

DELOITTE TECHNOLOGY SOLUTIONS

Navigating the European Deforestation
Regulation for a Greener Future

TrackonTrade

The European Deforestation Regulation

Combating deforestation and forest degradation associated with products placed on the EU market.

Understanding the European Deforestation Regulation and its impact

The European Deforestation Regulation (EUDR) is a key legislative initiative focused on combatting deforestation and forest degradation linked to the EU's consumption of various commodities. Rooted in the EU's commitment to sustainability, the regulation aims to ensure that products entering the EU market do not contribute to forest destruction, promoting responsible sourcing practices and enhancing market integrity.

Targeting key commodities shown below, the EUDR imposes stringent requirements on importers and producers to create a transparent supply chain. Companies must demonstrate that their commodities are produced in compliance with relevant environmental standards, without contributing to deforestation directly or indirectly. The regulation not only fosters sustainability but also incentivises organisations to adopt responsible practices throughout their operations.

Navigating EUDR compliance through innovative solutions

Additionally, the EUDR responds to growing consumer demand for sustainability and ethical sourcing. As awareness of deforestation and its impact on climate change rises, consumers increasingly seek responsibly sourced products. By aligning with the EUDR, organisations can not only enhance their reputations, but also meet the expectations of consumers, investors, and regulators alike.

As businesses navigate the complexities of EUDR compliance, innovative solutions are essential to simplify the process and ensure adherence to regulatory requirements. Advanced compliance platforms offer automated solutions that streamline the documentation, tracking, and reporting processes, ensuring organisations submit a DDS for each product in scope, confirming that the products are *deforestation-free* and in line with relevant legislation from the country of production.

Solving complex regulatory challenges requires modern approaches. New digital technologies will pave the way for trade organisations to stay on top of their regulatory game and avoid penalties.

EUDR non-compliance can have severe consequences for organisations, including potential fines of around 4% of their EU turnover. Additionally, without a Due Diligence Statement (DDS), goods may be detained and not released by Customs, leading to significant disruptions in supply chains and operational inefficiencies. To mitigate these risks and ensure compliance, organisations must leverage proven solutions that streamline the necessary processes and documentation.

The DDS Manager by Deloitte is designed to assist organisations in navigating the complexities of EUDR compliance. By automating key processes such as supplier solicitation, DDS management, and reporting, The DDS Manager simplifies the compliance journey, ensuring that businesses can demonstrate adherence to EUDR without unnecessary manual effort. This innovative platform empowers organisations to maintain DDS obligations in their supply chains and effectively manage their sustainability commitments.

EUDR Scope - List of commodities (and some derived products)



Palm oil



Coffee



Cocoa



Soy



Wood



Rubber



Cattle



Introducing the DDS Manager for EUDR

Empowering your organisation with a sustainable trade solution for regulatory compliance.

The DDS Manager is a compliance platform built on 20+ years of customs automation experience, designed to streamline the complexities of trade, regulatory and customs management.

Proactive compliance management

The EUDR aligns closely with TrackonTrade's capabilities, as the platform facilitates comprehensive trade compliance, solicitation capabilities and documentation of product origins, ensuring compliance with stringent sustainability standards. Integrating EUDR requirements on the platform to create the DDS Manager empowers businesses to not only meet legal obligations but also enhance their overall supply chain transparency.

Functionalities to navigate the EUDR landscape

The DDS Manager offers organisations automated compliance checks, risk assessment support, enhanced supplier solicitation, real-time monitoring, and streamlined reporting. These features greatly reduce administrative burdens and boost efficiency, enabling firms to focus more on core activities without compromising sustainability.

Deployment options
Based on your organisations needs we can find the best way to implement the DDS Manager.

On-Premise

Run operations (with API integration), with Deloitte providing setup guidance and technical support where needed.

Managed Service

Allow in-house trade and sustainability experts to deliver outsourced Due Diligence Statement management.

