



# The EU deforestation-free regulation (EUDR):

**Reaching compliance and  
securing business continuity**



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# 01. Introduction

The EU Deforestation-free Regulation (EUDR)<sup>1</sup> entered into force in June 2023 and aims to reduce the EU's dependency on – and consumption of – products that are linked to global deforestation and forest degradation.<sup>2</sup> Transforming a market dominated by voluntary certification systems and company-specific initiatives, this regulation is a first-of-its kind effort that aims to develop transparent and comparative information on the conditions of harvesting key commodities.

The EUDR is part of a broader effort to reduce negative environmental impacts connected to supply chain activity, both within the EU and beyond its borders. It sits within the broader umbrella of the European Green Deal,<sup>3</sup> the European Biodiversity Strategy for 2030,<sup>4</sup> and the Farm to Fork Strategy.<sup>5,6</sup> Furthermore, it is part of a wider set of regulations focused on improving global value chains, which include the Corporate Sustainability Reporting Directive (CSRD),<sup>7</sup> Corporate Sustainability Due Diligence Directive (CSDDD),<sup>8</sup> Carbon Border Adjustment Mechanism (CBAM),<sup>9</sup> Battery Regulation (BATT2),<sup>10</sup> Ecodesign for Sustainable Products Regulation (ESPR),<sup>11</sup> and the Forced Labour Regulation (EUFL).<sup>12</sup>

1. Regulation - 2023/1115 - EN - EUR-Lex (europa.eu)

2. Regulation on Deforestation-free products - European Commission (europa.eu)

3. The European Green Deal - European Commission (europa.eu)

4. Biodiversity strategy for 2030 - European Commission (europa.eu)

5. Biodiversity strategy for 2030 - European Commission (europa.eu)

6. Regulation on Deforestation-free products - European Commission (europa.eu)

7. Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Text with EEA relevance). Directive - 2022/2464 - EN - CSRD Directive - EUR-Lex (europa.eu)

8. Corporate sustainability due diligence - European Commission (europa.eu)

9. Carbon Border Adjustment Mechanism - European Commission (europa.eu)

10. Regulation - 2023/1542 - EN - EUR-Lex (europa.eu)

11. Ecodesign for Sustainable Products Regulation - European Commission (europa.eu)

12. TA (europa.eu)

## EUDR in a nutshell

**Objective:** The EU deforestation-free regulation is a new European Union regulation that aims to ensure that key commodities:

- are not produced on land that has been deforested or degraded since 31 December 2020,
- are produced in accordance with the laws in the country of production.

EUDR commodities and products: cocoa, cattle, coffee, palm oil, soy, rubber, and wood), and over 300 derivatives/products made from these commodities.

### Updates to the regulation voted in EU Parliament on 3rd December 2024\*:

**Timeline:** The EU Parliament and the EU Council have reached a provisional agreement to postpone the application of EUDR to 30 December 2025 for non-SMEs and 30 June 2026 for SMEs. This agreement postpones the initial due date of 30 December 2024 for non-SMEs and 30 June 2025 for SMEs (amendment of Article 37 and 38 of (EU) 2023/1115).

**Changes in terms of substance:** the amendment to the regulation will not affect the substance of the existing rules set by (EU) 2023/1115.

*\*After a vote in the EU Parliament in 14th November 2024 to postpone the deadline of the regulation and create a new risk category, the EU Parliament and EU Council reached an agreement to keep the existing risk categories and move forward with the postponement.*<sup>b</sup>

a. Proposal for amending Regulation (EU) 2023/1115 as regards provision relating the date of application ;

b. EU deforestation law: Parliament wants to give companies one more year to comply (press release)

## 1.1 Why do forests matter for global supply chains?

The reduction of global forests is a threat to society and an imminent risk for companies. Forests have a central role in the top four global risks of the next 10 years, identified by the World Economic Forum (WEF) as: i) extreme weather events, ii) critical change to earth systems, iii) biodiversity loss and ecosystem collapse, and iv) natural resource shortages.<sup>13</sup> Without healthy forest ecosystems, our ability to maintain a healthy social and economically stable society is threatened.

Forests hold valuable resources and ecosystem services needed for human well-being and for the development of products and services. At local level, forests are critical for the provision of livelihoods, community development, and serve flourishing indigenous cultural and societal development. Globally, forests have a critical role to play in the carbon and water cycles - helping to remove CO<sub>2</sub> from the atmosphere and contributing to oxygen release.

