

Benchmark International, LLC

European Deforestation Regulation (EU 2023/1115)
2025 AHFA Regulatory Summit



NOTICE:

The content of this presentation is for general information purposes only. This document is neither intended, nor should it be construed, as legal advice. Neither Benchmark International, LLC nor any of its related companies, subsidiaries, affiliates, managers, or employees make any warranty, express or implied, regarding the information defined or referenced herein. In the event of an inadvertent content error or inconsistency, the requirements specified in the applicable statute, regulation, or standard shall dictate.

Organizational compliance needs vary widely based on many factors. Companies or individuals seeking legal advice regarding compliance with any statute, regulation, or standard should consult with a qualified legal professional with expertise in the specific area(s) of interest.

The copyright for this presentation is the property of Benchmark International, LLC. This presentation is supplied on the expressed condition that the content must not be used for purposes other than that for which it has been supplied. This document may not be reproduced, republished, distributed, transmitted, broadcast, or otherwise exploited in any manner, in whole or in part, without the prior written permission of Benchmark International, LLC. All rights reserved.

PART 1: EUDR OVERVIEW

General Information:

1. Regulation Name:

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 the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

2. Adoption Date: June 29, 2023

3. Replaces: EU Timber Regulation (EU) No. 995/2010 (known as “EUTR”)

4. Key Objectives:

- ❖ Prevent the import to or export from the EU of products linked to global deforestation and/or forest degradation
- ❖ Reduce the EU’s role in global deforestation
- ❖ Promote sustainable trade practices
- ❖ Increase transparency and traceability of supply chains

Scope of the Regulation:

1. Applies to covered commodities and products placed on or exported from the EU market
2. “Relevant Commodities”:
 - ✓ **Wood**
 - ✓ **Soy**
 - ✓ **Beef**
 - ✓ **Palm Oil**
 - ✓ **Cocoa**
 - ✓ **Coffee**
 - ✓ **Rubber**
3. “Relevant Products”:
 - All derived products listed in EUDR Annex I that “contain, have been fed with, or have been made using” a relevant commodity (see Part 7 of this deck for list of “relevant products”)

Key EUDR Requirements (Article 3):

“Relevant commodities” and “relevant products” shall not be placed or made available on the EU market or exported from it, unless all the following conditions are fulfilled:



a) “deforestation-free”



b) produced in accordance with the relevant legislation of the country of production



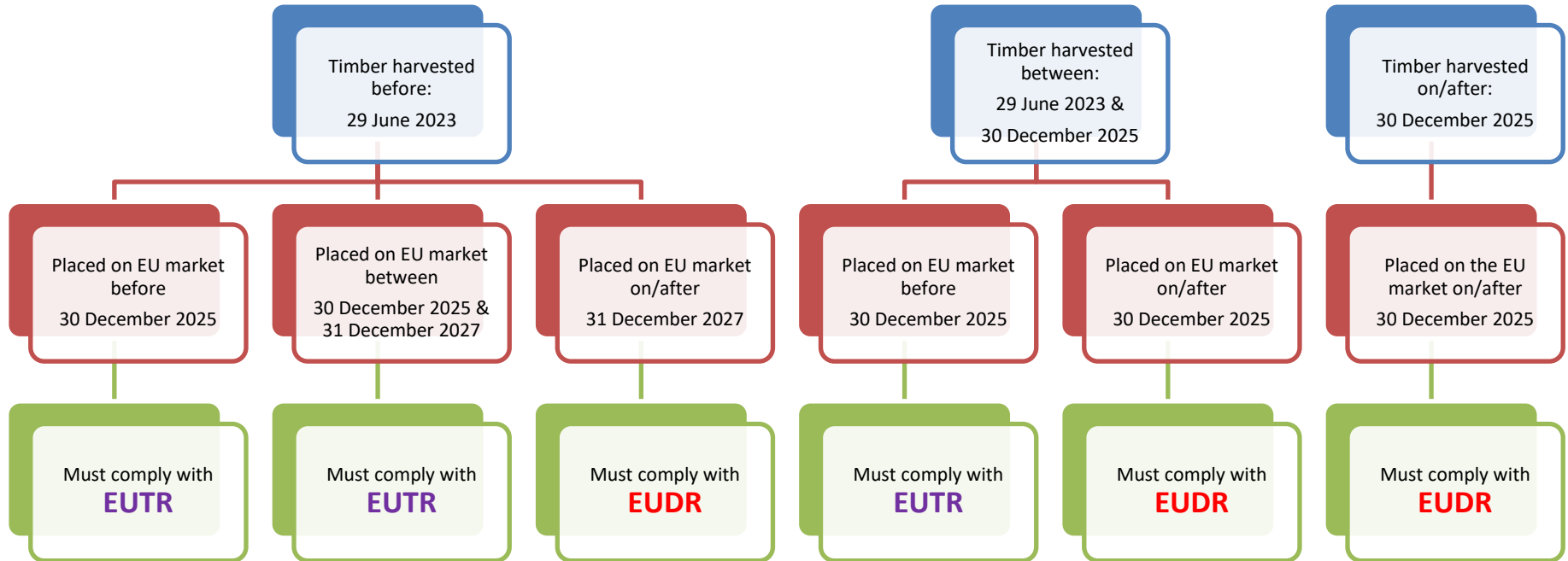
c) covered by a due diligence statement

EUDR Compliance Deadlines:

