



The EU Deforestation Regulation and the Rainforest Alliance

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Introductions



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The EU Deforestation Regulation

Overview and areas of alignment of the Rainforest Alliance standard

Overview of the EUDR

Objective: fighting against deforestation and forest degradation by reducing the contribution of consumption in the EU

Obligations for companies that place and sell the relevant products on the EU market or export them from the EU

Mandatory due diligence

Products must have a negligible risk of deforestation and be produced in accordance with relevant legislation of the country of production

Strict traceability requirement

Geographic coordinates of all the plots of land where the products were produced must be provided for each batch/shipment of products

- mandatory polygons for plots above 4 hectares

Operationalization via the “due diligence statement” to be uploaded on the EU information system

Two possible levels of intervention for certification under the EUDR

- Article 10 on “Risk assessment”: certification systems may be used by companies within their due diligence systems to:
 1. Obtain complementary information as required by the regulation (e.g. geolocation information)
 2. Support the risk assessment they undertake as part of their due diligence obligation
- **There is no assumption of compliance for certified products**

The EUDR and the Rainforest Alliance standard: areas of alignment

	EUDR	Rainforest Alliance standard
Scope	cattle, wood, palm oil, soy, rubber, cocoa and coffee + some derived products	Coffee and cocoa
Definition of forest	FAO definition	FAO definition
Deforestation requirement	Prohibits import/export and sale of products originating from deforested land	Prohibits deforestation on certified farms
Cut-off date	31 st of December 2020	1 st of January 2014
Legality	Products must be produced in accordance with relevant legislation of the country of production	<ul style="list-style-type: none"> • Certificate holders must comply with applicable laws within the scope of the standard. • Farmers must have the legal or legitimate right to use the land
Risk assessment	Risk assessment to be done by companies as part of their due diligence obligation	Risk assessments done by the Rainforest Alliance on deforestation + encroachment in protected areas

The EUDR and the Rainforest Alliance standard: areas to adjust

	EUDR	Rainforest Alliance standard
Traceability	Batches of product must be linked to the geolocation of plots of land where they were produced	Traceability back to the farm/cooperative and their related data possible (IP) but not mandatory
Exemptions	No exemption	Minor conversion for agricultural use allowed under certain, limited circumstances
Geodata requirements	Geographic coordinates of all the plots of land	Geodata of at least 1 farm unit per farm working towards all farm units with certified crop gradually
	Polygons for plots larger than 4ha	Polygons for all farm units gradually , starting with a minimum of 10% of farms in a group
Geodata format	6 decimal digits minimum	4 decimal digits minimum

Certification: Enabling EUDR- readiness for Certificate Holders

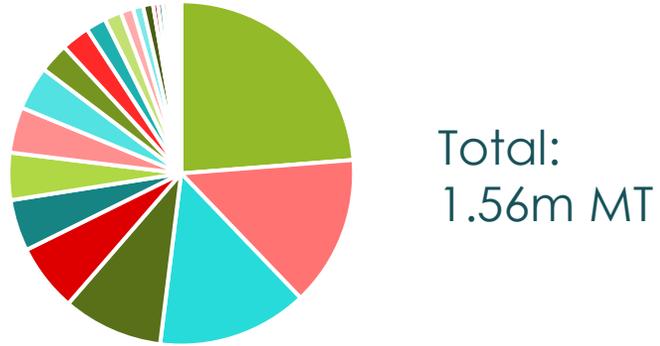
Benefits of working through Rainforest Alliance Certification



- Deforestation risk assessment process in place through certification and supported by auditing
- Access to the Rainforest Alliance's proprietary forest layers for high-risk countries
- Legality is baseline for Rainforest Alliance certification
- Cocoa: requirements for farmers in Côte d'Ivoire, Ghana, Nigeria and Cameroon are already aligned with geodata requirements of EUDR
- Comprehensive traceability and Chain of Custody system in place

RAC coffee and cocoa

Coffee: certified volume



- | | | |
|----------------------|------------|--------------|
| ■ Brazil | ■ Colombia | ■ Viet Nam |
| ■ Honduras | ■ Peru | ■ Uganda |
| ■ Guatemala | ■ Ethiopia | ■ Nicaragua |
| ■ Kenya | ■ India | ■ Costa Rica |
| ■ Mexico | ■ Tanzania | ■ Indonesia |
| ■ El Salvador | ■ China | ■ Rwanda |
| ■ Laos | ■ PNG | ■ DRC |
| ■ Zambia | ■ Burundi | ■ Malawi |
| ■ Dominican Republic | | |

Cocoa: certified volume



- | | | |
|----------------------|-------------|-------------|
| ■ Cote d'Ivoire | ■ Ghana | ■ Nigeria |
| ■ Ecuador | ■ Cameroon | ■ Indonesia |
| ■ Dominican Republic | ■ Peru | ■ DRC |
| ■ Nicaragua | ■ Uganda | ■ Brazil |
| ■ India | ■ Colombia | ■ Togo |
| ■ Panama | ■ Mexico | ■ Gautemala |
| ■ Costa Rica | ■ Sri Lanka | |

For farmers: self-selected certification requirements

Farmers can choose to comply with an EUDR-package consisting of:

- Geo-location: collection according to EUDR requirements
 - Farm units 4ha and above must have polygons
 - Geolocation data must have 6 decimals
- Minor conversion: no use for agricultural conversion after EUDR cut-off date

By selecting these requirements, farmers would agree to allow the Rainforest Alliance to share specific data required by EUDR with their supply chain.



