EU Deforestation Regulation REG (EU) 2023/111

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Aim: Reducing global deforestation



420
Million
hectares
of forest
Lost*

EU consumption represents around 10% of global deforestation,

of which more than <u>two</u> thirds comes from palm oil and soya production.

* Between 1990-2020

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Obligations defined in the law



For operators and traders of **risk** commodities and derived products

Cattle, Cocoa, Coffee, Palm Oil, Soy, Wood and rubber

The <u>deforestation regulation</u>, adopted by Parliament on 19 April 2023, aims to fight climate change and biodiversity loss by preventing the deforestation related to EU consumption of products from cattle, cocoa, coffee, palm-oil, soya, wood, rubber, charcoal and printed paper. Already in force since 29 June 2023, its provisions were to be applied by companies from 30 December 2024.





4. Deforestation law - EUDR



- Delay of obligations by one year under rule 170 (urgency)
 - The proposal of the Commission was approved to delay the implementation of the EUDR by 12 months, with a new enforcement date of **December 30 2025** for large companys and **June 2026 for micro and small companies**
- Additionally 8 amendments have been approved by the EU Parliament:
- 1.A "No-Risk" country category has been added to the list of Country Benchmarks that already include low, standard, and high risk countries. Companies sourcing from countries with a "no-risk" designation would have fewer due diligence obligations compared to low, standard or high risk countries.
- 2. The Commission has been given the mandate to publish new FAQs and Guidance to align with the recently approved amendments and give further details on how to comply with the regulation.



Risk Assessment Criteria

Deforestation Rates

Historical and current trends.

Forest Governance

Strength of environmental laws.

International Agreements

Compliance with Paris Agreement, SDGs.







Likely High-Risk Countries

Region	Likely High-Risk Countries	Key Risk Commodities
South America	Brazil, Argentina, Paraguay	Soy, beef, palm oil
Southeast Asia	Indonesia, Malaysia, Myanmar	Palm oil, rubber, timber







Likely Low-Risk Countries

Region	Likely Low-Risk Countries	Key Commodities
Europe	Sweden, Finland, Germany	Timber
North America	Canada, USA	Timber, soy

Assessing Impact and measures - RIMSteinfels



A comprehensive tool for systematically identifying, assessing, and managing organizational risks. This presentation explores the key elements, process flow, and features of RIM that make it essential for effective risk management.





What's the impact for Swiss based companies?

- RSPO is not enough being mass balanced
- Availability of material was stressed end of the year 2024 affecting supply chain of direct and indirect customers
- Cost increases, which likely will remain on higher level
- Interconnection with the EU is high being user`s but also suppliers

Adapted EUDR Timeline





The regulation entered into force 29/06/2023

December 2024

is active.*

As well as the test

system

30 June 2025

Country risk classification in place

30 December 2025

Obligations for competent authorities into application

Obligations for nonsmall and micro operators and traders enter into application 30 June 2026

Obligations for small and micro operators and traders enter into application (Except timber sector)



Thank you for your attention!



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concepts I formulation I packaging I global regulatory