



PEFC

PEFC/01-00-01

PEFC ST 2002-1:2024

Requirements for the Implementation of PEFC EUDR Due Diligence System (PEFC EUDR DDS)



**PEFC
INTERNATIONAL**
module
STANDARD

PEFC Council

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

t +41 22 799 45 40
f +41 22 799 45 50
e info@pefc.org
www.pefc.org

Copyright notice

© PEFC Council 2024

This standard is protected by copyright owned by the PEFC Council. The document is freely available from the PEFC Council website www.pefc.org or upon request.

No part of this standard may be changed or amended, reproduced, or copied, in any form or by any means for commercial purposes without the permission of the PEFC Council.

The official version of the document is in English. Translations of the document can be obtained from the PEFC Council or PEFC National Governing Bodies. When there is doubt in regard to language interpretation, the English version is the reference.

Document name: Requirements for the Implementation of PEFC EUDR Due Diligence System

Document title: PEFC ST 2002-1:2024

Approved by: PEFC General Assembly

Date: 2024-07-20

Issue date: 2024-07-20

Date of entry into force: 2024-07-20

Contents

1. Scope	7
2. Normative references	7
3. Terms and definitions	8
4. PEFC EUDR Due Diligence System (DDS) requirements	16
4.1 General	16
4.2 Additional management system requirements	17
4.3 Additional requirements for the identification of input material	17
4.4 Additional requirements for the declaration of outputs	18
5. Collection of information	19
5.1 General	19
6. Risk assessment	21
6.1 General	21
6.2 Assessment of the risk that relevant products are sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020	23
6.3 Assessment of the risk that relevant products are sourced from activities not complying with relevant legislation of the country of production	24
6.4 Assessment of the risk that relevant products are sourced 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	26
6.5 Assessment of the risk that relevant products are mixed with controversial sources and/or non-compliant products at supply chain level	27
7. Substantiated concerns	28
8. Risk mitigation	29
8.1 General	29
8.2 Requiring additional information, data and documents	29
8.3 Audits	30
8.4 Corrective measures	30
9. Due diligence statement submission and publication	31
9.1 Due diligence statement submission	31
9.2 Due Diligence System report and publication	31
10. No placement on the market	33
Appendix 1 (normative), Content of the Due Diligence Statement, as per Annex 2 of the EUDR	34

Foreword

PEFC, the Programme for the Endorsement of Forest Certification, is a worldwide organisation promoting sustainable forest management through forest certification and labelling of forest and tree-based products.

PEFC certified sustainable forest management works through the PEFC endorsement of national and regional forest certification systems, which were independently assessed to be in compliance with PEFC's sustainability benchmarks for forest management certification standards. For further information on PEFC's sustainability benchmarks, please see the PEFC website at www.pefc.org.

PEFC chain of custody certification is based on PEFC ST 2002, *Chain of Custody of Forest and tree-based products*. PEFC ST 2002 delivers confidence that forest and tree based material in products with the PEFC claim or label originates in PEFC certified sustainably managed forests, recycled material and/or PEFC controlled sources.

[Regulation \(EU\) 2023/1115](#) of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (EUTR), hereinafter referred to the European Deforestation Free Regulation (EUDR), or EUDR, or the regulation, entered into force on 29 June 2023. The objective of the regulation is 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 all the following conditions are fulfilled: they are deforestation-free; have been produced in accordance with the relevant legislation of the country of production; and are covered by a due diligence statement, with associated geolocation data and evidence.

PEFC ST 2002-1:2024 is an optional, module standard that PEFC chain of custody certified organisations can add to their existing PEFC chain of custody certification scope to support their effort in demonstrating their compliance with EUDR.

This module standard was developed in an open, transparent, consultative and consensus based process covering a broad range of stakeholders, following PEFC's procedures for the development of technical documentation outlined in PEFC GD 1003:2009.

Introduction

PEFC has developed the module standard, PEFC ST 2002-1:2024, to support organisations in demonstrating compliance with the EUDR. It comprises the requirements for the implementation of a PEFC EUDR adapted Due Diligence System (PEFC EUDR DDS).

This document is not a standalone but a voluntary, module standard to be used in addition to the PEFC Chain of Custody standard.

To ensure compatibility with the Due Diligence System described in the PEFC Chain of Custody standard, and that any material going through the PEFC EUDR DDS results in no or negligible risk in coming from controversial sources, the PEFC EUDR DDS module standard covers requirements to eliminate the risk 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) and of non-compliant products as defined by the EUDR, at the origin and at supply chain level.

PEFC chain of custody certificate holders certified against this module standard can use the PEFC-EUDR claim to demonstrate that 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.

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

By implementing this module standard, PEFC chain of custody certificate holders not only strengthen their commitment to environmental and social responsibility but also contribute to the global goal of halting deforestation and forest degradation.

How to find applicable requirements:

The PEFC EUDR DDS module standard, PEFC ST 2002-1:2024, can be used by any organisation within the forest and tree based supply chain, independently of geographical location, type and size of organisation.

For organisations based inside the European Union territory and subject to the EUDR, the EUDR establishes different requirements depending on the type of organisation (operator and trader) and the size classification (SME and non-SME). The PEFC EUDR DDS module standard accounts for this differentiation by specifying the type of organisation and classification in its requirements, where relevant. To minimise risks and facilitate the implementation of the PEFC EUDR DDS by other organisations further down the supply chain, SME organisations are still subject to certain requirements under the PEFC EUDR DDS module standard, even if the EUDR does not require it.

For organisations based outside the European Union territory and not subject to the EUDR, but with relevant products that are part of the Europe-bound supply chain, the organisation type and size classification is irrelevant. The PEFC EUDR DDS requirements shall apply to them when they are indicated as 'the organisation', as defined in 3.24 of the standard.

Table 1: Overview of requirements according to the classification of organisations by the EUDR

Chapter	Requirements	SME operator	Non-SME operator	SME trader	Non-SME trader
Chapter 8	Risk mitigation measures shall include model risk management practices, reporting, record-keeping, internal control and compliance management, including the appointment of a compliance officer at management level		X		X
Chapter 8	Implement an independent audit function to check the internal policies, controls and procedures		X		X
Chapter 9	Due diligence statement submission	X	X		X
Chapter 9	Public reporting on Due Diligence System's information		X		X

1. Scope

This standard describes the steps that PEFC chain of custody certified organisations may follow to implement a Due Diligence System towards demonstrating EUDR compliance using the PEFC scheme and issue PEFC-EUDR claims. The responsibility of compliance with the EUDR remains fully with the organisation.

This document is a module standard, to be implemented on a voluntary basis, at the global level, by any organisation applying for or holding a PEFC recognised chain of custody certificate.

Before making PEFC-EUDR claims, the organisation shall extend the scope of its PEFC chain of custody certificate to cover the PEFC EUDR DDS module standard.

The standard applies to relevant products made with forest and tree based materials.

The standard can be used by an organisation defined as an operator and/or trader who places or made available forest and tree based material and/or products on the Union market and/or exports from the Union market. It also can be used by an organisation based outside the European Union territory that does not directly place or make available forest and tree based material and/or products on the Union market or export from the Union market, but the material or product will finally be placed or made available on or exported from, the Union market.

