

EUDR: Update for users of wood-based panels

EUDR in a nutshell:

- The Regulation aims for the EU to help combat deforestation on a global scale. No product sold in the EU should lead to it.
- Entry into force for wood-based panels: **30 December 2024**.
- To place a relevant commodity on the EU market, or exporting from it, **EUDR requires**:
 - Commodity to be deforestation and forest degradation-free.
 - In compliance with relevant national laws.
 - Covered by a Due Diligence Statement (DDS).
 - DDS included in the EU-wide Information System.

How EUDR will work:

- Regions within and outside the EU will be classified as low, standard, or high-risk in terms of deforestation and forest degradation. This risk classification will dictate the responsibilities of operators and authorities in member states for inspections and controls. High-risk regions will face more stringent monitoring, while low-risk regions will have simplified due diligence processes.
- Authorities must inspect 9% of operators and traders dealing with products from high-risk regions, 3% from standard-risk areas, and 1% from low-risk regions to ensure compliance.
- Additionally, they will inspect 9% of relevant goods and products from high-risk regions, whether placed on the market, made available, or exported.
- EU plans to enhance cooperation with partner countries, with a particular focus on high-risk regions.

EPF summary position and sustainability commitment:

- EPF and its members wholly **support the fight against global deforestation** as is essential to mitigate climate change, preserve biodiversity and ensure sustainable raw materials and supply chains.
- EPF members are **committed to meeting the requirements of EUDR** in full such that wood-based panels placed on the European market may remain role model products.
- For producers to ensure full compliance, they must be provided by the European Commission and national competent authorities with **sufficient time to adapt, right guidance for implementation and efficient tools to do so**.

EPF concerns on EUDR:

- Serious concerns remain on both **compliance and non-compliance** including on **transition stocks, complex products, definitions, country benchmarking, and geolocation**.
- EUDR will put a **huge administrative burden** on operators & traders, including wood-based panels manufacturers.
- EPF efforts are to **make sure that all the necessary tools are made available** for operators and traders to ensure a smooth implementation of the EUDR and avoid market disruption.
- Many questions remain unanswered as the publication of the **updated FAQs** announced for May is delayed and the **implementation guidelines** are still missing.
- The **country benchmarking exercise** was also delayed due to difficulties for the Commission to find the right contractor. Starting at standard risk, as is now planned, will put unnecessary workload on EU companies sourcing in countries that will eventually be deemed low risk. The exercise has now started, and we are expecting the methodology to be published for comments.
- The appointment of the **National Competent Authorities (NCA)** is also worrisome as currently only 19 out of 27 have been appointed. Also, the NCAs lack human resources and are not yet trained. Harmonised and efficient enforcement is therefore not guaranteed.



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- Only 100 companies across the EU, and only 2 EPF members, had **access to the Information System** for testing and the feedback was very negative. The revised system will supposedly be ready for companies to upload information as of 2 December 2024. The **Commission is not planning for a second testing phase despite the requests of stakeholders**. We currently have too little time and feedback on this and the **Application Programming Interface (API)** conformity testing phase.
- Concerns are substantial about the **value chain readiness, especially upstream suppliers to the wood-based panels (WBP) sector**, without which WBP will face severe compliance challenges.

EPF Advocacy on EUDR:

Given the delays and the lack of clarity, EPF has engaged at different levels to raise its concerns:

- EPF has a seat in the **EUDR Expert Group** and attends meetings actively and reports to the EPF Certification Task Force. The next EG meeting, convened by the EC's DG Environment, is scheduled for 24 September 2024 and the last for 5 December 2024.
- EPF is keeping an open **bilateral channel with DG ENV.F.1 of the European Commission**.
- EPF and a **Forest-based Industries Coalition** are calling for better guidance and for postponement.
- EPF and a **Cross-sectoral Coalition** encompassing all commodities falling under EUDR are calling for better guidance.
- EPF together with a **small Forest-based Industries Coalition** mandated the legal firm Van Bael & Bellis to elaborate a legal opinion on EUDR, which has been shared with the EU's top politicians.
- EPF supports the **furniture value chain**, led by the European Furniture Industries Confederation (EFIC), in an open letter to demonstrate the impossibility to comply with entry into force by the end of 2024.
- EPF through its coalitions recently met **relevant Directorate Generals at Cabinet level** to discuss EUDR implementation related problems.

EPF Next Steps:

- EPF and its partners will continue to **advocate for the points above to be addressed**.
- EPF's focus will be on:
 - **Compliance** (EPF members will always follow legislation).
 - **Non-compliance** (it is important that non-EU imports are held to the same standards).
 - **Delay or transitional grace period** (this is essential if the EUDR system is to be implemented successfully).
- EPF's next **Certification Task Force meeting** will be held on 26 September 2024 to discuss the next steps on EUDR advocacy. An earlier meeting will be called in the event of substantial developments and subsequent meetings will be scheduled thereafter as needed.

EPF and its members are doing everything possible towards compliance and to **prevent EUDR's current shortcomings from having a negative impact on the market and on their customers**. EPF's and industry having made the challenges of EUDR implementation clear, the key **responsibility for a successful implementation of EUDR legislation within a reasonable timeframe now lies with the European Commission, the European Parliament and the European Council**.

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About EPF - the European Panel Federation has members in 30 European countries and represents the manufacturers of particleboard, MDF, OSB, hardboard, softboard and plywood. The EU wood-based panels industry has an annual turnover of about 25 billion euro and creates over 100,000 jobs directly. www.europanels.org