1. Based on the size of the company
2. Compliance Deadlines (deadline amendments approved by EU Parliament December 2024):
 - a) **30 December 2025: “Medium” or “Large” Operators/Traders**
 - b) **30 June 2026: “Micro” or “Small” Operators/Traders** as defined in Article 3 of Directive (EU) 2013/34 as modified by Directive (EU) 2023/2775

IMPORTANT: By definition, “SME Operators” and “SME Traders” includes “Micro”, “Small” and “Medium” sized enterprises [see EUDR Article 2 (30)] for the purposes of “Simplified Due Diligence” and annual reporting; however, the compliance deadline for “Medium” and “Large”-sized Operators and Traders is **30 December 2025** [see EUDR Article 38] .

EUTR Phase Out Schedule:



SME vs. Non-SME Operators and Traders:

Micro

- Balance Sheet: < € 350,000 (**€ 450,000**)
- Net Turnover: < € 700,000 (**€ 900,000**)
- Average # Employees During Financial Year: ≤10

Small

- Balance Sheet: € 350,000 ≤ € 4,000,000 (**€ 450,000 ≤ € 5,000,000**)
- Net Turnover: € 700,000 ≤ € 8,000,000 (**€ 900,000 ≤ € 10,000,000**)
- Average # Employees During Financial Year: ≤50

Medium

- Balance Sheet: € 4,000,000 ≤ € 20,000,000 (**€ 5,000,000 ≤ € 25,000,000**)
- Net Turnover: € 8,000,000 ≤ € 40,000,000 (**€ 10,000,000 ≤ € 50,000,000**)
- Average # Employees During Financial Year: ≤250

Large (Non-SME)

- Balance Sheet: > € 20,000,000 (**> € 25,000,000**)
- Net Turnover: > € 40,000,000 (**> € 50,000,000**)
- Average # Employees During Financial Year: >250

IMPORTANT:

1. Amended size criteria per (EU) 2023/2775 shown in **red text**.
2. Amended size criteria only apply after being transposed into the national law of the country where the Operator/Trader is established.
3. An Operator/Trader can only be classified as “Micro” or “Small” if it was a legal entity established in the EU and met the “Micro” or “Small” criteria as of 31 December 2020.
4. Size thresholds can be changed by the EU Member State – to determine if an Operator/Trader qualifies as “Micro” or “Small”, it must determine the size thresholds that were in place as of 31 December 2020 in the country where the Operator/Trader is established.

Defining “Deforestation-Free”:

Deforestation

- Cutting a forest and converting all or a portion of the land to agricultural use.
- Converting land to agricultural use after a forest fire or other natural disaster.

Forest Degradation

- Converting a "Primary Forest" into a "Plantation Forest" or "Other Wooded Land"
- Converting a “Naturally Regenerating Forest” into a "Plantation Forest" or "Other Wooded Land"
- Converting a “Primary Forest” into a “Planted Forest”

Not “Deforestation”

- Cutting forests to build a road
- Tree removal for commercial or residential development
- Harvesting damaged wood after a storm or a fire; or when cutting infected trees to prevent the spread of pests and disease provided such activities themselves do not induce forest degradation

Key EUDR Obligations for Companies:

1) Due Diligence System

- Collect detailed information, data, and documents needed to fulfill its obligations
- Assess risks of deforestation, forest degradation, or other non-compliance
- Implement mitigation measures to reduce risks, where necessary
- Establish and maintain supply chain traceability
- Conduct compliance checks for “deforestation-free” status

2) Due Diligence Statement

- A statement confirming compliance must be submitted before placing products on the EU market (includes the geo-location reporting requirement)

3) Reporting and Transparency

- Mandatory reporting of due diligence outcomes for Medium and Large Enterprises
- Micro and Small Enterprises are exempt from public reporting requirements.

Other Important Terms and Definitions:

1. “Operator” means:
 - a) individuals or entities that place products on the EU market or that export from it
 - b) for imported products, the importer of record is the “Operator”
 - c) includes those transforming or exporting products further down the supply chain (for example, those who transform one product of Annex I (which has already been the object of due diligence) into another product of Annex I
 - d) operators placing “relevant products” on the EU market that have not been subject to due diligence in a prior step of the supply chain (e.g., importers sourcing cocoa) are, regardless of their size, required to file a due diligence statement
2. “Trader” means individuals or entities that distribute or sell products that have been placed on the EU market.
3. “Micro, small and medium-sized enterprises” (“SMEs”) means “micro”, “small” and “medium”-sized undertakings as defined in Article 3 of Directive (EU) 2013/34 (amended by (EU) 2023/2775).