The PEFC EUDR DDS described in this voluntary module standard is to be used instead of the regular DDS described in chapter 7 and appendix 1 of PEFC ST 2002 for the PEFC product group(s) to which the PEFC EUDR DDS standard is applied. Moreover, this voluntary module standard includes additional definitions and additional requirements for management systems, identification of inputs, and declaration of outputs. Any other requirements of the PEFC Chain of Custody standard remain valid.

If an organisation uses both the PEFC ST 2002 DDS and the PEFC EUDR DDS established in this document, the organisation shall define at the product group level which DDS is implemented.

Forest and tree based material entering a PEFC product group for which this standard is implemented shall have gone through the PEFC EUDR DDS and resulted in no or negligible risk, independently as to whether it is PEFC certified material or not.

Where an EUDR source is referred to within the document, it is indicated in brackets, and refers to the EUDR Regulation, followed by the Article number, and, where applicable, by the Paragraph number or letter, as corresponds (EUDR, Article number, Paragraph number or letter).

In this standard, the following verbal forms are used: “shall” indicates a requirement; “should” indicates a recommendation; “may” indicates a permission; “can” indicates a possibility or a capability. Further details can be found in the ISO/IEC Directives, Part 2.

2. Normative references

The following referenced documents are indispensable for the application of this standard. For both dated and undated references, the latest edition of the referenced document (including any amendment) applies.

PEFC ST 2002, *Chain of Custody of Forest and tree-based products – Requirements* (available from www.pefc.org)

Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (from now onwards: EUDR).

3. Terms and definitions

The following terms and definitions are taken directly from the EUDR. In cases where a definition from this module standard differs from a definition in PEFC ST 2002, *Chain of Custody of Forest and tree-based products*, the definition from this module standard prevails for the purpose of its implementation.

When used within the standard, the definitions below and any definitions from PEFC ST 2002, *Chain of Custody of Forest and tree-based products* appear in bold.

3.1 Agricultural plantation

Land with tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations, olive orchards and agroforestry systems where crops are grown under tree cover; it includes all plantations of **relevant commodities** other than wood; agricultural plantations are excluded from the definition of **forest**.

(Source: EUDR 2.6)

3.2 Agricultural use

The use of land for the purpose of agriculture, including for **agricultural plantations** and set-a-side agricultural areas, and for rearing livestock.

(Source: EUDR 2.5)

3.3 Authorised representative

Any natural or legal person established in the European Union who has received a written mandate from an **operator** or from a **trader** to act on its behalf in relation to specified tasks with regard to the operator's or the trader's obligations under the EUDR.

(Source: EUDR 2.22)

3.4 Competent authority

The authorities designated by the European **Member States**, who are responsible for fulfilling the obligations arising from the EUDR.

(Source: EUDR 2.32)

3.5 Country of production

Country or territory where the **relevant commodity** used in the production of, or contained in, a **relevant product** was **produced**.

Note: See also definition 3.36 for **produced**. Country of production refers to the country where the **relevant product** was harvested.

(Source: EUDR 2.24)

3.6 Country risk level

Risk level assigned to each country by the European Commission, as high risk, low risk and standard risk that the relevant product's production does not comply with Article 3, point (a) of the EUDR.

Note 1: Article 3, point (a) of the EUDR referred to **deforestation-free**.

Note 2: For wood based **relevant products**, the risk assignment by the European Commission will cover both **deforestation** and **forest degradation**.

Note 3: For non-wood based **relevant products** (such as natural rubber), the risk assignment by the European Commission will only cover **deforestation**.

Note 4: In some cases, the risk assignment by the European Commission may refer to specific parts of a country and not to the whole country.

(Source: EUDR 2.29)

3.7 Deforestation

The conversion of **forest** to **agricultural use**, whether human-induced or not. (Source: EUDR 2.3)

3.8 Deforestation-free

- a) the **relevant products** contain, have been fed with, or have been made using, **relevant commodities** that were **produced** on land that has not been subject to **deforestation** after 31 December 2020; and
- b) in the case of **relevant products** that contain or have been made using wood, that the wood has been harvested from the **forest** without inducing **forest degradation** after 31 December 2020.

(Source: EUDR 2.13)

Note 1: For the wood based **relevant products**, deforestation-free means the **relevant products** were **produced** on land that has not been subjected to **deforestation** and/or inducing **forest degradation** after 31 December 2020.

Note 2: For non-wood based **relevant products** (such as natural rubber), deforestation-free means the **relevant products** were **produced** on land that has not been subjected to **deforestation** after 31 December 2020.

3.9 Due diligence statement

A document submitted to the **EU Information System** that an **organisation** defined as an **operator** and/or **non-SME trader** shall make available to **competent authorities**, assuming its responsibility for the compliance of the **relevant product** with the EUDR.

Note: The information to be included in the due diligence statement is found at the Annex 2 of the EUDR, or Appendix 1 of this standard.

3.10 EU Information System

The information system, which will be established and maintained by the European Commission, where an **organisation** will have to submit their **due diligence statements**. This information system may also include other functionalities defined by the European Commission.

(Source: EUDR 33)

3.11 EUDR substantiated concern

A duly reasoned claim based on objective and verifiable information regarding non-compliance with the EUDR and which could require the intervention of **competent authorities**.

Note 1: EUDR substantiated concerns can be concerns by third parties (either natural or legal persons), as well as concerns of the **organisation** itself.

(Source: based on EUDR 31.1)

Note 2: EUDR substantiated concerns can be raised against the **relevant products** or against the **organisation** itself.

Note 3: EUDR substantiated concerns can be raised for **relevant products** that are not yet **placed on the Union market**, but are **produced** to be **placed or made available on the Union market** or to be exported from the **Union market**; or those **relevant products** that already **placed or made available on** or exported from **the Union market**.

(Source: based on EUDR 2.31)

3.12 Forest

Land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use.

(Source: EUDR 2.4)

3.13 Forest degradation

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**.

(Source: EUDR 2.7)

3.14 Geolocation

Geographical location of a **plot of land** described by means of latitude and longitude coordinates corresponding to at least one latitude and one longitude point and using at least six decimal digits. For **plots of land** of more than four hectares, this shall be provided using polygons with sufficient latitude and longitude points to describe the perimeter of each **plot of land**.

(Source: EUDR 2.28)

3.15 In the course of a commercial activity

For purpose of processing, for distribution to commercial or non-commercial consumers, or use in the business of the **operator** or **trader** itself.

(Source: EUDR 2.19)

3.16 Making available on the Union market

Any **supply** of a **relevant product** for distribution, consumption or use on the **Union market in the course of a commercial activity**, whether in return for payment or free of charge.

(Source: EUDR 2.18)

3.17 Member States

A member country of the European Union where the EUDR is applicable.

