

RDUE - TEACHING SHEET

Forest managers

Version 1 of May 14, 2024



For companies that buy, harvest standing timber in metropolitan France and ensure its marketing or processing.

On 9 June 2023, the European Parliament published a European Regulation against deforestation and Forest degradation (EUDR), the aim of which is to minimize the contribution of the European Union (EU) to deforestation and forest degradation worldwide.

WHAT DOES THE RDUE SAY?

From 30 December 2024 (and 30 June 2025 for VSEs/SMEs), all **forestry products** will no longer be **available for sale, imported into the EU market**, or **exported from the EU market**, unless the following 3 conditions are met:



1. They are **zero deforestation** and **zero forest degradation**.



2. They have been produced **in accordance with the relevant legislation** of the country of production.



3. They are subject to a **declaration of due diligence** .



→ DEFINITIONS

The **products concerned** are cattle, cocoa, coffee, oil palm, rubber, soya and **wood**.



The **wood products concerned** are the products covered by the **customs codes from 4401 to 4421 (logs, logs, logs, forest chips, panels, timber, related, pallets, ...)**, as well as **pulp and paper, graphic industry, seating, furniture and prefabricated constructions**.

Wood and wood products not covered by these customs codes are not covered by the EUDR.

Recycled products are not affected. Wooden or cardboard packaging is only concerned when sold as empty packaging.



The **forestry products concerned by the GERD are the following customs codes:**

▶ **4401:** Firewood in logs, logs, twigs, bundles or similar forms; wood in chips or particles; sawdust, wood waste and scrap, whether or not agglomerated in the form of logs, briquettes, granules or similar forms.

4403: Wood in the rough, whether or not **shelled, scented or squared**.

Deforestation is the **conversion of a forest for agricultural use**.

In metropolitan France, **forest degradation** is the **conversion of a naturally regenerated forest into a plantation forest**.



Under the EUDR, a **plantation forest** is a forest:

- ▶ subject to intensive management
- ▶ **and** meeting the following criteria: 1 or 2 species, plants of the same height, same diameter, same age and regular spacing.

Only conversions made after December 30, 2020 are taken into account. A plantation forest planted before this date is therefore not affected.

The **relevant legislation of the country of production concerns the laws applicable in the country of production, relating to the legal status of the production area:**



Land use rights, environmental protection, rules relating to forests directly related to timber harvesting, rights of others, labor rights, human rights protected by international law, the principle of free, prior and informed consent, and regulations in the fields of taxation, anti-corruption, trade and customs.

Due Diligence is an analysis of the risk of illegality of your supplies and allows you to attest the **compliance** of your products **with the legislation**.



The **due diligence declaration** shall consist of the prior declaration in the European Information System of all products that have been produced you are listing or importing or exporting.

The **European Information System** is a computer server set up by the European Commission, which centralizes all due diligence declarations



and allows customs and authorities to control them. It can be interconnected with the companies' internal traceability tools so that the information requested in these declarations can be transferred and recorded automatically.

GENERAL METHODOLOGY

1

COLLECTION AND ARCHIVING OF INFORMATION

For each operating site, you must systematically and obligatorily collect and archive (for 5 years) the following information:



- ▶ Type of wood harvested (customs code) and species harvested (name commercial and scientific name)
- ▶ Quantity of products by mass, volume or number of articles GPS
- ▶ coordinates of the site
- ▶ Date or period of opening of the site
- ▶ Name, postal address and e-mail address of forest owner or his representative
- ▶ Approval of sustainable management document in force (PSG, CBPs, RTG) OR administrative authorization to cut (cerfa form) or equivalent in foreign countries

The **GPS coordinates** you need to collect vary depending on the surface of the cadastral plot or forest plot where the mining site is located:

- ▶ **Plot area < 4 hectares:** GPS points of latitude and longitude of the plot
- ▶ **Plot area > 4 hectares:** A polygon of several points that describe the geometric perimeter of the plot

If the work site is located on several parcels with areas greater than 4 hectares, you can declare:

- ▶ *One polygon for each field*
- ▶ *OR a single polygon that describes the perimeter of all plots.*

WHAT SOLUTION(S)?

Today, there are :

Software to derive GPS coordinates from references cadastral figures that appear on the matrices.

- ▶ Online maps such as Géoportail, to trace the perimeter of a plot from its GPS coordinates.
- ▶ Geolocation tools to deduce on the ground the GPS coordinates of the plots covered by the current construction site, and plot their perimeters
- ▶ live.
Digital traceability solutions incorporating plot identification tools.



