

# EUDR

## Latest Developments UPDATE

---

Suzano Webinar  
March 20<sup>th</sup>, 2024

## Today's presenters

---



**Paulo Borges**

---

Managing Director  
EMEA



**Stefan Pinter**

---

Head of Public  
Policy EMEA



**Valentin Guigon**

---

Technical Assistance  
Consultant | EMEA



**Erica Fonseca**

---

Forest Certification  
Manager

## Agenda

---

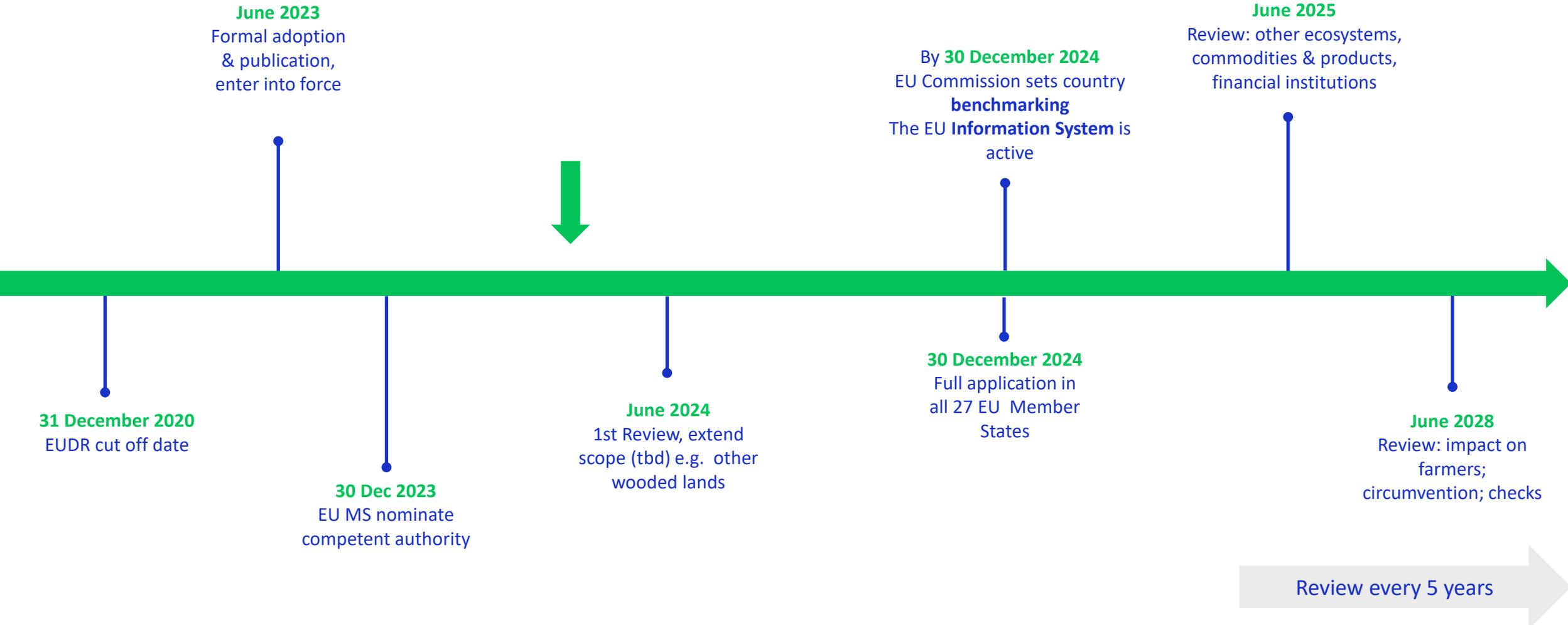
### Welcome

- Overview of latest policy & regulatory developments
- Update on Suzano's readiness
- Overview implementation project & technical issues
- Sustainability issues related to new due diligence requirements
- Summary