Other Important Terms and Definitions:

4. “Placing on the market” means the first making available of a relevant commodity or product on the EU market (can be domestic EU production or import)
5. “Making available on the market” means any supply of a relevant product for distribution, consumption or use on the EU market in the course of a commercial activity, whether in return for payment or free of charge (e.g., such as samples of a product given to customers)
6. “Plot of Land” means land within a single real estate property, as recognized by the law of the country of production, which possesses sufficiently homogeneous conditions to allow an evaluation of the aggregate level of risk of deforestation and forest degradation associated with relevant commodities produced on that land.
7. “Country of Origin” means a country or territory as referred to in Article 60 of Regulation (EU) No 952/2013.
8. “Country of Production” means the country or territory where the “relevant commodity” or the relevant commodity used in the production of, or contained in, a “relevant product” was produced.

Other Important Terms and Definitions:

9. “Noncompliant Products” means any “relevant product” that does not comply to EUDR Article 3.
10. “Negligible risk” means the level of risk that applies to “relevant commodities” and “relevant products”, where, based on a full assessment of product-specific and general information, and, where necessary, the exercise of appropriate mitigation measures, those commodities or products show no cause for concern as being not in compliance with EUDR Article 3.
11. “Substantiated concern” means a duly reasoned claim based on objective and verifiable information regarding non-compliance with EUDR requirements and which could require the intervention of competent authorities.

Enforcement and Penalties:

1. Member State Authorities: Responsible for checks and enforcement
2. Consequences on Noncompliance:
 - a) Fines (per violation):
 - Assessed based on the environmental damage and value of the relevant commodities or relevant products concerned, gradually increasing for repeated infringements
 - Capped at 4% of the operator's or trader's total annual Union-wide turnover in the financial year preceding the fining decision
 - b) Product seizure
 - c) Revenue seizure
 - d) Temporary or permanent market exclusion
 - e) Prohibitions from exercising simplified due diligence
3. Monitoring: Companies will face strict monitoring and audits

PART 2: REQUIREMENTS FOR OPERATORS AND TRADERS

Operators: individuals or entities that place products on the EU market or that export from it

1. Conduct due diligence as required in EUDR Article 8 before importing/exporting a product
2. Submit a due diligence statement through the information system (information requirements in Annex II) confirming that due diligence was performed and either “No risk” or “Negligible risk” was found.

IMPORTANT: Operator takes legal responsibility for the compliance of the goods.

3. Retain records of due diligence statements for 5 years from the date of submission.
4. Avoid importing to/exporting products from the EU that the Operator has determined are either:
 - a) Non-compliant to the requirements in Article 3
 - b) Determined to pose “Non-negligible risk” based on the outcome of due diligence
 - c) The Operator was unable to complete either (1) or (2) above.

Operators: individuals or entities that place products on the EU market or that export from it

5. Inform **COMPETENT AUTHORITIES** and **ALL OPERATORS OR TRADERS** to whom they supplied a product if the Operator becomes aware of reports that a product that was already placed on the market **IS AT RISK** of not being compliant (for exports, only need inform the competent authorities).
6. Assist competent authorities to facilitate carrying out checks required by Article 18 including access to premises and making available documents/records.
7. Communicate to downstream operators and traders of the products the Operator has placed on the market and provide all information (including the due diligence statement numbers) necessary to demonstrate due diligence was performed and that “No risk” or only “Negligible risk” was identified.
8. Operators who are SME’s are not required to conduct due diligence for products contained in or made from relevant products that have already been subject to due diligence and for which a due diligence statement number is available (SME Operators must provide the due diligence statement ID number to the competent authorities).

Operators: individuals or entities that place products on the EU market or that export from it

9. Non-SME Operators can refer to due diligence statements that have already been submitted only after having ascertained that due diligence was performed. In this case, the non-SME Operator include the reference numbers of the due diligence statements that have already been submitted in the due diligence statements they are required to submit.

IMPORTANT: If no due diligence was performed, or if a due diligence statement ID number is not available, both SME and non-SME Operators are required to perform due diligence before importing/exporting a product from the market.

10. Operators (both SME or non-SME) take responsibility for the compliance of the relevant products if they rely on a due diligence statement submitted by another Operator.
11. If a person or entity outside the EU places a product on the market, then the first natural or legal person/entity established in the EU who makes those products available on the market is deemed the Operator within the meaning of the EUDR.

Traders: individuals or entities that distribute or sell products that have been placed on the EU market

1. Non-SME Traders are considered non-SME Operators and are required to perform the same due diligence requirements as non-SME Operators.
2. SME Traders can only make products available on the EU market if they have obtained the due diligence information and the due diligence statement ID numbers that Operators are required to provide.
3. SME Traders must collect and keep the following information for 5 years:
 - a) Name, registered trade name/trademark, postal address, email address and website address (if available) of the Operators or Traders FROM WHOM they received the products, and the reference numbers of the due diligence statements associated with all products.
 - b) Name, registered trade name/trademark, postal address, email address and website address (if available) of the Operators or Traders TO WHOM they supplied the products, and the reference numbers of the due diligence statements associated with all products.

