PEFC webinar: on the path to EUDR alignment

26.06.2024
Welcome
PEFC is the world's largest certification system

- **296+** Million hectares of certified forests
- **1’000’000+** Forest owners, public, private, smallholders to large enterprises apply PEFC standards on the ground
- **45** National and regional schemes endorsed against the PEFC Benchmark
- **28K+** Companies in the supply chain are certified
- **#1** Leader in forest certification globally
- **76%** Share in certified forest areas globally
- **80+** Countries with certified suppliers
- **25** Years of driving sustainable forest management
- **80+** Countries with certified suppliers
Our speakers

Maja Drča
EU Representative

Hubert Inhaizer
Forest Management

Marta Martínez Pardo
Chain of Custody

Rob Shaw
Data and Integrity
EUDR Alignment Project Pillars

**Process**
- Normal procedure
- High efficiency & intensity in revision
- High engagement & contribution from expert stakeholders through WGs

**Work Streams**
- Sustainable Forest Management Working Group (SFM WG)
  - SFM EUDR TF
- Chain of Custody Working Group (CoC WG)
  - CoC EUDR TF
- EUDR Data TF (linking to both SFM and CoC WGs)

**Approach**
- EUDR adapted DDS for chain of custody certificate holders
- Identification of best option to bring SFM in alignment with EUDR
- EUDR data requirements
EU update

Maja Drča
EUDR Timeline

2024
- 29 June 2023: Entry into force of the EUDR
- Possible extension to other wooded land by 30 June 2024
- Possible extension to other natural ecosystems, commodities and products by 30 June 2025

- Implementation tools under preparation by the European Commission - guidance documents, IT system, Forest Observatory, FAQ, etc.
- Country benchmarking by 30 December 2024

- 30 December 2024: entry into application of obligations for non-SMEs
- EU Timber Regulation is repealed

2025

2028
- Review of the regulation by 30 June 2028

- Additional application time for wood products where:
  - trees were harvested before the EUDR came into force; and
  - the wood product is placed on EU market on or after the EUDR becomes applicable to businesses.

- 30 June 2025: entry into application of obligations for SMEs (established by 31/12/2020)
Role of certification in the EUDR

- **Information requirements**
  - Article 9

- **Risk assessment**
  - Article 10

- **Risk mitigation**
  - Article 11

**DUE DILIGENCE**

- **Article 3**
  - No placement

- **Article 4/5**
  - Substantiated concerns
  - Assistance for checks
  - Communication

- **Article 8/12**
  - DDS, reporting, record keeping

**Assurance** with relevant deforestation-free and legality requirements

**Strong support**, however not a green lane by the EUDR

Feasibility of & need for additional facilitation tools to be evaluated by 30 June 2028 (by the European Commission)
EUDR Implementation tools

- EU Observatory on deforestation and forest degradation
- Frequently Asked Questions (FAQ) – v1, v2
- Capacity building (Team Europe initiative)
- Guidance document
- Information system
- Country benchmarking decisions
- Review
Frequently Asked Questions (FAQ)

• Updated, 3rd version, to be published on the EC website
• Timeline: ongoing procedure, to be published ASAP
• New: 40 questions (covering IT system, traceability obligations, due diligence, commodity specific, etc.)
• New: further clarification on ‘forest degradation’
• Further updates of the FAQ foreseen in the future
Guidance document

• Elaborating different aspects of the EUDR & staying in the boundaries of the regulation text
• Timeline: ongoing procedure, to be published ASAP
• Built in an in-depth consultation with the EU Member States, building on their EUTR experience
• Including: role of certification systems
Information system

DDS Information System - Roadmap

May: Publication of API technical specifications

June: API conformance testing (open-ended session)

Jul-Aug: Publication of informative videos

Sep: Distribution of user instructions

Oct: Beginning of training sessions

Nov: Opening of registration

2/12/2024: Opening of system
Information system

• Main functionalities:
  1. Submit a DDS
  2. Duplicate a DDS (copy as new) - UI only
  3. Retrieve DDS information (Reference Number & Status)
  4. Add one or more referenced DDS
  5. Amend an existing DDS [tentative]
  6. Retract an existing DDS (Cancel or Withdraw)
Information system

- **Geolocation data:**
  - Industry standard GeoJson file format used for import of data
  - Coordinates in conformance to the WGS84 standard with EPSG:4326 projection system regardless of the input method (UI or API)
  - Geolocation data file size limited to 25 MB per DDS
Information system

• API for EO*:  
  • Who: one system per unique operator; One public sector system for one or more operators; One commercial software for one or more operators
  • Authentication: credentials for each operator to be granted by European Commission
  • Technology: authentication over SOAP**
• User support & training:
  • Materials to be published online (short videos for each specific set of functionalities)
  • Training in Brussels with online participation & at national level

