



papiNet® is ready for the EU Deforestation Regulation

Go ahead,

amend your papiNet documents with EUDR data!

NEW Additional support provided in the 20241010 Build

December 16, 2024

The papiNet® standard provides dedicated elements to support the challenging EU Deforestation Regulation

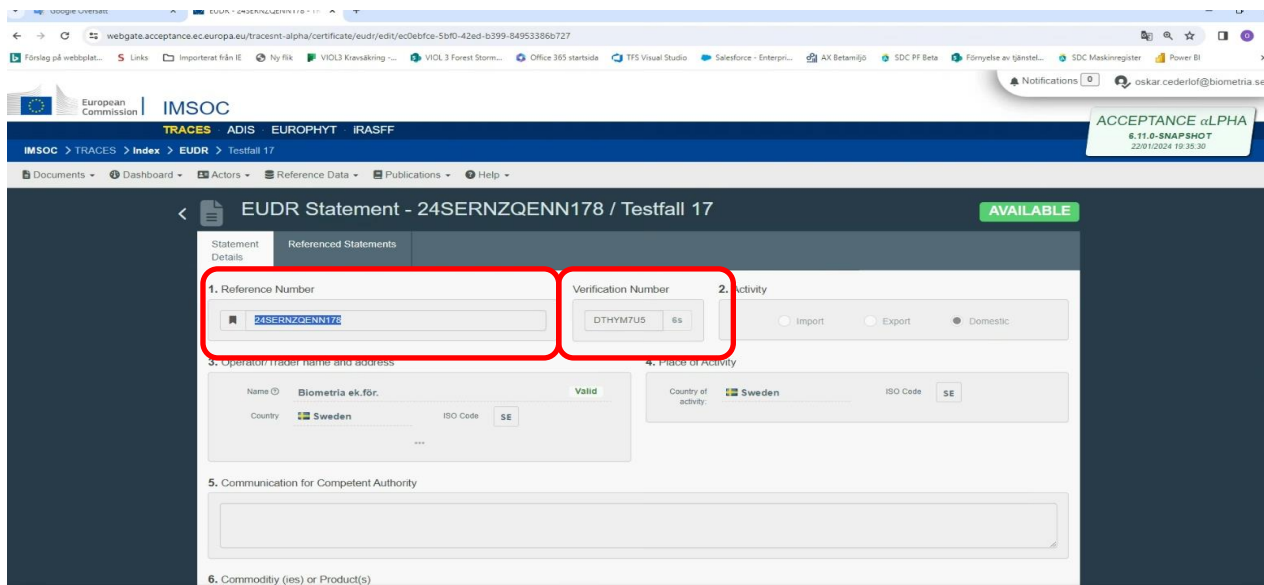
- Reference number of the EUDR Due Diligence Statement**
- Verification number of the EUDR Due Diligence Statement**
- European EORI* number of business parties, as PartyIdentifierType**
- NEW PackageInformation for paper and WoodX business supports EUDR data**
- NEW Harmonised System Code to show classification of relevant Products**
- NEW Attribute DeforestationNotApplicable, stating that EUDR does not apply**

What is the EU Deforestation Regulation?

- The regulation (EU) 2023/1115 is in force since June 2023.
- Any company that places a product on the EU market must perform Due Diligence for each product, if it was manufactured using a relevant commodity
- Relevant commodities: Wood,
Cattle, Cocoa, Coffee, Oil palm, Rubber and Soya
- E.g roundwood logs, wood chips, pulp, paper, board, books, wooden furniture, ...
- From the *date of application* indicated in the regulation, each company that places non-compliant products on the EU market may be imposed heavy penalties
- Due Diligence must be performed prior to placing the product on the market.
- A signed Due Diligence Statement must be entered in the EU info system "TRACES"
- TRACES assigns each saved DDS a unique 14-character **Reference Number**.
- Each DDS is also assigned an 8-character **Verification Number** by TRACES

TRACES – the EU Information System for EUDR

- <https://webgate.acceptance.ec.europa.eu/tracesnt-alpha/login>



- It is possible to manually enter Due Diligence Statements into TRACES using its web GUI
- Each DDS is assigned a unique Reference Number by TRACES, as the DDS is saved
- The EU commission has also launched APIs that can be used with TRACES

The DDS Verification Number

- ✓ Each Due Diligence Statement is given a Verification Number when the DDS is saved in TRACES
- ✓ It is an access key to read the Due Diligence Statement – similar to a password
- ✓ If one knows the Reference Number and the Verification Number of a statement, it is possible to read data of this Due Diligence Statement in the TRACES system.

