How to fulfill the requirements of the EUDR with 4C

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01 Summary of the Requirements of the EUDR
The European Green Deal – The Pledge

aiming to make the European Union (EU) climate neutral by 2050
The new legislation against deforestation No. 995/2010 should contribute to the EU's ambition to reduce GHG emissions.

- The EU imported and consumed a third of the globally traded agricultural products associated with deforestation between 1990 and 2008.

- During this period, EU consumption accounted for 10 per cent of global deforestation associated with the production of goods and services.

- 7 commodities account for most of the deforestation caused by the EU: oil palm (34%), soya (32.8%), timber (8.6%), cocoa (7.5%), coffee (7%), beef (5%) and rubber (3%); Ecosystems such as wetlands, savannahs and peatlands are very important for global efforts to combat climate change.

- To solve this problem, the Commission should assess the need and feasibility of extending the scope to other ecosystems and other commodities two years after entry into force.
The new regulation aims to minimize the EU's contribution to deforestation and greenhouse gas emissions.

Article 3
Prohibition

The relevant goods and products shall not be placed or made available on the Union market, or exported from the Union market, unless all of the following conditions are met:

- They are free from deforestation
- They have been produced in accordance with the relevant legislation of the country of production; and
- They are covered by a due diligence declaration
EUDR – The timeline

- **December 2022**: EUDR was agreed upon in the Trialogue
- **29 June 2023**: Formally adopted by the EU Parliament and the EU Council
- **30 December 2024**: EUDR is now fully applicable for operators not considered SME
- **June 2025**: SME are now also fully in charge to be EUDR complaint

*The law will also be published in Spanish.*
The EU regulation on deforestation-free supply chains requires proof of freedom from deforestation and legality when importing goods into the EU.

**Proof of freedom from deforestation**
- Production not on land deforested after 31st of December 2020
- Forest: areas of more than 0.5 hectares with trees over 5 meters high and a canopy cover of more than 10% or with trees that can reach these values on the respective site, except for areas that are predominantly used for agricultural or urban purposes
- For all coffee deliveries the geocoordinates must be available
- For croplands ≥4 ha, polygons must be collected and verified (including point coordinates)
- Verification with satellite image data (Copernicus)

**Proof of legality**
- Compliance with relevant national laws during production
- Provide verifiable information

**Traceability**
- EU-Importeur benötigt Informationen aus der Lieferkette
- Rückverfolgbarkeit bis zum Produzenten nötig
- Segregation notwendig

**Due Diligence Statement**

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**Risk analysis**
02 4C’s Approach and Solution for EUDR
Due Diligence Responsibilities of Companies under the EU Directive

Evidence that the products are deforestation-free and legal
- Cut-off date for deforestation: 31 December 2020
- In accordance with all relevant legislation in force in the country of production

Three Steps of the EU Regulation on Due Diligence:

### Step 1: Collecting information
- Products
- Producers/suppliers
- Production period
- Exact geographic information of cultivated areas
- Verifiable information that due diligence obligations are being met, including:
  - Deforestation free
  - In compliance with national laws and regulations

### Step 2: Risk Analysis
Checking and analysing the information from step 1 and additional documentation, for example:
- Forest areas, deforestation indicators
- Political/social assessment
- Complexity of the supply chain
- Third party complaints
- Information from certification schemes

### Step 3: Risk Mitigation
- Collection of additional information
- Documenting the impact of measures
- Effective risk monitoring
EU Coffee

An additional service by 4C for non-certified coffee

Module 1
Geo-Analysis Tools:
Freedom from deforestation plus risk analysis (including protected areas, indigenous peoples, social risks, e.g. child labour, corruption)

Module 2
Legality check:
Review of the self-evaluation based on the 4C Code of Conduct

Module 3
Traceability:
Use of the 4C Portal and data storage
Geo-point coordinates are an integral part of 4C certification

- Location of certified plantations, mill facilities and warehouses available in 4C portal
- 9% Farms ≥4 ha

Geo-coordinates of at least 300,000 farmers in the 4C Portal
Entwaldungsfreiheit nach EUDR

Geo-Koordinaten (inklusive Buffer-Zone proportional zur Feldgröße) und Polygone der Kaffeefelder bereitgestellt durch die ME

automatisierter Abgleich mit aktueller nationaler Waldkarte, inklusive der Landnutzungsänderungen in Online Tool
*(EUDR, Art. 9)*

→ Warnung bei Überschneidung mit Entwaldung: detailliertere Informationen und Analyse nötig

**Risikoanalyse**
*(EUDR, Art. 10)*

- Geo-spezifische Daten
- Statistische Daten und Reports
Innovative Digital Tools – Faramo System

Die Datensammlung zu Legalitätskriterien kann über unterschiedliche Prozesse erfolgen:
- Selbsterklärung (?)
- Beauftragung von Inspektoren vor Ort
- Zertifizierung

GRAS kann die Datenerhebung durch die Bereitstellung von intuitiven Tools unterstützen.

Daten, die durch unabhängige Dritte erhoben wurden, können in das System integriert und in der Rückverfolgbarkeits-Plattform bereitgestellt werden.

Bereitstellung eines Tools um Legalitätskriterien zu dokumentieren

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Farmer App

App -> Datenbank
- Entwaldungsanalyse
- Risikoanalyse

Rückverfolgbarkeits-Plattform

Provided by GRAS Global Risk Assessment Services
Legalitätsnachweis

- Selbstanalyse als Unterstützung des Internen Management Systems der Kaffeeproduzenten, aufbauend auf dem 4C Code of Conduct und der 4C Audit Checkliste (EUDR, Art. 9)

- Legalitätsselbstauskunft seitens der Kaffeeproduzenten (EUDR, Art. 9)

- Risikoanalyse geospezifischer statistischer Daten (z.B.: Ausgewiesene Gebiete Indigener Völker, Beschwerden Dritter, Menschenrechtsverletzungen, Governance-Indikatoren, Korruption, Sanktionen, Konflikte (EUDR, Art. 10)

- Verifizierung durch Audits der Zertifizierungsstellen in 4C Zertifizierung als Teil der Risikominderung (EUDR, Art. 11)

EUDR - Artikel 2 (40)

„einschlägige Rechtsvorschriften des Erzeugerlandes “ die im Erzeugerland geltenden gesetzlichen Bestimmungen zum rechtlichen Status des Erzeugungsgebiets in Bezug auf

a) Landnutzungsrechte,

b) Umweltschutz,

c) forstbezogene Vorschriften, einschließlich Regelungen der Forstwirtschaft und zur Erhaltung der biologischen Vielfalt, wenn sie in direktem Bezug zur Holzgewinnung stehen,

d) Rechte Dritter,

e) Arbeitnehmerrechte,

f) völkerrechtlich geschützte Menschenrechte,

g) den Grundsatz der freiwilligen und in Kenntnis der Sachlage erteilten vorherigen Zustimmung (the principle of free, prior and informed consent — FPIC), auch entsprechend der Verankerung in der Erklärung der Vereinten Nationen über die Rechte indigener Völker,

h) Steuer-, Korruptionsbekämpfungs-, Handels- und Zollvorschriften.
Commercial Reporting via the 4C Portal by System Users

Physical segregation!
Identification system!

Commercial Reporting on the 4C Portal – Sale
Commercial Reporting on the 4C Portal – Purchase

'Digital Handshake'
### Coverage of EUDR requirements through 4C (I)

<table>
<thead>
<tr>
<th>EUDR requirements - Art. 2 (40)</th>
<th>4C Code of Conduct</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land-Use Rights</strong></td>
<td>Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.</td>
</tr>
<tr>
<td><strong>Environmental Protection</strong></td>
<td>Criterion 2.1.1: Eviction practices do not exist.</td>
</tr>
<tr>
<td><strong>Forest-related regulations</strong>, including forestry and biodiversity conservation regulations when directly related to timber production</td>
<td>Criterion 3.1.1: Primary forests and protected areas are protected.</td>
</tr>
<tr>
<td></td>
<td>Criterion 3.1.2: Areas with high biodiversity, natural vegetation, fauna, soil and water resources, and sensitive areas are conserved and/or restored</td>
</tr>
<tr>
<td></td>
<td>Criterion 3.2.1: The use of prohibited pesticides is avoided.</td>
</tr>
<tr>
<td></td>
<td>Criterion 3.3.1: Soil protection measures are in place.</td>
</tr>
<tr>
<td></td>
<td>Criterion 3.4.1: Water sources and watercourses are conserved.</td>
</tr>
<tr>
<td></td>
<td>Criterion 3.5.1: Safe waste disposal is in place.</td>
</tr>
</tbody>
</table>
## Coverage of EUDR requirements through 4C (II)

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<tr>
<th>EUDR requirements - Art. 2 (40)</th>
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<tbody>
<tr>
<td><strong>Third-party Rights</strong></td>
<td><strong>Criterion 1.1.3:</strong> All applicable regional and national laws and regulations are complied with.</td>
</tr>
<tr>
<td></td>
<td><strong>2.1.1:</strong> Eviction practices do not exist</td>
</tr>
<tr>
<td></td>
<td><strong>Criterion 2.1.14:</strong> The impact of the operation on the surrounding communities are assessed</td>
</tr>
<tr>
<td><strong>Labour Rights</strong></td>
<td><strong>Criterion 2.1.5:</strong> Hold regular consultations between employers and authorized workers’ representatives on working conditions</td>
</tr>
<tr>
<td></td>
<td><strong>Criterion 2.1.8:</strong> Mechanisms for dealing with complaints are in place</td>
</tr>
<tr>
<td></td>
<td><strong>Criterion 2.1.11:</strong> At least the minimum wage is paid to all workers on time</td>
</tr>
<tr>
<td></td>
<td><strong>Criterion 2.1.13:</strong> Fair working conditions with respect to working hours are ensured*</td>
</tr>
</tbody>
</table>

*Other criteria on health and safety at work, compliance with maternity protection, parental leave, etc.*
# Coverage of EUDR requirements through 4C (III)

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<th>4C Code of Conduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human rights protected by international law</td>
<td>Criterion 2.1.1: Expulsion practices do not exist</td>
</tr>
<tr>
<td>Principle of voluntary and informed prior consent (FPIC), UNDRIP (Rights of Indigenous Peoples in the UN).</td>
<td>Criterion 2.1.2: Forced and bonded labour does not exist.</td>
</tr>
<tr>
<td>Tax, anti-corruption, trade and customs regulations</td>
<td>Criterion 2.1.3: Child labour does not exist.</td>
</tr>
<tr>
<td></td>
<td>Criterion 2.1.4: Freedom of association and collective action are guaranteed.</td>
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<td></td>
<td>Criterion 2.1.6: Discrimination does not exist.</td>
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<tr>
<td></td>
<td>Criterion 2.1.7: There is no physical, sexual, psychological or verbal harassment or abuse.</td>
</tr>
<tr>
<td></td>
<td>Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.</td>
</tr>
<tr>
<td></td>
<td>Criterion 2.1.1: Eviction practices do not exist.</td>
</tr>
<tr>
<td></td>
<td>Criterion 1.1.2: Involvement in any form of bribery, fraud, corruption and/or extortion.</td>
</tr>
<tr>
<td></td>
<td>Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.</td>
</tr>
</tbody>
</table>
Anpassung von 4C an die EUDR

Interimslösung für 4C Systemnutzer ab 01. Januar 2024

Revision des 4C Systems ab 2024, Inkrafttreten ab 2025

Bereitstellung für EU Coffee ab 01. Januar 2024

Anpassung der Kostenstruktur und der Bedingungen für Systemnutzer
Benefits for System Users

- 4C Portal - Platform for registered user
- Data storage for five years
- Deforestation Free Check
- Provision of the necessary data
- Traceability of the coffee supply chain
- Proof of Legality Check
- One-Stop Shop

Building on the experience of 4C and its system users and the good relationships with the producers.
Many thanks for your attention!

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