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How to fulfill the requirements of the EUDR with 4C



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Dr Norbert Schmitz, Managing Director, 4C Services GmbH
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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

30 December 2024

EUDR is now fully applicable for operators not considered SME

29 June 2023

formally adopted by the EU Parliament and the EU Council

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



Risk analysis



Traceability

- EU importer needs information from the supply chain 
- Traceability back to the producer necessary
- Segregation required

Due Diligence Statement 





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 analyzing 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



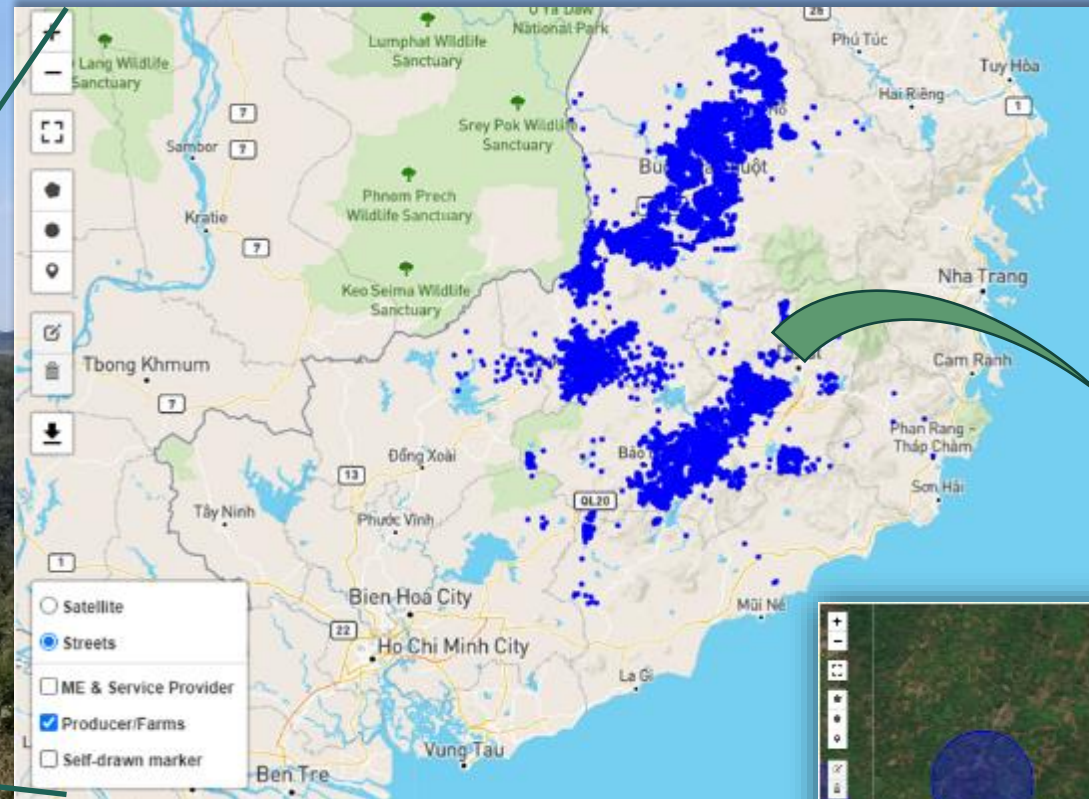
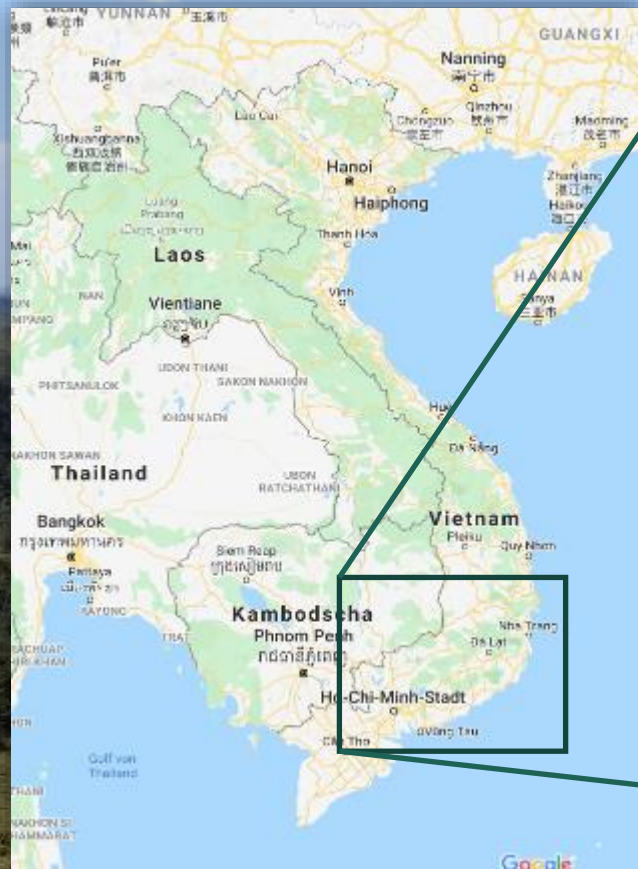
Module 3