3.18 Naturally regenerating forest

Forest predominantly composed of trees established through natural regeneration; it includes any of the following:

- a) **forests** for which it is not possible to distinguish whether planted or naturally regenerated
- b) **forests** with a mix of naturally regenerated native tree species and planted or seeded trees, and where the naturally regenerated trees are expected to constitute the major part of the growing stock at stand maturity
- c) coppice from trees originally established through natural regeneration
- d) naturally regenerated trees of introduced species

(Source: EUDR 2.9)

3.19 Negligible risk

The identified level of risk following the implementation of a risk assessment, as per applicable **PEFC EUDR DDS** requirements, that indicates that the **relevant product** shows no cause for concern that it originated in **controversial sources** and/or **non-compliant products**, and/or was mixed at the supply chain level with **relevant products** of unknown origin or **relevant products** originating in **controversial sources** and/or **non-compliant products**.

(Source: EUDR 2.26)

3.20 Non-compliant products

Relevant products that do not comply with Article 3 of the EUDR.

Note 1: Article 3 of the EUDR defines that **relevant commodities** and **relevant products** shall not be **placed or made available on the Union market** or exported, unless all the following conditions are fulfilled:

- a) they are **deforestation-free**
- b) they have been **produced** in accordance with the **relevant legislation of the country of production**; and
- c) they are covered by a **due diligence statement**

Note 2: c) of article 3 of the EUDR is applicable only for **relevant products placed or made available on the Union market** or exported from the **Union market** by an **operator** or a **trader**.

(Sources: EUDR 3, EUDR 2.15)

3.21 Non PEFC-EUDR

The **material category** covering **relevant products**, delivered with or without a **reference number**, that have not gone through the **PEFC EUDR DDS**.

3.22 Non-SME

An enterprise that is not classified as an **SME** (micro, small and medium-sized enterprise). See definition 3.42.

Note: The definition is applicable for an **organisation** established in the **Member States**.

3.23 Operator

Any natural or legal person who, **in the course of a commercial activity, places relevant products on the Union market** or exports them from the **Union market**.

Note 1: **SME** and **non-SME** operators are subject to different requirements.

Note 2: An **organisation** may act as an operator or a **trader** at the same time, depending on their position in the supply chain.

(Source: EUDR 2.15)

3.24 Organisation

Person or group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.

Note 1: In the context of this standard, an organisation implements the requirements of this standard while holding or applying to hold a **PEFC recognised certificate** that includes the **PEFC EUDR DDS** under its scope.

Note 2: In context of EUDR for **operator** and **trader**: ‘Person’ means a natural person, a legal person or any association of persons that is not a legal person, but which is recognised under the European Union or national law as having the capacity to perform legal acts; “group of people” means a group of “persons”.
(Source: EUDR 2.20, 2.21)

3.25 Other wooded land

Land not classified as **forest** spanning more than 0.5 hectares, with trees higher than 5 metres and a canopy cover of 5 to 10 %, or trees able to reach those thresholds in situ, or with a combined cover of shrubs, bushes and trees above 10 %, excluding land that is predominantly under agricultural or urban land use.
(Source: EUDR 2.12)

3.26 PEFC-EUDR claim

An organisation’s declaration on a **relevant product** that has gone through the **PEFC EUDR DDS** and resulted in no or **negligible risk**, stated in sales and delivery documentation, namely, ‘PEFC-EUDR’. This claim prefix shall always be used together with a PEFC ST 2002 **PEFC claim** (as per definition 3.27, PEFC ST 2002, namely the claims “X% PEFC certified” and “**PEFC controlled sources**”).

Example: PEFC-EUDR 100% PEFC Origin, PEFC-EUDR X% PEFC certified or PEFC-EUDR **PEFC controlled sources**.

Note: The PEFC-EUDR claim always applies to 100% of the **relevant product** to which the claim refers, independently of the percentage of **PEFC certified material** included in the **relevant product**.

3.27 PEFC EUDR DDS material categories

Material with certain characteristics, namely **PEFC-EUDR referenced**, **PEFC-EUDR non-referenced** and **Non PEFC-EUDR**.

Note: The **organisation** shall conduct both the material classification as per PEFC ST 2002, and this **PEFC EUDR DDS** module standard.

3.28 PEFC EUDR Due Diligence System (PEFC EUDR DDS)

A framework of procedures and measures, namely collection of information, risk assessment and risk mitigation, implemented by an **organisation** to reduce the risk that **relevant products** originate from, or are mixed at supply chain level with, **controversial sources** and/or **non-compliant products**. In addition, the PEFC EUDR DDS also includes requirements on **substantiated concerns** and **EUDR substantiated concerns**, **due diligence statement** submission, no placement on the market, reporting to the **competent authorities** and responsibility not to place the **relevant product** on, or export it from, the **Union market** that may come from **controversial sources** and/or **non-compliant products**.

Note: The responsibility of compliance with the EUDR or any other legal obligations rests fully and solely with the **organisation** defined as the **operator** and/or **trader**.

3.29 PEFC-EUDR non-referenced

The **material category** covering **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**.

3.30 PEFC-EUDR referenced

The **material category** covering **relevant products** delivered with a **PEFC-EUDR claim** and a **reference number** by a **supplier** covered by a **PEFC recognised certificate** that includes the **PEFC EUDR DDS** in its scope.

3.31 Place on the Union market

When a **relevant commodity** or **relevant product** is first **made available on the Union market**.

(Source: EUDR 2.16)

3.32 Plantation forest

A **planted forest** that is intensively managed and meets, at planting and stand maturity, all the following criteria: one or two species, even age class, and regular spacing; it includes short rotation plantations for wood, fibre and energy, and excludes **forests** planted for protection or ecosystem restoration, as well as **forests** established through planting or seeding, which at stand maturity resemble or will resemble **naturally regenerating forests**.

(Source: EUDR 2.11)

3.33 Planted forest

Forest predominantly composed of trees established through planting and/or deliberate seeding, provided that the planted or seeded trees are expected to constitute more than 50% of the growing stock at maturity; it includes coppice from trees that were originally planted or seeded.

(Source: EUDR 2.10)

3.34 Plot of land

Land within a single real-estate property, as recognised by the law of the **country of production**, which enjoys sufficiently homogeneous conditions to allow an evaluation of the aggregate level of risk of **deforestation** and **forest degradation** associated with **relevant commodities produced** on that land.

(Source: EUDR 2.27)

3.35 Primary forest

Naturally regenerated forest of native tree species, where there are no clearly visible indications of human activities, and the ecological processes are not significantly disturbed.

(Source: EUDR 2.8)

3.36 Produced

Grown, harvested, obtained from or raised on relevant **plots of land** or as regards cattle, on establishments.

(Source: EUDR 2.14)

3.37 Reference number

The reference number that an **operator** or a **non-SME trader** obtains from the **EU Information System** after submitting a **due diligence statement**.

Note 1: Reference number is known as reference number of **due diligence statement**.

Note 2: Only an **organisation** defined as an **operator** and/or **trader**, who directly **places relevant products on the Union market** or export it from the **Union market**, can obtain the reference number.

3.38 Relevant commodities

Cattle, cocoa, coffee, oil palm, rubber, soya and wood.

Note: The list of relevant commodities is subject to revision by the European Commission.

