THURSDAY, MARCH 23 11:00 - 13:00 (CET) WEBINAR

THE EUDR & FSC®



#EUDR #ForestsForAllForever #EUGreenDeal



SPEAKERS



DIEGO TORRES
European Commission



JOANNA NOWAKOWSKA
FSC® International



CHRISTIAN SLOTH
Preferred by Nature



MATTEO MASCOLO FSC° International



MARGHERITA MICELI CEPI



LARS ANDRESEN SKOVMØLLER

Danish Environmental

Protection Agency

MODERATOR



ANAND PUNJA FSC[®] International

Agenda Moderator- Anand Punja

Speaker	Organisation	Presentation
Mr. Diego Torres	EU Commission	The EUDR and its main requirements
Mr. Christian Sloth	Preferred by Nature	The role of schemes in the EUDR
Mr. Lars Andresen Skovmøller	Danish Environmental Protection Agency	How the Competent Authorities are getting ready for the EUDR
Ms. Margherita Miceli	CEPI	How the industry is aligning to the EUDR. Challenges and opportunities
Mr. Matteo Mascolo	FSC International	FSC's engagement on and support to make the EUDR a success
Ms. Joanna Nowakowska	FSC International	EUDR: a timely opportunity for FSC's system advancement





FOREST STEWARDSHIP COUNCIL®

FSC® provides forest stewardship standards that enable:

Responsible Sourcing

Conservation

Restoration

We verify supply chains so markets can source from forests responsibly

We work with key organizations to maintain and enhance forest value

We convene stakeholders to accelerate forest recovery

TANGIBLE & INTANGIBLE VALUES



Fundamentally balanced

33.3% Social



Local People & Society at Large

33.3% Environmental



Biodiversity & Ecological Protection

33.3% Economic



Responsible & Economically Viable



Join us!

TUESDAY APRIL 25th 2023 FROM 09:00 TILL 19:00

BRUSSELS LA TRICOTERIE

WOOD YOU FIND IT?

A high-level event on the European anti-deforestation regulation (EUDR) and tracing the origin of wood

Register here.

#WoodYouFindIt #EUGreenDeal #ForestsForAllForever #geolocation

FSC* F000100





1. The EUDR and its main requirements

Mr. Diego Torres International Relations Officer, EU Commission, DG Environment





Regulation on deforestation- and forest degradation free supply chains



Context

- 420 million hectares of forest worldwide an area larger than the EU have been lost between 1990 and 2020 (FAO).
- A significant share of that forest loss is legal (Forest Trends).
- Deforestation and forest degradation are important drivers of climate change (IPCC: 11%) of GHG emissions) and biodiversity loss.
- 90% of deforestation is provoked by the expansion of agricultural land (FAO), which is linked in particular to a series of commodities.
- The **EU** is a major consumer of commodities associated with deforestation and forest degradation.

Objectives of the Regulation

GENERAL

Minimise the EU's contribution to deforestation and forest degradation worldwide

(thus reducing global deforestation and forest degradation as well as greenhouse gas emissions and biodiversity loss).

Specific

Minimise risk that products from supply chains associated with deforestation / forest degradation are placed on the EU market or exported from it.

Increase FU demand for and trade in legal and 'deforestation free' commodities and products.

Legislative and implementation track

- November 2021: Commission proposal
- June 2022: Council general approach
- September 2022: European Parliament's resolution
- December 2022: Preliminary political agreement between EP and Council
- May-June 2023 (tentative): Entry into force
- **December 2024 (tentative)**: Entry into application of obligations for operators (June 2025) for small enterprises)

Main elements [1]

Mandatory due diligence rules for all operators that place the relevant products on the EU market or export them from the EU.

- Only products that are both deforestation-free and legal would be allowed on or exported from the EU market – need to be covered by a due diligence statement.
- Based on internationally-backed definitions (FAO).
- Main obligations applicable to operators and non-SME traders.
- Strict traceability linking the commodity to the plot of land where it was produced.
- Legality: Products will need to be legal according to the laws of country of production, including applicable human and labour rights and free, prior and informed consent.

Main elements [2]

- **Commodities selected**: Palm oil, soy, wood, cattle, cocoa, coffee, rubber, and some derived products (e.g. chocolate, furniture, tyres, printed products).
- **Non-discrimination**: The Regulation applies both to domestically produced and imported commodities, and derived products.
- **Progressive scope**: Initially covering selected commodities and derived products; to be updated regularly.
- 'Cut-off date' of 31 December 2020: Aligned with UNSDG 15.2, aims to minimise disruption for smallholders and facilitate satellite monitoring.

Main elements [3]

- **Benchmarking system** that will assign risk to countries or regions according to risk of deforestation standard (by default), low and high.
- Specific obligations for operators: Simplified due diligence for low-risk (still required to collect information, but not assess and mitigate risks).
- Minimum level of inspections for Member States authorities to perform (9%, 3% and 1%, depending on the level of risk).
- **Reviews**: Other wooded land (one year); other ecosystems, commodities, products and financial institutions (two years); others (five years).

Main elements [4]

Cooperation with partner countries:

- The Regulation is part of a broader set of policies laid out in the 2019 Communication on Stepping up EU Action to Protect and Restore the World's Forests.
- Imports of the commodities and products covered EUR 85 billion / year.
- No ban against any country or commodity.
- The Commission will **step up cooperation** to ensure that EU partners are able to reap the benefits of new EU rules on deforestation.
- E.g. Cocoa Dialogue, Al-Invest Verde, KAMI Project, Forest Partnerships, etc.
- The Commission will also intensify engagement with **consumer countries** such as China and USA as well as in international fora.