Traders: individuals or entities that distribute or sell products that have been placed on the EU market

4. SME Traders must inform **COMPETENT AUTHORITIES** and **ALL TRADERS** to whom they supplied a product if the SME TRADER becomes aware of reports that a product they have placed on the market **IS AT RISK** of not being compliant (for exports, only need inform the competent authorities).
5. Both SME and non-SME Traders must assist competent authorities to facilitate carrying out checks required by Articles 18 and 19, including access to premises and making available documents/records

PART 3: DUE DILIGENCE SYSTEM

Due Diligence:

1. Due diligence must be performed on each supplier BEFORE placing a product on the market.



Article 9 – Information Requirements:

Description of the product	Quantity of the product	Country of production (or part thereof)	Geolocation Coordinates	Supplier Information	"De-forestation free"	Compliant with Local Laws
<ul style="list-style-type: none">• Trade name and type of product• List of relevant commodities or relevant products contained in or used to make the product• For wood products, the species common name and the full scientific name (genus and species)	<ul style="list-style-type: none">• Expressed in kilograms of net mass and, where applicable, the supplementary unit set out in Annex I of Council Regulation (EEC) No. 2658/87 against the HTS code• In all other cases, the quantity must be expressed in net mass or, where applicable, the volume or number of items• A supplementary unit is applicable where it is defined consistently for all possible headings under the HTS code referred to in the due diligence statement	<ul style="list-style-type: none">• Country or territory where the "relevant commodity" or the relevant commodity used in the production of, or contained in, a "relevant product" was produced	<ul style="list-style-type: none">• Geolocation of all plots of land where relevant commodities contained in the product were produced• Date or time range of production	<ul style="list-style-type: none">• Name, postal address and email address of any business or person from whom they have been supplied a product	<ul style="list-style-type: none">• Adequately conclusive and verifiable information that the products are "deforestation-free"	<ul style="list-style-type: none">• Adequately conclusive and verifiable information that the commodities have been produced in accordance with relevant legislation of the country of production, including any arrangement conferring the right to use the respective area for the purposes of producing the commodity

Article 10 – Risk Assessment:

1. Carried out based on the documentation and information collected as required by Article 9 and “any other relevant documentation.”

Risk Assessment Requirements	
<ul style="list-style-type: none">• EU country-based risk assessment (low, standard or high);	<ul style="list-style-type: none">• Source, reliability, validity, and links to other available documentation of the information collected according to Article 9
<ul style="list-style-type: none">• Presence of forests;	
<ul style="list-style-type: none">• Presence of indigenous peoples;	<ul style="list-style-type: none">• Concerns in relation to the country of production and origin, or parts thereof:<ul style="list-style-type: none">✓ Level of corruption (use Transparency International CPI)✓ Prevalence of document and data falsification✓ Lack of law enforcement✓ Violations of international human rights✓ Armed conflict✓ Presence of sanctions imposed by UN Security Council or European Union✓ ENGO reports related to country of production or country of origin
<ul style="list-style-type: none">• Consultation and cooperation in good faith with indigenous peoples;	
<ul style="list-style-type: none">• Existence of duly reasoned claims by indigenous peoples based on objective and verifiable information regarding the use or ownership of the area used to produce the commodity;	
<ul style="list-style-type: none">• Prevalence of deforestation or forest degradation	