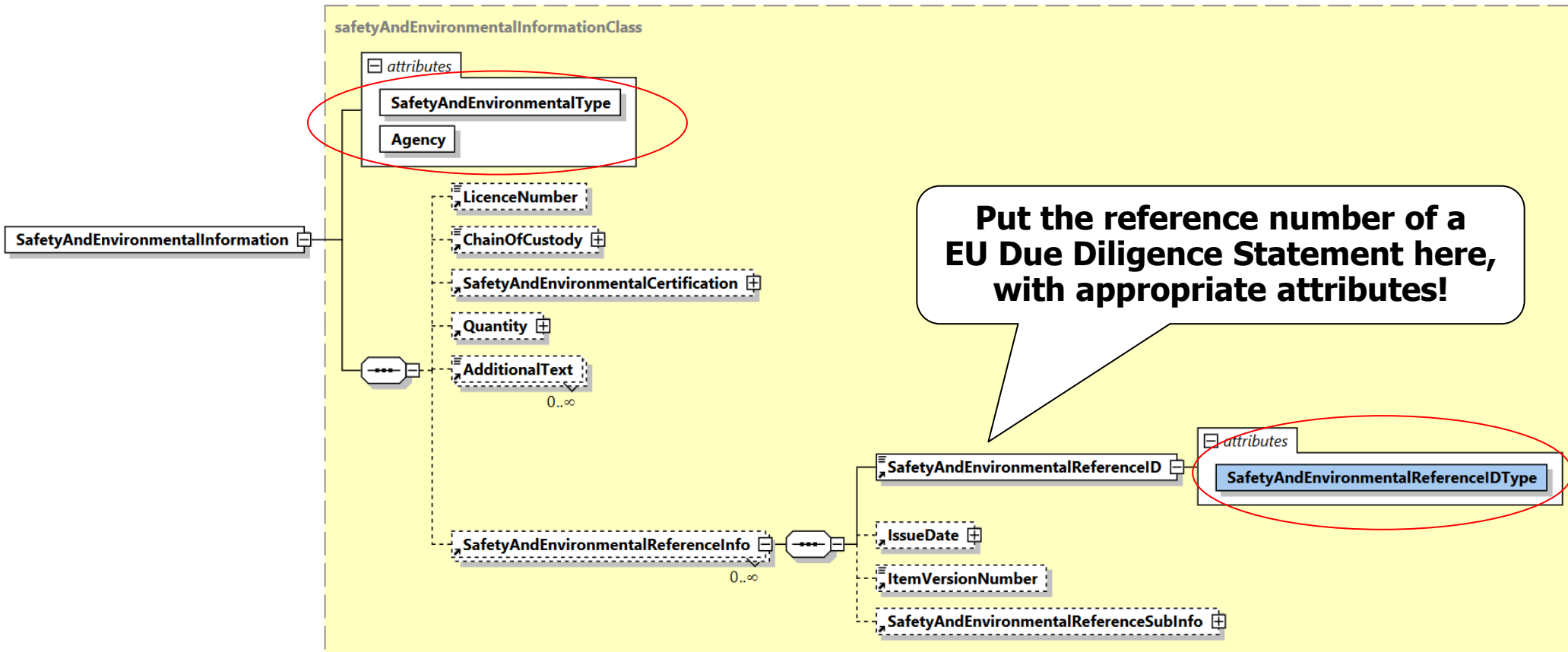
EUDRDueDiligenceStatementReferenceNumber in papiNet

