

PEFC EUDR Due Diligence System module standard 2002-1:2024 Frequently Asked Questions (FAQs)



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 also play a crucial role in facilitating EUDR compliance for products harvested outside of the EU.

The PEFC EUDR Due Diligence System (DDS) module standard (<u>PEFC ST 2002-1:2024</u>) was developed as a market tool to be used by both PEFC chain of custody certified EU based and non-EU based companies, to demonstrate that their products meet EUDR requirements for due diligence system implementation. It is a module standard to be used together with the PEFC Chain of Custody standard (PEFC ST 2002:2020). For ease of reading, it will be referred to as the PEFC EUDR DDS standard within this document.

This informative document provides the answers to frequently asked questions (FAQs) on the PEFC EUDR DDS standard, covering requirements, accreditation, and certification. It is intended for use by companies, certification bodies, and accreditation bodies.

The aim of this document is to facilitate the understanding and use of the PEFC EUDR DDS standard. It will be updated periodically as needed and/or requested. It should be used in conjunction with the PEFC EUDR DDS standard and PEFC EUDR DDS requirements are referred to in the answers where relevant.

For further inquiries, please contact standards@pefc.org

References:

PEFC ST 2002-1:2024, Requirements for the Implementation of PEFC EUDR Due Diligence System (PEFC EUDR DDS)

PEFC Bridging document version 2: <u>Additional guidance for certification bodies auditing against the PEFC EUDR DDS module standard ST 2002-1:2024</u>

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A. Companies

General information about the PEFC EUDR DDS

1. What is the PEFC EUDR DDS module standard (PEFC ST 2002-1:2024)?

The EUDR entered into force in June 2023 with the objective to ensure that products made from commodities under the scope of the regulation shall not be placed or made available on the Union market or exported from the Union market, unless specific conditions on deforestation free and legality are fulfilled.

The PEFC EUDR DDS module standard (ST 2002-1:2024) was developed to support EU based companies in demonstrating their EUDR compliance using the PEFC scheme. It can also be used by companies based outside the EU to facilitate the EUDR compliance of their EU-based customers and provides a market tool to meet legislative demands and maintain market access of their relevant commodities ¹ and relevant products ². It comprises the requirements for the implementation of a PEFC EUDR adapted Due Diligence System (PEFC EUDR DDS).

The objective of the PEFC EUDR DDS standard is to eliminate the risk of non-compliant products³ and of controversial sources as defined by the PEFC Chain of Custody standard (for those aspects where the PEFC Chain of Custody DDS goes beyond EUDR) at the origin and at supply chain levels.

The PEFC EUDR DDS is compatible with the DDS in the PEFC Chain of Custody standard. Any material that has gone through the PEFC EUDR DDS and resulted in no or negligible risk is considered as negligible risk of originating from the controversial sources as defined in the PEFC Chain of Custody standard. This allows the material that has successfully gone through the PEFC EUDR DDS and resulted in no or negligible risk to carry the PEFC-EUDR claim and the PEFC chain of custody claim.

Third party certification is acknowledged by the EU as a valuable tool for risk assessment under the EUDR. There is a specific guidance issued by the European Commission to guide users on the description of credible certification schemes, and PEFC aligns fully with this guidance. This gives companies the confidence that opting for PEFC certification for supporting their EUDR compliance is the right choice.

2. How can the PEFC EUDR DDS support demonstration of EUDR compliance?

The PEFC EUDR DDS standard is a market tool to be used by both PEFC chain of custody certified EU based and non-EU based companies in fulfilling their roles in relation to EUDR. EU based PEFC chain of custody certified organisations certified against the PEFC EUDR DDS standard can use the PEFC-EUDR claim to demonstrate that the required information has been obtained and that due diligence has been exercised and has shown no or negligible risk of non-compliance with the EUDR.