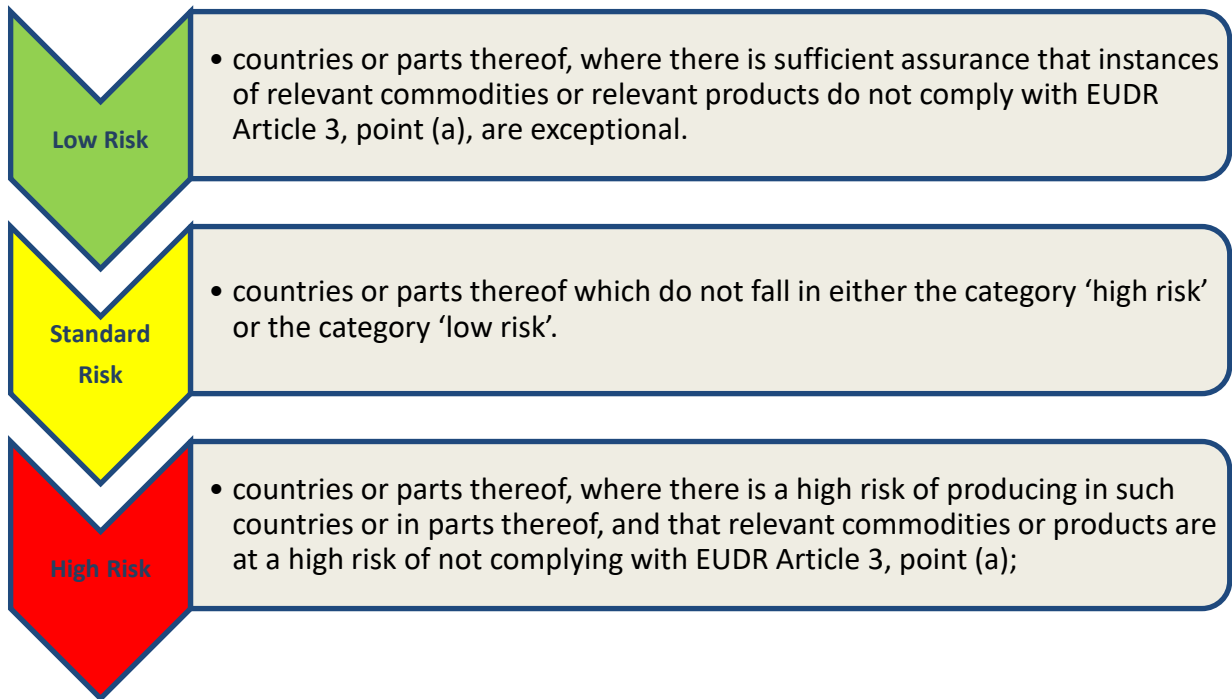
Article 10 – Risk Assessment:

Risk Assessment Requirements	
<ul style="list-style-type: none">Complexity of the supply chain and the stage of processing the relevant products, in particular, difficulties in connecting relevant products to the plot of land where the commodities were produced;	<ul style="list-style-type: none">Substantiated concerns under Article 31; to include information on the history of noncompliance of vendors, suppliers, Operators, or other Traders in the supply chain;
<ul style="list-style-type: none">Risk of circumvention of the EUDR or of mixing with relevant products of unknown origin;	<ul style="list-style-type: none">Any information that suggests there is a risk that a relevant product may not be compliant;
<ul style="list-style-type: none">Risk of relevant products produced in areas where deforestation or forest degradation has occurred or is occurring;	<ul style="list-style-type: none">Complementary information on compliance with EUDR requirements such as:<ul style="list-style-type: none">✓ Information supplied by certification or other third-party verified schemes✓ Voluntary schemes recognized under Article 30(5) of EU Commission Directive (EU) 2018/2001 provided such information meets the requirements of Article 9
<ul style="list-style-type: none">Conclusions of the EU Commission expert groups that support EUDR implementation as published in the EU Commission's expert group register;	

Article 10 – Risk Assessment:

2. Wood products within the scope of Regulation (EC) No. 2173/2005 (old EUTR regulation) that are covered by a valid FLEGT license are automatically deemed to comply to the requirement in Article 3 (b) (compliance with local laws) but are not automatically compliant to Article 3 (a).
 - ❖ Currently only applies to goods grown/harvested in Indonesia
3. Additional risk assessment requirements:
 - a) Risk assessments must be documented and reviewed at least annually (evidence of the review retained)
 - b) Risk assessments must be provided to competent authorities upon request
 - c) Operator must be able to demonstrate how the information was checked against the risk assessment criteria set out in point 2 and how the degree of risk was determined.

Country Risk Assessment (EUDR Article 29):



Classification based on:

1. rate of deforestation and forest degradation;
2. rate of expansion of agriculture land for relevant commodities;
3. production trends of relevant commodities and of relevant products

IMPORTANT: The country-level risk assessments do not consider the risk of products not meeting Article 3, point (b).

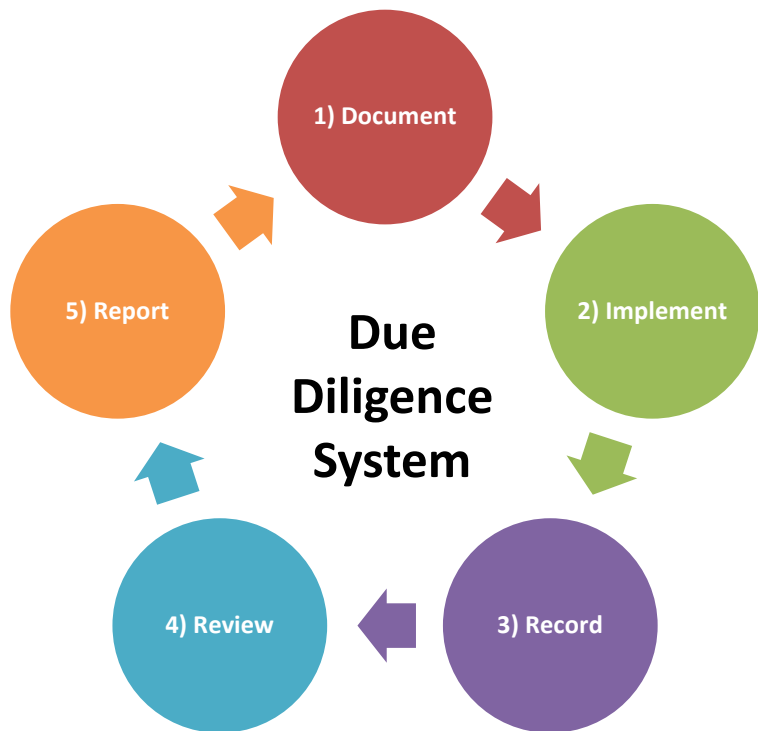
Article 11 – Risk Mitigation:

1. Products deemed “No risk” or “Negligible Risk” based on the outcome of risk assessment do not require risk mitigation
2. For products with “Non-negligible Risk”, risk mitigation measures must be implemented to achieve “No risk” or “Negligible Risk” status:
 - a) Acquiring additional information, data or documents
 - b) Carrying out independent surveys or supply chain audits
 - c) Taking other measures pertaining to Article 9 information requirements
 - d) Supporting compliance by investing in vendor capacity building and compliance investments

Article 11 – Risk Mitigation:

3. Operators must have adequate and proportional policies, controls and written procedures to mitigate and manage risks of noncompliance including:
 - a) Model risk management practices, reporting, record-keeping, internal controls, and compliance management systems
 - b) Formal appointment of a compliance officer at the management level (N/A to SME Operators)
 - c) Independent audit function to check internal policies, controls and procedures (N/A to SME Operators)
4. Additional risk mitigation requirements:
 - a) Risk mitigation decisions/actions must be documented and reviewed at least annually (evidence of the review retained)
 - b) Risk mitigation records must be provided to competent authorities upon request
 - c) Operator must be able to demonstrate how decisions on risk mitigation procedures and measures were taken.

Article 12 – Due Diligence System Requirements:



1. **Document:** Establish and maintain framework of procedures and measures to assure product compliance to Article 3.
2. **Implement:** Carry out information collection, risk assessment, and risk mitigation according to established procedures.
3. **Record:** Retain records of all due diligence activities, system updates/changes, etc. for 5 years.
4. **Review:** System must be reviewed at least annually or whenever new information becomes available that could influence the due diligence system and improvements integrated.
5. **Report:** Non-SME (e.g., "Large") Operators or Traders must publish an annual report on the status of its due diligence system:
 - a) Report must be published via the internet or otherwise as needed to be "as widely available as possible".
 - b) Operators who fall within the scope of other EU regulations that specify requirements for value chain due diligence can incorporate their EUDR compliance efforts into a consolidated report.

Article 12 – Due Diligence System Requirements:

Non-SME (e.g., “Large”) Operator and Trader annual reports must include:

1. Summary of the information referred to in Articles 9(1), points (a), (b), and (c)
2. Conclusions of the risk assessment carried out according to Article 10, including a description of the information and evidence obtained and used to assess the risks
3. Where applicable, a description of the risk mitigation measures carried out according to Article 11
4. Where applicable, a description of the process of the consultation of indigenous peoples, local communities, or other customary tenure rights holders or the civil society organizations that are present in the area of production of the commodities or products

IMPORTANT: First annual report must be published by the end of 2025.

Article 13 – Simplified Due Diligence:

1. Commodities or products produced in a country deemed to be “Low Risk” based on the EU Commission’s country-based risk assessment can exercise simplified due diligence:
 - a) The requirements of Article 9 (information collection and review) still apply;
 - b) The requirements of Article 10 (risk assessment) and Article 11 (risk mitigation) do not apply if:
 - The supply chain is assessed to be “not complex”
 - There is a low risk of EUDR circumvention;
 - There is low or no risk of mixing commodities/products sourced from “Low Risk” countries with commodities/products:
 - 1) of unknown origin, or;
 - 2) sourced from either “High Risk” or “Standard Risk” countries.
 - c) Data/information substantiating the above conclusions must be retained for 5 years and made available to competent authorities upon request.

Article 13 – Simplified Due Diligence:

2. Simplified Due Diligence cannot be used if:
 - a) Any of the conditions described in item 1(b) are not fulfilled
 - b) Any new information comes to light that the products do not comply with EUDR or there is risk of EUDR circumvention.

IMPORTANT: If information comes to light after a due diligence statement has been submitted, then the Operator is required to immediately notify the competent authorities.

3. If a competent authority becomes aware there is a risk of EUDR circumvention, or a risk that commodities/products sourced from “Low Risk” countries are mixed with products from “High” or “Standard” risk countries, they are immediately required to carry out the actions specified in EUDR Article 17.