- ✓ The unique reference number of a due diligence statement registered in the information system of the EU Commission, as mandated by the EU Deforestation Regulation. It is assigned by the EU information system as the due diligence statement is created in the system.
- ✓ It can be included in papiNet e-documents since schema Build 20240321 published April 2024.
- ✓ The construct SafetyAndEnvironmentalInformation was then amended to include it.
- ✓ It is provided as a SafetyAndEnvironmentalReferenceID with the attribute SafetyAndEnvironmentalReferenceIDType = EUDRDueDiligenceStatementReferenceNumber

Schema design of SafetyAndEnvironmentalInformation

SafetyAndEnvironmentalType = Deforestation
Agency = EU

SafetyAndEnvironmentalReferenceIDType = EUDRDueDiligenceStatementReferenceNumber



Sample of EUDRDueDiligenceStatementReferenceNumber in a SafetyAndEnvironmentalInformation

- ✓ Suppose one wants to include a fictitious reference number **24FR1234567890**
 - Then SafetyAndEnvironmentalReferenceInfo must be used in the document
- ✓ Suppose one does NOT want to provide the corresponding verification number
 - One then skips SafetyAndEnvironmentalReferenceSubInfo
- ✓ An example of how this piece of data is provided in a papiNet document:

```
<SafetyAndEnvironmentalInformation SafetyAndEnvironmentalType="Deforestation" Agency="EU">
  <SafetyAndEnvironmentalReferenceInfo>
    <SafetyAndEnvironmentalReferenceIDSafetyAndEnvironmentalReferenceIDType="EUDRDueDiligenceStatementReferenceNumber">24FR1234567890</SafetyAndEnvironmentalReferenceID>
    <!-- N.B. The EUDR reference number provided in this sample snippet is fictional and is not an actual reference provided by the EU information system. -->
  </SafetyAndEnvironmentalReferenceInfo>
</SafetyAndEnvironmentalInformation>
```


EUDRDueDiligenceStatementVerificationNumber in papiNet

- ✓ The verification number for accessing data of a due diligence statement registered in the information system of the EU Commission, as mandated by the EU Deforestation Regulation. It is assigned by the EU information system as the due diligence statement is created there.
- ✓ This verification number must be passed to the information system of the EU Commission when requesting access to data of a particular due diligence statement in addition to its unique reference number.
- ✓ In papiNet e-documents it can be included since schema Build 20240321
- ✓ The standard construct SafetyAndEnvironmentalInformation has been amended to include it.
- ✓ It is provided as a SafetyAndEnvironmentalReferenceSubID with the attribute SafetyAndEnvironmentalReferenceSubIDType=EUDRDueDiligenceStatementVerificationNumber

Design of SafetyAndEnvironmentalReferenceSubInfo

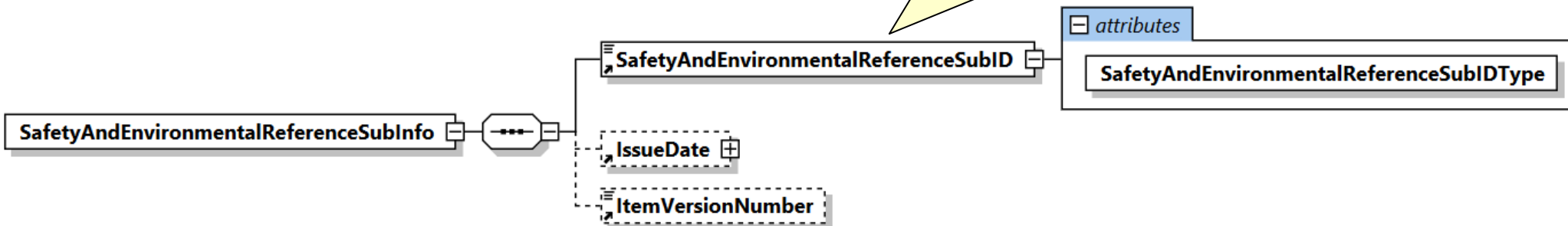
The EUDRDueDiligenceStatementVerificationNumber may in papiNet documents only be provided along with the reference number of the same due diligence statement.