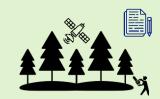
Domestic timber exported from EU as furniture

1. EU forest owner harvests trees. The timber is placed on the EU market at point of harvest

2. Tagged logs are transported to sawmill

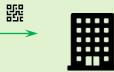
3. Sawmill only accepts deforestation-free timber for processing. Places sawn wood on the EU market

4. Small timber merchant buys from several mills.Makes sawn wood available on the EU market **5.** Furniture maker buys from several timber merchants, ensuring compliance of all wood used for the furniture. Exports furniture from EU

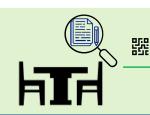


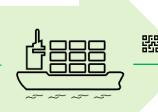














Operator

DD obligation Submits DD statement Receives DD statement reference number **SME Downstream* Operator**

No DD obligation
Receives DD statement
reference number and makes it
available on demand

SME Trader

No DD obligation
Information collection obligation
Receives DD statement
reference numbers and keeps
record

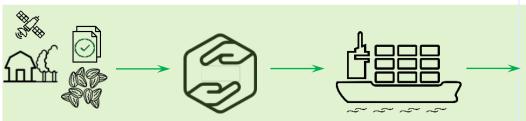
Large Downstream* Operator

DD check obligation
Submits DD statement based on previous reference number
Receives DD statement reference number

ΕU

EU chocolate brand traceable cocoa supply chain

- 1. Cocoa farms are mapped, and their geolocations are assessed to ensure deforestation-free
- **2.** Farmers deliver deforestation-free cocoa beans directly to cooperatives, where they are kept segregated
- **3.** Beans from deforestation-free farms kept segregated during export to EU
- **4.** Importer in EU Member State buys deforestation-free beans and places them on the market
- **5.** Chocolate manufacturer in the EU processes cocoa into chocolate bars and places them on the market
- **6.** Large EU retailer sells individual chocolate bars to consumers, making the chocolate bars available on the market











Operator

DD obligation Submits DD statement Receives DD statement reference number

Large Downstream* Operator

DD *check* obligation Submits DD statement based on previous reference number Receives DD statement reference number

Large Trader

DD check obligation Submits DD statement based on previous reference number Receives DD statement reference number

^{*}Downstream is used for "operators and traders further down the supply chain", as per Article 4(8), 4(9), and 4(9a), and Article 4a(2)

Implementation tasks

- Information System: IT developments, Implementing Acts, up and running by the entry into application.
- Benchmarking: Implementing act, running by the entry into application.
- **Guidelines**: For operators and traders, for competent authorities, on certain definitions.
- Review: Impact assessment and legislative proposal (when needed).
 - First review: Other wooded land (one year after entry into force, before entry into application).
 - Second review: Commodities, products, other ecosystems, and financial institutions (two years after entry into force).
 - Third review: Smallholders, trade facilitation tools, degradation, circumvention, etc. (five years after entry into force).

Expected results

- **EU answers citizens demands** and guarantees that the products they buy will not contribute to destroying forests worldwide.
- EU reduces its contribution to global deforestation saving a minimum of 32 million tons of carbon per year.
- **EU leads the way at global level** with most ambitious attempt to curb consumption-driven deforestation inspiring others to take action.
- EU encourages partner countries to step up protection of its forests via the cooperation programmes, the benchmarking system and the market incentives of the Regulation creating new businesses opportunities for sustainable farmers around the globe.

Thank you!

Learn more here:

https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products_er_https://data.consilium.europa.eu/doc/document/ST-16298-2022-INIT/en/pdf



© European Union 2021

Unless otherwise noted the reuse of this presentation is authorised under the <u>CC BY 4.0</u> license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.





2. The role of schemes in the EUDR

Mr. Christian SlothDirector – Sustainability Programme, Preferred by Nature





FSC and the EU Deforestation Regulation

FSC Webinar: 23rd March 2023





Obligations: Operators

A

Prohibition to place on the EU market (or export these) if they do not meet the following:

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

B

Exercise due diligence through a system and procedures



1. Requirement for deforestation free commodities

'deforestation-free' means that the relevant products contain, have been fed with or have been made using commodities:

- (a) that were produced on land that has not been subject to deforestation after December 31, 2020 and
- (b) for wood-products, that forest has been harvested without inducing forest degradation after December 31, 2020

2. Definition of "forest degradation"

Structural changes to forest cover, taking the form of the conversion of:

- 1. Primary forests or naturally regenerating forests into:
- plantation forests or into
- other wooded land
- 2. Primary forests into planted forests



3. Relevant legislation in the country of production

Legality is defined as compliance with "relevant legislation" in the country of production, in terms of:



land use rights



human rights protected under international law



environmental protection



third parties' rights



forest-related regulations



principle of FPIC, including as per UNDRIP



labour rights



tax, anti-corruption, trade and customs regulations



4. Information requirements of the EUDR

- Description of product (trade name/scientific name)
- 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
- Verifiable evidence that product is "deforestation free"
- Verifiable evidence that product is produced in compliance with relevant legislation



Certification.. Not a green lane





































How certification can help fill these requirements

- Provide assurance of relevant deforestation and legality requirements
- Support traceability through supply chain management
- Use certification information in the risk assessment process
- Use as a risk mitigation measure
- Provide a frame to work beyond regulatory requirements







