



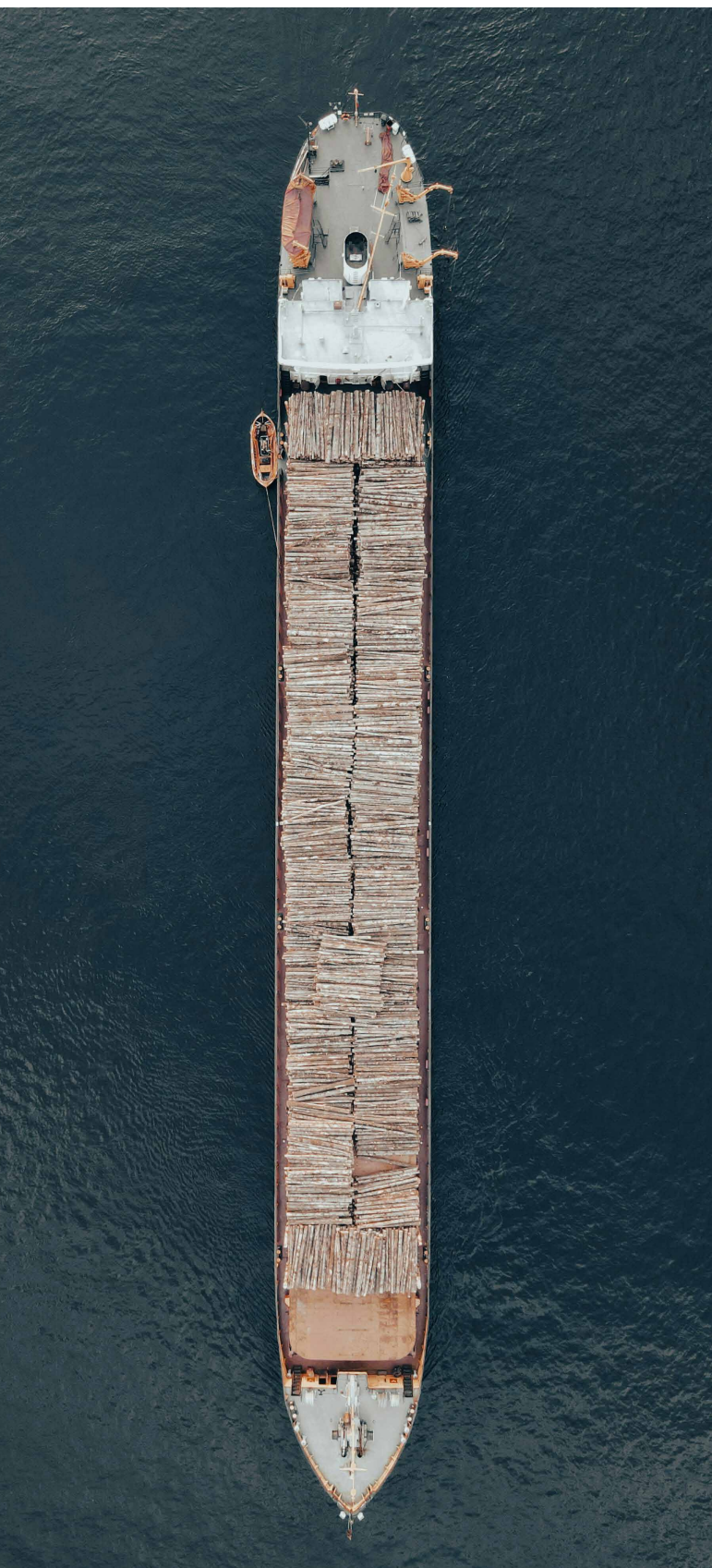
Introduction to EUDR

May 2024

CPI



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Introduction to EU Deforestation Regulation (EUDR) and how it affects us, our publishers and supply chain.

EUDR is legislation that has been designed to minimise consumption of products coming from supply chains associated with deforestation or forest degradation. EUDR entered into force 29th June 2023.

From 30th December 2024 EUDR is to be applied for all commodities entering into or leaving the EU market.