*Application Programming Interface for Earth Observation data
**Simple Object Access Protocol
Country benchmarking

- Ongoing process – methodology development & collection of data
- Timeline: on track to be delivered in due time
- At the moment, all countries carry a ‘standard’ risk (full due diligence obligations)
- High risk countries to be consulted ahead of publication of results
Review (article 34): impact of potential extension of scope

• **Other wooded land:**
  - Status: ongoing assessment; 2024
  - Challenge: data limitation
  - Study underway, ongoing targeted stakeholder consultation followed by a public consultation (in the next couple of months)

• **Other ecosystems, financial institutions, commodities & derived products:**
  - Status: 2025
  - Public consultation to start end of 2024
Capacity building

• Team Europe: operationalising different elements of the initiative through EU Member States funding
• Team Europe Hub: support for outreach and coordination tasks
• SAFE program: focus on deforestation and smallholder inclusion
• Technical facility: addressing the gaps in EUDR affected exporting countries; run by EFI
• EU delegations in countries: e.g. latest missions to China, US
• Forest partnerships: focus on timber, cooperation with Team Europe on wood commodity
EUDR materials

- EUDR Multistakeholder Platform (link)
- European Commission website (link)
  - Implementation tools (link)
Sustainable Forest Management Workstream

Hubert Inhaizer
• **Forest conversion:** Direct human-induced change of forest to non-forest land or forest plantation

• ‘**Deforestation**’ means the conversion of forest to agricultural use, whether human-induced or not
• **Degraded forest:**
  Land with long-term significant reduction of the overall potential to supply benefits from the forest, which includes carbon storage, wood, biodiversity and other goods and services (definition based on FAO 2003)

• **‘Forest degradation’** means structural changes to forest cover, taking the form of the conversion of:
  (a) primary forests or naturally regenerating forests into plantation forests or into other wooded land; or
  (b) primary forests into planted forests;
Forest

5%

Forest plantation

TOF* Agriculture

TOF* Settlement

* Trees outside Forests
Forest

Primary forest

Planted forest

Plantation forest

Naturally regenerating forest

Agriculture use *

Other wooded land

* includes agriculture plantations
Overview of the proposals

PEFC SFM Benchmark ST 1003

Chapter 1 – Scope: 1 modification
Chapter 3 – Terms and Definitions: 19 modifications
Chapter 4 – Context: 1 modification
Chapter 6 – Planning: 2 modifications
Chapter 8 – Operation: 5 modifications
Appendix 1: 4 modifications
Appendix 2: 8 modifications

Total: 40 modifications
Overview of the proposals

PEFC ST 1003

Chapter 1 – Scope: 1
Chapter 3 – Terms and Definitions: 12 5 2
Chapter 4 – Context: 1
Chapter 6 – Planning: 2
Chapter 8 – Operation: 1 3 1
Appendix 1: 1 3
Appendix 2: 4 3 1

Total: 18 15 7
Cut-off date

• There's no modification proposal included, because the current cut-off date meets the EUDR requirement

• Stakeholder feedback is called for in the public consultation

• Separate question on cut-off date included
Available information resources on our website

- **Overview** of the 40 proposed modifications
- Full text of the ST 1003, including the proposed changes with blue highlights
- Webinar recording from 12th June
Public consultation is open until 13 July
Chain of custody solution: the PEFC EUDR DDS modular standard

Marta Martinez Pardo
The PEFC EUDR DDS modular standard in a nutshell

Supporting companies in their journey to align with EUDR the PEFC certification programme

• Translation of the EUDR in implementable steps
• Ascertain of due diligence through third party certification
• Can be used by any organisation within the supply chain
• Covering EUDR and beyond
Build up over PEFC Chain of custody

To be used together with the PEFC ST 2002

Replacing PEFC ST 2002 DDS (Chapter 7 and Appendix 1) by the PEFC EUDR DDS

Defining at product group level which DDS to be implement

Additional elements under information and additional claims (PEFC-EUDR) and definitions
PEFC EUDR DDS: Content and steps

EUDR DDS Steps

1. Collection of information
2. Risk assessment
3. Substantiated concern
4. Risk mitigation
5. *Due diligence statement submission and publication*
6. No place on the market
PEFC EUDR DDS: Scope and definitions

• Scope: forest and tree-based material defined as relevant product by EUDR

• Definitions based on EUDR
  o Relevant product to be used instead of forest and tree-based material
  o When contradiction with ST 2002, PEFC EUDR DDS definitions to be used