Furthermore, forests are vital for raw materials in international supply chains. Timber and wood products and non-timber forest products - such as palm oil, soy, coffee, cocoa, etc. - are used as inputs for sectors such as construction, retail, furniture, healthcare, and many others. However, the main impact lies in the benefits and ecosystem services that forests provide to neighboring land. Climate regulation, disaster risk mitigation, soil health, and pest control are among the benefits of neighboring forests for crops such as maize, soy, and coffee. Without forest, the resilience of these crops and their ability to fulfil global demand is jeopardized.

### Checkpoint

Identifying your organization's impact

- Can you identify which resources used in your organization come from forest areas or countries with high levels of forest cover?
- Do you know where these resources are coming from (country, region, landowner, etc.)?

### 1.1.1 The EU's role in global deforestation

EU imports are among the biggest drivers of global deforestation and forest degradation. In 2017, the EU's contribution to deforestation associated with international trade was 16% of the global total, which

is equivalent to 116 million tonnes of CO<sub>2</sub> and 203,000 hectares. These numbers result in the EU being the second-largest contributor to deforestation, ranking above the USA (7%) but below China (24%).<sup>14</sup>

Recognizing this, the EU has approved the EUDR as part of an attempt to implement legislation to help reduce the impacts of biodiversity loss and greenhouse gas (GHG) emissions.<sup>15</sup> This new regulation will require any company importing or exporting specific commodities to/from the EU, or making it available on the EU market, to prove the products are deforestation-free and produced in accordance with local legislation. With this landmark regulation, the EU is shouldering its share of the international responsibility to end global deforestation and forest degradation.

With the implementation of the EUDR, the EU aims to reduce the impact of deforestation and forest degradation by 71.92 kha (equivalent to 100,728 football pitches) per year and reduce CO<sub>2</sub> emissions by 31.9 million metric tons per year.<sup>16</sup>

The impact of a delayed application of EUDR: It is estimated that the year-long delay in EUDR application could result in additional deforestation of an area equivalent to the city of Moscow.<sup>a</sup>

a. Circabc

## 1.2 Moving beyond compliance and considering business continuity and value

While regulatory changes are often managed by second-line defense functions within organizations, the EUDR demands attention and action from corporate decision-makers. The implications of EUDR represent important risks to business continuity – especially in the short-term – but also carry opportunities for business growth, for example through entry into new customer segments (in and outside of the EU).

### 1.2.1 A critical mission for business continuity

Adapting business processes to the EUDR is not simply a regulatory obligation, but a strategic necessity.

Failure to comply with the EUDR poses a significant threat to business continuity, potentially halting the export and import of vital resources, such as raw materials, to the EU market. This could severely disrupt critical supply chains, jeopardizing the availability of essential goods like pharmaceutical products and food.

13. Global Risks Report 2024 | World Economic Forum | World Economic Forum (weforum.org)

14. Stepping up - The continuing impact of EU consumption on nature worldwide

15. Proposal for a regulation of the European Parliament and of the council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/201.

16. The State of the World's Forests report 2020 estimates a global deforestation rate of 10,000 kha per year mainly driven by production of cattle, oil palm and soya (FAO, 2020). <https://www.fao.org/state-of-forests/en/>

Beyond supply chain interruptions, violations of EUDR obligations expose businesses to severe penalties, including product confiscation and fines of up to 4% of annual EU revenue (pending national legislative adoption). This represents an immediate financial risk, which could have profound impacts on the bottom line.

For businesses operating in producing countries, the inability to meet EUDR requirements may strain or sever relationships with EU customers. Meanwhile, for companies trading or making available commodities on the EU market, aligning processes with the EUDR will require a comprehensive overhaul—requiring full system integration at batch level, and a complete re-design of information flows, as well as internal and external governance structures.

### 1.2.2 The potential for business value creation

The EUDR promotes the accountability and transparency of companies and their supply chains.

At the same time, the EUDR was introduced in an economy in which deforestation-free product claims by companies were on the rise, especially in end-consumer-facing markets. Market research demonstrates that the demand for fair and environmentally responsible products is steadily rising among consumers.

A 2019 study by the International Trade Centre found that 85% of retailers in France, Germany, Italy, the Netherlands, and Spain reported increased sales of environmentally friendly products over the previous five years. Of these retailers, 65% saw growth of more than 10%. This reality incentivizes retailers to invest in sustainability and to set sustainable sourcing commitments, which 76% of the aforementioned retailers had already done.<sup>17</sup> The EUDR formalizes these market trends, aligning regulatory standards with shifting consumer expectations.