### Q & A Session



# EUDR (EU Deforestation Free Regulation) – Timeline

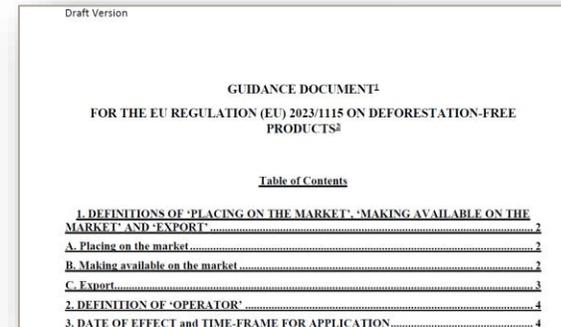


## Frequently asked questions (FAQ) document

- 2<sup>nd</sup> updated version published Dec 2023
- 3<sup>rd</sup> updated version published end of March

## Guidance Document Due Diligence/agricultural use

- Further clarification on e.g., definitions, date of application, risk-assessment, DDS etc.
- Final version published in May 2024



## INFORMATION SYSTEM AND CUSTOMS PROCEDURES



The EU Commission must establish and maintain an **information system («register»)** enabling operators to submit their due diligence statement and to verify the statement that have already been recorded.

This system will be **interconnected with customs authorities** and will be accessible to competent authorities so that they may conduct their checks



An agreement between **competent authorities and customs authorities** will be established.

Customs authorities will have to verify the status of the Due Diligence statement prior to authorizing a «release for free circulation» or export.

**June 2023**  
Entry into force

**Jan 2024**  
IS pilot test

**May 2024**  
IS publishing of API technical specifications

**July 2024**  
IS Start test of API

**Nov / Dec 2024**  
IS opening of registration and system go live

**30 December 2024**  
Full application in all EU Member States

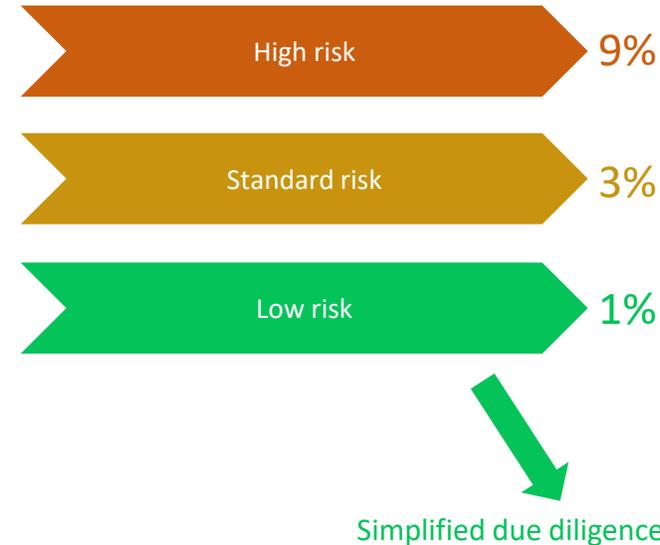


# EUDR new main obligations – risk assessment



## The EC will conduct risk assessments by country (EU and other countries):

- The **EC will publish** a list of low and high-risk countries,
- The results will be available via the EC's «Information System»
- The system has **3 country assessment levels**



## Assessment criteria

- Rate of **deforestation** and forest degradation
- Rate of **expansion** of agriculture land
- Production **trends** of relevant commodities/products