Following attribute values must be included:

SafetyAndEnvironmentalType = Deforestation
Agency = EU

SafetyAndEnvironmentalReferenceSubIDType = EUDRDueDiligenceStatementVerificationNumber

**Put the verification number of a
EU Due Diligence Statement here,
with appropriate attributes!**



Sample EUDRDueDiligenceStatementVerificationNumber in a SafetyAndEnvironmentalInformation

- ✓ It cannot be provided without providing a corresponding reference number
- ✓ The fictious **verification number** is VT6H5678
- ✓ The fictious corresponding reference number is **24FR12345SM1LE**
- ✓ Sample XML script to include in a papiNet e-document

```
<SafetyAndEnvironmentalInformation SafetyAndEnvironmentalType="Deforestation" Agency="EU">
  <SafetyAndEnvironmentalReferenceInfo>
    <SafetyAndEnvironmentalReferenceID
      SafetyAndEnvironmentalReferenceIDType="EUDRDueDiligenceStatementReferenceNumber">24FR12345SM1LE</SafetyAndEnvironmentalReferenceID>
    <!-- N.B. The EUDR reference number provided in this sample snippet is fictional and is not an actual reference number provided by the EU information system. -->
    <SafetyAndEnvironmentalReferenceSubInfo>
      <SafetyAndEnvironmentalReferenceSubID
        SafetyAndEnvironmentalReferenceSubIDType="EUDRDueDiligenceStatementVerificationNumber">VT6H5678</SafetyAndEnvironmentalReferenceSubID>
      <!-- N.B. The EUDR verification number provided in this sample snippet is fictional and is not an actual reference provided by the EU information system. -->
    </SafetyAndEnvironmentalReferenceSubInfo>
  </SafetyAndEnvironmentalReferenceInfo>
</SafetyAndEnvironmentalInformation>
```

DDS references can be included in PackageInformation and TransportPackageInformation

- ✓ Supports requirements identified by papiNet® user groups Paper and WoodX.
- ✓ Different Packages of a delivery may refer to different Due Diligence Statements
- ✓ Element SafetyAndEnvironmentalInformation may include the Due Diligence Statement Reference Number and related DDS Verification Number
- ✓ Since papiNet Build 20241010 each PackageInformation may optionally include element SafetyAndEnvironmentalInformation
- ✓ This amendment in Build 20241010 is good for suppliers of EUDR relevant products, that are delivered in packages, reels etc from different sources
- ✓ Examples of “packages” in papiNet are paper reels, sawn wood packages, plywood packages, ...
- ✓ Such packages in a delivery may have been manufactured at different points of time using materials from different sets of suppliers or relevant commodities from different plots of land.