It is important to consider that the EU Commission is already conducting an assessment under the Review clause Article 34 (1) and (2) for the inclusion of other wooded land (OWL), other ecosystems (e.g., mangroves), commodities, and products, as well as new sectors (financial institutions). This evolving regulatory landscape signals that the EUDR is not just a compliance challenge, but a framework that may shape future market expectations and opportunities.<sup>17</sup>

Given the anticipated market and regulatory developments in the coming years, businesses should address immediate compliance needs with a more fundamental strategic lens that underlies in customer demand and forecasted market evolutions.

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17. Summary Record - 28th Deforestation Platform meeting



## 02. “Ins and outs “of the EU Deforestation-free Regulation

The EUDR sets strong mandatory due diligence duties for companies. Its objective is to ensure that companies that make available in the EU market the in-scope commodities and/or derivatives/products must ensure that they:

- are not produced on land that has been deforested or degraded since 31 December 2020, *and*
- are produced in accordance with the laws in the country of production, including land use, environmental protection, labor rights, indigenous communities’ rights, corruption, etc.



The EUDR targets seven commodities (cocoa, cattle, coffee, palm oil, soy, rubber, and wood), and a large list of over 300 derivatives/products made from these commodities, including chocolate (cocoa), leather (cattle), industrial fatty alcohols and glycerol (palm oil), and pneumatic tires (rubber).

Companies importing or trading these in-scope commodities and derivatives/products are required to ensure that the objectives of the regulation are met, via the preparation and submission of EUDR Due Diligence Statements. Due Diligence Statements should be submitted to the member state EUDR authority based on batch level information.

Due Diligence Statements (DDS) should include the following information:

**1. Source of production:** Gather details such as product specifics, supplier data, and evidence of legal compliance, including geolocation coordinates of production sites. These data points should allow the relevant authorities to visualize and ensure production practices are deforestation-free and legal.

**2. Risk assessment:** Assess and identify actual and potential risks on deforestation and violation of legality in the country of production (aligned with EUDR Art. 10).

**3. Risk mitigation measures:** If risks are defined above negligent risk, define how they will mitigate the identified risks to achieve a zero - or negligible - risk level.

These declarations of due diligence must be submitted to the national authorities before relevant products are placed on the market or exported. Penalties for non-compliance with the EUDR include fines which can amount to 4% of EU annual turnover; confiscation of products and revenue; prohibition from commercial activities within the EU; and exclusion from public tenders.

*Traceability to the point of origin is a critical component for the EUDR. The regulation indicates that all commodities, derivatives, and products applicable to the EUDR under Annex I should be traceable all the way to the plot of land using geolocation data (coordinates using at least six decimal digits). Geospatial requirements for plots of land of different sizes vary as follows:*