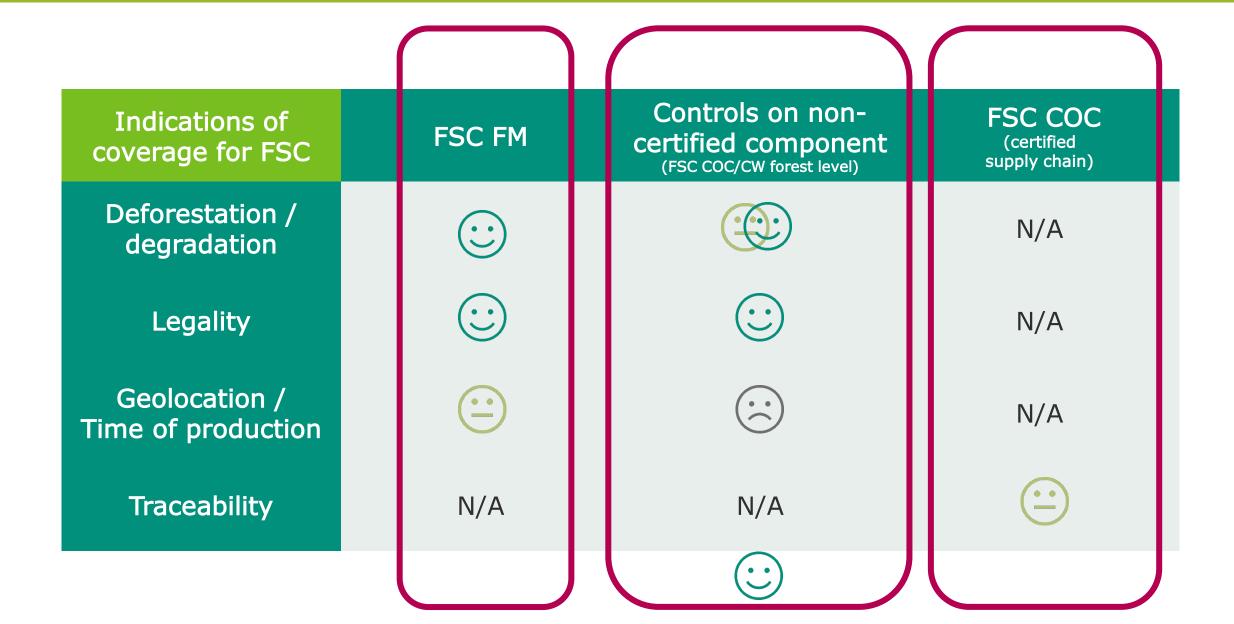
Study conducted for the European Commission

- Study conducted on the behalf of the European Commission, to better understand how well certification schemes align with the requirements of the EU Timber Regulation (EUTR)
- Preferred by Nature has extensive experience benchmarking certification schemes





Case example: indications of coverage for FSC







Recommendations for the EUDR: Certification Schemes

1. Benchmarking standards and systems to the regulations

3. Expedite revisions of key standards and procedures

2a. Credible risk assessments

2. Addressing the non-certified component, where mixing or mass-balance models are permitted.

- 4. Expedite incorporation of technologies and systems to:
 - Obtain, aggregate and pass downstream geolocation and date/time information
 - Improve supply-chain integrity (validation of transactions between entities)
 - GIS to support deforestation monitoring



Huge opportunity for credible schemes to maintain their status and relevance for certification holders by:

optimising certification as a powerful tool to demonstrate alignment with regulatory baselines



Thank you



Christian Sloth

Director, Sustainability Programme Preferred by Nature csloth@preferredbynature.org

Christian Sloth

Director,
Sustainability
Programme

3. How Competent Authorities are getting ready for the EUDR

Mr. Lars Andresen SkovmøllerSpecial Advisor, Danish Environmental Protection Agency





EUDR as a competent authority

webinar "EUDR & FSC" - 23 March 27 March, 2023 Lars Skovmøller

Preparations for EUDR

- CA preparations
 - Translation of the regulation
 - Lots of calculations
 - Implementations of the regulation into national legislation
 - Promotion of the regulation towards regulated business
 - Preparation of IT solutions for DD statements
 - New areas of expertise / commodities
 - New relevant legislation