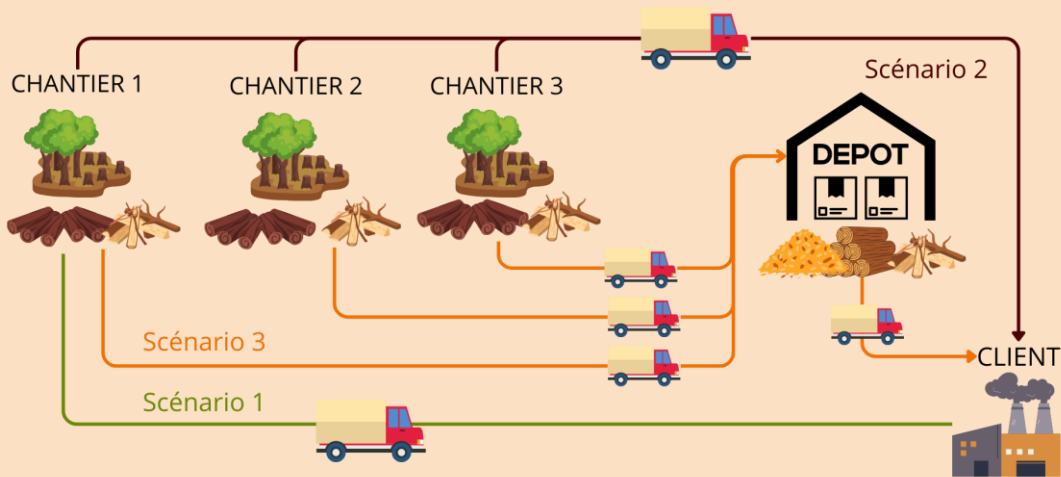
NFB sales and private group sales: The GPS coordinates of the worksites are in principle already on the sales sheets.

2

TRACEABILITY

For each product or batch of products sold, you must be able to identify which of them construction site or lot of construction sites it(s) originate(nen)t.

To do this, you must set up a traceability tool (Excel, ERP, operating software...), or update the existing one, which allows you to associate the reference of each site or batch of operating sites with the reference of each product or batch of products.



Scenario 1 - Delivery directly to the customer from the job site.

▶ You associate this unique project with the products that come from it.

Scenario 2 - Delivery directly to the customer of mixed products from several sites.

▶ You associate all the sites with all the products that come from them.

Scenario 3 - Delivery of products from a buffer space.

▶ You associate all the sites that fed the entire mixture, with the products that come from it.

WHAT SOLUTION(S)?

Product referencing can take the form of a physical marking (bar code, forest plates, RFID chip, etc.) on each piece of material or load (truck, dump, trailer, etc.). In the case of batch traceability, it can also be based on an already existing referencing system such as commercial documents (delivery notes, etc.).

**Traceability to the part
(Timber)**

Part number of each log



**Batch traceability
(Industrial wood / Energy wood)**

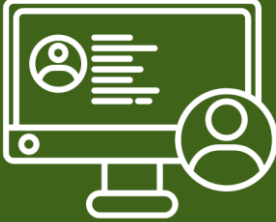
Reference of each load



3

DUE DILIGENCE STATEMENT


Before each sale, you must always register a due diligence statement in the European Information System, which contains the following information:



- ▶ Description of products: Customs code, trade name and scientific name
- ▶ Quantity of products by mass, volume or number of items
- ▶ country of production
- ▶ GPS coordinates of field(s)
- ▶



WHAT SOLUTION(S)?



Assign an employee to manually complete each declaration

- ▶ Use one of the traceability tools offered by private companies, which can connect to the European information system and thus automatically generate the declarations
- ▶ use a more basic traceability tool (Excel, ERP house, ...) and set up one of the interfaces also offered by private companies, who will then connect you to the European Information System and automatically generate the declarations.

4


INFORMATION TO PASS ON TO YOUR CUSTOMERS

For each due diligence report registered, the European Information System automatically generates a due diligence report number that you will have to forward to your client.

For roadside timber, the due diligence declaration numbers will need to be retrieved from your suppliers, and will need to be forwarded to your customers.