### Plots of land of four or less hectares:



One only point of geolocation

### Plots of land of more than four hectares:

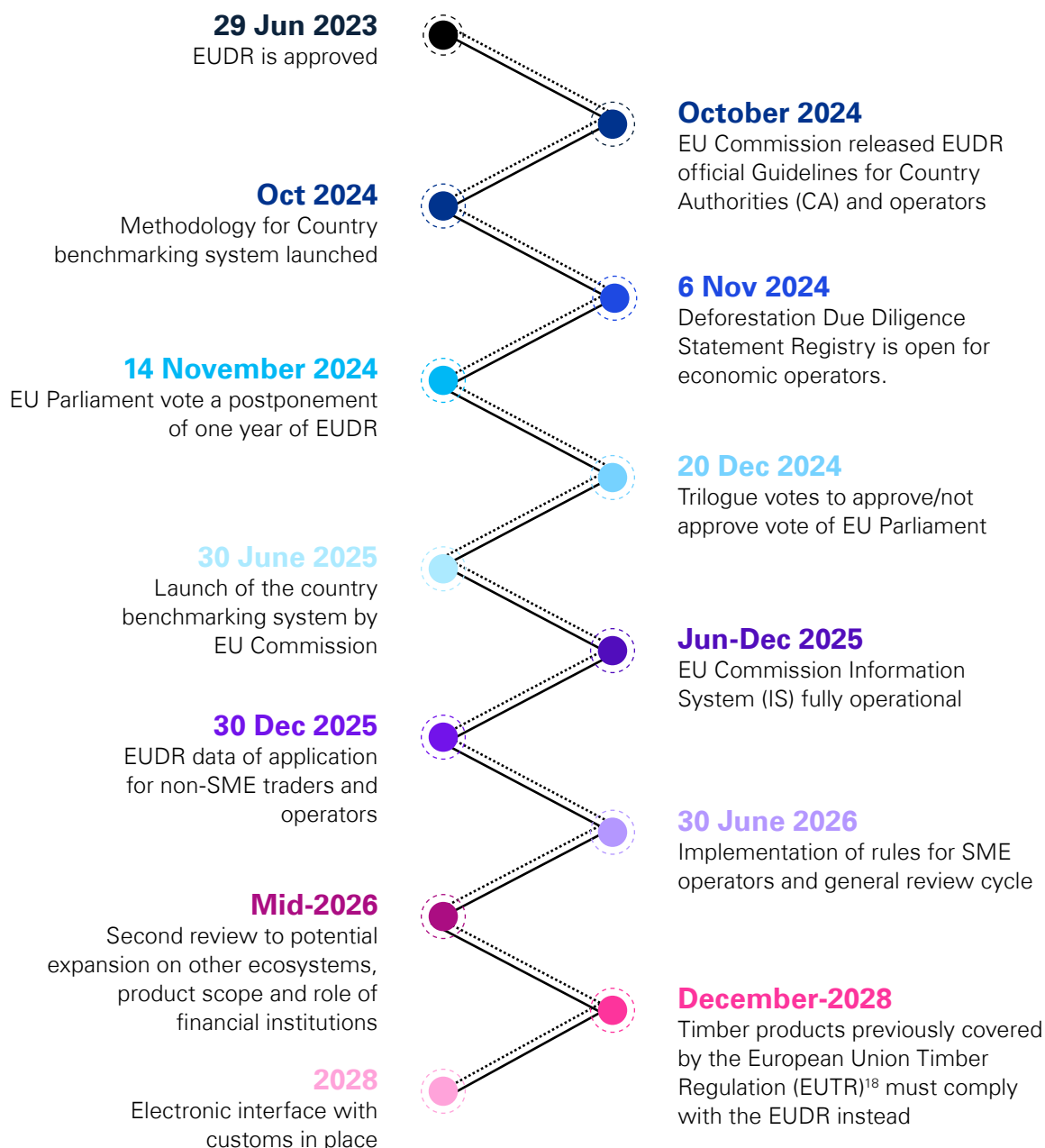


Polygon of geolocation delineating the complete shape and size of the harvesting areas.

The need for full traceability means that mass balance chains of custody, which allows the combination of EUDR products with other products from unknown origin, is not allowed under EUDR.

Commodities placed and made available on the EU market, or exported from it, need to be segregated between commodities of unknown origin and from EUDR commodities at every step of the supply chain.

## Timeline:



## Checkpoint

How ready is your organization for EUDR Due Diligence?

- Do you have an overview of your company's raw materials, derivatives, or products in scope of the EUDR?
- Do you have robust due diligence processes in place for risk assessment and risk mitigation?
- Do you have tech/tools in place to fulfil the traceability and risk assessment requirements efficiently?
- Do you know which functions of your organization will need to work together to compile the due diligence statements?
- Do you already have the right talent and governance structure in your organization to manage a comprehensive approach to EUDR compliance process?
- Are you collaborating with your supply chain partners to prepare for information exchange and due diligence processes?

18. The European Union Timber Regulation (EUTR) is a regulation which aims to counter illegal logging and associated trade in timber and timber products in the member states of the European Union. It entered into application in 2013 and will be repealed when the EUDR enters into application.

## 2.1 Overview of relevant commodities and relevant products

The key commodities cited under the EUDR were chosen based on a thorough impact assessment, identifying them as the main drivers of deforestation and forest degradation from agricultural expansion. Derived from the seven commodities in scope of the EUDR, there are specific derivatives and products that are also in scope of the regulation (e.g., chocolate) and other derivatives and products that fall outside of it (e.g., clothing accessories made from leather).<sup>19</sup>

Products not included in the Annex I of the EUDR are not applicable to the regulation and therefore are not subject to due diligence obligations, even if they contain relevant commodities in scope of the

regulation. For example, soap will not be covered by the regulation, even if it contains palm oil. This underlines the importance of knowing which products are listed or not as it influences the regulation's applicability.