(Source: EUDR 2.1)

3.39 Relevant legislation of the country of production

The laws applicable in the **country of production** concerning the legal status of the area of production in terms of:

- a) land use rights
- b) environmental protection
- c) forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting
- d) third parties' rights
- e) labour rights
- f) human rights protected under international law
- g) the principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples
- h) tax, anti-corruption, trade and customs regulations

(Source: EUDR 2.40)

3.40 Relevant product

Products listed in Annex I of the EUDR that contain, have been fed with, or have been made using **relevant commodities**.

Note 1: Annex 1 of the EUDR is subject to periodical revision by the European Commission.

Note 2: Annex 1 refers to the relevant products based on their Harmonised System Codes (HS-Codes). See Annex 1 of the EUDR for further information.

Note 3: The scope of this standard is limited to relevant products made with **forest and tree based material** and **forest and tree based products**.

(Source: EUDR 2.2)

3.41 Significant risk

The identified level of risk following the implementation of a risk assessment, as per applicable PEFC EUDR DDS's requirements, that indicates that the **relevant product** shows cause for concern that it originated in **controversial sources** and/or **non-compliant products**, and/or was mixed at the supply chain level with **relevant products** of unknown origin or **relevant products** originating in **controversial sources** and/or **non-compliant products**.

(Source: based on EUDR 2.26)

3.42 SME

'Micro, small and medium-sized enterprise' or 'SME' means micro, small and medium-sized undertakings as defined in Article 3 of Directive 2013/34/EU of the European Parliament and of the Council.

Note: The definition is applicable for an **organisation** established in the **Member States**.

(Source: EUDR 2.30)

3.43 Trader

Any **organisation** in the supply chain other than the **operator** who, **in the course of a commercial activity, makes relevant products available on the Union market.**

Note 1: **SME** and **non-SME** traders are subject to different requirements.

Note 2: An **organisation** may act as an **operator** and/or a trader at the same time, depending on their position in the supply chain.

(Source: EUDR 2.17)

3.44 Union market

The market of the European Union where any **relevant product** is placed on or made available or exported from.

3.45 Waste

Any substance or object which the holder discards or intends or is required to discard.

(Source: Article 3, point (1), of Directive 2008/98/EC)

4. PEFC EUDR Due Diligence System (DDS) requirements

4.1 General

- 4.1.1** The **organisation** shall operate a **PEFC EUDR DDS** to minimise the risk that the **relevant products** it procures originate in, and/or are mixed at the supply chain level with, **controversial sources** and/or **non-compliant products**.
- 4.1.2** The **organisation** shall define the **DDS** that it wants to implement at the product group level, either the **PEFC EUDR DDS** or the PEFC ST 2002 DDS.
- 4.1.3** The **organisation** shall make sure that any **relevant product** entering as an input for a **PEFC product group** for which the **PEFC EUDR DDS** is applied, goes through this **PEFC EUDR DDS** and results in no or **negligible risk** before implementing the PEFC chain of custody method.
(Source: based on EUDR 4.1)
- 4.1.4** The **organisation** shall implement the **PEFC EUDR DDS** in three steps relating to:
- a) collection of information (chapter 5)
 - b) risk assessment (chapter 6)
 - c) risk mitigation (chapter 8), when applicable
(Source: EUDR 8.2)
- 4.1.5** In addition, the **organisation** shall complete the following steps:
- a) **substantiated concerns** (chapter 7)
 - b) submission of a **due diligence statement** to the **EU Information System**, where applicable (section 9.1)
 - c) publicly report on their **Due Diligence System** on an annual basis, for **organisations** defined as **non-SME operators** and/or **non-SME traders** (section 9.2)
 - d) no placement on the market (chapter 10)
- 4.1.6** The **organisation** shall provide required information as per 4.4 and chapter 5 to their **PEFC customers**.
(Source: based on EUDR 4.7)
- 4.1.7** The **organisation** shall review its **PEFC EUDR DDS** at least annually, and whenever the **organisation** becomes aware of new developments or changes in the information that could influence the **DDS** and revise the **DDS** to take account to those developments, if needed.
(Source: EUDR 12.2)
- 4.1.8** An **organisation** defined as an **operator** and/or **trader** shall offer any necessary assistance to the **competent authorities** to conduct their obligations under the **EUDR**, including providing access to the premises and making available all documentation and records related to its **PEFC EUDR DDS**.
(Source: EUDR 4.6)

4.2 Additional management system requirements

4.2.1 The **organisation** shall establish written procedures to exercise a **PEFC EUDR DDS** under their chain of custody management system. These procedures shall be kept up to date.
(Source: EUDR 12.1)

4.2.2 An **organisation** defined as a **non-SME operator** and/or **non-SME trader** shall appoint a staff member as the EUDR compliance officer.
(Source: EUDR 11.2a)

Note: The EUDR compliance officer can be the same person responsible for the organisation's PEFC chain of custody certification (PEFC ST 2002, 4.3.1.2).

4.2.3 The **organisation** shall keep all documentation related to its **PEFC EUDR DDS** for at least five years. Documentation includes all records, measures, and procedures, as set out in chapters 5, 6, and 8.
(Source: EUDR 12.2 and 12.5)

4.3 Additional requirements for the identification of input material

4.3.1 For each **relevant product** used as an input for a **PEFC product group** for which the **PEFC EUDR DDS** is applied, in addition to the documentation indicated in PEFC ST 2002, 5.1.1, the **organisation** shall obtain:

- a) Information from the **supplier** to identify the quantity of the **relevant product**, as follows:
 - i. For a **relevant product** entering or leaving the **Union market**, the quantity is to be expressed in kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Council Regulation (EEC) No 2658/87 (20) against the indicated Harmonised System code.
 - ii. In all other cases, the quantity is to be expressed in net mass or, where applicable, volume or number of items; a supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonised System code referred to in the **due diligence statement**.
- b) In addition to the applicable PEFC chain of custody claims, the **PEFC-EUDR claim** specifically for each claimed product, and
- c) Any additional information as needed to conduct the **PEFC EUDR DDS**.

(Source: EUDR 9.1b)

4.3.2 For **relevant products** delivered with a **PEFC-EUDR claim**, the **organisation** shall verify on the **PEFC website** that the **supplier** holds a **PEFC recognised certificate** that includes the **PEFC EUDR DDS** under its scope. In addition, the **organisation** shall verify that the **relevant product** is covered by the scope of the **PEFC EUDR DDS**.

4.3.3 For each **relevant product** used as an input for a **PEFC product group** for which the **PEFC EUDR DDS** is applied, before implementing the **PEFC EUDR DDS**, the **organisation** shall, in addition to classifying it according to the **material categories** as per PEFC ST 2002, also classify it according to the **PEFC EUDR DDS material categories**. The **PEFC EUDR DDS material categories** are:

- a) **PEFC-EUDR referenced**
- b) **PEFC-EUDR non-referenced**
- c) **Non PEFC-EUDR**

4.4 Additional requirements for the declaration of outputs

4.4.1 For outputs from a **PEFC product group** for which the **organisation** makes a **PEFC-EUDR claim** to a **PEFC customer**, it shall provide the customer with documentation on:

- a) Quantity of the **relevant product**, as follows:
 - i. For **relevant products** entering or leaving the **Union market**, the quantity is to be expressed in kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Council Regulation (EEC) No 2658/87 (20) against the indicated Harmonised System code.
 - ii. In all other cases, the quantity is to be expressed in net mass or, where applicable, volume or number of items; a supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonised System code referred to in the **due diligence statement**.
- b) The **PEFC-EUDR claim** specifically for each claimed product, in addition to the applicable PEFC chain of custody claims, and;
- c) Additional information as needed for the **PEFC customer** to conduct the **PEFC EUDR DDS**.
(Source: EUDR 9.1b)

5. Collection of information

5.1 General

5.1.1 For a **relevant product** delivered with a **PEFC-EUDR claim** to be classified as **PEFC-EUDR referenced**, the **organisation** shall obtain from its **supplier** and keep records of:

- a) the **reference number**
- b) on request, any information as per 5.1.2 or any other information that the **organisation** may need to confirm that the **relevant product** has no or **negligible risk**. If the **supplier** does not possess the requested information, the request shall be passed on to its **supplier(s)**.