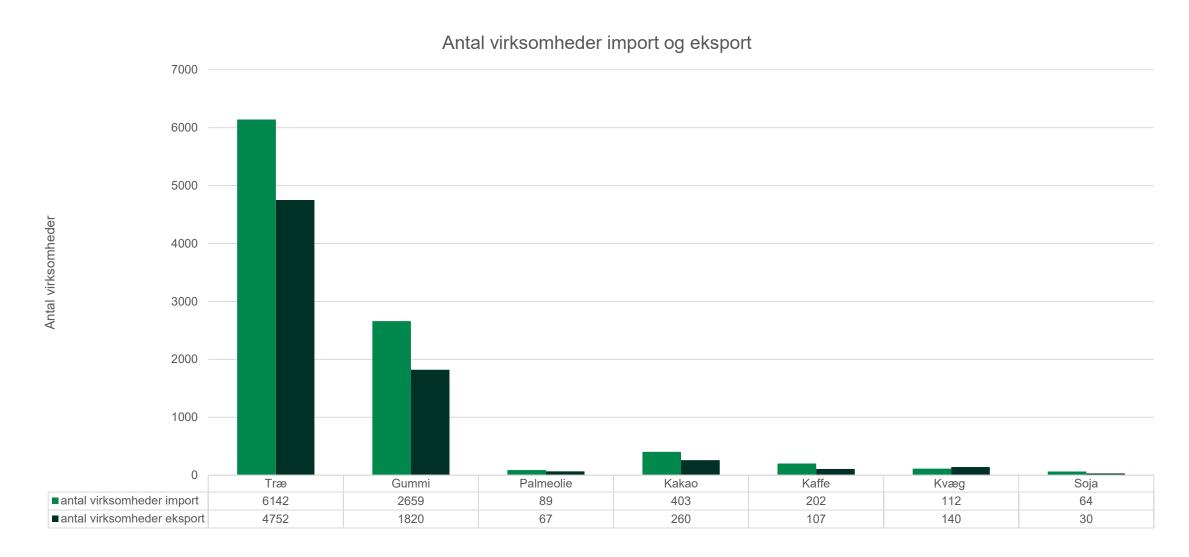


The calculations

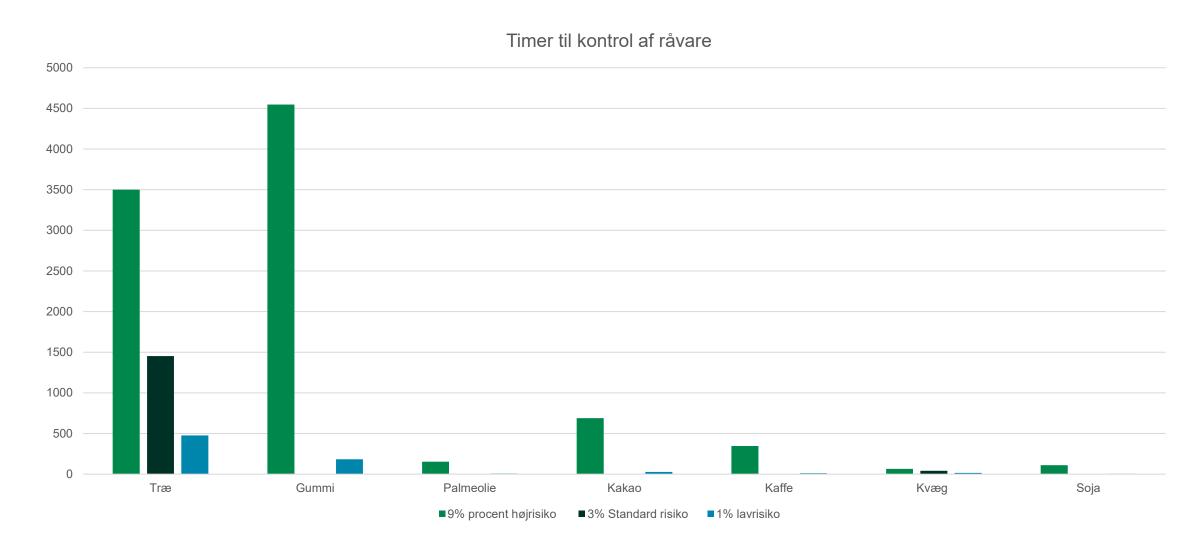
- Number of covered business identification
 - Imports
 - Exports
 - Domestic
- Number of inspections
 - High Risk
 - Standard Risk
 - Low Risk
 - Hours for inspections
- Handling for Due Diligence Statements
 - Imports and exports
 - Domestic
 - Number of errors and need for help.



Number for companies



Hour for inspections



EUDR vs EUTR

Massive increase in inspections

New legislation

Deforestation and degradation

Due Diligence statements



Thank you for your attention

Thank you for your attention





4. How the industry is aligning to the EUDR. Challenges and opportunities

Ms. Margherita MiceliForest Policy Manager, CEPI





About Cepi

Represents in Brussels

490 pulp, paper & board producing companies

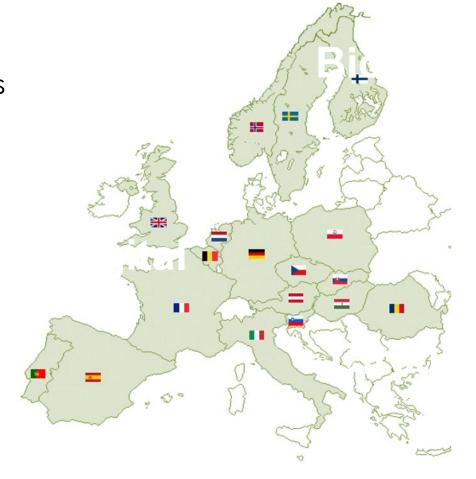
886 mills across Europe

180,000 people employed directly

22% of global production

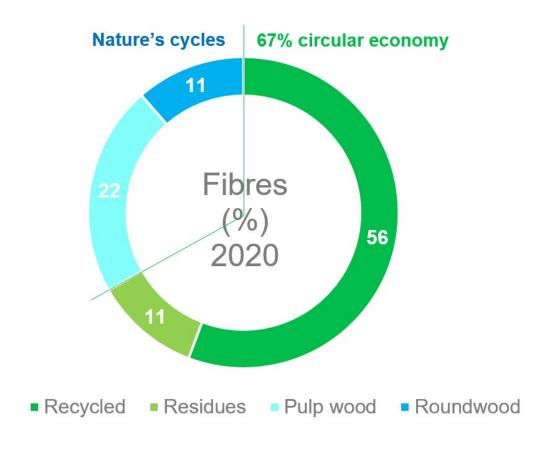
95 billion euros turnover21 billion euros added value

Working across the value chain – from forest owners to converters and beyond.



Members are National Associations from 18 Countries

Raw materials use in European pulp and papermaking 2021











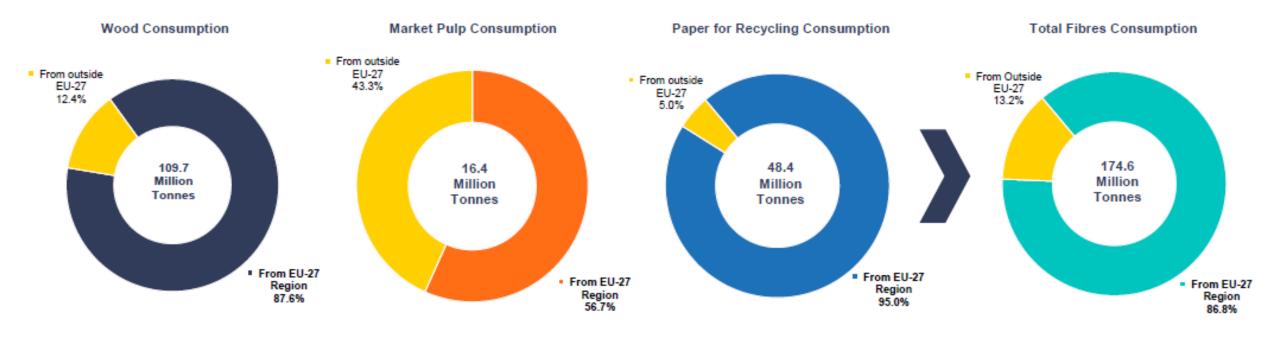




Origin of fibers consumption in 2021



Part II - EU-27 Countries



Source: Cepi Origin of Fibers report

Due diligence in the pulp and paper industry

Main obligation of the EU DR on relevant commodities and products:

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

Legality covered by EU TR:

land use rights

environmental protection

forest-related regulations including forest management and biodiversity conservation, where directly related to wood harvesting

third parties' rights

labour rights

human rights protected under international law

the principle of free, prior and informed consent, including as set out in the United Nations Declaration on the Rights of Indigenous Peoples

trade and customs regulations

Tax and anti-corruption

Due Diligence in the Pulp and paper industry

Due diligence:

- 1) Access to information
- 2) Risk assessment
- 3) Risk mitigation



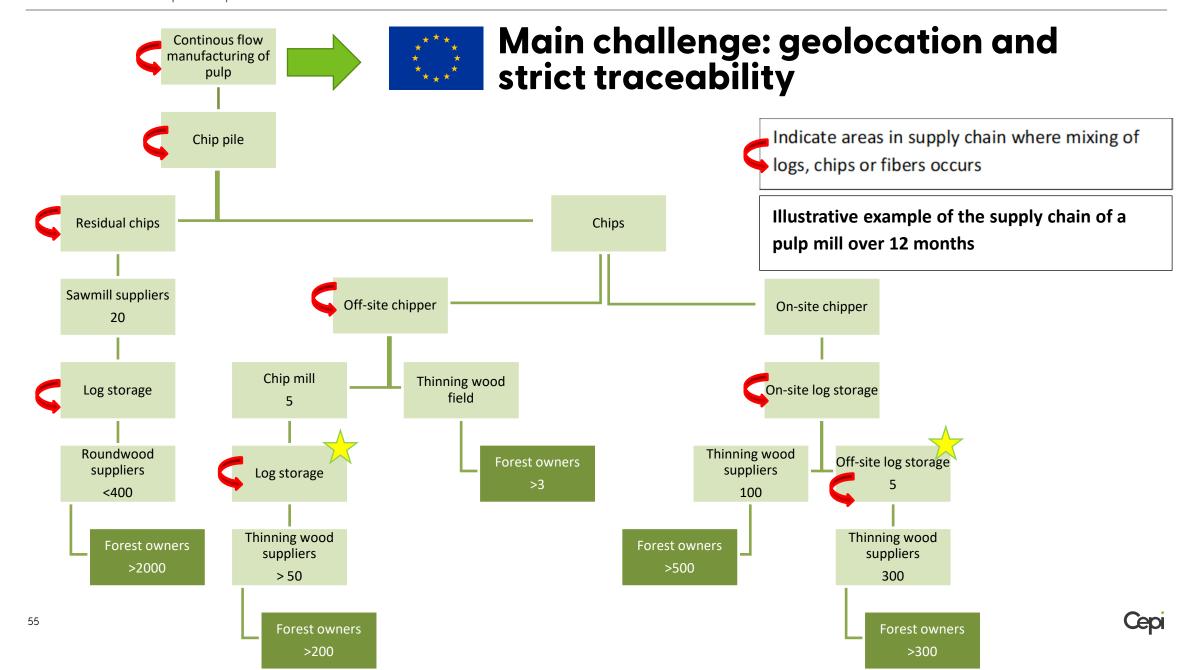
New compared to EU TR

(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;

(b) quantity

(c) identification of the country of production and, where relevant, parts thereof;

(d) geolocation of all plots of land where the relevant commodities that the relevant product contains, or has been made using, were produced, as well as date or time range of production. (...)



Cepi action

- Guidance for members: questions & answer document, decision tree
- Participation in Commission's Deforestation Platform
- Input to further guidance?



Open questions

- Practical tools for demonstrating compliance with the requirement on forest degradation?
- Role of large operators "further down the supply chain": what does it mean to "ascertain" that suppliers have done the due diligence? Is it enough to collect all relevant due diligence statements from suppliers?
- Referring to suppliers' DDS reference numbers vs listing all plots of land in the Due Diligence Statement?
- Country benchmarking differentiated by commodity?

Industry's needs – principles for a workable traceability system

Interoperabili ty Cost efficiency

Data security

Transparency





If you print this presentation, please recycle it.

Paper is recyclable and the natural support of ideas

Cepi aisbl
Confederation of European Paper Industries
Avenue Louise 250, box 80
B-1050 Bruxelles

☐+32 2 627 49 11

⊕cepi.org

☑CEPI_paper in Cepi



5. FSC's engagement on and support to make the EUDR a success

Mr. Matteo Mascolo EU Affairs & Engagement Manager, FSC International



FSC works constructively with EU policymakers



*picture taken from Timber Trade Portal website.

- Member of the EU Commission EUTR/EUDR multi-stakeholder platform
- 2. Contributed to the EU roadmap together with other credible voluntary sustainability standards (VSS)
- 3. Contributed to the EU public consultation
- 4. Engaged with the EU Commission, EU Parliament, Council of the EU



FSC works with NGOs, companies, and other credible schemes to support the EUDR



Advocated for "smart mix" of measures



FSC works with NGOs, companies, and other credible schemes to support the EUDR











THE EU, SUSTAINABLE SUPPLY CHAINS AND VOLUNTARY STANDARDS SYSTEMS

Under the European Green Deal, the European Commission is currently assessing a variety of regulatory and non-regulatory policy options to protect and restore the world's forests. Possible instruments being considered include mandatory labelling, voluntary commitments, due diligence, verification schemes and methods such as the Product Environmental Footprint.