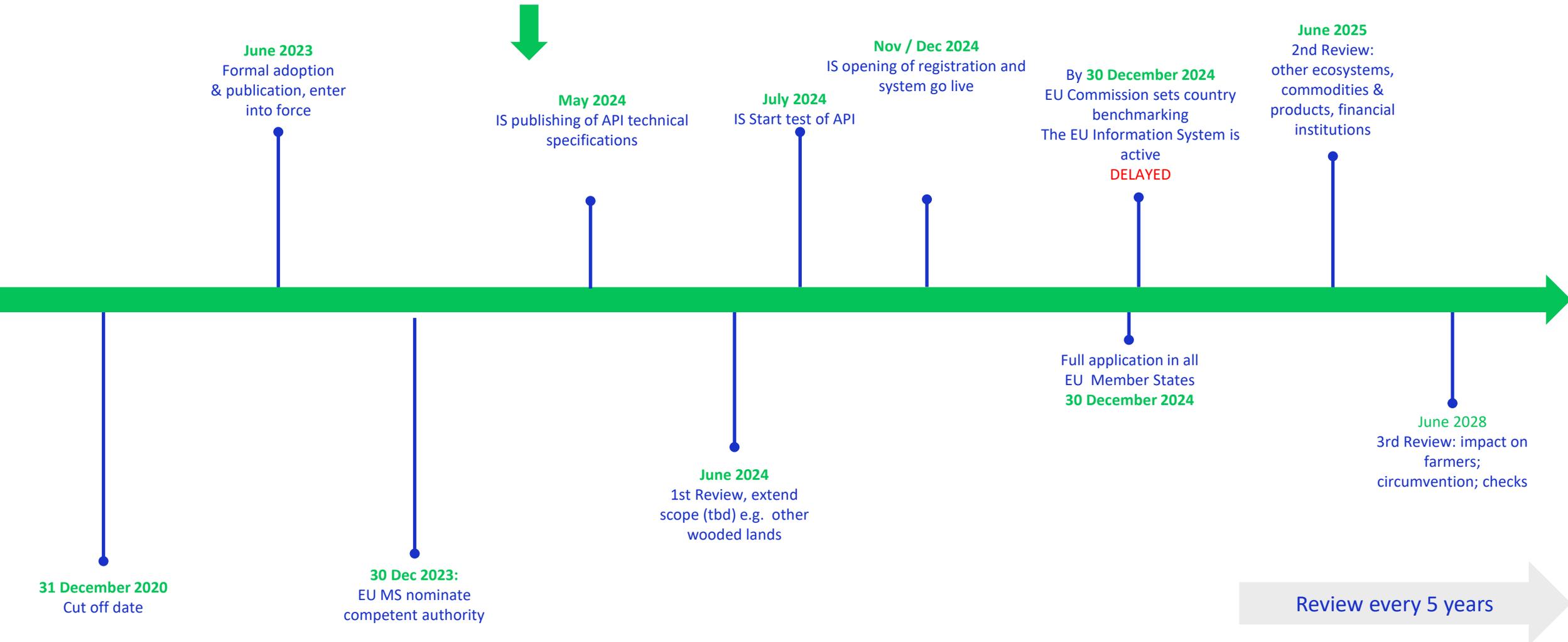
Other (international agreements; national laws; data transparency; etc)

## Role of Certification (FSC, PEFC)

Art 6 (1b) Third party certification/verification **can be used** in the context of the risk assessment.

Art 10 (2n) For the risk assessment, operators consider information provided either by certification schemes or by other third-party verification systems (but this **does not replace** the operator's responsibility for Due Diligence).