5.1.2 For a **relevant product** delivered with a **PEFC-EUDR claim** to be classified as **PEFC-EUDR non-referenced**, the **organisation** shall obtain from its **supplier**, as appropriate, and keep records of:

- a) a description, including the trade name and type of the **relevant products** as well as, in the case of **relevant products** that contain or have been made using wood, the common name of the species and their full scientific name. The product description shall include the list of **relevant commodities** or **relevant products** contained therein or used to make those products.
(Source: EUDR 9.1a)

- b) the **country of production** of the **relevant product** and where applicable, parts thereof

Note: In the context of this standard, the **country of production** means the country of harvesting.

(Source: EUDR 9.1c), EUDR 2.14)

- c) the **geolocation** of all the **plots of land** where the **relevant products** were **produced**.
(Source: EUDR 9.1d)
- d) the date or time range of production

Note: In the context of this standard, production means harvest.

(Source: EUDR 9.1d and EUDR 2.14)

- e) the name, postal address, and email address of any business or person from whom they have been supplied with the **relevant products**
(Source: EUDR 9.1e)
- f) the name, postal address and email address of any business, **operator** or **trader** to whom the **relevant products** have been supplied
(Source: EUDR 9.1f)
- g) adequately conclusive and verifiable information that the **relevant products** are **deforestation-free**
(Source: EUDR 9.1g)
- h) adequately conclusive and verifiable information that the **relevant commodities** have been **produced** in accordance with the **relevant legislation of the country of production**, including any arrangement conferring the rights to use the respective area for the purposes of the production of the **relevant commodity**

Example 1: Information sources that can be used include a valid FLEGT licence.

Example 2: For **relevant products** originating in countries the European Commission has assigned a low **country risk level**, an example of conclusive and verifiable information can be a harvesting permit or harvesting declaration.

(Source: EUDR 9.1h)

5.1.3 For a **relevant product** classified as **non PEFC-EUDR**, the **organisation** shall obtain all the information required under 5.1.2. If the **supplier** cannot provide this information, the **relevant product** shall be directly considered as having **significant risk** and the **organisation** shall mitigate the risk as per chapter 8. The **relevant product** shall not enter the PEFC chain of custody method step, and neither be placed, or made available on or exported from, the **Union market** until the risk has been mitigated.

5.1.4 An **organisation** defined as an **operator** and/or **non-SME trader** shall make available to the **competent authorities** upon request the information, documents and data collected under 5.1.2, 4.3.1.a, and 4.4.1 a.
(Source: EUDR 9.2)

5.1.5 An **organisation** defined as an **operator** and/or **non-SME trader** shall keep all collected information, documents and data relating to each **relevant product** for five years from the date of the placing, or of the making available, on the **Union market** or of the export of the **relevant product**.
(Source: EUDR 9.1)

Table 2: Overview of the information required to classify the relevant product according to the PEFC EUDR material categories

	Material category		
	PEFC-EUDR referenced	PEFC-EUDR non-referenced	Non PEFC-EUDR
Information collection requirements			
Information as per 5.1.2 to be obtained		X	X
Information as per 5.1.2 to be obtained, on request	X		
Reference number	X		

6. Risk assessment

6.1 General

6.1.1 The **organisation** shall verify and analyse the information collected in accordance with chapter 4 and chapter 5, and any other relevant documentation. Based on that information and documentation, the **organisation** shall carry out a risk assessment for each **relevant 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 material**.

(Source: EUDR 10.1)

6.1.2 The risk assessment shall establish whether there is a risk that the **relevant product** input intended to be placed on, or exported from, the **Union market** originated from **controversial sources** (PEFC ST 2002, 3.7) and/or **non-compliant products** (definition 3.20).

6.1.3 The **organisation** shall not implement the PEFC chain of custody method and shall not place the **relevant product** on, or export it from, the **Union market** unless the risk assessment concludes the **relevant product** has no or **negligible risk**.

(Source: EUDR 10.1)

6.1.4 The **organisation** shall consider the following risks when conducting the risk assessment:

- a) The **relevant product** is sourced from activities where **deforestation** and/or **forest degradation** occurred after 31 December 2020 (section 6.2).
- b) The **relevant product** was not **produced** in compliance with **relevant legislation of the country of production** (section 6.3).
- c) The **relevant 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 (section 6.4).

Note: c) corresponds to the elements (b) and (i) of the definition of **controversial sources** in PEFC ST 2002, 3.7, which are not covered by EUDR. To make sure that **PEFC EUDR**-claimed material addresses completely PEFC's definition and approach for **controversial sources**, **organisations** implementing the **PEFC EUDR DDS** also need to address the parts where PEFC's **controversial sources** go beyond EUDR.

- d) Supply chain level and risk of mixing (section 6.5).

6.1.5 The organisation's risk assessment shall result in the classification of the **relevant product** input into no or **negligible risk** or **significant risk** categories.

6.1.6 The **organisation** shall ensure that there is no **substantiated concern** and/or **EUDR substantiated concern**, or that any **substantiated concern** and/or **EUDR substantiated concern** is resolved, before classifying the **relevant product** as having no or **negligible risk**.

(Source: EUDR 10.2e)

6.1.7 If the **organisation** classifies the **relevant product** as having **significant risk** for one or several of those aspects of the risk assessment as described in 6.2, 6.3, 6.4 and 6.5, the **organisation** shall manage the identified risk(s) according to chapter 8.

(Source: based on EUDR 11.1)

6.1.8 When sourcing **relevant products** from **suppliers** defined as **operators** and/or **non-SME traders**, the **organisation** shall check whether the **relevant product** is delivered with a **reference number**. If not, the **relevant product** shall be considered as having **significant risk**.