ISEAL, the Rainforest Alliance, the Forest Stewardship Council (FSC), Fairtrade International and the Roundtable on Sustainable Palm Oil (RSPO) wish to:

- support the EU's understanding on how to work with standards systems and certification in order to maximize their value as sustainable development tools;
- provide expertise and data on standards systems and their supportive and complementary role vis-à-vis EU policies for effective, smart-mix approaches; and
- clarify the role of standards systems and certification in EU and national policy frameworks.

VSS as complementing tools for legislation



FSC works with NGOs, companies, and other credible schemes to support the EUDR



Supported a robust Regulation



FSC's position summarised



FSC'S POSITION AND 10 SUGGESTIONS ON THE NEW PROPOSED EU RULES FOR DEFORESTATION-FREE PRODUCTS

The Forest Stewardship Council (FSC) welcomes and supports the EU Commission's proposal aiming to minimise the EU's contribution to deforestation and degradation worldwide whilst increasing the demand for legal and 'deforestation-free' products in the EU market. While the proposal is off to a good start, there is a potential to further strengthen it. Below you can find FSC's suggestions:

1. Supporting the fight against deforestation and degradation

FSC supports the EU Commission goal of fighting deforestation and degradation. FSC sustainable forest management (SFM) standards <u>do not allow for deforestation to take place in certified forests</u> and provide strict requirements ensuring that certified forest managers maintain or enhance the structure, function, biodiversity, and productivity of their forests, thus also tackling degradation. FSC is an effective implementing tool for robust SFM practices, which are proven to be a solution against deforestation and degradation. Moreover, FSC's standards also put an emphasis on the social dimension of the problem by ensuring that the rights of workers and Indigenous communities are respected.

In particular, the definition of "deforestation" should include the conversion of a forest to a tree plantation.

3. Expanding the list of commodities to all wood products and rubber

The proposal covers six commodities: palm oil, soy, cattle, cocoa, coffee, wood, and some derivative products. FSC calls EU policymakers to expand the list of commodities and in particular to include all wood products. The current list of wood products, which closely follows the EU Timber Regulation (EUTR) list, does not include charcoal, tableware/kitchenware, bamboo-based and recovered products, wooden furniture, wooden prefabricated buildings, and wood seating.

Furthermore, FSC favours the inclusion of rubber. The EU is the second biggest global importer of rubber, and the increasing demand for rubber is driving the conversion of forests to rubber plantations with harmful impacts on tropical forests. In addition, rubber is listed in the list of commodities in the proposed U.S. bill. Where possible, the EU should coordinate with other legislative initiatives aiming to stop deforestation globally. This will create a level playing field for companies operating across different markets. For all these reasons, rubber should be kept in the

- Expanding list of commodities rubber included
- 2. Supporting traceability requirements per different commodities
- 3. "Smart mix" credible VSS as part of risk assessment and risk mitigation
- 4. Enhancing protection of Indigenous Peoples
- 5. Boosting cooperation with producing countries



FSC's activities on the EUDR

FSC welcomes the new EU anti-Deforestation Regulation – and is ready to work for effective enforcement on the ground



- FSC's engagement in EU Commission EUDR multi-stakeholder platform (ongoing)
- 2. FSC's initial reaction to the EUDR (Dec '22)
- 3. Webinar "EUDR & FSC" (23 March '23)
- 4. Event "Wood you find it?", Brussels (25 April '23)
- 5. FAQ EUDR & FSC (Q2 '23)
- 6. Podcast (Q2/Q3 '23)
- 7. Complementary analysis EU initiatives & FSC certification (Q3 '23)

December 15, 2022

Category: General news →

EU decision-makers have reached an historic agreement by approving the landmark anti-Deforestation Regulation (EUDR). The EUDR will prohibit placing products linked to deforestation and forest degradation on the EU market.

5. FSC: a strong foundation to build EUDR compliance

10 ways FSC can support the effective implementation of the EUDR.

A tool to assess and mitigate risks within due diligence Requirements that cover both legality and sustainability

Strong social protections, in particular, the rights of Indigenous Peoples A robust system and third-party verification provides assurance and integrity Strategic partnerships and investments in new technologies supporting geolocation

10+ years
experience with
EUTR and due
diligence

Expertise with VPAs to develop partnerships with producing countries

Sustainable forestry standards that prevent deforestation and degradation

A systematic approach against illegal logging built over 30 years

A unique multistakeholder approach that helps deploy new forest solutions



5. Understanding EU initiatives & implications for FSC

EU initiatives TBC



- 1. EUDR
- 2. CSDD & CSRD
- 3. EU taxonomy (sustainable finance)
- 4. Empowering consumers & green claims
- 5. EU forest strategy and closer-to-nature guidelines
- 6. RED-II / RED-III
- 7. Certification carbon removals
- 8. EU restoration law





6. EUDR: a timely opportunity for FSC's system advancement

Dr. Joanna NowakowskaSystem Performance Director, FSC International



Basics of FSC certification











FOREST

FSC FM/CoC certification.

Assurance of responsible forest management with the possibility to trade FSC 100% products.

SUPPLY CHAIN

FSC CoC certification based on control systems documented by each certificate holder and evaluated by an independent certification body.