PART 4: DUE DILIGENCE STATEMENTS

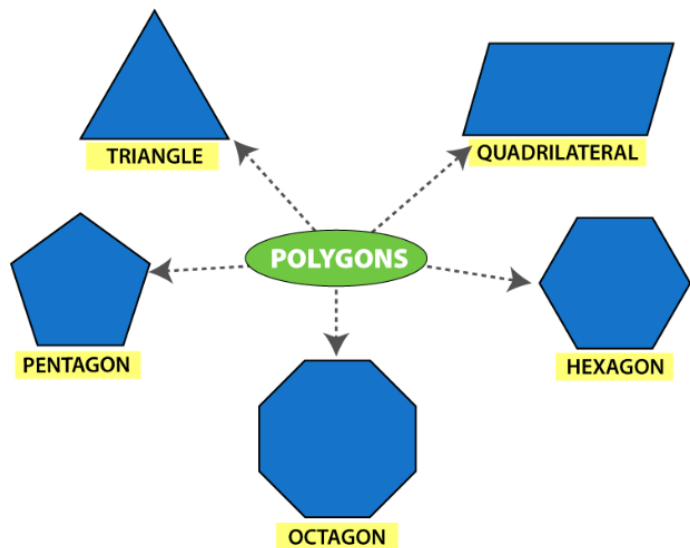
Due Diligence Statements:

1. Submitted in the information system at the time of customs entry to or exit from the EU

Due Diligence Statement Requirements	
<ul style="list-style-type: none">• Operator name, address, and the Economic Operators Registration and Identification (EORI) number obtained according to Article 9 of Regulation (EU) No. 952/2013;	<ul style="list-style-type: none">• If referring to an existing due diligence statement, the reference number(s) of those statements;
<ul style="list-style-type: none">• Harmonized system code, free-text description (including the trade name), the full scientific name, and the quantity of the relevant product being imported or exported;	<ul style="list-style-type: none">• The text, <i>“By submitting this due diligence statement, the Operator confirms that due diligence in accordance with Regulation (EU) 2023/1115 was carried out and the no or only a negligible risk was found that the relevant products do not comply with Article 3, point (a) or (b), of that Regulation.”</i>
<ul style="list-style-type: none">• Country of production and geolocation of all plots of land where relevant commodities were produced;	<ul style="list-style-type: none">• Signature of the Operator or Authorized Representative and date of submission;

2. Refer to [EUDR Information System User Guide](#) for specific data submission procedures.

Geolocation Coordinate Requirements:



1. Information System supports GeoJSON file format and WGS-84, with EPSG-4326 projection.
2. Coordinates must be provided using at least six decimal digits (e.g., 44.084489 North, -123.061089 West)
3. Polygons are to be used to describe the perimeter of the plots of land where the commodity has been produced. Each polygon should indicate one single plot of land, whether contiguous or not.
4. For plots of land below four hectares (only), geolocation can be described with one latitude and longitude point only.
5. If relevant products are made of commodities from several plots of land, several polygons must be provided in one due diligence statement (no limit to number of polygons but file size is limited to 25 Mb).

Geolocation Coordinate Requirements:

6. Non-SME operators and traders must verify and be able to prove the geolocation is correct; if relying on geolocation data provided by the producer, the operator is ultimately responsible, not the producer.
7. If a product has been made with commodities produced on different plots of land, the geolocation of all different plots of land must be included.
8. Any deforestation or forest degradation on the given plots of land automatically disqualifies all relevant commodities and derived products thereto from being placed on the EU market.
9. For products that contain or have been made using cattle (e.g., leather), and for products that have been fed with relevant products, the geolocation must refer to all establishments where the cattle were kept from the time of birth to the time of slaughter.
10. For all other products in Annex I, the geolocation must refer to the plots of land.
11. There is no exception for the traceability requirement via geolocation as it pertains to countries classified as “low risk”.

Date and Time Range Of Production:

1. For commodities other than cattle:
 - a) the date of production refers to the date of harvesting of the commodities
 - b) the time range of production refers to the period/duration of the production process (for instance, in the case of timber, “time range of production” would refer to the duration of the relevant harvesting operations).
 - c) the date of production and the time range of production should both be related to the designated plots of land.
2. For relevant products under the commodity “cattle”:
 - a) the time range of production refers to the lifetime of the animal from the moment the cattle was born until the time of slaughtering.
 - b) EUDR does not apply to cattle and cattle derived products if the cattle was born before the entry into force of the Regulation, i.e. before **29 June 2023**

PART 5: EUDR UPDATES

At the recent European Council's Agriculture and Fisheries meeting conducted in late May, Luxembourg and Austria [proposed additional measures](#) to reduce the administrative burden on EU-based farmers, foresters, and Competent Authorities. The proposal, supported by various EU nations, includes simplification measures to:

Define countries or regions with insignificant risk of deforestation for which operators do not have the record or report the geolocation coordinates for the plots of land on which the covered commodities were grown or raised and harvested.

Introduce sustainability compensation mechanisms in areas located outside primary or protected forests with high biodiversity value whereby the felling of trees could be offset by certified afforestation of an equivalent area in the same country.

Permit Competent Authorities to carry out controls based on a risk analysis without specifying a minimum rate based on the number of entries during a specified time period.

Reduce reporting and documentation requirements.