(Source: EUDR 3.c)

- 6.1.9** When conducting the risk assessment, the **organisation** shall take into account:
- a) The conclusion of the meetings of the European Commission expert groups supporting the implementation of the EUDR, as published in the European Commission's expert group register.
(Source: EUDR 10.2k)
 - b) The sources, reliability, validity, and links to other available documentation referred to in 4.3 and 5.1.2, and any information that would point to a risk that the **relevant products** do not comply with EUDR.
(Source: EUDR 10.2g)
- 6.1.10** The **organisation** shall document and keep records of the risk assessment process, including information and evidence obtained and used to justify the degree of risk against the risk assessment criteria set out in 6.2, 6.3, 6.4 and 6.5.
(Source: EUDR 10.1)
- 6.1.11** The risk assessment shall be documented, reviewed at least annually, and revised as needed. The risk assessment shall also be reviewed when changes regarding the information listed in requirements 4.3 and 5.1.2 occur, or when there are new developments affecting the organisation's **PEFC EUDR DDS**, and revised as needed.
(Source: EUDR 10.4)
- 6.1.12** An **organisation** defined as an **operator** and/or **non-SME trader** shall be able to demonstrate how the information gathered was checked against the risk assessment criteria set out in 6.2, 6.3, 6.4 and 6.5 and how it determined the degree of risk.
(Source: EUDR 10.4)

6.2 Assessment of the risk that relevant products are sourced from activities where deforestation and/or forest degradation occurred after 31 December 2020

6.2.1 The **organisation** may classify **relevant products** as having no or **negligible risk** of originating from areas where **deforestation** and/or **forest degradation** occurred after 31 December 2020, if any one of the indicators in Table 3 applies.

(Source: based on EUDR 10.2)

Table 3: List of indicators of no or negligible risk that relevant products are produced from areas where deforestation and/or forest degradation occurred after 31 December 2020

<p>i. The relevant product was delivered with a PEFC-EUDR claim and additional information as per chapter 5, by a supplier that holds a PEFC recognised certificate with this PEFC EUDR DDS under its scope, and has implemented the PEFC EUDR DDS for the specific relevant product.</p> <p>Example: PEFC-EUDR X% PEFC certified</p>
<p>ii. The relevant product originates from a country of production, or parts thereof, where there is no prevalence of deforestation or forest degradation and for which the European Commission assigns a country risk level that is low.</p> <p>(Source: EUDR 13.1)</p>
<p>iii. The relevant product was delivered with a valid 100% PEFC certified claim, from a PEFC SFM certificate holder certified against a PEFC endorsed standard that is adapted to EUDR.</p> <p>Note: As PEFC endorsed standards become adapted to EUDR, they will be available on the PEFC website.</p>
<p>iv. The relevant product was declared as fully certified against an EUDR adapted forest certification scheme (other than a PEFC endorsed standard) supported by a valid certificate issued by a third-party certification body and delivered with a reference number. The organisation shall prove the adaption to EUDR of the forest certification scheme.</p>
<p>v. A relevant product for which the organisation has:</p> <ul style="list-style-type: none">a) obtained the geolocation of the plots of land, and the date or time range of production, where the relevant product was produced, andb) verified this information to demonstrate that the relevant product does not originate in an area where deforestation and/or forest degradation occurred after 31 December 2020, andc) recorded the evidence

6.3 Assessment of the risk that relevant products are sourced from activities not complying with relevant legislation of the country of production

6.3.1 The **organisation** may classify **relevant products** as having no or **negligible risk** of originating from activities not complying with **relevant legislation of the country of production**, if any one of the indicators in Table 4 applies.

(Source: based on EUDR 10.2)

Table 4: Indicators of no or negligible risk of not complying with relevant legislation of the country of production

<p>i. The relevant product was delivered with a PEFC-EUDR claim and additional information as per chapter 5, by a supplier that holds a PEFC recognised certificate with this PEFC EUDR DDS under its scope, and has implemented the PEFC EUDR DDS for the specific relevant product.</p> <p>Example: PEFC-EUDR X% PEFC certified</p>
<p>ii. The relevant product originates from a country of production, or parts thereof, where there is no prevalence of deforestation or forest degradation and for which the European Commission assigns a country risk level that is low</p> <p>(Source: EUDR 13. 1)</p>
<p>iii. The relevant product was delivered with a valid 100% PEFC certified claim, from a PEFC SFM certificate holder certified against a PEFC endorsed standard that is adapted to EUDR.</p> <p>Note: As PEFC endorsed standards become adapted to EUDR, they will be available on the PEFC website.</p>
<p>iv. A relevant product that falls within the scope of Regulation (EC) No 2173/2005 and is covered by a valid FLEGT license from an operational licensing scheme shall be deemed to comply with Article 3, point (b), of EUDR.</p> <p>(Source: EUDR 10.3)</p>
<p>v. The relevant product was declared as fully certified against an EUDR adapted forest certification scheme (other than a PEFC endorsed standard) supported by a valid certificate issued by a third-party certification body and delivered with a reference number. The organisation shall prove the adaption to EUDR of the forest certification scheme.</p>

6.3.2 If none of the indicators in Table 4 apply, the **organisation** may classify **relevant products** as having no or **negligible risk** of originating from activities not complying with **relevant legislation of the country of production**, if all the indicators in Table 5 apply.

(Source: based on EUDR 10.2)

Table 5: Supplementary indicators of no or negligible risk of not complying with relevant legislation of the country of production

- i. The absence of concerns listed below regarding the **relevant product** with relation to the **country of production** or parts thereof:
- a) Level of corruption.
 - b) Prevalence of document and data falsification.
 - c) Tree species included in the **relevant product** known for prevalence of activities covered by the term **controversial sources** (PEFC ST 2002, 3.7(a) or (b)) in the country/region, or activities that do not comply with EUDR.
 - d) Lack of:
 - I. law enforcement
 - II. environmental protection
 - III. forest-related rules, including forest management and biodiversity conservation, where directly related to harvesting, and/or low level of forest governance and law enforcement

Source: EUDR 2.40 (b), (c); EUDR 10.2(h)

- e) Violation of:
 - I. land use rights
 - II. third parties' rights
 - III. labour rights

Note: Organisations can consider internationally recognised labour rights obligations, such as ILO Declaration on Fundamental Principles and Rights at Work (1998)

- IV. international human rights
- Source: EUDR 2.40(a), (d), (e), (f)*

- f) Presence of:
 - I. armed conflict or **conflict timber** trade
 - II. sanctions imposed by the UN Security Council or the Council of the European Union
 - III. infringements of tax, anti-corruption, trade and customs regulations

Source: EUDR 10.2 (h), 2.40(h), PEFC ST 2002, 3.7.h

ii. The **relevant product** originates from a **country of production** where there is no presence of Indigenous Peoples. If there is presence of Indigenous Peoples in the **country of production**, or parts thereof, the following shall apply:

- a) There is consultation and cooperation in good faith with Indigenous Peoples in the **country of production** or parts thereof.
- b) Absence of existence of duly reasoned claims by Indigenous Peoples based on objective and verifiable information regarding the use or ownership of the area used for the purpose of producing the **relevant commodity**.
- c) The principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples.

Note: c) is to be understood in the context of relevant laws applicable in the **country of production** concerning the legal status of the area of production.

Source: EUDR 10.2 (c), (d), (e)

6.4 Assessment of the risk that relevant products are sourced 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.

6.4.1 The **organisation** may classify **relevant products** delivered with a PEFC chain of custody claim from a **supplier** that holds a **PEFC recognised certificate** as having no or **negligible risk** of originating 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 that **genetically modified trees** occurred.