# EU Deforestation Regulation – timeline and next milestones





Valentin Guigon

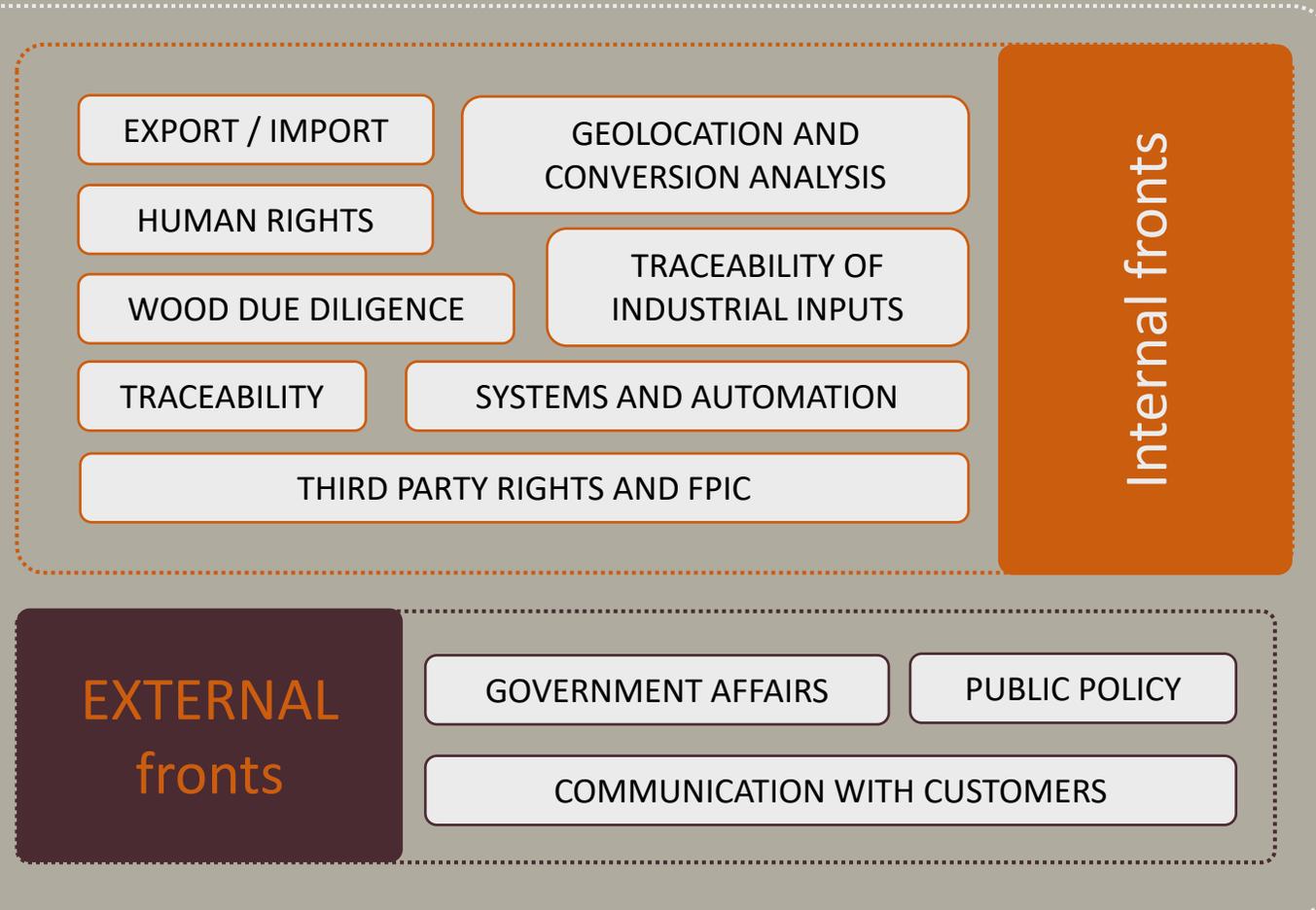
---

# Technical issues and overcoming them

# Suzano organized the EUDR challenge around two axes: **external** and **internal** fronts

## Suzano's answer to EUDR challenge

12 working groups, more than 70 collaborators involved



**2023**  
Preliminary work

–  
**Jan 2024**  
Construction

–  
**April 2024**  
Plan of action

–  
**May-Oct 2024**  
Implementation

–  
**July-Oct 2024**  
Integration

Information to be in the  
Due Diligence Statement

Commercial name  
Geolocation data  
Species  
Weight

EUDR Information System

Information to be  
provided on demand

Harvesting licenses  
Wood invoices  
Bill of lading  
Packing list  
DUE  
Operating license  
...

Suzano's own Information System

# Technical issues and overcoming them



The EUDR IS is the platform on which DDS will have to be uploaded

- Information to be informed: species, weight, geo-locations of the farms used in the production process
- Suzano was selected to pilot test the platform from January 15<sup>th</sup> to 30<sup>th</sup>

Navigation: Home, Documents, Dashboard, Actors, Reference Data, Publications, Help, A... Notifications: 0

## Search - Due Diligence Statement

Search: Search by Reference Number and DDS Number Q Search Advanced Search ▶ Showing 8 / 8 + Create

Reference Number	Company Internal Ref	Activity	Commodity (ies) or Product(s)	Status	Submission Date
24ATYO9ZJA8118	S3C369_TESTE_LOTEGEO	Import	4703 Chemical wood pulp, soda or sulphate, ot...	Available	25/01/2024 19:19
24ATVQJY6XM117	S6BL01_TESTE_LOTEGEO	Import	4703 Chemical wood pulp, soda or sulphate, ot...	Available	25/01/2024 19:12
24ATHCRS0JK116	S6BL01_TESTE_LOTEGEO	Import	4703 Chemical wood pulp, soda or sulphate,	Available	25/01/2024 13:45

# Technical issues and overcoming them

EUDR Statement - 24ATYO9ZJA8118 / S3C369\_TESTE\_LOTEGEO AVAILABLE

Statement Details | Referenced Statements

1. Reference Number: 24ATYO9ZJA8118

Verification Number: .....

