

Responsibilities of non-EU based PEFC chain of custody certified organisations in implementing the PEFC EUDR DDS standard (Informative)



Background

The European Union Regulation on Deforestation Free Products (EUDR) came into force in June 2023 with the objective of preventing deforestation and forest degradation. Under the EUDR, EU-based operators and traders are responsible for ensuring that relevant commodities or products - whether sourced from within or outside the EU - comply with deforestation-free and legality requirements at the production (forest) level. The companies based outside the EU that supply these commodities and products therefore play a crucial role in facilitating EUDR compliance for products harvested outside of the EU.

The PEFC EUDR Due Diligence System (DDS) standard ([PEFC ST 2002-1:2024](#)) was developed as a market tool to be used by both PEFC chain of custody certified EU based and non-EU based companies. It is a module standard to be used together with the PEFC Chain of Custody standard (PEFC ST 2002:2020).

Companies whose relevant commodities and/or products are bound for the EU market can use the PEFC EUDR DDS standard to demonstrate that these commodities/products meet EUDR requirements for due diligence system implementation.

EUDR relevant commodities are timber, natural rubber, coffee, soy, cocoa, palm oil, and cattle. EUDR relevant products are those made of the relevant commodities and their derivatives and are listed in Annex 1 of the EUDR.

By obtaining PEFC EUDR DDS certification and passing on the PEFC-EUDR claim, non-EU companies can assist the EUDR compliance of their EU based customers. The PEFC EUDR DDS standard is an important tool for companies to meet legislative demands and thereby maintain the market access of their relevant products.

The PEFC EUDR DDS standard differentiates requirements for EU based and non-EU based companies.

This document helps non-EU based PEFC-certified companies identify the PEFC EUDR DDS requirements that apply to them. It serves as an informative document to support implementation of the PEFC EUDR DDS standard.

Summary of the key tasks that non-EU based companies need to implement:

1. Set up the management system with additional requirements to cover the PEFC EUDR DDS under the PEFC chain of custody certification scope.
2. Implement additional requirements for identification of input and declaration of output with the PEFC-EUDR claim.
3. Collect EUDR required information and other information, as needed, to conduct the PEFC EUDR DDS and pass this down the supply chain with appropriate data sharing mechanisms.
4. Conduct a risk assessment, covering both EUDR-risk factors and PEFC controversial sources risk elements not covered by EUDR.
5. Undertake risk mitigation measures for supplies identified with significant risk.
6. Take actions accordingly when aware, or made aware by a third party, of substantiated concerns.
7. Provide, upon request, all information necessary to demonstrate that the PEFC EUDR DDS was exercised and that no or negligible risk was found.
8. No placement on the market of relevant commodities or products that the PEFC EUDR DDS states must not be placed on the market.

In most cases, non-EU based companies do not need to submit a due diligence statement.

However, companies that import and are responsible for lodging the [customs declaration releases for free circulation procedure](#) to place relevant commodities and/or products onto the EU market will need to submit a due diligence statement in the EU Information System, [TRACES](#).

PEFC EUDR DDS requirements applicable to companies based outside the EU

PEFC chain of custody certified companies based outside the EU should implement the PEFC EUDR DDS standard for the product groups of relevant commodities and/or products that will be placed on the EU market.

All requirements as per the PEFC Chain of Custody standard (PEFC ST 2002:2020) remain applicable, except for the DDS requirements of chapter 7 and Appendix 1, which are replaced by the EUDR DDS requirements within the PEFC EUDR DDS standard (PEFC ST 2002-1:2024).

This document summarises the PEFC EUDR DDS requirements for companies outside the EU. The requirements they do not need to implement, which are those only for EU entities, are not covered. All references are from the PEFC EUDR DDS standard (PEFC ST 2002-1:2024). Companies should refer to the PEFC EUDR DDS standard for the exact requirements.



The following section details the applicable requirements for companies based outside the EU

General requirements

Fulfil all requirements in section 4.1, except requirements 4.1.5c, and 4.1.8

Set up, operate, and maintain a PEFC EUDR DDS to minimise the risk that the relevant commodities and/or products procured originate in, and/or are mixed at the supply chain level with, controversial sources and/or with non-compliant products (4.1.1).

Define the product groups for which the PEFC EUDR DDS is implemented (4.1.2).

Additional requirements on the management system, identification of input, and declaration of output

Fulfil all requirements in section 4.2, 4.3, and 4.4, except requirement 4.2.2

Follow the additional requirements for the management system (4.2), identification of input material (4.3), and declaration of outputs (4.4), with regards to the new requirements on the PEFC-EUDR claim.

Classify the input material of the PEFC product group for which the PEFC EUDR DDS applies as per the PEFC EUDR DDS material categories (4.3.3). This is in addition to classifying material categories as per the PEFC Chain of Custody standard.

Example 1: Material imported from the EU market with an EU reference number and delivered with a PEFC-EUDR claim and a PEFC Chain of Custody claim (e.g. X% PEFC certified or PEFC controlled sources) can be classified as a 'PEFC-EUDR referenced' material category.

Example 2: Material harvested from a non-EU country that has not been placed on the EU market but is delivered with a PEFC-EUDR claim and a PEFC Chain of Custody claim (e.g. X% PEFC certified or PEFC controlled sources) can be classified as 'PEFC-EUDR non-referenced' material category.

Example 3: Material harvested from a non-EU country that has not been placed on the EU market and is not delivered with a PEFC-EUDR claim can be classified as 'non PEFC-EUDR' material category.

Collection of required information

Fulfil all requirements in chapter 5, except requirements 5.1.4 and 5.1.5

Collect EUDR required information for input material classified as 'PEFC-EUDR non-referenced' or 'non PEFC-EUDR', as defined in 5.1.2. Examples of EUDR required information include:

- Geolocation of all plots of land where the relevant products were harvested.
- Adequately conclusive and verifiable information that the relevant products are deforestation free.
- Adequately conclusive and verifiable information that the relevant commodities have been produced in accordance with the relevant legislation of the country of production.

Input material imported from the EU market and delivered with a PEFC-EUDR claim and an EU reference number(s) should be classified as 'PEFC-EUDR referenced' and the required information outlined in 5.1.2 does not need to be collected but obtained upon request (5.1.1).

Collect any additional information needed to conduct the PEFC EUDR DDS and/or to be passed on to the PEFC customer to conduct the PEFC EUDR DDS (4.3.1.c, 4.4.1.c).



Risk assessment

Fulfil all requirements in chapter 6, except requirement 6.1.12

Conduct a risk assessment for each relevant commodity and/or product used as an input for a PEFC product group for which the PEFC EUDR DDS is applied, except for any relevant products that comply with PEFC's definition of recycled materials (6.1.1).

There are four risk elements that need to be assessed:

- The relevant commodity or product is sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020 (6.2).
- The relevant commodity or product was not produced in compliance with relevant legislation of the country of production (6.3).
- The relevant commodity or product originated from activities where the capability of the forest to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term, or genetically modified trees occurred (6.4).
- Supply chain level and risk of mixing (6.5).

Implement the PEFC chain of custody method and place the relevant commodity and/or product on the market only if the risk assessment concludes that it has no or negligible risk.

Substantiated concerns

Fulfil requirements 7.1 and 7.3

If aware of any substantiated concerns (risk of controversial sources) and EUDR substantiated concerns (non-compliance or circumvention of EUDR), address them by assessing the risk(s) and mitigating the identified risk(s) (7.1)

Ensure that substantiated concerns and EUDR substantiated concerns are investigated promptly, starting no later than ten workdays from the identification of the concerns (7.3)

Risk mitigation

Fulfil all requirements in chapter 8, except requirements 8.1.4.a (second part), 8.1.4.b, 8.1.6, and 8.1.7

Implement the risk mitigation step for any relevant commodity and/or product classified as having significant risk following the risk assessment step and/or subject to substantiated concerns or EUDR substantiated concerns.

Put in place model risk management practices, reporting, record-keeping, internal control, and compliance management (8.1.4.a). However, a compliance officer (8.1.4.a) should not be appointed nor an independent audit function to check the internal policies, controls, and procedures undertaken (8.1.4.b).



Due diligence statement submission and publication

In most cases, only requirement 9.1.2 of chapter 9 is applicable to companies based outside of the EU:

Provide PEFC customers, or other organisations further down the supply chain of the relevant commodity and/or product, upon request, all information necessary to demonstrate that the PEFC EUDR DDS was exercised and that no or negligible risk was found (9.1.2).

Companies based outside the EU not need to submit a Due Diligence Statement in the EU information system [TRACES](#), unless they import and are responsible for lodging the [customs declaration release for free circulations procedure](#) to place relevant commodities and/or products on the EU market themselves. In that case, they are considered a **non-EU organisation operator** and need to:

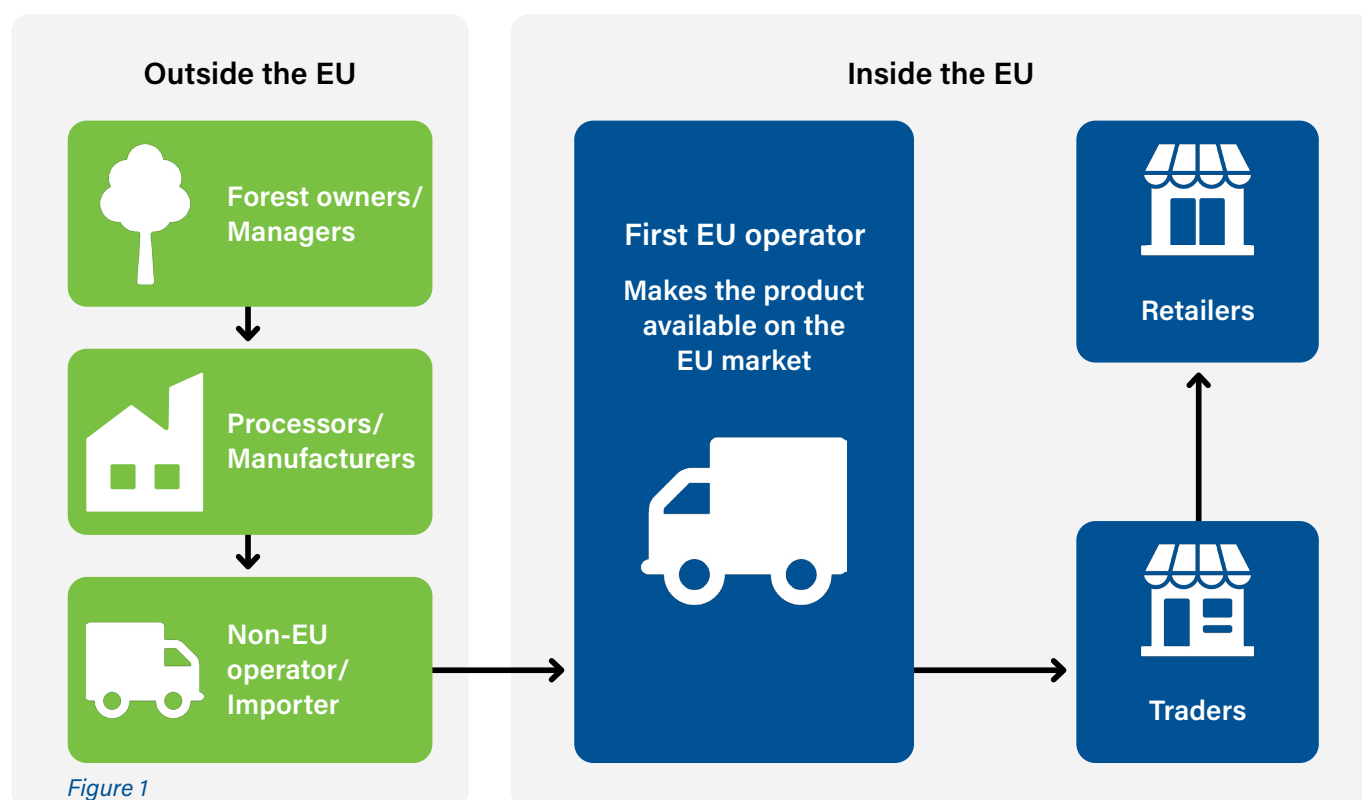
- Submit a due diligence statement for those relevant commodities/products after conducting the PEFC EUDR DDS and establishing that the relevant commodities/products have no or negligible risk.
- Include any due diligence statement reference numbers associated with those relevant commodities/products in the customs declaration.

Note 1: The non-EU organisation operator will only have access to [TRACES](#) if they have a valid EORI (Economic Operators Registration and Identification) number, which is issued by an EU Member State or by the United Kingdom in respect of Northern Ireland (XI).

Note 2: They will have access to the system in the role of an operator and not as an authorised representative, because the authorised representative must be established in the EU.

Note 3: For the relevant commodity or product that is imported into the EU market by a non-EU organisation operator, the commodity or product will have two operators: one outside of the EU and another one inside the EU. The operator inside the EU is subject to EUDR obligations for the compliance of those relevant commodities or products (see figure 1).

(Sources: EUDR, Art.7 and [EUDR Frequently Asked Questions](#))



No placement on the market

Fulfil all requirements laid out in chapter 10. The requirements refer to relevant commodities and/or products that are covered and not covered by the company's PEFC chain of custody certification scope.

No placement on the market for:

- Relevant commodities and/or products covered by the company's PEFC chain of custody certification scope that are from unknown sources, controversial sources, and/or non-compliant products (10.1, 10.2).
- Relevant commodities and/or products that are outside the company's PEFC chain of custody certification scope, when it is known to the company, or is subject to substantiated concerns and/or EUDR substantiated concerns, that they originate from illegal sources, and/or are not produced in accordance with relevant legislation of the country of production (10.3, 10.4).

Appendix 1: Content of the Due Diligence Statement, as per Annex 2 of the EUDR

This appendix is not applicable to companies outside the EU, unless they are defined as non-EU organisation operators.



PEFC International
ICC Building C1
Route de Pré-Bois 20
1215 Geneva 15
Switzerland

t +41 22 799 45 40
e info@pefc.org
www.pefc.org