For supply chain actors

Supply chain actors will be able to access the following for Farm CH using the self-selected criteria in their supply chain:

- Deforestation risk assessments
- Geolocation data
- The format of the data we deliver will be compatible with the EU information system
- Supply chain actors accessing this data will agree to limit the use of this data for EUDR compliance.
- Supply chain actors will have to transact traceability as **Identity Preserved or Mixed Identity Preserved** in the Rainforest Alliance traceability system (MultiTrace).
 - Must be audited to IP or Mixed IP level

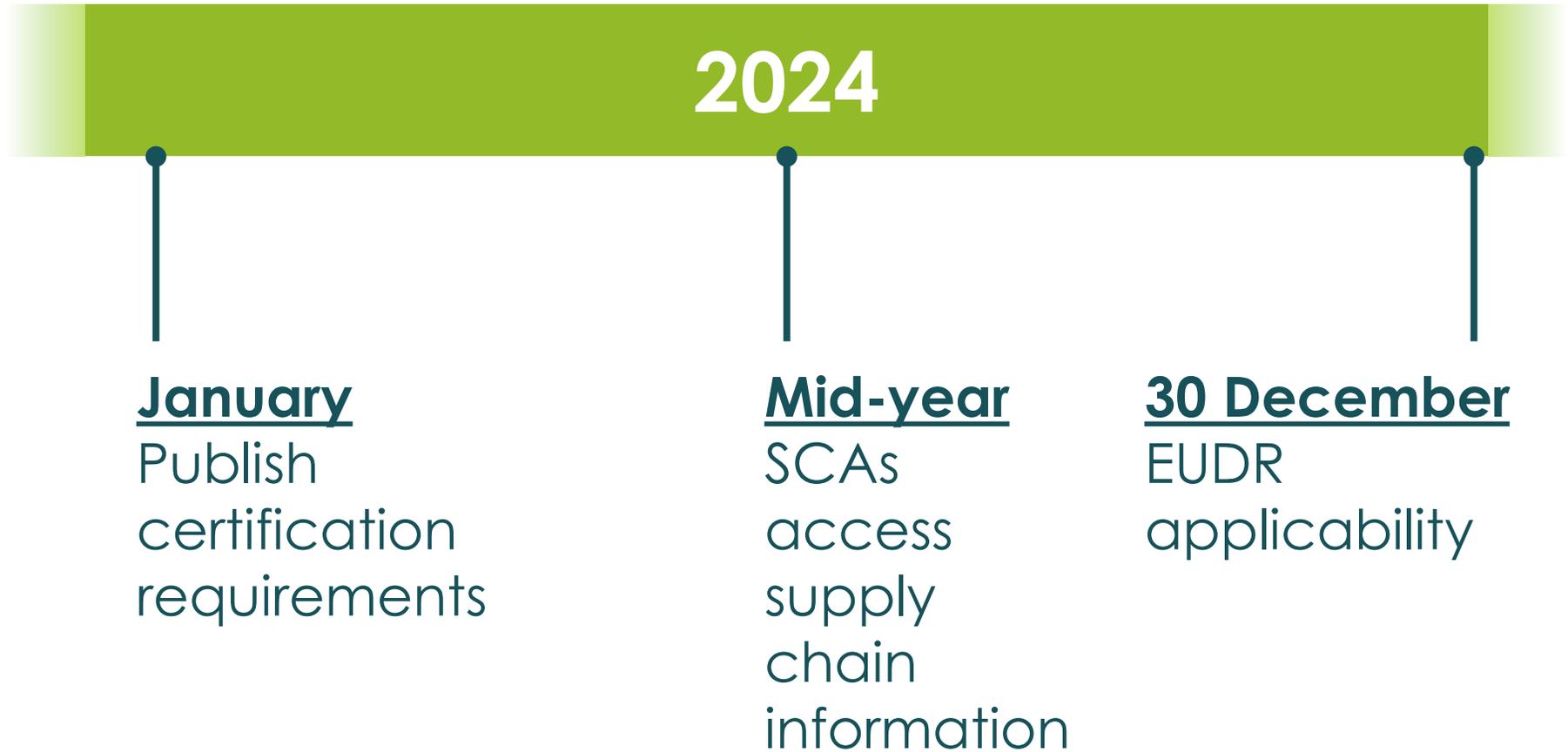


Call to action: build an alliance.

