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# **EU Deforestation Regulation** (EUDR) - Update

The European Commission has confirmed that there will be no full postponement of the EU Deforestation Regulation (EUDR). On 21 October, it clarified that compliance obligations apply from 30 December 2025 for large and medium-sized businesses, with small and microoperators entering one year later, on 30 December 2026.

While the Commission has proposed targeted simplifications, the core obligations and timelines remain intact. In short, there is no "wait-and-see" window. Businesses placing in-scope commodities or products on the EU market, must prepare now to safeguard continuity of supply and EU market access.

#### **Basic Information**

#### **EUDR** in a nutshell

The EU Deforestation Regulation requires that certain commodities (e.g. cattle, cocoa, coffee, soya, wood) and derived products such as beef, chocolate, furniture, and leather placed on or exported from the EU are deforestation-free and legally produced. Businesses responsible for placing goods on the EU market (or exporting them) must conduct due diligence which includes among others the submission of due diligence statements , including geolocation, risk assessment, and traceability. Enforcement is risk-based, with penalties and customs checks aligned across Member States.

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## **Key Points**

To ease implementation, the Commission proposes several adjustments. The main proposed updates are itemized as follows:

#### 1. Timeline

- For large/medium businesses, EUDR will enter into force by 30 December 2025. However, a six month-grace period is proposed to ensure smooth application.
- **For micro/small operators,** EUDR will enter in force by 30 December 2026.

### 2. Reporting obligations

- **Single submission** of the due diligence statement by the first placer; downstream actors only maintain traceability.
- **Simplified obligations** for micro/small primary operators in low-risk countries.

## 3. Operational updates

• IT system upgrades, so the Commission ensures that the system is fully operational and able to handle the compliance burden.

## **Strategic Actions**

EUDR is entering its implementation phase. To avoid falling behind and stay competitive

- Assess your impact: Map product portfolio and assess supply chain for exposure.
- Clarify Your Role: First placer or downstream operator?
- Organise & Allocate Resources: Create a due diligence system. Allocate roles and responsibilities in your organization. Engage with third parties if necessary to ensure timely and correct implementation
- Adjust Contracts: Add EUDR clauses to supplier agreements. Incentivize clean data and verified sourcing.
- **Communicate & Stay informed**: Ensure all parties in your supply chain are ready. Stay updated on EUDR developments.

# Let's talk

For a more in-depth discussion on the above you may contact:



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