The Annex I of the regulation contains a detailed list of derivatives and relevant products in scope of the EUDR for each commodity. However, the list does not include products which are not in scope, which is generating multiple questions for companies defining their tariff code applicability. Below is an example of tariff code numbers that are 'in scope' and 'not in scope' for palm oil:

### Palm oil derivatives in scope of EUDR

In scope	
Customs tariff number	High-level description
1207 10	Palm nuts and kernels
1511	Palm oil and its fractions, whether or not they are refined - but not chemically modified
1513 21	Crude palm kernel and babassu oil and fractions thereof, whether or not they are refined - but not chemically modified
1513 29	Palm kernel and babassu oil and their fractions, whether or not they are refined - but not chemically modified (excluding crude oil)
2306 60	Oilcake and other solid residues of palm nuts or kernels, whether or not they are ground or in the form of pellets - resulting from the extraction of palm nut or kernel fats or oils
ex 2905 45	Glycerol, with a purity of 95 % or more (calculated on the weight of the dry product)
2915 70	Palmitic acid, stearic acid, their salts and esters
2915 90	Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding formic acid, acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic acids, pentanoic acids, palmitic acid, stearic acid, their salts and esters, and acetic anhydride)
ex 4101, ex 4104	Stearic acid, industrial & Oleic acid, industrial
ex 4107	Industrial monocarboxylic fatty acids; acid oils from refining (excluding stearic acid, oleic acid, and tall oil fatty acids)
3823 70	Industrial fatty alcohols

Example NOT in scope	
Customs tariff number	High-level description
3401	Soap (including palm oil)
38260000	Biofuels (including palm oil)

**Products produced inside the EU are subject to the same requirements as products produced outside the EU.**

<sup>19</sup>. FAQ – EU Deforestation Regulation (2023).

The EUDR categorizes relevant stakeholders as:

Company category	Avg. headcount during fiscal year	Net turnover	or	Balance sheet total
Micro	< 10	≤ EUR 900k		≤ EUR 450k
Small	< 50	≤ EUR 10m		≤ EUR 5m
Medium	< 250	< EUR 50,000,000		< EUR 25,000,000

**\*SME's are categorized by fulfilling 2 of the 3 criteria.**

Pursuant to Article 3(1) or (2) of Directive 2013/34/EU: EUR-Lex – 02013L0034-20240528 – EN – EUR-Lex (Europa.eu)

- **Operators** – Stakeholders who first place relevant products on the EU market.<sup>20</sup>
- **Traders** – Stakeholders who make available on the EU market relevant products on the EU market, passing products from the operator to its customer.

If not completed in a prior step in the value chain, companies acting as operators are subject to full due diligence obligations, regardless of their size. However, downstream operators that are SMEs (not first importer), are allowed to exercise a simplified due diligence process.

For both, the level of EUDR obligations varies depending on their position along the value chain and whether they are considered small and medium-sized enterprises (SMEs)<sup>21</sup> or not.

### Operators' Obligation:

It is important to note that there are two types of Operators:

- Operators: companies that are first to import or export products in the EU market.
- Downstream operators: companies that transform one of the listed products of Annex I into another product of Annex I (hence placing the new product in the EU market for the first time).

### Traders' Obligation:

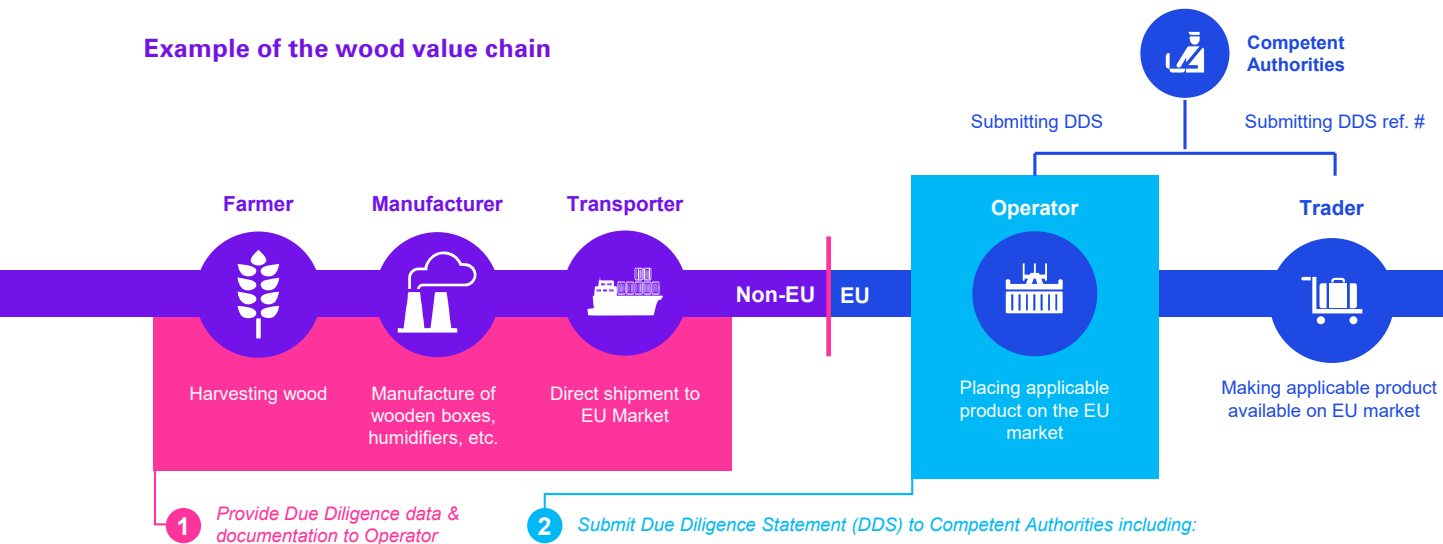
Traders’ — including retailers — level of obligation varies depending on whether they are SMEs or not. An example of the wood value chain, which includes each stakeholder’s level of obligation, can be found on page 10. Here, the importer (first operator) within the EU market must fully comply with the EUDR requirements, while the distributor (trader) has a simplified obligation that relates to referring to the Due Diligence reference number of the prior operator. The trader must however, check the robustness of the information within the Due Diligence provided by the importer.