Non-EU based companies whose relevant products are bound for the EU market can use the PEFC EUDR DDS to demonstrate that their relevant products fulfil the relevant EUDR requirements in terms of collection of required information and Due Diligence System implementation. By being PEFC EUDR DDS certified and passing on the PEFC-EUDR claim, these companies can strongly facilitate the EUDR compliance of their EU based customers.

Importantly, while companies can use the PEFC EUDR DDS to facilitate their compliance with EUDR, the legal responsibility of compliance with the EUDR remains fully with the companies defined as operator and/or trader.

¹ EUDR relevant commodities are timber, natural rubber, coffee, soy, cocoa, palm oil and cattle

² EUDR relevant products are those made of the relevant commodities and their derivatives and are listed in Annex 1 of the EUDR. PEFC EUDR DDS standard is applicable to timber, natural rubber and their derivatives.

³ Non-compliant product is defined as Relevant products that do not comply with Article 3 of the EUDR (see 3.20, PEFC ST 2002-1:2024).

PEFC notified certification bodies will conduct the third-party conformity assessment audits of the company against this standard. However, the final decision on EUDR compliance of the relevant product lies with the designated competent authorities of the European Member States.

The EUDR Guidance issued by the European Commission provides further guidance on the role of certification and third party verified scheme in promoting sustainable forest practices and in facilitating EUDR compliance. It highlights their potential values in providing complementary information, and support company's risk assessment.

3. What are the benefits of implementing the PEFC EUDR DDS?

PEFC EUDR DDS provides various benefits to PEFC chain of custody certified companies in fulfilling their roles to EUDR. To explore more on why PEFC EUDR DDS is a right choice for your business, please refer to PEFC's publication: Simplifying compliance: the benefits of the PEFC EUDR DDS.

4. What are main differences between the PEFC Chain of Custody standard and the PEFC EUDR DDS module standard?

The PEFC EUDR DDS is not a standard but a voluntary module standard to be used in addition to the PEFC Chain of Custody standard.

When implementing the PEFC EUDR DDS, all requirements in the PEFC Chain of Custody standard are applicable to companies, except the PEFC DDS requirements in chapter 7 and Appendix 1, which are replaced by the requirements in the PEFC EUDR DDS module standard.

The PEFC EUDR DDS module standard also includes additional requirements at the management system level, identification of input material, and declaration of output, which companies need to follow.

The table below highlights some of the main differences between these two standards.

Table 1: Main differences between PEFC Chain of Custody standard and PEFC EUDR DDS module standard

	PEFC Chain of Custody standard, ST 2002:2020	PEFC EUDR DDS module standard, ST 2002-1:2024
Objectives	 Minimise the risk that the procured material originated in, and/or is mixed at, the supply chain level with: controversial sources (3.7, PEFC ST 2002:2020) 	 Minimise the risk that the relevant products that the company procures originated in, and/or are mixed at, the supply chain level with: controversial sources (element 3.7.b and 3.7.i, PEFC ST 2002:2020) and non-compliant products (3.20, PEFC ST 2002-1:2024)
Scope	 All forest and tree based materials and forest and tree based products, including timber and natural rubber. 	Timber and natural rubber and their derivates that are subject to EUDR. They are known as relevant commodities and relevant products.

Structure

- All requirements of a chain of custody standard including:
 - Management system (chapter 4)
 - Input identification (chapter 5)
 - Due Diligence System (chapter 7, and chapter 1, chapter 2, chapter 3, chapter 5 of Appendix 1)
 - Chain of custody methods (chapter 6)
 - Output declaration (chapter 5)
 - Substantiated concern (chapter 4 of Appendix 1)
 - No place on the market (chapter 6, of Appendix 1)
 - Multi-site certification (Appendix 2)

- Only requirements in the PEFC EUDR DDS and some additional requirements to several chapters of the PEFC Chain of Custody standard:
 - Management system, identification of inputs and declaration of outputs (chapter 4)
 - Substantiated concern (chapter 7)
 - No place on the market (chapter 10)
- New chapter: Due Diligence Statement submission and publication (chapter 9).
- Otherwise, all requirements in the PEFC Chain of Custody standard are applicable, except the Due Diligence System requirements in chapter 7 and Appendix 1, which are replaced by PEFC EUDR DDS requirements laid out in the PEFC EUDR DDS standard.