6.4.2 For **relevant products** that are not delivered with a PEFC chain of custody claim from a **supplier** that holds a **PEFC recognised certificate**, the **organisation** may classify the **relevant product** as having no or **negligible risk** of originating 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 that **genetically modified trees** occurred, if all indicators in Table 6 apply.

Table 6: Indicators for no or negligible risk that relevant products are sourced from activities where the capability of the forest to produce products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained, or genetically modified trees occurred

i. 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 maintained or harvesting levels do not exceed a rate that can be sustained in the long term.

Example: Data source where this can be checked: FAO Forest Resource Assessment, STIX, UNECE, European Environment Agency, or Forest Trends

ii. According to publicly available data, genetically modified forest and tree based organisms are not **produced** in the country/region and are not placed on the market.

Note: These indicators are corresponding to the elements (b), and (i) of the definition of **controversial sources**, PEFC ST 2002, 3.7.

6.5 Assessment of the risk that relevant products are mixed with controversial sources and/or non-compliant products at supply chain level

6.5.1 The **organisation** may classify **relevant products** as having no or **negligible risk** of being mixed with material originating from **controversial sources** and/or **non-compliant products** at supply chain level if none of the indicators in Table 7 apply.

(Source: based on EUDR 10. 2)

Table 7: List of indicators for significant risk at the supply chain level

<p>i. Risk of circumvention of the EUDR or risk of being mixed with relevant products of unknown origin or material originating in controversial sources and/or non-compliant products. (Source: EUDR 10.2(j), PEFC ST 2002)</p>
<p>ii. Complexity of the relevant supply chain. (Source: EUDR 10.2(i))</p>
<p>iii. Stage of processing of the relevant product, in particular, difficulties in connecting the relevant product to the plot of land where the relevant products were produced. (Source: EUDR 10.2(i))</p>
<p>iv. Information on the history of non-compliance with illegal sources as per PEFC's definition for controversial sources (PEFC ST 2002, 3.7.a), with EUDR or with related legislation, by organisations along the relevant supply chain. (Source: EUDR, 10.2(l))</p>

7. Substantiated concerns

- 7.1** If the **organisation** obtains or is made aware of relevant information, including as a result of the risk assessment (chapter 6) and including **EUDR substantiated concerns** submitted under Article 31 of the EUDR, that would point to a risk that the **relevant product** originates in **controversial sources (substantiated concerns)**, does not comply with the EUDR, or that the EUDR is circumvented (**EUDR substantiated concerns**), the **organisation** shall address them as per chapter 6 and chapter 8.
(Source: EUDR 13.2)
- 7.2** For **EUDR substantiated concerns**, if an **organisation** defined as an **operator** and/or **non-SME trader** obtains or is made aware of relevant information that would point to a risk that the **relevant product** does not comply with the EUDR, or that the EUDR is circumvented, the **organisation** shall immediately communicate any relevant information to the **competent authority**.
(Source: EUDR 13.2)
- 7.3** The **organisation** shall ensure that **substantiated concerns** and **EUDR substantiated concerns** are investigated promptly, starting no later than ten workdays from the identification of the concerns.
- 7.4** If an **organisation** defined as an **operator** and/or **non-SME trader** obtains or is made aware of relevant new information, including **EUDR substantiated concerns**, indicating that a **relevant product** that it placed or made available **on the Union market** is at risk of not complying with the EUDR, the **organisation** shall immediately inform the **competent authorities** of the **Member States** in which it **placed or made available the relevant product on the Union market**, as well as the **traders** to whom it supplied the **relevant product**. In the case of exports, the **operator** shall inform the **competent authority** of the **Member State** that is the **country of production**.
(Source: EUDR 4.5)
- 7.5** If an **organisation** defined as an **SME trader** obtains or is made aware of relevant new information, including **EUDR substantiated concerns**, indicating that a **relevant product** that it **made available on the Union market** is at risk of not complying with the EUDR, the **organisation** shall immediately inform the **competent authorities** of the **Member States** in which the **relevant product** was **made available on the Union market**, as well as the **traders** to whom it supplied the **relevant product**.
(Source: EUDR 5.5)

8. Risk mitigation

8.1 General

8.1.1 Except where a risk assessment carried out in accordance with chapter 6 reveals that there is no or **negligible risk** that the **relevant products** are **non-compliant products**, the **organisation** shall, prior to implementing the PEFC chain of custody method, adopt risk mitigation procedures and measures that are adequate to achieve no or **negligible risk**.

(Source: EUDR 11.1)

8.1.2 The procedures or measures may include any of the following:

- a) requiring additional information, data, or documents *(Source: EUDR 11.1(a))*
- b) carrying out independent surveys or audits *(Source: EUDR 11.1(b))*
- c) other measures pertaining to information requirements set out in chapter 5 *(Source: EUDR, 11.1.(c))*

8.1.3 Such procedures and measures may also include supporting the organisation's **suppliers** to achieve compliance with the EUDR, in particular smallholders, through capacity building and investments.

(Source: EUDR 11.1)

8.1.4 The **organisation** shall have in place adequate and proportionate policies, controls and procedures to mitigate and manage effectively the risks identified. Those policies, controls and procedures shall include:

- a) Model risk management practices, reporting, record-keeping, internal control and compliance management, including the appointment of a compliance officer at management level for an **organisation** defined as a **non-SME operator** and/or **non-SME trader** (see also 4.2.2).
- b) An independent audit function to check the internal policies, controls and procedures referred to in 8.1.4.a) for an **organisation** defined as a **non-SME operator** and/or **non-SME trader**.

(Source: EUDR 11.2)

8.1.5 The organisation's decisions on risk mitigation procedures and measures shall be documented and reviewed at least on an annual basis.

(Source: EUDR 11.3)

8.1.6 An **organisation** defined as an **operator** and/or **non-SME trader** shall make available its decision on its risk mitigation procedures and measures to the **competent authorities** upon request.

(Source: EUDR 11.3)

8.1.7 An **organisation** defined as an **operator** and/or **non-SME trader** shall be able to demonstrate how the decisions on its risk mitigation procedures and measures were taken.

(Source: EUDR 11.3)

8.2 Requiring additional information, data and documents

8.2.1 The **organisation** shall request from all **suppliers** delivering supplies with **significant risk**, to:

- a) Provide the **organisation** with all the detailed information in 4.3 and 5.1.2, and any additional data and documents on the whole supply chain and production area of the supply's origin.
- b) Enable the **organisation** to carry out a second party or a third-party audit of the supplier's operations as well as operations of the previous **suppliers** in the chain.

Note: These procedures can be ensured by contractual agreements or a written self-declaration by the **supplier**.