## 20. FAQ – EU Deforestation Regulation (2023).

21. Factsheet for SMEs - European Commission ([europa.eu](https://european-commission.eu))



## Example of the wood value chain



### Due diligence data & documentation

### 2.1 Information requirements

Collect information, documents, and data which demonstrate that the relevant products comply with Article 3.

### 2.2 Risk assessment

Assess risk of non-compliance by a set of specific risk criteria in Article 10.

### 2.3 Risk mitigation

When the risk assessment reveals risks, adopt risk mitigation procedures and measures:

- Additional documentation
- Independent surveys
- Audits

### 2.4 Submit DDS

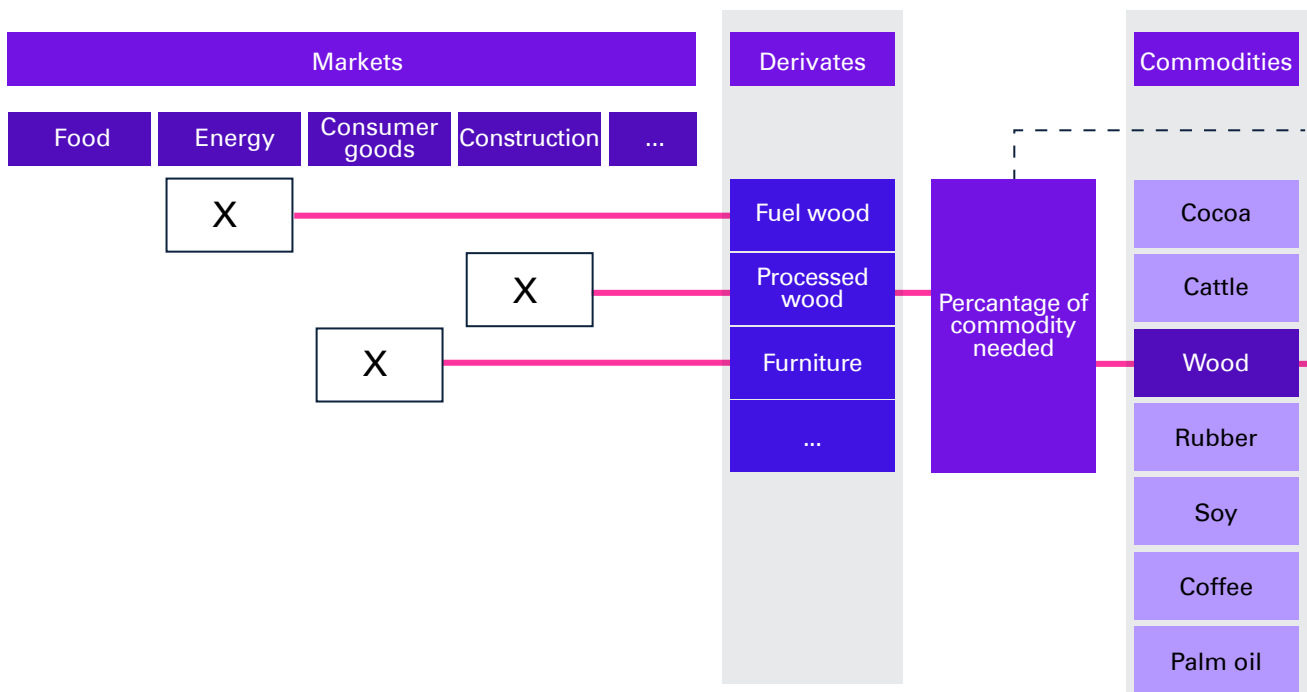
After information has been collected, the risk(s) have been assessed, and mitigation documented (where needed), the company shall submit the DDS to the Competent Authorities and provide DDS ref. # to Traders.