Applicability and usage

5. Is it mandatory for PEFC chain of custody certified companies to use the PEFC EUDR DDS standard?

No, it is <u>not</u> mandatory for companies to use the PEFC EUDR DDS standard, as it is a module and voluntary standard. Companies should determine their role in relation to EUDR before deciding if opting for the PEFC EUDR DDS is necessary.

6. Which companies should use the PEFC EUDR DDS standard?

The PEFC EUDR DDS standard is designed for companies whose certification scope covers timber, natural rubber, and their derivatives, as listed under Annex 1 of EUDR, such as tables and chairs. It is noted that Annex 1 of EUDR is currently under revision and will be published as a <u>delegated act</u> by the European Commission. To ease the reading, we continue to refer to Annex 1 of EUDR within this document.

Companies that should use the PEFC EUDR DDS standard include:

- EU based PEFC chain of custody certified companies defined as operators and/or traders as per EUDR (see PEFC EUDR DDS, 3. 23 and 3.43). PEFC EUDR DDS can directly support them in demonstrating their compliance with EUDR.
- PEFC chain of custody certified companies based outside of the EU, whose products are bound of the EU value chain and are made of timber and/or natural rubber, as listed in Annex 1 of EUDR.

7. Can a company without PEFC chain of custody certification use the PEFC EUDR DDS standard?

No, a company must be a PEFC chain of custody certificate holder to use the PEFC EUDR DDS standard. This is because PEFC EUDR DDS standard is an add-on, module standard, and is built on top of the PEFC Chain of Custody standard.

If a company is uncertified, it can achieve PEFC chain of custody certification and PEFC EUDR DDS certification at the same time.

8. How does a PEFC chain of custody certified company set up a PEFC EUDR DDS?

Companies can refer to PEFC's publication <u>Step by step guide for PEFC Chain of Custody certified companies to set up their PEFC EUDR DDS</u>.

It breaks down the process of setting up your PEFC EUDR DDS into ten understandable steps. These steps go from identifying the role of your company and understanding the requirements, through the updates your company will need to do to its management system, and how to prepare for the audit.

Company-specific considerations

9. Does the company's type and geographic location influence its EUDR responsibilities and the PEFC EUDR DDS requirements it must follow?

Yes, a company's location, type, and size influence its EUDR responsibilities, and which PEFC EUDR DDS requirements apply:

Regarding EUDR responsibilities:

- EUDR legal obligations apply only to companies established within the European Union that are classified as operators or traders. The specific responsibilities differ between operators and traders, and between SMEs and non-SMEs.
- Companies outside the EU are not directly subject to EUDR. However, EU-based operators and traders
 are responsible for ensuring that relevant commodities or products whether sourced inside or outside
 the EU comply with deforestation-free and legality requirements at the source (forest level).
 Consequently, suppliers outside the EU play a vital role in supporting EUDR compliance for products
 harvested outside the EU.

Regarding the PEFC EUDR DDS standard:

- The standard is voluntary and can be used by any company within the timber and natural rubber supply chains, regardless of their geographical location, type, or size.
- For EU based PEFC chain of custody certified companies, the PEFC EUDR DDS standard is designed to support their compliance with EUDR, therefore all requirements in the standard apply to them.
- Companies established outside the EU are not required to follow all parts of the PEFC EUDR DDS standard. They can refer to the PEFC publication that summarises the requirements for non-EU companies and outline responsibilities for implementing the standard: Responsibilities of non-EU based PEFC chain of custody certified organisations in implementing the PEFC EUDR DDS standard (Informative).