2. Activity:  Import  Domestic  Export

3. Operator/Trader name and address: Suzano International Trade GmbH (Valid), Austria (AT)

4. Place of Activity: Austria (AT), France (FR)

5. Communication for Competent Authority: Created by Suzano International Trade GmbH on Thu Jan 25 2024 19:19:46 GMT+0100

Close | Withdraw | Amend

- An internal reference number (invoice, batch, vessel...) can be used to create the DDS
- The reference number and its token are used for reference statements
- Possibility to edit after emission

Mandatory fields: activity, place of activity, HSS code, description and weight

6. Commodity (ies) or Product(s)

1 47 PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD  
4703 Chemical wood pulp, soda or sulphate, other than dissolving grades:

Commodity (ies) or Product(s) Description *	Net Mass (Kg) *	Volume (m3)	Supplementary Units
BEKP	10000		

Scientific Name: 1 Scientific Name  
Common Name: Common Name

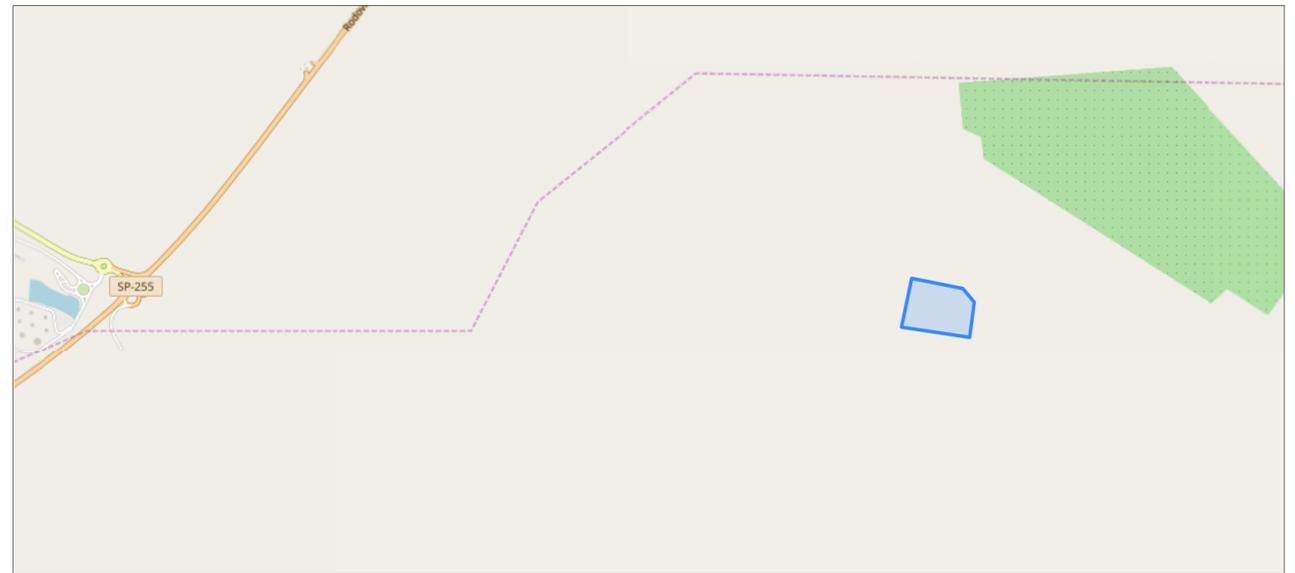
# Technical issues and overcoming them

Export

1 Producer Name S3C369\_TESTE\_LOTEGEO Producer Country : \* Brazil (BR)

#	Production Place Description	Area *	Type *	Actions
1	S3C369	194.78 ha	Polygon	

- Possibility to either draw polygons or import/export the coordinates of all the points used to characterize polygons
- Critical limitations of the system