This emphasizes the importance of collaboration and information sharing among stakeholders along the value chain.

## 2.3 Affected markets and key sectors

As the EUDR covers a wide range of commodities and relevant products, there will be implications across markets and industries. For example, the energy, consumer goods, and construction markets rely on wood for the development of multiple different products.

However, some key sectors have a high probability of being impacted by the regulation and these should be carefully considered.



## Consumer and retail

The consumer and retail sector trades with a wide range of products, many of which are directly or indirectly linked to commodities covered by the EUDR. These commodities include cattle, cocoa, coffee, palm oil, rubber, and soy, as well as derived products like meat, chocolate, palm oil and its derivatives, and soybeans. This broad range of products means that many companies in the sector will need to assess and potentially adjust their entire product offering to comply with the regulation, making this sector a focal point for EUDR compliance.

Similar to the agriculture and livestock sector, consumer and retail companies often have complex, globalized supply chains involving multiple suppliers, manufacturers, distributors, and retailers in different countries and regions. The complexity and opacity of some supply chains can make it difficult to align operations with the new requirements under EUDR.

## Agriculture, livestock, and forestry

Agriculture and livestock activities are among the leading drivers of deforestation and forest degradation globally, particularly in tropical regions where these commodities are predominantly produced. For this sector, the indirect and direct applicability to EUDR is a relatively straightforward process. However, there are other more present challenges, such as developing end-to-end traceability and legal alignment in production processes.

## Automotive

Although the automotive sector has invested heavily in electrification and sustainable metals, actions to halt deforestation due to key commodity use has been overlooked. There are two main commodities driving EUDR applicability in the automotive sector: rubber and cattle (leather). Tires, leather seats, and the use (during manufacturing) of palm oil derivatives, should all be considered when defining EUDR impact of companies operating in this sector.

## Chemicals, pharmaceutical and manufacturing

Some less obvious sectors impacted by EUDR are the chemical, pharmaceutical, and manufacturing sectors. These sectors are affected mostly due to derivatives of palm oil such as glycerol, industrial fatty alcohols (industrial acids), etc. that are applied during the manufacturing of pharmaceutical solutions (e.g., Water-in-Oil [W/O emulsions for vaccines]), chemical products, and during the use of industrial equipment.





## 03. Challenges towards EUDR compliance

There are several challenges experienced by the private sector on the journey towards compliance, which include:

Challenge	Our recommendation
<b>Applicability uncertainty:</b> companies may face legal risks due to misinterpretation or incomplete understanding of the regulation's requirements.	Legal interpretation is critical to clarify "gray zones" in terms of applicable derivatives, stakeholder qualification in different business units/products and overall requirements.
<b>Scale and speed of compliance:</b> the short period for the EUDR's entry into force and the difficulty to engage in the end-to-end compliance journey might lead to a lack of understanding of the urgency to act, with a late reaction and allocation of resources from top management.	Engage in a rapid and comprehensive "no regret actions" response approach to ensure a timely and accurate shift in processes, technologies, and supplier relationships. Pragmatism, flexibility, and agility should be at the core of the actions to be taken by companies. "Which are the actions that have to be activated in the short-mid and long term to reduce risk and increase compliance?"
<b>Traceability of global supply chains and data flows:</b> there is a need for reliable data sources and information flow from the source (harvesting site) to product placement in the EU. Incomplete or inaccurate data along the supply chain can create information gaps, hindering the ability to provide verification about the deforestation-free status of products.	Undertake a complete mapping of your supply chains, understanding gaps, critical steps, and blockers. Implement data collection and advanced traceability technologies and activate close collaboration with stakeholders for validity and reliability of data.
<b>Shifts in internal governance:</b> sustainable procurement regulations often require different skills and governance re-design across functions.	Ensure the appropriate frameworks to ensure a comprehensive shared ownership of different departments towards fulfilling EUDR compliance. Engage internal awareness and training and onboard different departments and levels of the organization in the EUDR governance structure.
<b>Certification use:</b> companies are expected to go beyond product certification. According to the regulation, deforestation-free certification can act as supporting evidence but cannot replace the company's due diligence duties and liability in case of information inaccuracy.	Clearly define, based the company's gaps towards EUDR compliance, in which areas of the end-to-end journey a certification scheme can support the process and which areas it does not. This should be done on a case-by-case basis.