10. Why does the PEFC EUDR DDS standard not exempt EU-based SMEs from certain requirements, unlike the EUDR regulation itself?

The PEFC EUDR DDS standard applies the same requirements to all EU-based companies, including micro, small and medium-sized enterprises (SMEs), to ensure that DDS is always exercised, and due diligence information is available throughout the supply chain. This differs from the EUDR regulation, which exempts SME traders and downstream SME operators from implementing a DDS and from collecting the due diligence exercise for the products that have been subject to reference numbers. This difference exists because the PEFC approach aims to ensure the integrity of compliance information and reduce risk across the entire supply chain. The key reasons are:

Closing information gaps

- Under the EUDR, SME traders and downstream SME operators only need to provide reference and verification numbers of the materials which have been subject to reference numbers, which limits the availability of critical due diligence data.
- Non-SME companies sourcing from these SMEs would otherwise need to create separate arrangements to obtain the missing information, increasing complexity.

Reducing compliance burdens for larger operators

- Materials from these SME suppliers may only be subject to sampling checks after market placement, meaning potential non-compliance could go undetected at entry.
- Applying the PEFC EUDR DDS to all companies helps ensure that materials entering the supply chain already meet due diligence requirements, protecting non-SME operators from inheriting higher compliance risks.

Ensuring consistent data transfer and compliance evidence

- If all actors, including SMEs traders and downstream SME operators, implement the PEFC EUDR DDS and pass on a PEFC-EUDR claim, the required EUDR information flows seamlessly through the supply chain.
- This enables downstream actors to demonstrate compliance more efficiently and reliably.

11. Are the definitions of SME and non-SME applicable to companies established outside of the European Union?

No. The definitions of micro, small and medium-sized enterprise (SME) (3.42, PEFC EUDR DDS 2002-1:2024) and non-SME (3.22, PEFC EUDR DDS 2002-1:2024) are only applicable to companies established inside the European Union territory.

PEFC EUDR DDS product groups, input materials, and material categories

12. Does a company need to apply the PEFC EUDR DDS to all products covered by its PEFC chain of custody certification?

No, a company does not need to apply the PEFC EUDR DDS to all products covered by its PEFC chain of custody. Companies should apply the PEFC EUDR DDS only to PEFC product groups that will eventually enter the EU market and are listed in Annex 1 of EUDR.

13. Can the PEFC EUDR DDS standard be applied to non-PEFC claimed materials?

Yes, the PEFC EUDR DDS standard can be applied to materials that are not PEFC certified nor PEFC controlled sources. In fact, the PEFC EUDR DDS standard can be applied to all types of input material.

However, only those that have gone through the PEFC EUDR DDS and resulted in no or negligible risk of controversial sources and/or non-compliant products can be used as input material for the respective PEFC product group and can then have the PEFC chain of custody method applied for producing the output products.

Examples of input material that can go through the PEFC EUDR DDS include:

- PEFC-EUDR claimed material
- Material delivered with a '100% PEFC certified' claim from a PEFC SFM certificate holder certified against an EUDR-aligned or -unaligned PEFC endorsed SFM standard.
- PEFC chain of custody claimed material (e.g., X% PEFC certified, PEFC controlled sources)
- Non-PEFC claimed material (e.g., non-certified or certified by other certification scheme other than PEFC endorsed standards)

14. What are the advantages of using material delivered with a regular PEFC chain of custody claim as input material when implement the PEFC EUDR DDS standard?

Using materials delivered with a regular PEFC chain of custody claim, such as 'x% PEFC certified' and 'PEFC controlled sources materials', brings various advantages when implementing the PEFC EUDR DDS, especially in terms of collection of information and risk assessment.