To conclude, a call to action for the companies here today:

- 1. Prioritize Identity Preserved Audits:** Take immediate steps to undergo Identity Preserved audits to enhance your traceability efforts.
- 2. Open Dialogue with Farm Supply Base:** Initiate discussions with your farm supply base. Encourage them to select EUDR-aligned requirements, and ensure they grasp the significance of these choices.
- 3. Facilitate Geodata Collection:** Extend support to your farm supply base in the collection and upload of geospatial data.
- 4. Clarify Certification Benefits:** Ensure a comprehensive understanding of how our certification system can benefit you and your supply chain in meeting EUDR compliance. We're here to help.

Timeline



Deforestation risk assessment for non-certified volumes



Non-certified volumes: deforestation risk assessment service

Offering:

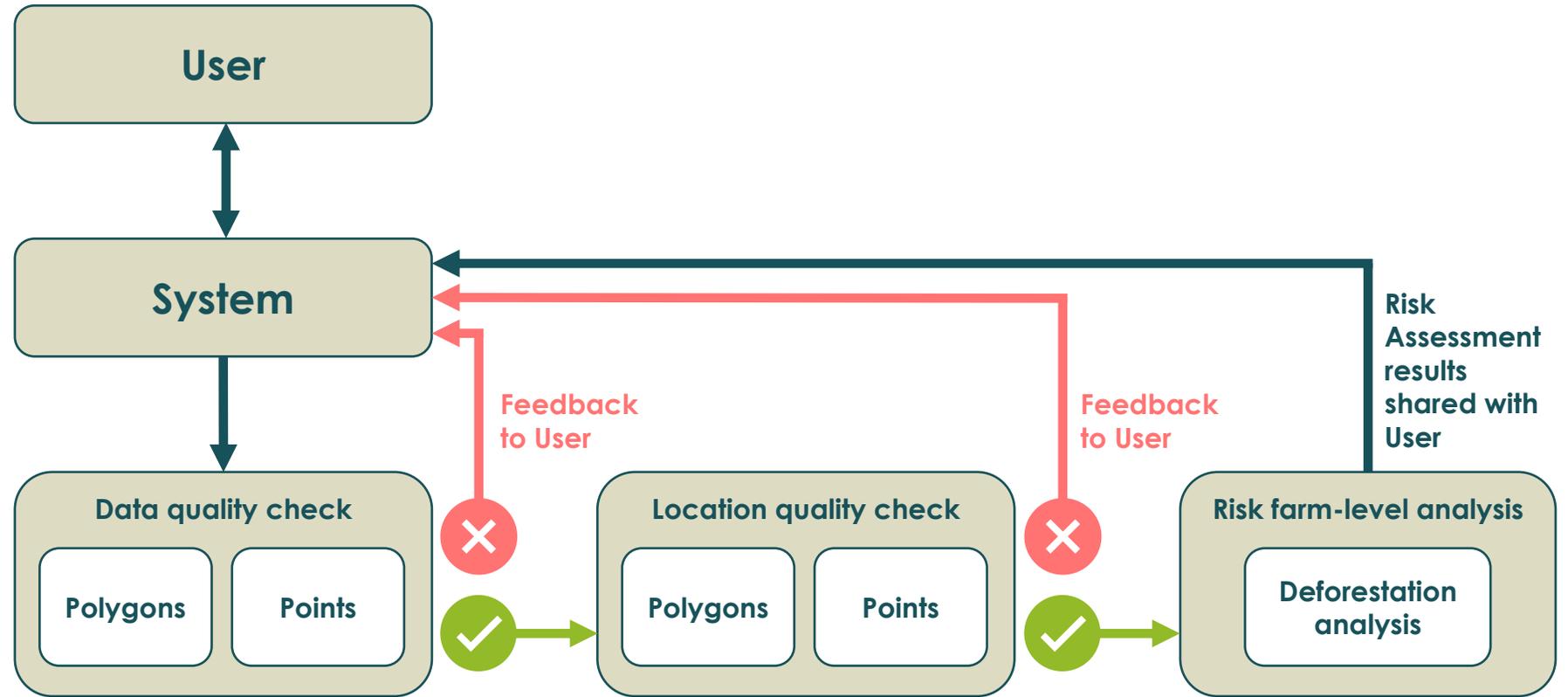
- Deforestation risk assessment service
- Based on EUDR cut-off date of December 31, 2020
- Geolocation data would be provided by the user

Timeline:

- 2023: pilots in Q4 with coffee and cocoa companies
- 2024: roll-out service with coffee and cocoa companies
- Next phase: open service to other crops

Rainforest Alliance is not responsible for and assumes no liability for companies' EUDR compliance obligations.

Deforestation risk assessment flow





Q&A



Thank you.