

BIC Bites

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****Please read the latest update 8th October 2024****

Introduction to the European Union Deforestation Regulations or EUDR

EUDR is the new regulation brought in by the EU to replace EUTR (European Union Timber Regulations). EUDR came into force on 29 June 2023, but large organisations are not required to report under the regulations until 31 December 2024, and for smaller organisations this will be 30 June 2025.

Background

The main reason for the change is the EU's desire to do something about deforestation across the world by stopping products entering the region that might have caused deforestation or land degradation, as can be seen from the opening statement on the regulation:

The main driver of these processes is the expansion of agricultural land that is linked to the production of commodities like cattle, wood, cocoa, soy, palm oil, coffee, rubber, and some of their derived products, such as leather, chocolate, tyres, or furniture. As a major economy and consumer of these commodities linked to deforestation and forest degradation, the EU is partly responsible for this problem and it wants to lead the way to solving it.

Under the Regulation, any operator or trader who places these commodities on the EU market, or exports from it, must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation.

Follow this link to see the [full regulation](#).

The following list provides the reader with the top ten points that they need to know about EUDR:

1. A wide range of products are covered, from beef to books
2. EUDR non-compliance precludes access to (and exports from) the EU
3. EUDR also covers legal deforestation and forest degradation
4. The area of production must comply with local social and environmental laws
5. Today's production shapes tomorrow's compliance
6. Primary responsibility lies with the company placing the product on the EU market
7. Due Diligence must follow the prescribed method with transparency and information along the supply chain
8. Expect regular checks from national authorities
9. Expect scrutiny by private parties
10. Potential fines of up to 4% of the company's EU turnover, confiscation or exclusion from public funding or contracts

And this link provides the detail behind those [top ten points](#).

What does this mean for the book industry supply chain?

The main change between EUTR and EUDR is that printed matter is now included in the regulation which it was not before. The regulations require traceability from the geolocation of the tree through the paper products made from it through to the printed book, journal, or other products. So, for a hardback/casebound book this means you will need to know where the trees were grown, its geolocation, to make the paper for the text, endpapers, printed paper case or textured paper material covering the boards, the boards themselves and finally the printed jacket if there is one. To comply with the regulation Due Diligent Statements (DDS) are going to be required with information passing down the supply chain for the importer or exporter so that they can generate the DDS.

It should be noted that if any of the papers or boards making up a book are from 100% recycled material then this due diligence process is not required. The regulations do apply to mixed sources paper/board, to the non-recycled portion of the materials. The regulation states that:

Annex I states that the Regulation does not apply to goods if they are produced entirely from material that has completed its lifecycle and would otherwise have been discarded as waste as defined in Article 3, point (1), of Directive 2008/98/EC. So, no obligation applies under the Regulation in respect of the recycled material.

This geolocation data should come from the mills and timber merchants initially. Then the data will be aggregated across the paper pulp to know which trees end up in which reel of paper at the paper mill. The reels of paper or flat sheets can then be traced to the printer and into the manufactured book. This is more complex than it is described here, although it gives the reader an idea of what is required. Currently the EU would prefer factual reporting from the tree to the printed book.

There are two options being considered to trace the trees from the wood chips to pulp and finally as finished paper. They are:

- Reporting in excess, but this can lead to issues if there is a problem with a parcel of land then the whole batch is invalid. This is method favoured by the EU.
- A mass balance approach whereby mills allocate plots of land of their input material to output material (for instance: all trees in the paper mill in January are counted in all the papers produced in January). This is the method favoured by the Confederation of European Paper Industries (CEPI).

A final decision on which method will be adopted has yet to be made by the EU.

Then as printed matter is imported or exported from the EU it will need a certificate stating that the products have not caused any deforestation or land degradation. The certificates will come from the EU database that is currently being set-up. To use the database, you will either have to be an organisation based in the EU or an EU-based representative of an organisation based elsewhere.

How is the geolocation data going to be traced and handled?

This is the hard part that the book industry is currently working on. Currently it is possible to trace trees from where they were grown to a mill. The challenge comes with tracing them from that point onwards until the trees become paper. The EU still has to make a decision on how this is going to be done.

There is also the country classification that the trees are grown in that needs to be considered. If a country is low risk, then the process is much simpler requiring less due diligence on the paper being used. Standard and high-risk countries will require a much more detailed risk assessment and traceability data.

Talking to one paper merchant this is their thoughts on the current status of mill readiness for EUDR. Work is being done by the paper mills (and they in turn are pushing the pulp suppliers) to ensure they comply with the regulation, whether they have the EU Information System in time or not. The main sticking points have been the geolocations, which have now been solved and the initial forest owner's certification/ harvesting certificate/ logging rights which may also have been resolved.

The amount of data that is required for this is going to be considerable, especially when different impressions and print locations are considered. All of this data will need to be held by the publisher, printer, paper mill and warehouse.

Who generates the certificates?

This will depend upon an organisation's role in the process – are they an operator or a trader in the process.

Operator: any entity which in the course of a commercial activity places relevant commodities and products on the EU market OR exports from the EU market.

Trader: anybody in the supply chain other than the operator who makes available on the EU market relevant commodities and products.

Once an organisation has worked out their role in this process, they can create their process to manage the regulation's requirements internally. A handy guide to explain what an organisations role in the regulations has been created by [CPI](#).

Further Information

Please use the following links to see what the Forest Stewardship Council (FSC) and



Programme for the Endorsement of Forest Certification (PEFC) are doing to help organisations comply with EUDR.

FSC

FSC is looking at how they can make changes to their systems to help with [EUDR compliance](#).

The FSC has also provided a six step guide for organisations to start preparing for the implementation of [EUDR](#).

Get started today

- Start using the FSC Regulatory Module and FSC Risk Assessment Framework today by visiting fsc.org/STARTEUDR.
- If you are still preparing, refer to [this article](#) for practical steps you can take before implementing the FSC solutions.
- You can also already start downloading data sheets from fsc.org/FSCtrace and start preparing your data on products and trading partners ahead of the FSC technology's August release.
- See the upcoming FSC webinar schedule and register for upcoming expert Q&As below.
- To see exactly when each component of FSC's technology offering will be available, please refer to [this fact sheet](#).

Here is the link to the various FSC webinars on [YouTube](#).

PEFC

PEFC has recently partnered with LiveEO to help certified organisations in [complying with EUDR](#).

EDItEUR

EUDR Due Diligence Statement document references generated when data is entered into the EU portal as part of an operator responsibilities will need to be passed along the supply chain, from mill to printer, to publishers and distributors, and potentially to retailers. For some organisations, keeping records of these Due Diligence Statement document references (as they apply to individual products) may be all that they need. Other organisations will need to communicate raw geolocation data and harvest dates to establish the link between the product to provenance of the raw materials. EDItEUR – the international organization that manages the ONIX standard for communication of product metadata – has introduced a way to include relevant DDS document references and geolocation data in the ONIX description of each book product. For further details, see EDItEUR's *ONIX Implementation and Best Practice Guides* at <https://www.editeur.org/93/Release-3.0-and-3.1-Downloads/#BestPractices> (download the document and search within the *Guide* for 'EUDR') or the brief explanation in the *ONIX Codelists Issue 66* document at https://www.editeur.org/files/ONIX%20for%20books%20-%20code%20lists/ONIX_BookProduct_Codelists_Issue_66_Changes.pdf (see the section headed 'List 79'). There may be further additions to ONIX as the requirements of EUDR become clearer, for example additional codes to cover the 'regulatory module' extensions of FSC and PEFC certifications.

NB. This document will be updated as and when new information becomes available.

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