8.2.2 The information submitted by the **supplier** shall allow the **organisation** to plan and execute audits.

8.3 Audits

- 8.3.1** The organisation's risk mitigation procedures and measures shall include audits of **suppliers** delivering supplies with **significant risk** when the documentation provided and reviewed does not provide enough confidence that the **relevant product** does not origin from **controversial sources** and/or **non-compliant products**. The audits can be carried out by the **organisation** itself (second party audit) or by a third party on behalf of the **organisation**.
- 8.3.2** The **organisation** shall demonstrate that personnel carrying out audits have sufficient knowledge and competence in the EUDR, **PEFC EUDR DDS**, local business, cultural and social customs, and applicable treaties, conventions legislation, governance and law enforcement, relevant to the origin of supplies with **significant risk** and to the risk(s) identified.
- 8.3.3** The **organisation** shall determine a sample of supplies with **significant risk** delivered by the **supplier** to be verified. The size of the annual sample shall be at least the square root of the number of supplies with **significant risk** per one year: $(y=\sqrt{x})$, rounded up to the nearest whole number. Where the previous audits proved to be effective in fulfilling the objective of this document, the size of the sample may be reduced to $y=0.8 \sqrt{x}$, rounded up to the next whole number.

8.4 Corrective measures

- 8.4.1** As part of the policies, controls and procedures to manage effectively the risks identified, the **organisation** shall include procedures for implementing corrective measures for **suppliers** delivering supplies with **significant risk**.
- 8.4.2** The range of corrective measures shall be based on the scale and seriousness of the risk and shall consider cancellation or suspension of any contract or order for **relevant products** until the **supplier** can demonstrate that appropriate risk mitigation measures have been implemented.

9. Due diligence statement submission and publication

9.1 Due diligence statement submission

9.1.1 An **organisation** defined as an **operator** and/or **non-SME trader** shall submit a **due diligence statement** covering the **relevant product** to the **competent authority** of the **Member States** in which the **relevant product** will be **placed** or **made available**, or exported from, the **Union Market**, through the **EU Information System**, prior to **placing the relevant product on the Union market** or exporting it.

(Source: EUDR 4.2 and EUDR 5.2)

9.1.2 The **organisation** shall, upon request, provide to its **PEFC customer**, or another **organisation** further down the supply chain of the **relevant product**, all information necessary to demonstrate that the **PEFC EUDR DDS** was exercised and that no or **negligible risk** was found, including the **reference numbers** of the **due diligence statements** associated to those products, where appropriate.

(Source: EUDR 4.7)

9.1.3 The **due diligence statement** can be submitted by an **organisation** defined as an **operator** and/or **non-SME trader** or its **authorised representative**. In any case, an **organisation** defined as an **operator** and/or **non-SME trader** shall retain their responsibility for the compliance with the EUDR.

(Source: EUDR 4.3)

9.1.4 An **organisation** defined as an **operators** and/or **non-SME trader** shall keep the **due diligence statement** at least five years from the date it was submitted into the **EU Information System**.

(Source: EUDR 4.3)

9.1.5 An **organisation** defined as an **SME trader** shall keep the **reference numbers** associated to the **relevant product** at least five years from the date of the **making available on the Union market** and shall provide that information to the **competent authorities** upon request.

(Source: EUDR 5.4)

9.1.6 The **due diligence statement** shall cover at least information specified in Appendix 1.

9.2 Due Diligence System report and publication

9.2.1 An **organisation** that is defined as a **non-SME operator** and/or **non-SME trader**, shall, on an annual basis, publicly report as widely as possible, including via the internet, on their **PEFC EUDR DDS**, including the steps taken by them to fulfil their EUDR obligations.

(Source: EUDR 12.3)

9.2.2 The organisation's **PEFC EUDR DDS** report shall include the following information concerning the **relevant product**:

- a) A summary of the information described in requirements 4.4.1 and 5.1.2 (a) and (b)
- b) The conclusions of the risk assessment carried out as per chapter 6 and risk mitigation measures undertaken as per chapter 8, and a description of the information and evidence obtained and used to assess the risk.
- c) Where applicable, a description of the process of consultation of Indigenous peoples, local communities and other customary tenure rights holders or of the civil society organisations that are present in the area of production of the **relevant commodities** and **relevant products**.

(Source: EUDR 12.4)

9.2.3 An **organisation** defined as an **operator** and/or **non-SME trader** that falls also within the scope of other European Union legal acts that lay down requirements regarding value chain due diligence may fulfil their **PEFC EUDR DDS** reporting obligations by including the required information laid out in requirement 9.2.2 above, when reporting in the context of those other Union legal acts.

(Source: EUDR 12.3)

Note: Examples of other legal acts regarding value chain due diligence include Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

10. No placement on the market

- 10.1** **Relevant products** from unknown sources, and/or **controversial sources** and/or **non-compliant products** shall not be included in a **PEFC product group** for which this **PEFC EUDR DDS** is implemented.
- 10.2** **Non-compliant products** shall not be **placed or made available on the Union market** or exported.
(Source: EUDR 3)
- 10.3** Where it is known to the **organisation** that the **relevant products** not covered by the organisation's **PEFC chain of custody** originate from illegal sources (**controversial sources** definition, PEFC ST 2002, 3.7.a) and/or have not been **produced** in accordance with **relevant legislation of the country of production** (definition 3.39), the **relevant products** shall not be placed on the market.
- 10.4** Where the **organisation** has received **substantiated concerns** and/or **EUDR substantiated concerns** that the **relevant products** not covered by the organisation's **PEFC chain of custody** originate in illegal sources (**controversial sources** definition, PEFC ST 2002, 3.7.a) and/or have not been **produced** in accordance with **relevant legislation of the country of production** (definition 3.39), the **relevant product** shall not be placed on the market until the concern has been resolved in accordance with chapter 7.

Appendix 1 (normative), Content of the Due Diligence Statement, as per Annex 2 of the EUDR

Information shall be contained in the **due diligence statement** in accordance with Article 4(2) of EUDR:

1. Operator and/or non-SME trader's name, address and, in the event of **relevant commodities** and **relevant products** entering or leaving the **Union market**, the Economic Operators Registration and Identification (EORI) number in accordance with Article 9 of Regulation (EU) No 952/2013.
2. Harmonised System code, free-text description, including the trade name as well as, where applicable, the full scientific name, and quantity of the **relevant product** that the **operator** and/or **non-SME trader** intends to place or make available on the **Union market** or export. For **relevant products** entering or leaving the **Union market**, the quantity is to be expressed in kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Regulation (EEC) No 2658/87 against the indicated Harmonised System code or, in all other cases, expressed in net mass specifying a percentage estimate or deviation or, where applicable, volume or number of items. A supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonised System code referred to in the **due diligence statement**.
3. **Country of production** and the **geolocation** of all **plots of land** where the **relevant commodities** were **produced**. For **relevant products** that contain or have been made using cattle, and for such **relevant products** that have been fed with **relevant products**, the **geolocation** shall refer to all the establishments where the cattle were kept. Where the **relevant product** contains or has been made using **relevant commodities produced** in different **plots of land**, the **geolocation** of all **plots of land** shall be included in accordance with Article 9(1), point (d).
4. For **operators** and/or **non-SME trader** referring to an existing **due diligence statement** pursuant to Article 4(8) and (9), EUDR, the **reference number** of such **due diligence statement**.
5. The text: 'By submitting this **due diligence statement** the **operator** and/or **non-SME trader** confirms that due diligence in accordance with Regulation (EU) 2023/1115 was carried out and that no or **negligible risk** was found that the **relevant products** do not comply with Article 3, point (a) or (b), of that Regulation.'
6. Signature in the following format:

Signed for and on behalf of:

Date:

Name and function: Signature: