation
deadline for
small companies**

December 31st,
2020

**Deforestation
cut-off date**
This means that
the land from which
the product
originated must not
have been subject to
deforestation after
this date.



What is required under the EUDR?

- To ensure EUDR compliance, companies will have to carry out a multi-step due diligence process: data collection, risk assessment and risk mitigation.
 - At the **data collection** phase, businesses must acquire real-time information about their products. This includes everything from basic product descriptions and quantities to more in-depth details, like the geolocation of the farm or forest from which the product originates. Companies must also acquire conclusive evidence verifying that the product's production is free from deforestation practices and adheres to the laws of the country of origin.
 - Once companies have completed the data collection, they must undertake a **risk assessment**. Risk levels are determined by various factors, such as the presence of forests and deforestation, conflicts over land rights with indigenous communities, mixing and circumvention, supply chain complexity, and even socio-political aspects, including corruption and lack of transparency. This comprehensive analysis must be updated at least annually.
 - If the risk assessment concludes there is zero risk, no further action is required. However, if risks are identified, companies must explore **risk mitigation measures**. This could involve collecting additional data, carrying out independent surveys, or undergoing audits.






Can companies use existing sustainability certifications to demonstrate compliance?

- Certification schemes can be used by supply chain members to help their risk assessment. Companies will still be required to exercise due diligence and they will be held accountable for any breach.





How should the geographic coordinates of the plots of land where the commodities were produced be collected?

- For plots of land of more than 4 hectares used for the production of commodities other than cattle, the geolocation should be provided using polygons, meaning latitude and longitude points of six decimal digits to describe the perimeter of each plot of land. For plots of land under 4 hectares, companies can use a polygon or a single point of latitude and longitude of six decimal digits to provide geolocation. Establishments where cattle are kept can be described with a single point of geolocation coordinate.






Can a polygon cover several individual plots of land? Can polygons cover contiguous plots of land?

- Polygons are to be used to describe the perimeter of the plots of land where the commodity has been produced. Each polygon should indicate a single plot of land, whether contiguous or not. A polygon cannot be used to trace the perimeter of a random land area that might include plots of land only in some of its parts.






Is there a threshold volume or value of a relevant commodity below which the regulation would not apply?

- No, whatever their quantity, products under the EUDR are subject to the obligations of the regulation.






When should the due diligence on deforestation take place?

- The due diligence on deforestation should take place before the shipment reaches your warehouse or you accept the shipment. Fast and automated processing is crucial therefore.






If one manufactures a product which contains multiple EUDR-specific ingredients, do they need due diligence for each commodity?


> Yes.





How can a commodity product be handled with around 40 forest sources to make up one load, when 750 loads are used to make 1 product-this could mean hundreds of DDS codes to make 1 product? Is that correct?


> Yes.



What if there was deforestation previous to 2020, the company re-planted trees to deforest again? Is this allowed under the EUDR?

- The regulation is only concerned with old growth forest. If a planted forest is chopped down, it can be harvested again.





Is the due diligence statement per shipment, per batch or can it include all possible geo-coordinates that the commodity could possibly come from?

- The due diligence statement is per batch, and it has to include all the actual coordinates.



How do companies ensure the traceability of their products?


- Companies must collect and maintain geo-location data of production areas, use chain-of-custody systems, and employ technologies such as satellite monitoring to track the movement of goods from production to sale.



Is internal inbound-outbound traceability required?

- Yes, internal inbound-outbound traceability is crucial for effective risk management. By linking inbound batches to outbound product batches, you can conduct targeted recalls, minimizing the risk of compromising your entire storage or production over a given period if a non-compliant input batch inadvertently enters your storage due to an upstream supplier error.





Do companies need to verify and prove that the geo-location is correct, or are they only expected to exercise due diligence on the risks associated with that location?

- Companies must collect information on a batch level and provide this information to the EU Single Window Portal (TRACES NT) and to downstream Operators and Traders. Traceability on a shipment level is therefore required to allocate the collected information properly. This includes inbound in-scope material and outbound in-scope material. Internal traceability is highly recommended by OPTEL. Optchain provides this level of traceability for EUDR through transaction based information collection starting with the PO to your supplier and ending with the shipment number of the outbound shipment to your customer.





What can a company placing a commodity in the EU market do in case their upstream suppliers do not provide the required information?

- If companies are unable to obtain the information required by the regulation, they must refrain from placing the products on the market or evaluate changing suppliers, otherwise they are at risk of potential sanctions.



Do you expect any changes in the regulation or/and a grace period for companies to comply with the EUDR?

- We have no indications or official communication regarding this. Grace periods could be in discussions.



What are the consequences of providing false information in due diligence statements?

- Providing false information can lead to severe penalties, including significant fines, criminal charges, and the suspension of the ability to sell products in the EU market.



What are the next steps for companies to prepare for the regulation?

- Companies should start by mapping their supply chains, conducting risk assessments, implementing due diligence processes, and engaging with suppliers to ensure compliance with the regulation.