High-level overview

Client operational systems

The DDS Manager for EUDR

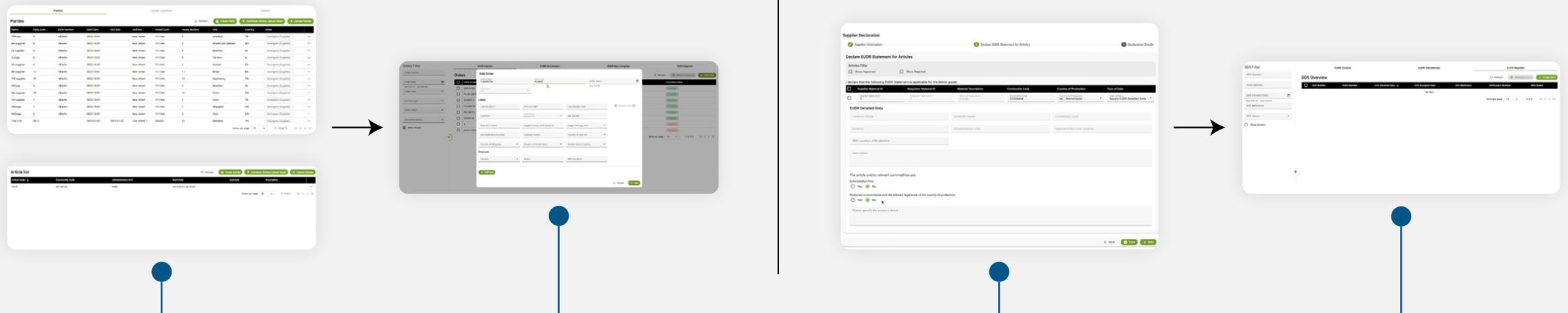
European Union Information System

Transaction Number	Transaction Type	Transaction Date	Status
1000000001	Import	2024-07-19	Completed
1000000002	Export	2024-07-19	Completed
1000000003	Import	2024-07-19	Completed
1000000004	Export	2024-07-19	Completed
1000000005	Import	2024-07-19	Completed
1000000006	Export	2024-07-19	Completed
1000000007	Import	2024-07-19	Completed
1000000008	Export	2024-07-19	Completed
1000000009	Import	2024-07-19	Completed
1000000010	Export	2024-07-19	Completed



Core functionalities

Below you can find some of the functionalities present within the DDS Manager.



Article and supplier set-up for EUDR validation based on HS code and to prepare for solicitation of missing data.

Order entry to validate EUDR information requirements against data base (manual or API).

Supplier solicitation to request for missing data and to confirm deforestation free and produced in line with local legislation.

Central EUDR Dashboard of Due Diligence Statements, which can be easily exported or shared with external parties.

Add-on: Risk assessment

Boost EUDR compliance with our AI-powered risk indicator. It automates initial risk checks by analysing sourcing location, supplier profiles, and local legislation. This enables faster, more accurate identification of risk areas, helping you focus resources effectively and ensure ongoing regulatory compliance with minimal manual effort.

Client success stories

Highlighting the value we have helped our clients gain during past EUDR projects.



Client: Global electronics manufacturer

A leading global electronics manufacturer faced challenges with EUDR at its European Distribution Centre (EDC) and aimed to improve compliance and efficiency with EUDR.

Outcome:

Created a standard procedural framework, including use of customs facilities, to assure EUDR compliance. This in combination with a standard model to obtain relevant EUDR information from suppliers taking into account risk assessment obligations.

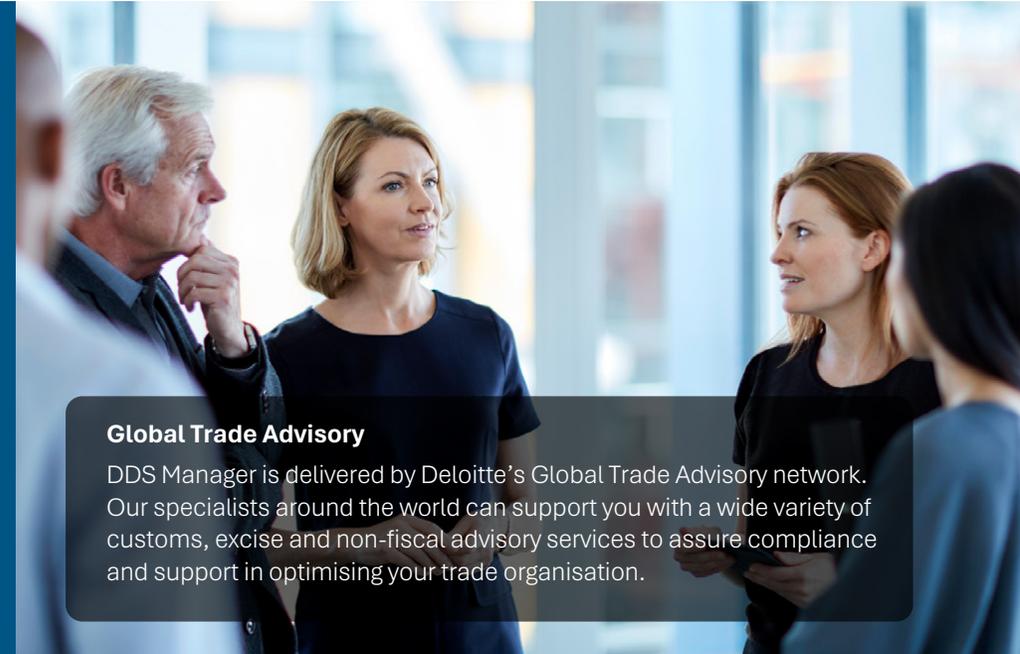


Client: Global publisher

Given the changing regulatory landscape and obligations under EUDR, a global publisher required urgent support to create a lean set-up for EUDR go-live.

Outcome:

Assessment of EUDR compliance obligations, resulting in a blueprint of future proof EUDR set-up, including vendor selection and managed service set-up as fallback for full implementation.



Global Trade Advisory

DDS Manager is delivered by Deloitte's Global Trade Advisory network. Our specialists around the world can support you with a wide variety of customs, excise and non-fiscal advisory services to assure compliance and support in optimising your trade organisation.

Let's explore opportunities for your organisation.

Staying compliant is crucial for your organisational success. As the regulatory landscape evolves, now and in the future, our innovative solutions will help support you to effectively overcome these challenges.



Jaap van de Vlasakker

Director - Tax & Legal

+31 (0)6 109 990 86

jvandevlasakker@deloitte.nl

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