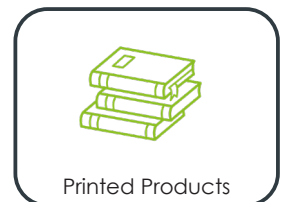
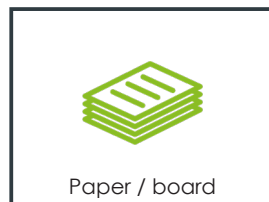
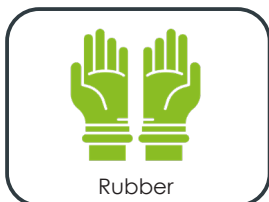
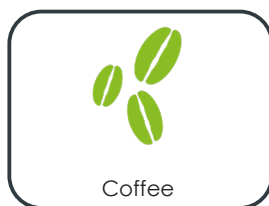
For SMEs EUDR is applicable from 30th June 2025, to qualify as an SME, a company must meet two of the following criteria:

<= €20 million balance sheet

<= €40 million net turnover

<= 250 employees

Products in scope:



There is current legislation for Timber (EUTR and UKTR) trading and selling but this is the first legislation to reduce deforestation that includes printed materials rather than just the raw material ie paper. Printed books and journals are in scope along with packaging that is sold as part of the product ie slipcases, but cartons are not included as they are solely for packaging and delivery.

Key requirements

To comply with the legislation products must:

1. Originate from land than has not been subject to deforestation or forest degradation.

2. Be produced in accordance with applicable local legislation.

3. Be covered by a Due Diligence Statement (DDS).

Obligations for EU companies:

Identify who you are in the chain – Operator or Trader

Keep records for 5 years

Passing on DDS (due diligence statement) from supplier

Referring to DDS from supplier and ascertain supplier due diligence

Due diligence – What is it?

Two levels of due diligence – depending upon the risk level of the country

Simplified:

Information including geolocation of trees

Full:

Information including geolocation of trees, risk assessment and risk mitigation

All countries are currently classed as standard risk which means full due diligence requirement, country classification is expected to be completed for Q4 2024.

Operator or Trader

Operator: any entity which in the course of a commercial activity places relevant commodities and products on the EU market OR exports from the EU market.

Trader: anybody in the supply chain other than the operator who makes available on the EU market relevant commodities and products.

Printer within the EU – Printer supplies paper

Paper supplied from within the EU:

Operator

- Paper Mill
- Printer

Trader

- Publisher

Paper supplied from outside the EU:

Operator

- Printer

Trader

- Publisher

Printer within the EU – Publisher supplies paper

Paper supplied from within the EU:

Operator

- Paper Mill
- Publisher

Trader

- Printer
- Publisher

Paper supplied from outside the EU:

Operator

- Publisher

Trader

- Printer
- Publisher

Printer outside the EU – Printer or Publisher supplies paper

Paper supplied from within the EU:

Operator

- Paper Mill
- Publisher

Trader

- Printer

Paper supplied from outside the EU:

Operator

- Publisher

Trader

- Printer
- Paper Mill

All operators retain responsibility for the compliance of the product they place on the market or export from the EU.



Information required referred to as Article 9

- Description of product
- Quantity
- Country of production
- Geolocation of all plots of land where the relevant commodities were produced as well as date or time range of production
- Supplier name
- Buyer name
- Verifiable evidence that product is deforestation free
- Verifiable evidence that product is produced in compliance with relevant legislation (land use rights, environmental protection, forest-related regulations, labour rights, human rights, third parties rights, rights of indigenous people, tax, anti-corruption, trade and custom regulations).