• PEFC-EUDR claim together with the ST 2002 CoC claims
  o E.g.: PEFC-EUDR X% PEFC certified, PEFC-EUDR PEFC controlled sources
### PEFC EUDR DDS:
Claims and material classification

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<tr>
<th>Material classification</th>
<th>PEFC-EUDR referenced</th>
<th>PEFC-EUDR non-referenced</th>
<th>Non PEFC-EUDR</th>
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PEFC EUDR DDS: Risk assessment

- Risk assessment to be conducted against 4 set of risks
  I. Deforestation and forest degradation
  II. Legality
  III. Missing elements from controversial sources from ST 2002
  IV. Supply chain and mixing

- Relevant product shall be negligible risk according to the 4 risk categories
- PEFC-EUDR claimed material: negligible risk
- For 100% PEFC certified material, if SFM ST already aligned to EUDR: negligible risk
PEFC EUDR DDS: Implementation
PEFC EUDR DDS: Roll out for CBs

1. Extend your CoC accreditation scope to cover PEFC EUDR DDS

2. Get PEFC recognised training. PEFC will be providing trainings in the coming months. Information soon on the PEFC website

3. Engage with your clients and plan your audits

4. Starting issuing EUDR certificates
PEFC EUDR DDS: Roll out for organisations

1. Get familiar with the PEFC EUDR DDS
2. Contact your CB
3. Prepare for implementation: adapt your management system, train staff, identify product groups, suppliers and information
4. Get audited
5. Start implementing the PEFC EUDR DDS and issue PEFC-EUDR claims
Data Management Update

Rob Shaw
EUDR and Data

• We continue to
  • talk to Tech partners in Earth Observation and Traceability
  • follow EU Information Centre developments

• Our overall aim is to create tools that give certified organisations choice and flexibility

• Today I am pleased to announce our first official Tech partnership agreement with LIVE EO
TradeAware
Specifically built to comply with EUDR
LiveEO & PEFC partnering to address timber and tree-based products’ EUDR requirements

What we want to resolve:

- Evolving industry definition re. forest degradation & deforestation
- One-stop-shop to collect geospatial and legal evidence
- Challenges related to data sharing

Why we want to partner together:

- We rely on PEFC’s EUDR DDS standard
- We build on LiveEO’s end to end EUDR platform
LiveEO and PEFC are launching the first integrated EUDR platform designed for PEFC Certificate Holders.

#1: EUDR & PEFC requirements integration
Our platform integrates PEFC requirements, saving time and effort for companies seeking to meet both EUDR and PEFC requirements.

#2: Protect your supply chain
Prevent costly wrongful exclusion of suppliers and risk of non-compliance, thanks to best-in-class analytics.

#3: Save Costs
PEFC certificate holders benefit from special rates on TradeAware.
Start today: A clear Roadmap to EUDR compliance

In our dedicated program, we guide you through key steps. Steps 1 and 2 are free of charge, PEFC certificate holder receive special rates on TradeAware. Sign up to learn more.

Sign up today!

live-eo.com/pefc

1. Prepare and import your Geodata
2. Connect with PEFC Suppliers and Buyers
3. Upload docs & complete EUDR risk assessment
4. Finalize your EUDR DDS System ahead of the deadline

Audit proof compliance
LiveEO & PEFC have jointly established a dedicated system of package prices based on your self-reported company turnover

Special launch prices valid until September 30, 2024

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<th>Tiers</th>
<th>Turnover</th>
<th>Package Prices</th>
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<tr>
<td>Tier #4</td>
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This is what you can expect:

**In your Package**

- **Unlimited** geolocation upload
- **Unlimited** connections with your buyers and suppliers
- **Unlimited** plot level analysis using open source data
- **Unlimited** due diligence statements
- **Unlimited** number of users
- **Unlimited** access to layers to navigate your supply chain challenges
- **Collection** of supplier compliance information
- **Complete** risk assessment and risk mitigation capabilities
- Evidence retention **for 5 years**
- Exports and **integration** with the EU Information Annual Fee
Sign up today!

live-eo.com/pefc

Piero Marlia
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Q & A
PEFC: expert tool for your EUDR implementation and compliance

- EUDR alignment of all supply chain actors, consistent risk indicators
- Mechanism for communication (e.g. information, concerns)
- Provision of geolocation (required, anonymised, collated)
- Robustness of implementation (audit of compliance with requirements - DDS implementation, geolocation, DDS statement)
Stay informed about PEFC developments

- Check the PEFC EUDR webpage regularly
- Register to our newsletter
- Follow PEFC International on LinkedIn
- Contact us: eudr@pefc.org
Thank you

Further information on

www.pefc.org

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