However, while these proposed measures are intended to reduce the burden on EU-based entities, the proposal also includes a provision that calls for strict controls on imported products to minimize the risk of fraud. Authors of the proposal also noted that an additional delay in the implementation date is “advisable” pending a response from or counter proposal issued by the EU Commission.

While up to 70% of EU member states have expressed support for some or all of the provisions in this proposal, the current EUDR enforcement deadline of December 31, 2025 remains in place, at least for now. In addition, while any effort to simplify and reduce the EUDR’s administrative burden is likely to be welcome by most, the proposal’s call “for strict controls on imported products” suggests the petitioners may be willing to offset further reductions to the burden placed on EU-based operators at the expense of imports.

On 24 June 2025, the EU Committee on the Environment, Climate and Food Safety (ENVI) passed a [resolution](#) by a vote of 49-37 to object to the European Commission's [EUDR Country Benchmarking List](#) that was published on May 22, 2025. Among other things, the motion argues the EU Commission exceeded its regulatory authority granted to it by the EUDR and introduces significant proposals such as the establishment of a “negligible risk” category and the reclassification of more countries into “high-risk.” Interested stakeholders can watch the vote as it occurred [here](#).

The motion met strong opposition from the European Commission during committee discussions. The EU Commission has yet to make any public statements regarding the outcome of the committee's vote. The resolution now proceeds to the full European Parliament for a vote. While not legally binding, such objections tend to carry significant influence with Parliamentarians, often prompting revisions and, given the party makeup of the committee vote, the motion appears likely to pass the full parliament. However, reworking the EUDR benchmarking process could introduce considerable legal uncertainty, and full Parliament vote in favor of the ENVI resolution would almost certainly trigger a delay to the EUDR implementation date since a resolution passed in December 2024 requires the EUDR Country Benchmark list to be in place at least six (6) months before the EUDR implementation date.

A coalition against the ENVI resolution [penned a letter](#) to Commission President Ursula von der Leyen emphasizing their concerns. The [WWF](#) and [WRI](#) remain vocal critics of the motion, each individually issuing statements denouncing the committee's decision to support the resolution and reiterating their support for the implementation to move forward as planned later this year.

PART 6: EUDR COMPLIANCE RECOMMENDATIONS

Recommendations for EUDR Compliance:

1. Determine business size according to Directive (EU) 2013/34 as of 20 December 2020.
2. Identify vendors and SKUs subject to EUDR enforcement (EUDR Annex I).
3. Conduct vendor education and training regarding EUDR requirements and obligations.
4. Determine the components of each SKU subject to EUDR requirements.
5. Prepare a supply chain map of each SKU and each component thereof subject to EUDR enforcement.
6. Collect supporting documents/data/information related to each SKU and component thereof for each node in the supply chain illustrated by the supply chain map.
7. Compile the common name/scientific name (required only for wood) and geolocation coordinates where commodities are produced/harvested.
8. Prepare supply chain risk assessment for each vendor and raw material type based on collected documents/data/information.

Recommendations for EUDR Compliance:

9. For each vendor and raw material type for which a “Non-negligible risk” is determined, identify and implement appropriate mitigation strategies to reduce or eliminate the risks.
10. Retain records of all decisions made and all documents/data/information gathered to support your risk assessment.
11. Conduct periodic (at least annual) reviews of all vendors and raw material types to confirm the validity of existing risk assessments; update documents/data/information and redo risk assessments as needed.





Question & Answer

Contact:
Chris.Battin@Benchmark-Intl.com

REFERENCED INFORMATION SOURCES:

1. EUDR Regulatory Text (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461#d1e32-243-1>)
2. Deforestation Regulation Implementation Webpage (https://green-business.ec.europa.eu/deforestation-regulation-implementation_en)
3. EU Commission Guidance Document for Regulation (EU) 2023/1115 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024XC06789&qid=1731687748447>)
4. EU Commission FAQ: Implementation of EU Deforestation Regulation (<https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/e126f816-844b-41a9-89ef-cb2a33b6aa56/details>)
5. EUDR GEOJSON File Description (<https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/adebc1da-4e60-4479-83dd-ee344607c6f9/details?download=true>)
6. EUDR Information System User Guide (https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/b645b754-bd2b-4841-8bbe-c102a35adb0d?p=1&n=10&sort=created_DESC%20)
7. EUDR Information System Help Page (https://green-business.ec.europa.eu/deforestation-regulation-implementation/information-system-deforestation-regulation_en)
8. EU Member States List of Competent Authorities (<https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/b52a6d25-e365-4301-a90a-59cf7ce2e8d3/details?download=true>)
9. Directive (EU) 2013/34 (<https://eur-lex.europa.eu/eli/dir/2013/34/oj/eng>)
10. Directive (EU) 2023/2775 (https://eur-lex.europa.eu/eli/dir_del/2023/2775/oj/eng)
11. EU Harmonized System of Classifications (<https://www.wcotradetools.org/en/harmonized-system>)