- Collection of information: Materials delivered with a PEFC chain of custody claim are already supported by a set of documents (or access to information) tracking the provenance of the material, making it easier to collect the information needed to complete the PEFC EUDR DDS.
- Risk assessment: When implementing the PEFC EUDR DDS risk assessment, inputs with a PEFC chain of custody claim can be considered as having negligible risk for the risk element relating to the product coming from forests where sustainable production is not maintained, harvesting exceeds long-term sustainable levels, or genetically modified trees are used (chapter 6.4, ST 2002-1:2024).

15. What are the advantages of using material sourced from forests certified against an EUDR-aligned PEFC endorsed SFM standard as input material when implementing the PEFC EUDR DDS standard?

Using material delivered with a valid '100% PEFC claim' from a PEFC SFM certificate holder certified against an EUDR-aligned PEFC endorsed SFM standard for a PEFC product group applying the PEFC EUDR DDS standard brings significant advantages when collecting information and conducting the risk assessment.

- Collection of information: Input materials delivered with a "100% PEFC certified" claim from these forests are already supported by a set of documents (or access to information) tracking the provenance of the material, in particular the geolocation of the forests where the materials were harvested, making it easier to collect the information needed to complete the PEFC EUDR DDS.
- Risk assessment: Input material with a '100% PEFC claim' from these forests can be considered as
 having negligible risk for three risk aspects in the risk assessment step, provided that there is no
 substantiated concern raised. As a result, it significantly reduces the risk assessment work. The risk
 aspects are:
 - The relevant commodity or product is sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020 (6.2, ST 2002-1:2024)
 - The relevant commodity or product was not produced in compliance with relevant legislation of the country of production (6.3, ST 2002-1:2024)
 - 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, ST 2002-1:2024).

16. What are PEFC EUDR DDS material categories?

The PEFC EUDR DDS material categories are defined in 3.27 of the PEFC EUDR DDS standard, namely (in brackets are the reference to the full definition as per PEFC ST 2002-1:2024):

- **PEFC-EUDR** referenced (3.30): Relevant products delivered with a PEFC-EUDR claim and an EU reference number by a supplier covered by a PEFC recognised certificate that includes the PEFC EUDR DDS in its scope.
- **PEFC-EUDR non-referenced** (3.29): Relevant products delivered with a PEFC-EUDR claim, by a supplier covered by a PEFC recognised certificate that includes the PEFC EUDR DDS in its scope, that has not yet been placed on the Union market and therefore is not accompanied by a reference number.
- **Non PEFC-EUDR** (3.21): Relevant products, delivered with or without a reference number, that have not gone through the PEFC EUDR DDS.

Defining the correct input material category is essential to know which set of information shall be sourced from the supplier, in line with Chapter 5 of PEFC ST 2002-1:2024.

17. Does material need to be classified according to both the PEFC Chain of Custody and the PEFC EUDR DDS standard?

Yes, a company needs to conduct both the material classification as per the PEFC Chain of Custody standard and the PEFC EUDR DDS standard.

The table below provides examples of input materials and how to conduct material classification as per the PEFC Chain of Custody standard and the PEFC EUDR DDS standard.

Table 2: Examples of the material category classification of input materials as per the PEFC EUDR DDS

Input material	PEFC chain of custody material classification	PEFC EUDR DDS material classification
PEFC controlled sources PEFC- EUDR, EU reference number	PEFC controlled sources	PEFC-EUDR referenced
60% PEFC certified PEFC-EUDR	PEFC certified	PEFC-EUDR non-referenced
80% PEFC certified	PEFC certified	Non PEFC-EUDR
PEFC controlled sources	PEFC controlled sources	Non PEFC-EUDR
Non-PEFC claimed material	Other material	Non PEFC-EUDR

18. What material is classified as non PEFC-EUDR material category?

Relevant products that have <u>not gone through the PEFC EUDR DDS</u> are classified as non PEFC-EUDR material category. They could have been delivered with or without an EU reference number. In practical terms, material delivered without a PEFC-EUDR claim is classified under this material category.