# Suzano compiled the results of its pilot test in a report sent to the EUDR representatives

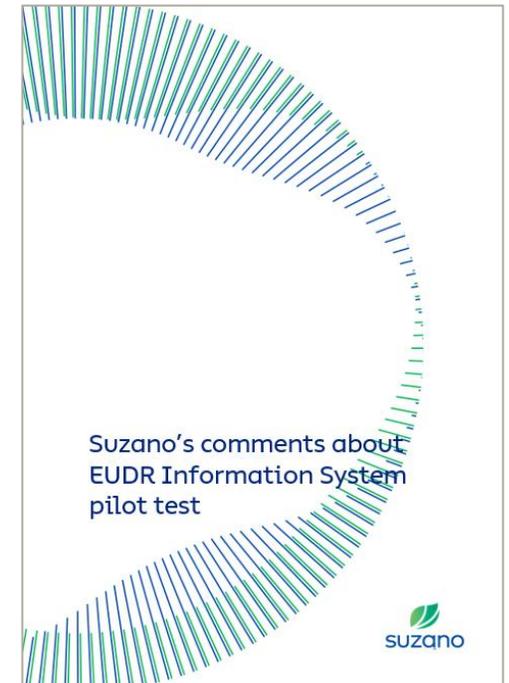
### Main highlights:

- the system is completely reliant on manual input
- no support for operators in demonstrating compliance to EUDR
- the system is not designed to handle the submitted data

### Based on our and other peers' feedbacks, the Commission will:

- add Application Programming Interface (APIs) to the system;