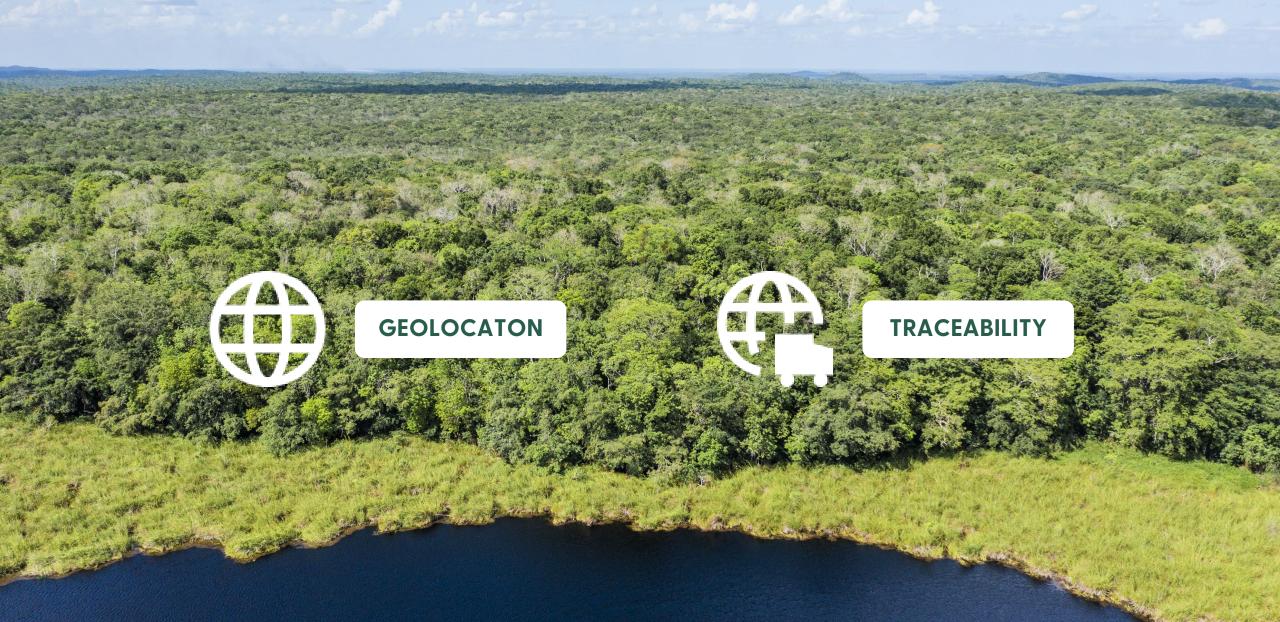
CONTROLLED WOOD

LABELLED PRODUCT

FSC labelled products available for purchase.



Key challenges in the EUDR implementation



FSC Forest Management

FSC Chain of Custody (w/o) CW

Controlled Wood

FSC collects geo-location as coordinates representing certified management unit(s).

FSC published the <u>map of</u>
<u>FSC certified forests</u>
based on voluntary
contributions.

FSC requires systems to control the material used in production of FSC certified products.

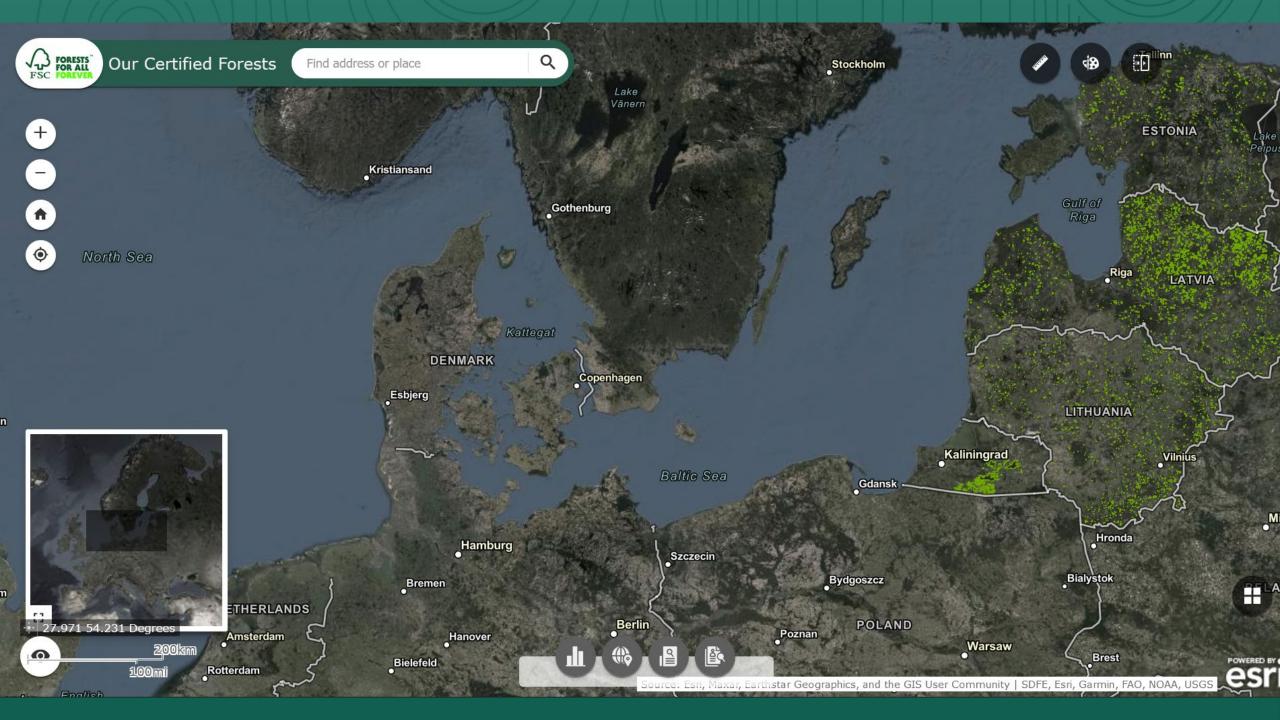
These are evaluated by independent certifiers.