Traceability:

Use of the 4C Portal and data storage



Geo-point coordinates are an integral part of 4C certification

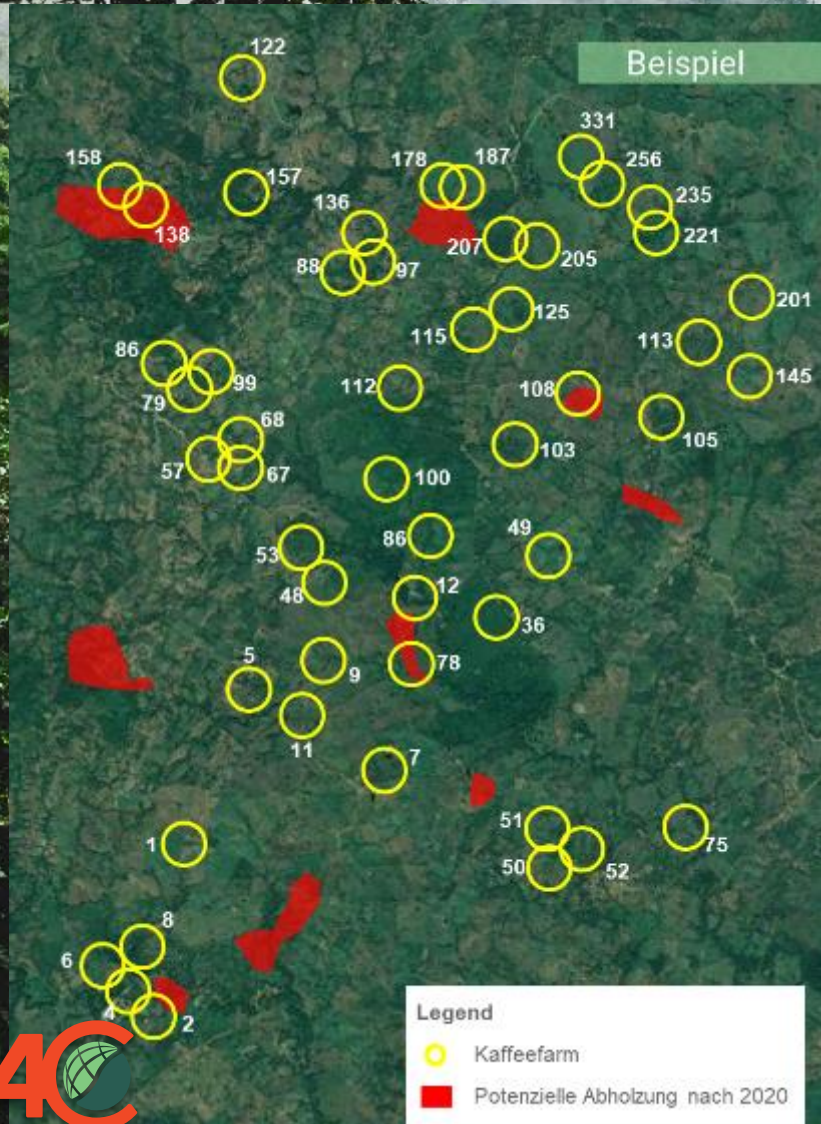


- Location of certified plantations, mill facilities and warehouses available in 4C portal
- 9% Farms \geq 4 ha

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



Freedom from deforestation according to EUDR



GEO coordinates (including buffer zones proportional to field sizes) and polygons of the coffee fields provided by the ME
Automated comparison with current national forest maps, including land use changes in Online Tool
(EUDR, Art. 9)



→ Warning in case of overlap with deforestation: more detailed information and analysis required



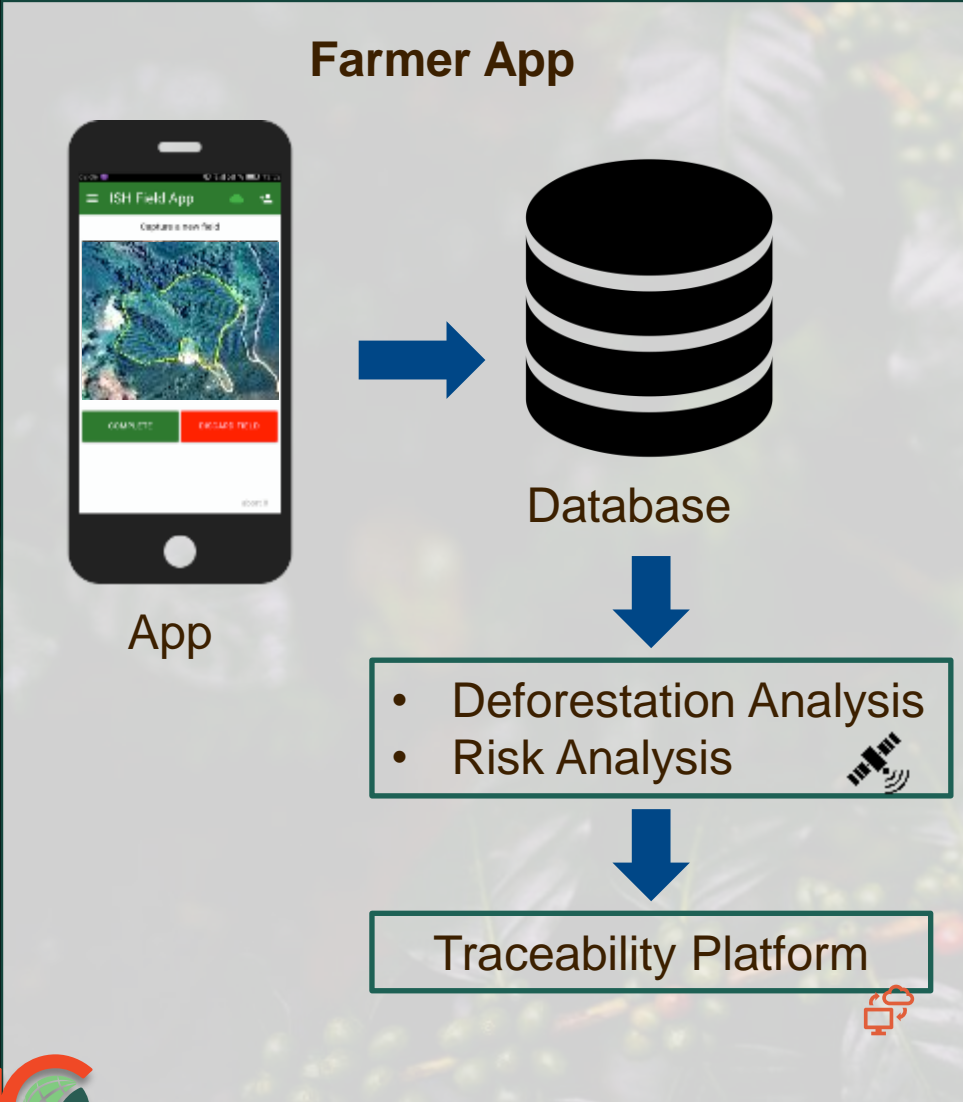
Risk Analysis
(EUDR, Art. 10)

Geo-specific data

Statistical data and reports



Innovative Digital Tools – Faramo System



Provision of a tool to document legality criteria

- Different processes can be used to collect data on legality criteria:

- ✓ Self-declaration (?)
 - ✓ Assignment of on-site inspectors
 - ✓ Certification
-

- GRAS can support data collection by providing intuitive tools
- Data collected by independent third parties can be integrated into the system and made available in the traceability platform



Legality Proof

- Self-analysis as a support for the internal management system of coffee producers, based on the 4C Code of Conduct and the 4C Audit Checklist (EUDR, Art. 9)
- Legality self-disclosure on the coffee producer sides (EUDR, Art. 9)
- Risk analysis of geo-specific statistical data (e.g: Designated areas of indigenous peoples, third-party complaints, human rights violations, governance indicators, corruption, sanctions, conflicts) (EUDR, Art.10)
- Verification through audits by certification bodies in 4C certification as part of risk mitigation (EUDR, Art. 11)

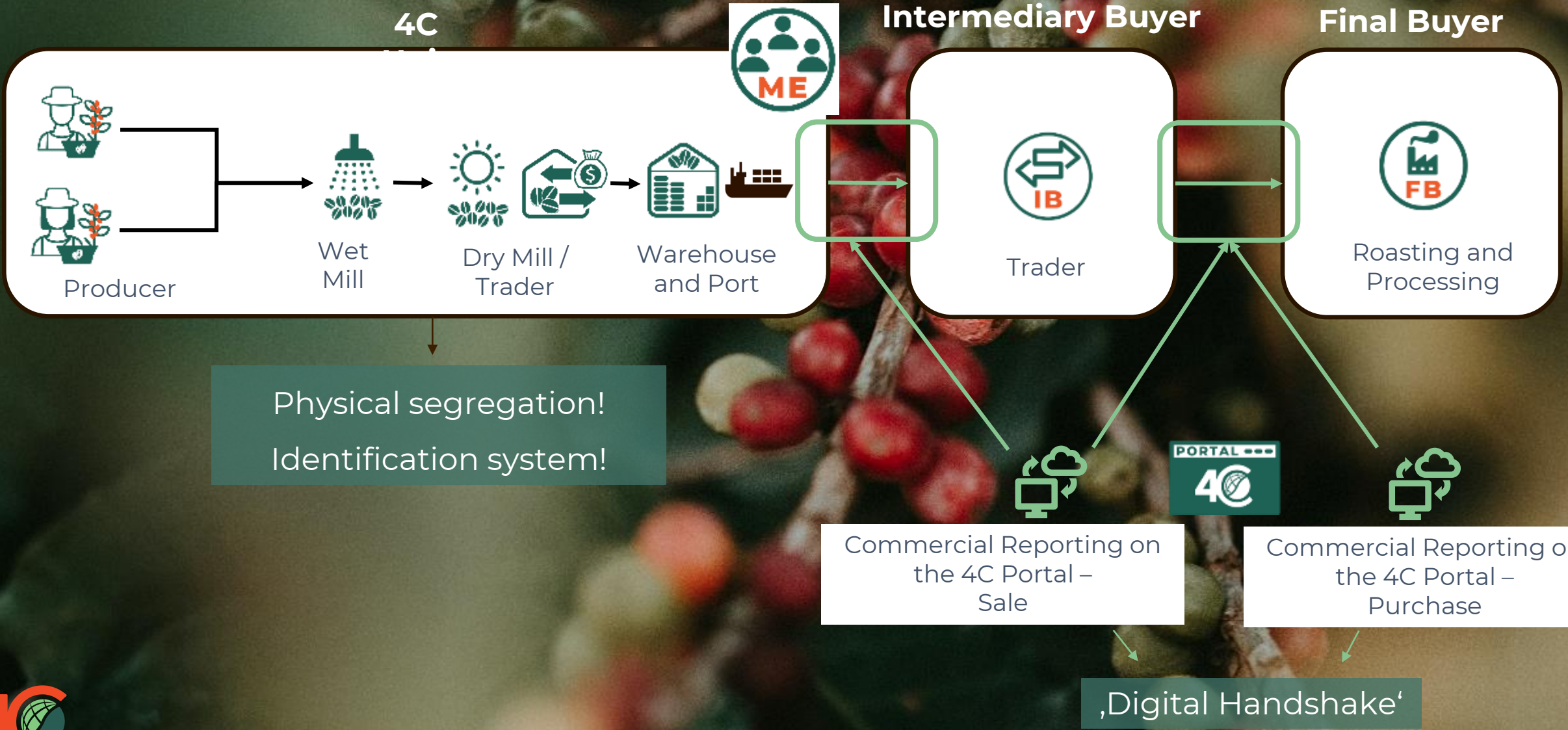


EUDR - Article 2 (40)

„relevant legislation of the producer country“ means the legal provisions applicable in the producer country concerning the legal status of the production area with regard to

- Land-use rights,*
- Environmental protection,*
- Forest-related regulations, including forestry and biodiversity conservation regulations, if they are directly related to timber production,*
- Third party rights,*
- Employee rights,*
- Human rights protected under international law,*
- The principle of free, prior and informed consent — FPIC), also in accordance with the embedding in the United Nations Declaration on the Rights of Indigenous Peoples,*
- Tax, anti-corruption, trade and customs regulations.*

Commercial Reporting via the 4C Portal by System Users



Coverage of EUDR requirements through 4C (I)

EUDR requirements - Art. 2 (40)

Land-Use Rights

Environmental Protection



Forest-related regulations,
including forestry and biodiversity conservation regulations
when directly related to timber production

4C Code of Conduct

Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.
Criterion 2.1.1: Eviction practices do not exist.

Criterion 3.1.1: Primary forests and protected areas are protected.
Criterion 3.1.2: Areas with high biodiversity, natural vegetation, fauna, soil and water resources, and sensitive areas are conserved and/or restored
Criterion 3.2.1: The use of prohibited pesticides is avoided.
Criterion 3.3.1: Soil protection measures are in place.
Criterion 3.4.1: Water sources and watercourses are conserved.
Criterion 3.5.1: Safe waste disposal is in place.

Criterion 3.1.1: Primary forests and protected areas are protected.
Criterion 3.1.2: Areas with high biodiversity, natural vegetation, fauna, soil and water resources, and sensitive areas are conserved and/or restored

Coverage of EUDR requirements through 4C (II)

EUDR requirements - Art. 2 (40)

Third-party Rights



Labour Rights



4C Code of Conduct

Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.

2.1.1: Eviction practices do not exist

Criterion 2.1.14: The impact of the operation on the surrounding communities are assessed

Criterion 2.14: Freedom of association and collective action are secured

Criterion 2.1.5: Hold regular consultations between employers and authorized workers' representatives on working conditions

Criterion 2.1.8: Mechanisms for dealing with complaints are in place

Criterion 2.1.11: At least the minimum wage is paid to all workers on time

Criterion 2.1.13: Fair working conditions with respect to working hours are ensured*

*Other criteria on health and safety at work, compliance with maternity protection, parental leave, etc.

Coverage of EUDR requirements through 4C (III)

EUDR requirements - Art. 2 (40)

Human rights protected by international law



Principle of voluntary and informed prior consent (FPIC), UNDRIP (Rights of Indigenous Peoples in the UN).

Tax, anti-corruption, trade and customs regulations

4C Code of Conduct

Criterion 2.1.1: Expulsion practices do not exist

Criterion 2.1.2: Forced and bonded labour does not exist.

Criterion 2.1.3: Child labour does not exist.

Criterion 2.1.4: Freedom of association and collective action are guaranteed.

Criterion 2.1.6: Discrimination does not exist.

Criterion 2.1.7: There is no physical, sexual, psychological or verbal harassment or abuse.

Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.

Criterion 2.1.1: Eviction practices do not exist.

Criterion 1.1.2: Involvement in any form of bribery, fraud, corruption and/or extortion.

Criterion 1.1.3: All applicable regional and national laws and regulations are complied with.

Adaptation of 4C to the EUDR

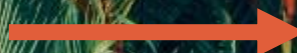
4C certified

Interim solution for 4C system users from January 01, 2024

Revision of the 4C system from 2024, entry into force from 2025

Provision for EU Coffee from January 01, 2024

Adjustment of the cost structure and conditions for system users



Benefits for System Users

Building on the experience of 4C and its system users and the good relationships with the producers

Data storage for five years

4C Portal - Platform for registered user

Deforestation Free Check

One-Stop Shop

Provision of the necessary data

Proof of Legality Check

Traceability of the coffee supply chain



Sustainable. Traceable. Certified

Many thanks for your attention!

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