Operator Checklists

Paper production from all countries

- Collect information (article 9)
- Make Due Diligence Statement available on the EU system
- Communicate through the supply chain all the information necessary to show due diligence
- Maintain a Due Diligence system (except SMEs)
- Make annual public report (except SMEs)
- Keep records for 5 years
- Provide relevant information to competent authority and next trader

Paper production from a low-risk country

- Assess complexity of value chain; risk of mixing of products of unknown or high-risk origin
- If risk exists then proceed as if importing from a standard or high-risk country
- If no risk assessed then assess that no or only a negligible risk was found

Paper production from a standard or high-risk country

- Risk assessment
- Assess that no or only a negligible risk was found
- If risk exists, do risk mitigation

Operator difference for SMEs

SMEs are not required to exercise Due Diligence for relevant products that have already had a Due Diligence statement submitted.

Trader Checklists

Trader in the EU:

- Collect information (article 9)
- Ascertain due diligence was exercised referring to the Due diligence statement from your paper supplier / printer (if you cannot ascertain due diligence was exercised then go to Operator checklist - production from all countries plus Operator checklist – when importing from a standard or high risk country)
- Assess that no or only negligible risk was found
- Make due diligence statement through the information system (Trader can only do this if in the EU)
- Communicate through the supply chain all the information necessary to show due diligence
- Maintain due diligence system
- Make annual report
- Keep records for 5 years
- Provide relevant new information to competent authority and next trader

Trader outside the EU:

- If paper is supplied from a low risk country then operator (publisher) must do a simplified due diligence (operator checklist – production from all countries plus when importing from a low risk country)
- If paper is supplied from a standard / high risk country then operator (publisher) must to a full due diligence (operator checklist – production from all countries plus when importing from a standard risk country)
- Collect information (article 9)
- Communicate through supply chain all in the information necessary to show due diligence – if paper supplied from the EU – Due diligence statement reference number

Traders (non SME)

When CPI are considered to be a Trader, we are subject to the obligation of supplying the information with regard to the products that we make available for our publishers to the market. Whether your printer is in the EU or not the responsibility for due diligence is with the Operator that is placing the goods on the market in the EU or exporting from the EU.

Timeline



We are now in the Transition period

- 30th June 2023 to 30th December 2024
- Any products placed on the market during this transitional period are not subject to DDS
- Any products produced during this period but then placed on the market after 30th December 2024, Operators need to have evidence to prove that the relevant commodity ie paper was placed on the market before the 30th December 2024

Regulation enters into force 30/12/24

- Traders / Operators need to provide evidence for any products that have a paper commodity that was supplied prior to the regulation date for operators to place on the market without DDS.
- Any paper supplied to either within the EU market or outside the EU market for products that will / maybe sold in to the EU market after 30th December 2024 then information as an Operator needs to be supplied to ensure compliance with EUDR.



What is CPI doing to prepare?

There are still many questions regarding the EUDR process, lots of the systems are not ready and the risk analysis of countries is still not available. BUT it is coming so:

Supply chain analysis

- Mapping supply chain for country of origin
- Engaging with paper mills and merchants on data supply
- Risk analysis for any materials where data is currently not available

Engaging with FSC and relevant bodies on how certification can help to mitigate risk although it won't remove responsibility completely.

Engaging with Intergraf and BPIF

**Engaging with CEPI
(paper industry)**

Advising/discussing with our publishers what they need to prepare to be ready

**Please note – Cpi is not an advisor on EUDR, this is our interpretation of the requirement so far, publishers should seek advice or review the regulation to ensure they are compliant.*

Helpful resources

Please contact your sales manager or lfaratro@cpi-print.co.uk should you require any further information from CPI on this matter.

Regulation:

EU-Lex

<https://eur-lex.europa.eu/eli/reg/2023/1115/oj>

Other sources:

Frequently Asked Questions -

Deforestation Regulation

https://environment.ec.europa.eu/publications/frequently-asked-questions-deforestation-regulation_en

Deforestation Regulation implementation

https://green-business.ec.europa.eu/deforestation-regulation-implementation_en

EUDR and FSC

<https://uk.fsc.org/legislation/eudr-and-fsc>

A photograph of a stack of cut logs in a forest. The logs are stacked in the foreground, showing their circular cross-sections with visible wood grain. In the background, there are green evergreen trees and a blue mountain range under a clear sky. A green rectangular overlay covers the right side of the image, containing text.

Thank you

CPI