In addition to the overarching challenges displayed above, there are commodity-specific challenges and country-of-origin specific challenges that should be considered. For example, the nature of supply chains in smallholder-based commodities - such as coffee and cocoa - are different to the challenges of large-scale/industrial farming and forestry, such as wood. Similarly, challenges to access reliable data may vary depending on sourcing countries.

### **3.1 Leaving No-One behind (LNOB) and implementation challenges**

In addition to the procurement and supply chain challenges, experts are raising questions on the Environmental, Social, and Governance (ESG) implications of the EUDR in producing countries. A report by the Institute for European Environmental Policy points out that the EUDR and other supply chain regulations due diligence requirements place greater barriers to market entry for smallholders who don't have the financial and technological means for compliance.<sup>22</sup> The same report recommends that the EU includes clauses for preferential sourcing from smallholders as well as financial support and technological guidance. This recommendation supports the principle of Leaving No-One Behind (LNOB), as proposed in the 2030 Agenda of the UN Sustainable Development Goals (SDGs) and adopted by the EU.

Deepening the potential issues in the implementation of EUDR is the critical need for reliable and accurate data sources on forests and legal/illegal deforestation by EU competent authorities and EU operators. Without accurate geospatial maps, company-based and member state decision-making may lead to unfair exclusion of suppliers from the market.

The potential delay of the implementation of the EUDR by 12 months provides a welcome reprieve during which time producers and producing countries can continue their efforts on data collection and nation-wide programs for data flows. However, it is important to highlight that this delay will not change the underlying issue for LNOB. Regardless of the timeline, requirements will be pushed along the supply chain and knowledge and resource needs will increase for the ultimate stakeholder in the chain.

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22 . Environmental and social impacts embedded in EU trade policies (ieep.eu)





## 04. KPMG's approach to guiding you through the EUDR

KPMG is supporting organizations across sectors and commodities in understanding their EUDR compliance obligations and how to prepare for them.

We have a network of global EUDR and commodity-specific experts to assist companies in understanding the policy evolution in sourcing and trading countries, to help optimize business decisions in the context of the EUDR and other supply chain legislation. Our multidisciplinary approach and global reach allow us to support companies with their supply chain visibility and engage with suppliers and legislative considerations across countries.

Understanding that EUDR challenges are specific to each organization's supply chain, commodities, and level of maturity, we tailor our approach to efficiently and effectively support our clients' particular needs and assist with their overarching obligations under this regulation.

Following our three-step approach towards EUDR compliance, our multi-disciplinary team of experts is ready to assist you across supply chain, tax and legal, customs, human rights, and deforestation considerations across sectors.

### Your readiness to EUDR

Deforestation impacts are already considered in our organization's sustainability/ESG strategy.

My company is aware of the applicable EUDR commodities/derivates/products, the level of obligation for each of these, and checks this list regularly where necessary.

My company has a clear EUDR governance system in place.

My company has a clear and complete overview of its supply chain(s) and knows the countries of sourcing of its applicable products.

My company already has traceability data to the plot of sourcing land.

My company already does regular due diligence on labor and human rights in our supply chains.

My company has a whistleblower/reporting system to track and address violations.

My company understands the applicable regulations in the countries of sourcing that are relevant for EUDR compliance.

My company has supplier agreements in place that require suppliers to commit to no deforestation and no degradation of land.

My company has systems in place to ensure that third parties', indigenous, and labor rights are aligned with national and international legislation and agreements.

# How can we help ?

We are ready to support your EUDR journey towards compliance:

## Determine the extent to which you are impacted by EUDR

### Impact assessment:

- Scope brands, product, and derivatives subject to EUDR
- Identify degree of value chain visibility
- Define gaps for EUDR compliance
- Develop EUDR roadmap towards compliance

# 01.

## Current state analysis

# 02.

## Assess and design processes

## Design the processes and framework for the EUDR journey

### Design EUDR Target Operating Model (TOM) and Due Diligence processes:

- Develop/adapt risk assessment framework
- Define measures to cease, prevent or mitigate human rights and environmental risks
- Design external and internal stakeholder engagement strategy

Engage technology screening and select provider

## Support the end-to-end deployment of technology and expert support from EUDR compliance

### Impact assessment:

- Integrate selected technology with internal and external processes
- Engage suppliers for appropriate data gathering
- Roll-out of identified risks
- Set-up complaints system
- Prepare and submit due diligence statements

# 03.

## Implementation support

Reach out to us for a tailored approach to your business and supply chain needs.

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