Examples of input material classified as non PEFC-EUDR material category include:

- Material delivered with a '100% PEFC certified' claim from a PEFC SFM certificate holder certified against a PEFC endorsed SFM standard that is not EUDR aligned.
- Material delivered with a PEFC chain of custody claim (e.g., X% PEFC certified or PEFC controlled sources).
- Material delivered without a PEFC chain of custody claim nor a PEFC-EUDR claim.
- Material delivered with a claim of another third-party certification scheme (other than PEFC endorsed chain of custody standards) that is not proved to be EUDR aligned, with or without an EU reference number.

19. What are main similarities and differences between 'PEFC-EUDR referenced' and 'PEFC-EUDR non-referenced' material categories?

Similarities:

- PEFC-EUDR referenced (PEFC EUDR DDS 2002-1:2024, 3.30) and PEFC-EUDR non-referenced (PEFC EUDR DDS 2002-1:2024, 3.29) are two out of three PEFC EUDR DDS material categories. Please note that they are not a PEFC-EUDR claim.
- They are defined as materials that have been gone through the PEFC EUDR DDS and resulted in no or negligible risks and are delivered under a valid PEFC-EUDR claim.

Differences:

- The main difference between these two material categories is whether the material is delivered with an EU reference number or not.
 - o PEFC-EUDR referenced material is delivered with an EU reference number.
 - o PEFC-EUDR non-referenced material is delivered without an EU reference number.
- Example of PEFC-EUDR referenced material: A relevant product is placed on the European Union market by an operator who is PEFC chain of custody and PEFC EUDR DDS certified. Such relevant products:
 - have gone through the PEFC EUDR DDS and resulted in no or negligible risk (delivered with a valid PEFC-EUDR claim); and
 - been subjected to a Due Diligence Statement that was uploaded on the EU Information System and therefore were assigned a reference number.
- Example of PEFC-EUDR non-referenced material: A relevant product that is produced by a company
 established outside of the European Union, which is PEFC chain of custody and PEFC EUDR DDS
 certified. Such products:
 - have gone through the PEFC EUDR DDS and resulted in no or negligible risk (delivered with a valid PEFC-EUDR claim); but
 - have not been placed on the European Union market, so they have not been subject to a Due
 Diligence Statement submission and there is no reference number assigned to it yet.

The main consequence of such differences is linked to the type of information that shall be requested from the supplier: for PEFC-EUDR referenced material see clause 5.1.1. For PEFC-EUDR non-referenced material see clause 5.1.2 of PEFC ST 2002-1:2024.

The PEFC-EUDR claim

20. Is 'PEFC-EUDR' a PEFC claim?

Yes, 'PEFC-EUDR' is a PEFC claim (PEFC 2002-1:2024, 3.26).

The PEFC-EUDR claim needs to be used together with the PEFC chain of custody claims, namely, 100% PEFC Origin, X% PEFC certified and PEFC controlled sources, as defined in the PEFC Chain of Custody standard. Example: PEFC-EUDR 100% PEFC Origin, PEFC-EUDR X% PEFC certified or PEFC-EUDR PEFC controlled sources.

21. How should the PEFC-EUDR claim be written?

The PEFC-EUDR claim can only be written in English. The translation of the 'EUDR' text in the PEFC-EUDR claim is not permitted.

The PEFC-EUDR claim is always prefix, regardless of how the claim is written in national languages.

Example of how a PEFC-EUDR claim needs to be written in Portuguese:

- PEFC-EUDR 100% de Origem PEFC,
- PEFC-EUDR X% certificado PEFC
- PEFC-EUDR Fontes controladas PEFC

The PEFC-EUDR claim can only be used for the relevant product once the PEFC EUDR DDS standard has been added into the certification scope of the company's PEFC chain of custody certification, and associated certification documentation, and the implementation of the PEFC EUDR DDS for a PEFC product group results in no or negligible risk.