Additionally, ASI conducts selected transaction verifications once integrity threats are revealed.

While CW requirements do not currently cover geolocation or traceability to the forest of origin, the controlled wood system is based on comprehensive <u>risk</u> <u>assessments</u> and due diligence process.

EUDR-relevant requirements today





FSC Forest Management

FSC Chain of Custody (w/o) CW

Controlled Wood

FSC collects geo-location as coordinates representing certified management unit(s).

FSC published the <u>map of</u>
<u>FSC certified forests</u>
based on voluntary
contributions.

FSC requires systems to control the material used in production of FSC certified products.

These are evaluated by independent certifiers.

Additionally, ASI conducts selected transaction verifications for higher integrity threats.

While CW requirements do not currently cover geolocation or traceability to the forest of origin, the controlled wood system is based on comprehensive <u>risk</u> <u>assessments</u> and due diligence process.

EUDR-relevant requirements today





Quick guide

User manual

View tutorial

Legal & privacy statement

		Indicator / Indicator Name									
		All Cat. 1	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	
Country name	e Sub-country level	All Cat. 1	Land tenure and management rights	Concession licenses	Management and harvesting planning	Harvesting permits	Payment of royalties and harvesting fees	VAT and other sales taxes	Income and profit taxes	Timber harvesting regulations	Prote
Finland			Low	Low	Low	Low	Low	Low	Low	Low	
France			Low	Low	Low	Low	N/A	Low	Low	N/A	
Georgia			Low	Low	Specified	Specified	Low	Low	Low	Specified	
Germany			Low	N/A	Low	N/A	N/A	Low	Low	Low	
Guatemala			Specified	Low	Specified	Specified	Specified	Specified	Specified	Specified	
Honduras			Specified	Specified	Specified	Specified	Specified	Specified	Specified	Specified	
Hungary			Low	N/A	Low	Low	N/A	Low	Low	Low	
India			Specified	N/A	Differentiated	Differentiated	Differentiated	Specified	Differentiated	Differentiated	
Indonesia			Specified	Differentiated	Differentiated	Differentiated	Specified	Specified	Specified	Specified	
	Java region										
	Kalimantan region										
	Papua region										
	Sulawesi region										



FSC Forest Management

FSC Chain of Custody (w/o) CW

Controlled Wood

FSC plans to require mandatory provisions of spatial data documenting certified forest location.

FSC advances with geospatial tools to make this data transparent.

A new EUDR-aligned definition of conversion is being introduced.

FSC is introducing Blockchain and wants to scale it up to strengthen the integrity and traceability.

FSC Wood ID advances origin verification with science.

FSC plans to make the next generation of risk assessments more data driven and map-able, including geospatial visualization of risk assessment data.

FSC is strengthening future requirements



Traceability and Verification with Blockchain

Highlights of current project

- Bringing FSC CoC to the next level by enabling verification across the whole supply chain
- Encryption and secured access to protect business sensitive data
- Compatibility with other digital passports and traceability systems
- Open to all FSC certificate holders and license holders (start of the roll out at the end of 2023 in selected supply chains)





Traceability and Verification with Blockchain

Advancement opportunities

- The possibility to add standardized fields to support EUDR
- The possibility to add customized fields to address needs of a specific supply chain
- The possibility for dedicated reporting
- The possibility of integration with participants' ERP systems
- User interfaces and materials accounting modules customised to working practices of different product sectors

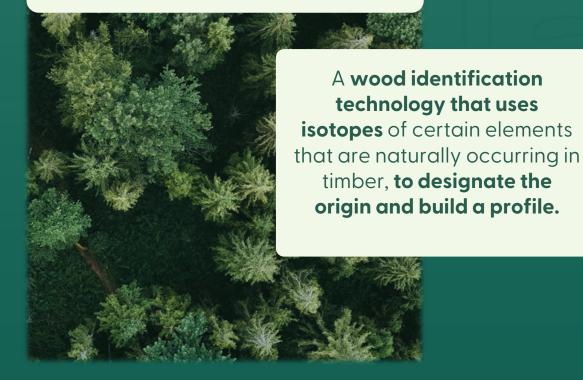




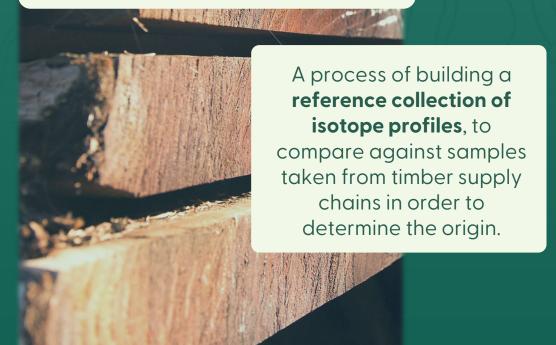
Traceability and Verification with science

Wood ID to support origin verification

Stable Isotope Ratio Analysis (SIRA) Testing



Iso-Archiving





Summary

- 1. EUDR will **minimise** the EU's contribution to global **deforestation** and forest **degradation**
- 2. Credible certification provides a strong foundation to **build** cost effective compliance systems
- 3. Technology will play an important enabling role in implementation and enforcement
- 4. FSC considers the EUDR a key driver of change and it is actively assessing to which extent its framework is **complementary** with the EUDR, as well as other **relevant EU** and **global initiatives**
- 5. FSC will continue to work with the EU Commission and other stakeholders for a **successful implementation** of the EUDR
- 6. FSC is an organization and a system that goes beyond Europe, currently implemented in over 80 countries, supporting responsible forest stewardship globally







Thank you

Forest Stewardship Council® FSC® International













www.fsc.org

