European Union Deforestation Regulation - EUDR

The European Union Deforestation Regulation (EUDR) is intended to minimise global deforestation and forest degradation through ensuring that all relevant products placed on the EU market or exported outside the EU are deforestation-free.

Wood is one of seven commodities within the scope of the regulation and pulp, paper, board and printed products are within scope as woodderived products. All relevant products must meet three key requirements:

• Originate from lands not subject to deforestation after 2020

Produced in accordance with local legislation

- Covered by a due diligence statement (DDS), including: –Information requirements
 - -Risk assessment
 - -Risk mitigation actions

The EUDR entered into force on the 29th June 2023 and the requirements were originally due to apply to products placed on the EU market or exported outside the EU from the 30th December 2024. The EU has since formalised a 12-month phasing in period for the regulation to become applicable for large and medium sized companies from 30th December 2025, and for smaller organisations from 30th June 2026.

As a printer based outside the EU, Clays have no legal status in the EUDR however will need to provision EUDR-related information to enable our publishers and the further downstream supply chain to comply when placing books manufactured by Clays on the EU market or exporting outside the EU



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Whilst Clays are committed to the principles of sustainability and support the objectives of the EUDR, we recognise the inherent challenges in EUDR traceability and welcome the 12-month extension to ensure the requirements are implemented in an effective manner. To this end, we are proactively taking steps to embed the supporting systems necessary for EUDR compliance across our production processes and our wider supply chain:

•Supplier management: We uphold strong relationships and audit procedures throughout our supply chain, with existing tracking systems in place to each of our paper mills. Towards the compliance deadline, we are working closely with our paper suppliers to convey the requirements of the EUDR and establish interfaces to transfer the relevant information.

•Internal tracking: We are developing our internal systems to track the flow of incoming materials and provenances throughout our manufacturing processes to assign EUDR information at product level.

•Publisher engagement: We are continuing to engage with our publishers to coordinate our approaches to compliance and set up links to transmit EUDR-related information, whilst ensuring transferability to the EU Traces information system.

•Industry collaboration: We are working with multiple industry-wide forums including the British Printing Industries Federation (BPIF), Publishers Association (PA) and the Book Chain Project, to build a harmonised approach to EUDR compliance across the book industry supply chain.



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Given the complexity of the regulation, we advise our customers to seek secondary guidance to understand the compliance requirements for the EUDR.

Legislation: <u>Regulation - 2023/1115 - EN - EUR-Lex (europa.eu)</u>

Guidance and FAQs: <u>Deforestation Regulation implementation - European Commission</u> (europa.eu)

EUDR and FSC | Forest Stewardship Council UK Book Chain Project – EUDR guidance is available to all member organisations