22. Can the PEFC-EUDR claim be used on-product?

No, the PEFC-EUDR claim cannot be used as an on-product label. The PEFC-EUDR claim is a PEFC claim, not a PEFC trademark. For example, it cannot be placed on product packaging, product labels, brochures or advertising designed for end consumers.

The PEFC-EUDR claim shall be used in conjunction with the existing PEFC chain of custody claims on business-to-business documents (such as invoices).

23. Can a PEFC-EUDR claim be used for a product made of PEFC-EUDR claimed material and non PEFC-EUDR claimed material?

No. The PEFC-EUDR claim is always applied to 100% of the relevant product to which the claim refers. Companies can only make the PEFC-EUDR claim if the product is made of 100% PEFC-EUDR claimed material.

A relevant product that is a mix of PEFC-EUDR claimed and non PEFC-EUDR claimed material, no matter how small the content, is not aligned with the PEFC EUDR DDS. As some parts of the relevant product have not gone through the PEFC EUDR DDS, the PEFC-EUDR claim cannot be used.

Risk assessment

24. What are the risk elements covered by the PEFC EUDR DDS risk assessment?

A company needs to 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.

There are four risk elements that need to be assessed:

- 1. The relevant commodity or product is sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020 (6.2, ST 2002-1:2024)
- 2. The relevant commodity or product was not produced in compliance with relevant legislation of the country of production (6.3, ST 2002-1:2024)
- 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, ST 2002-1:2024)
- 4. Supply chain level and risk of mixing (6.5, ST 2002-1:2024).

25. Why does the PEFC EUDR DDS include a risk element not required by EUDR?

The additional risk element ensures that materials that have successfully gone through the PEFC EUDR DDS meet both EUDR's "non-compliant product" definition and PEFC's "controversial sources" criteria, allowing them to carry both PEFC-EUDR and regular PEFC chain of custody claims.

The additional risk element relates to the relevant product/commodity coming from forests where sustainable production is not maintained, harvesting exceeds long-term sustainable levels, or genetically modified trees are used (chapter 6.4, ST 2002-1:2024).

As PEFC certification goes beyond EUDR requirements, this addition addresses the two "controversial sources" aspects in the PEFC Chain of Custody standard (3.7.b and 3.7.i) that EUDR does not cover with its term for non-compliant products (3.20, PEFC EUDR DDS ST 2002-1:2024).

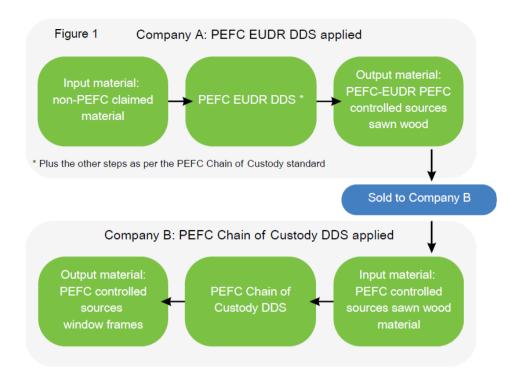
This alignment ensures compatibility between the PEFC EUDR DDS and PEFC Chain of Custody DDS. This means that any material successfully passing through the PEFC EUDR DDS can be considered as having no or negligible risk in coming from controversial sources when it is used as input for a PEFC product group for which PEFC Chain of Custody standard DDS is applied.

Example: EU based Company A applies the PEFC EUDR DDS for a PEFC product group called ex 4407 Wood sawn lengthwise, which is listed under Annex 1 of EUDR. It uses non-PEFC claimed logs as the input material.

The sawn wood is sold to Company B, a PEFC chain of custody certified entity based in Australia, to produce PEFC claimed window frames made entirely from the sawn wood, used the PEFC chain of custody physical separation method. The window frames will be sold on the Australian domestic market. Company B therefore applies the PEFC Chain of Custody DDS for this PEFC window frame product group.