- add a functionality to add pure GeoJson files;
- add a functionality to upload CSV Files with reference numbers of DDS of suppliers;
- make sure that DDSs registered in the system stay in there for more than 6 months, indicatively 5 years.

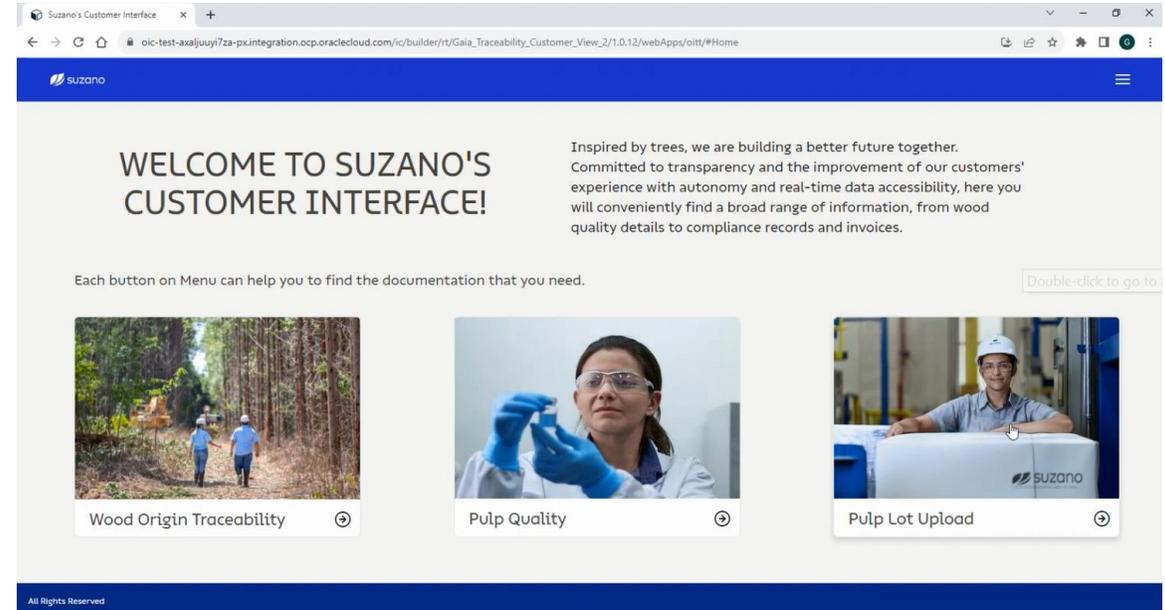
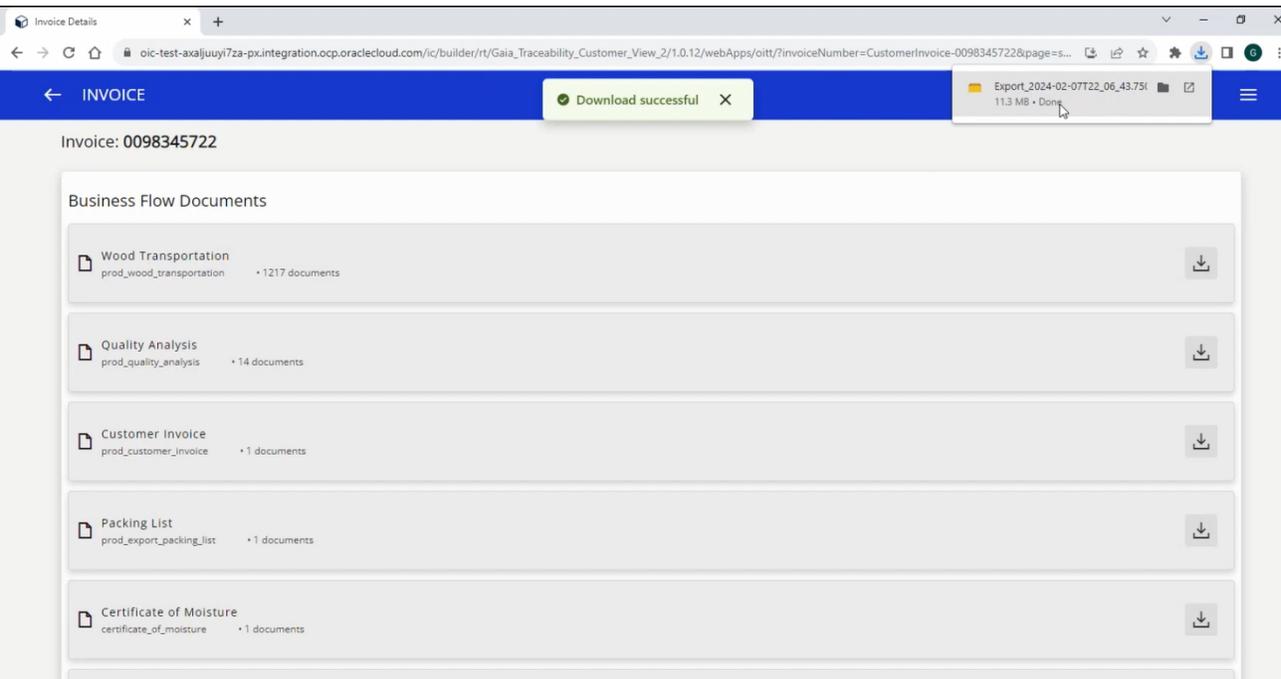
**The commission also made clear that required information outside of the EUDR IS will have to be transfer by operators' own systems.**