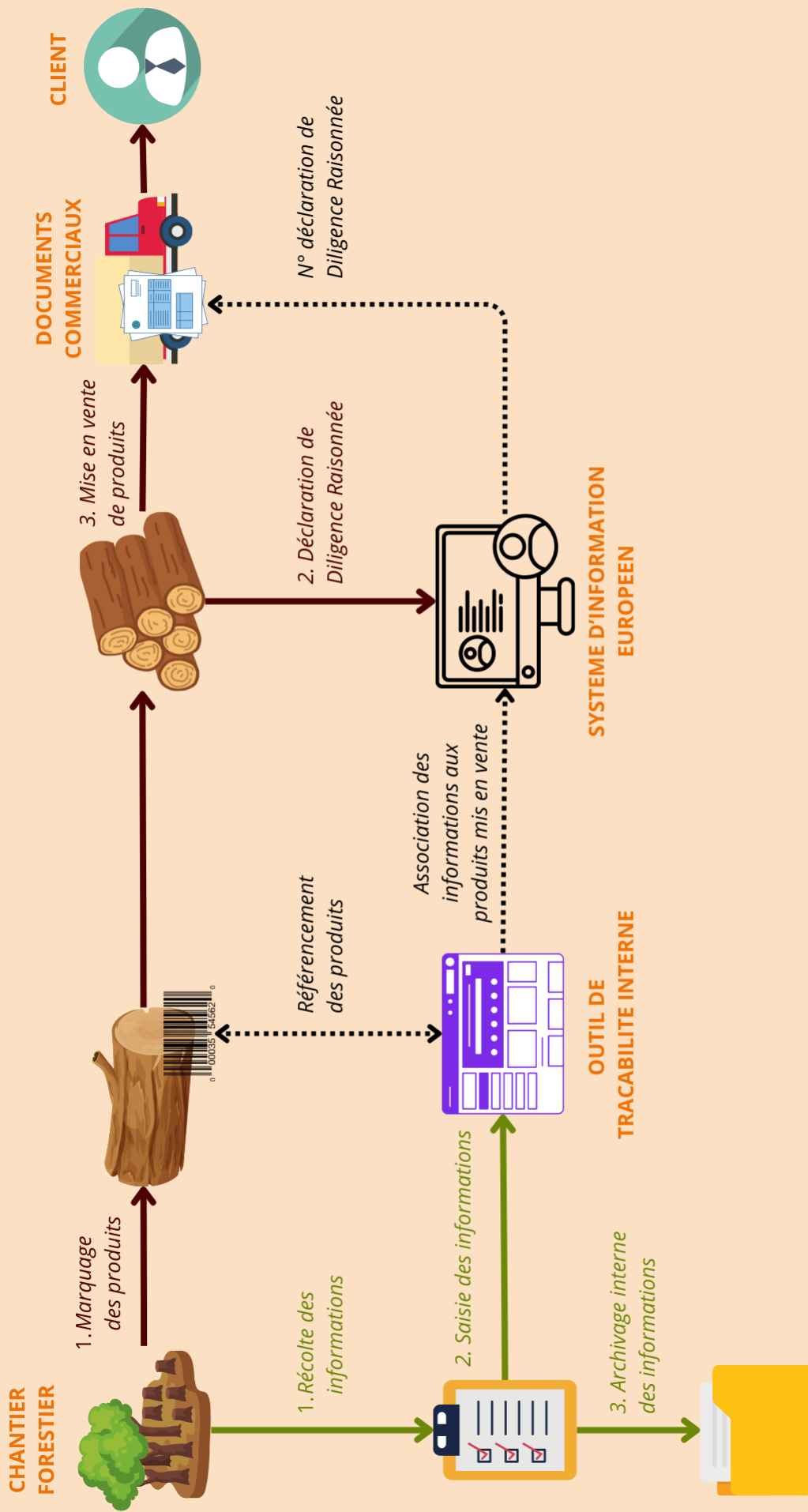


WHAT SOLUTION(S)?



To facilitate everyone's work, due diligence numbers can be entered on commercial documents (e.g. customer invoices, supplier invoices, delivery notes, etc.).

IN SHORT



→ ARE YOU READY?

- 1. Set up a tool to identify the coordinates GPS of your operating sites**
- 2. Set up or update your traceability tool**
- 3. Update your Trade Document Templates** Add a field to fill in: "Due Diligence Statement Number"



- 4. From December 2024, register on the European Information System:**
<https://webgate.ec.europa.eu>

5. Update your purchase agreement template

Add a field to fill in: " Effective Sustainable Management Document Number"
Add the following clause in the General Terms and conditions of Purchase:

"The Seller acknowledges that the Buyer is subject to certain European regulations concerning the origin and traceability of the wood it places on the European Union market, makes available on that market or exports and in particular Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR).

In this context, the Seller expressly guarantees to the Buyer the legality of the wood cuts that the latter intends to make. Similarly, the Seller expressly guarantees that the wood sold, intended for cutting, does not contribute to deforestation or forest degradation within the meaning of the RDUE. It undertakes to ensure that the parcels it owns are managed in such a way that the products derived from them are "zero deforestation" within the meaning of the RDUE.

In addition, the Seller undertakes to seek and transmit with all possible care the information that the Buyer needs to fulfill its obligations. It also undertakes to provide the Buyer with all the assistance necessary to comply with its obligations.

The Buyer cannot be held responsible for any discovery after the sale about deforestation or forest degradation – as defined by the RDUE – from which the products are derived. Accordingly, the Seller shall fully guarantee and indemnify the Buyer, without limitation of any kind and notwithstanding any limits or ceilings provided for in the Contract, for any adverse consequences. Thus, in the event of an administrative or criminal sanction, the Seller may be called in warranty and, in any case, undertakes to leave the Buyer free of any conviction or compensation paid and any costs incurred in defending his interests.



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This document is not reproducible unless approved by the FNB.

This document sets out the current knowledge available to the National Timber Federation as at 14 May 2024 on Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on making available on the Union market and exporting from it of certain commodities and products associated with deforestation and forest degradation, and repealing Regulation (EU) No 995/2010 (EUDR).