At **Company A**, the logs went through the PEFC EUDR DDS, resulted in no or negligible risk, and the output product was declared with the **PEFC-EUDR PEFC controlled sources claim**.

Company B uses the PEFC-EUDR PEFC controlled sources claimed sawn wood to produce the window frames. As the sawn wood carries the PEFC controlled sources claim, it is considered as having no or negligible risk of controversial sources when the PEFC Chain of Custody DDS is carried out. The output product (the window frames), which are made entirely from the sawn wood, can be declared with the **PEFC controlled sources claim**. See figure 1.



26. How does the EUDR country risk classification influence the PEFC EUDR DDS risk assessment?

The <u>benchmarking system</u>, established by the European Commission, classifies countries according to the level of risk of producing commodities covered by the scope of EUDR that are not deforestation-free. The <u>country classification</u> has been adopted through an implementing act, and it is subject to review and updates.

Under the PEFC EUDR DDS standard, materials sourced from countries classified as low risk according to the country classification, are considered having no or negligible risk of the two following risk elements:

- The relevant commodity or product is sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020 (6.2, ST 2002-1:2024).
- The relevant commodity or product was not produced in compliance with relevant legislation of the country of production (6.3, ST 2002-1:2024).

B. Accreditation and certification services

27. What is the current status of accreditation for the PEFC EUDR DDS standard, both within the region covered by European Accreditation and globally?

For accreditation bodies who are members of EA (European co-operation for Accreditation), the PEFC EUDR DDS standard is going through an accreditability evaluation according to EA-1/22 (<u>EA procedure and criteria for the evaluation of conformity assessment schemes by EA accreditation body members</u>) by <u>ACCREDIA</u>, PEFC's home accreditation body for the purpose of this procedure. Once this evaluation is finalised, EA accreditation bodies will be able to start providing accreditation services against the PEFC EUDR DDS standard.

In other parts of the world, this accreditability assessment has happened at national level, and the accreditation body has started providing accreditation services. For example, <u>ANAB</u> already extended the ISO/IEC 17065 accreditation scope of several certification bodies to cover the PEFC EUDR DDS standard, and those certification bodies are already fully accredited against this standard.

At international level, PEFC is currently undergoing an evaluation by International Accreditation Forum (IAF) to endorse the PEFC Chain of custody system, including the PEFC EUDR DDS standard, as a sub-scope of the IAF Multilateral Recognition Arrangement (MLA)) in accordance with IAF PL 3 MLA level. Once this IAF process is finalised, IAF accreditation body members will also be able to rely on this evaluation to start providing accreditation services.

28. Do certification bodies need to be accredited against the PEFC EUDR DDS standard to provide certification services?

Yes, certification bodies must achieve accreditation against the PEFC EUDR DDS standard (and the PEFC Chain of Custody standard) before they can provide accredited certification services to companies against the PEFC EUDR DDS standard.

29. What are PEFC requirements that certification bodies must follow to provide accredited certification services against the PEFC EUDR DDS standard?

PEFC notified certification bodies can provide accredited certification services against the PEFC EUDR DDS standard by fulfilling all requirements laid out in PEFC ST 2003:2020, ISO/IEC 17065:2012 as well as the additional guidance laid out in the PEFC bridging document: Additional guidance for certification bodies auditing against the PEFC EUDR DDS module standard ST 2002-1:2024. Please note that the PEFC bridging document is subject to revision, its latest version should be used.

30. How can auditors, reviewers, and certification decision makers receive PEFC EUDR DDS training?

All our recognised training sessions can be found here.

If you are a PEFC chain of custody qualified auditor, you need to attend a PEFC chain of custody and PEFC EUDR DDS standard refresher training or a PEFC EUDR DDS module training.

If you are not a PEFC chain of custody qualified auditor, you will need to attend a PEFC chain of custody and a PEFC EUDR DDS standards initial training.

If you are interested in PEFC EUDR DDS training, you can send your enquiries to training@pefc.org.