# Technical issues and overcoming them



For this purpose, Suzano has developed a system based on block-chain technology: Gaia



Suzano's customers will be granted the access to the system, which will permit them to get all the required documentation in one click along with other features.



Erica Fonseca

---

Sustainability issues related to  
new due diligence requirements

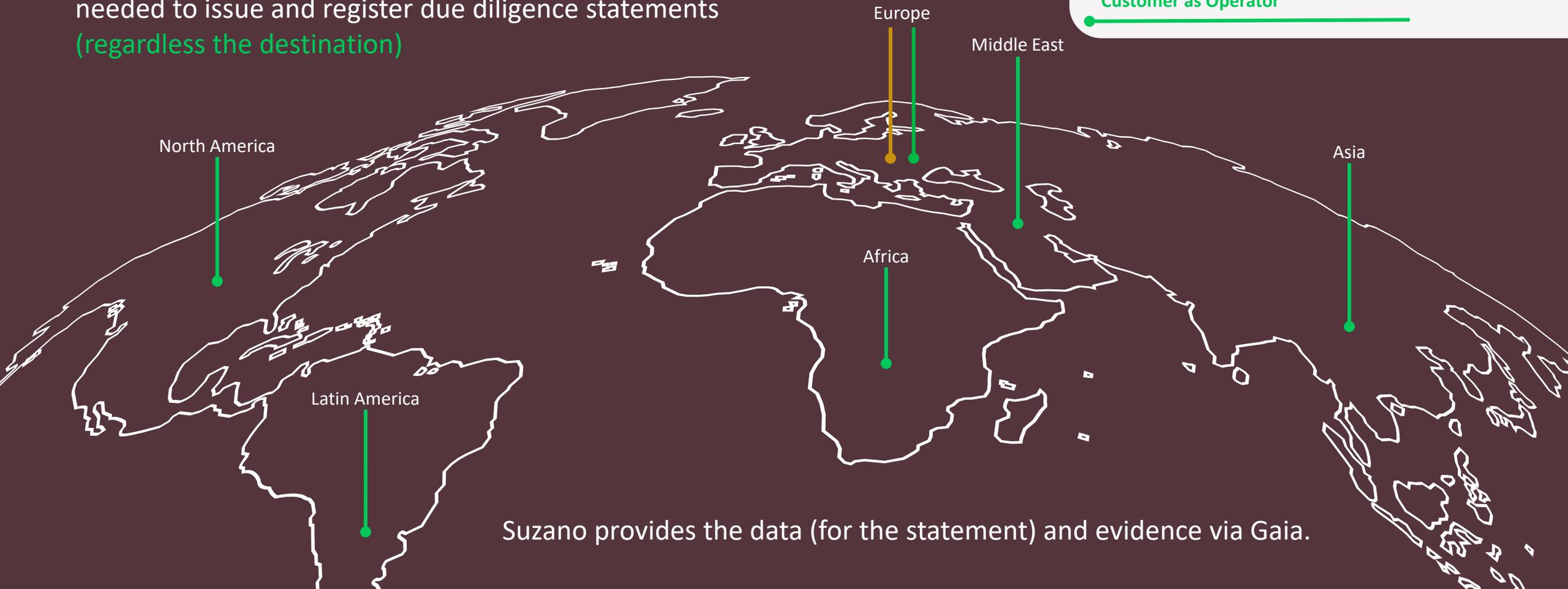
# Ensure 100%

of exports are connected to the data and evidence needed to issue and register due diligence statements (regardless the destination)

Operator = importer/exporter (responsible for the customs procedure)

Suzano as Operator

Customer as Operator



Suzano provides the data (for the statement) and evidence via Gaia.

# Timeline PoC EUDR project



**2023**

## Step 1: Gap Analysis

The findings include the need for:

- fine-tuning of internal processes
- extension of traceability automation
- structuring a due diligence system along the lines of the EUDR

**2024 (Mar-Oct)**

## Step 3: Adequacy

Execution of adaptation plans

**2024 (Jan-May)**

## Step 2: Implementation Planning

Execution of a Proof of Concept to define the adaptation plans.

Proof of Concept: Simulation of the full implementation of the Due Diligence System and an EUDR audit process.

Gap Analysis  
quick wins



# Suzano Due Diligence System



## Deforestation-free

Suzano Wood Supply Policy  
Deforestation analysis for 100% of  
timber supply areas



## Traceability

Transactions in SAP and GAIA system that  
connect the existing lots in an invoice to  
the wood supply areas



## Due Diligence System

Practice manuals describing existing  
procedures for gathering information,  
assessing and mitigating risks



## Transparency

Evidence of compliance in the GAIA System  
Annual Public Summary



## Geolocation

100% of the forestry base  
supplying wood spatialized in our  
database



## Third parties' rights and FPIC

No supply of wood from traditional  
or indigenous lands  
Maintaining dialogue with  
neighboring communities



## Human Rights

Mechanisms to guarantee legal  
compliance and respect and dignity  
for all professionals directly or  
indirectly involved



## We are accompanying and participating in the adaptations of the certification systems

### FSC® | Forest Stewardship Council

---

Adaptation of the Forest Management, Chain of Custody and Controlled Wood standards (advice notes)

Review of the Risk Management Framework

Creation of a Regulatory Module (optional)

Blockchain

### PEFC™ | Programme for the Endorsement of Forest Certification

---

Aligning the Forest Management Standard with the EUDR

Additional Voluntary Module to the CoC certificate holders

Potential partners for optional IT and DDS creation solutions

# TIMELINE

## PoC EUDR PROJECT

### Step 2: Implementation Planning (JAN-MAY)

Execution of a Proof of Concept to define the adaptation plans.  
Proof of Concept: Simulation of the full implementation of the Due Diligence System and an EUDR audit process.



2023

### Step 1: Gap Analysis

The findings include the need for:

- fine-tuning of internal processes
- extension of traceability automation
- structuring a due diligence system along the lines of the EUDR

2024

2024

### Step 3: Adequacy (MAR-OCT)

Execution of adaptation plans

Gap Analysis quick wins