Optionally classify a Product with Harmonised System Code

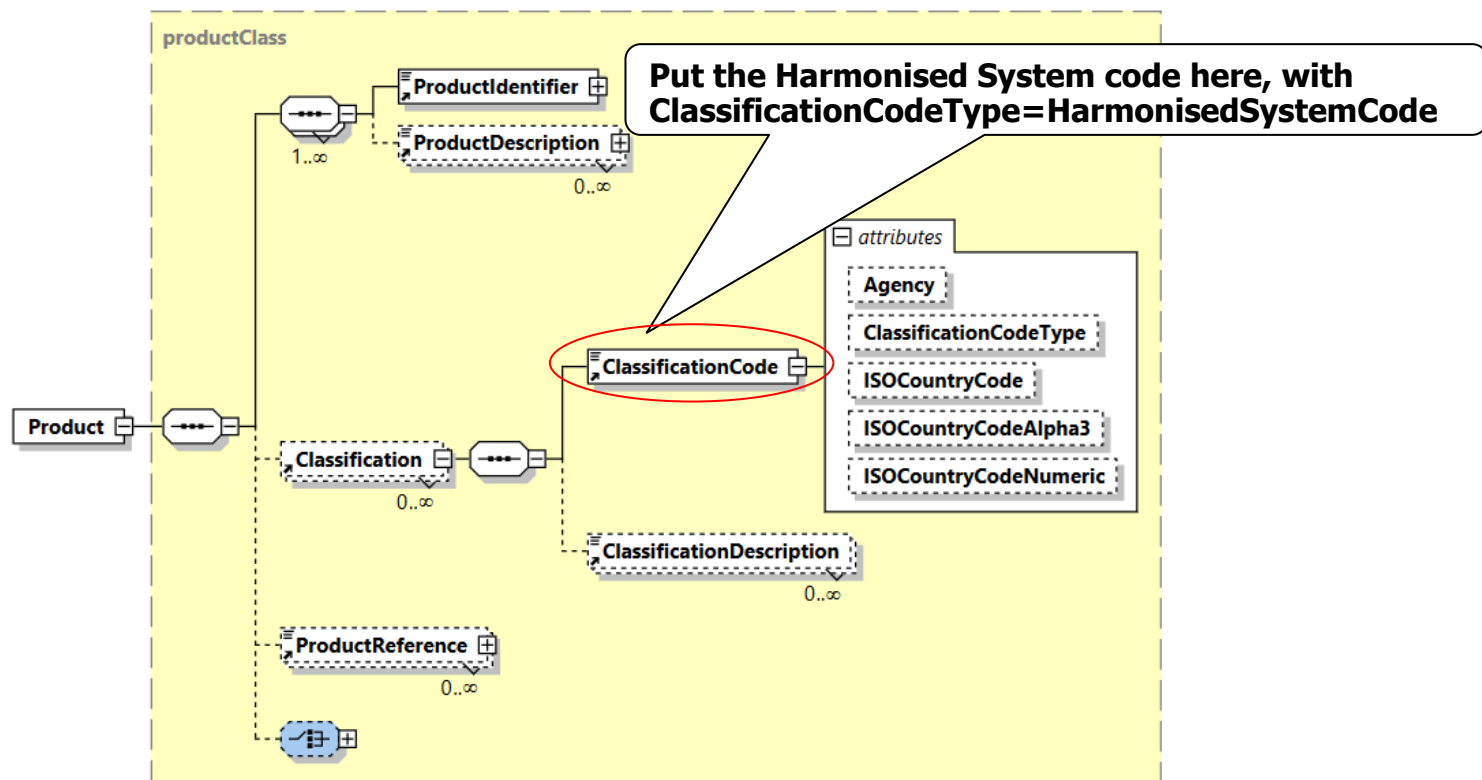
- ✓ An EUDR Due Diligence Statement includes the Harmonised System code of each relevant product
- ✓ In a papiNet e-document each Product may be classified with its Harmonised System code
- ✓ The papiNet definition of HarmonisedSystemCode reads

“The Harmonised Commodity Description and Coding System, also known as the Harmonised System (HS) of tariff nomenclature is an internationally standardised system of names and numbers to classify traded products. It is developed and maintained by the World Customs Organization (WCO), <https://www.wcoomd.org>
- ✓ If provided in the e-document, the receiver can read the Harmonised System codes of the products and update its records accordingly.
- ✓ It can be included in papiNet e-documents since schema Build 20241010 published October 2024.

Schema design of Product with a Harmonised System code

ClassificationCodeType = HarmonisedSystemCode

Do not include any Agency or ISO Country Code.



Sample of a Product classified with its Harmonised System code

- ✓ The product is spruce pulpwood which has harmonised system code 4403
- ✓ The fictious ProductIdentifier is PWSP1 assigned by the Supplier.
- ✓ Sample XML script to include in a papiNet e-document

```
<Product>
  <ProductIdentifier ProductIdentifierType="GradeCode" Agency="Supplier">PWSP1</ProductIdentifier>
  <ProductDescription>Spruce pulpwood with bark</ProductDescription>
  <Classification>
    <ClassificationCode ClassificationCodeType="HarmonisedSystemCode">4403</ClassificationCode>
    <ClassificationDescription>Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared</ClassificationDescription>
  </Classification>
</Product>
```

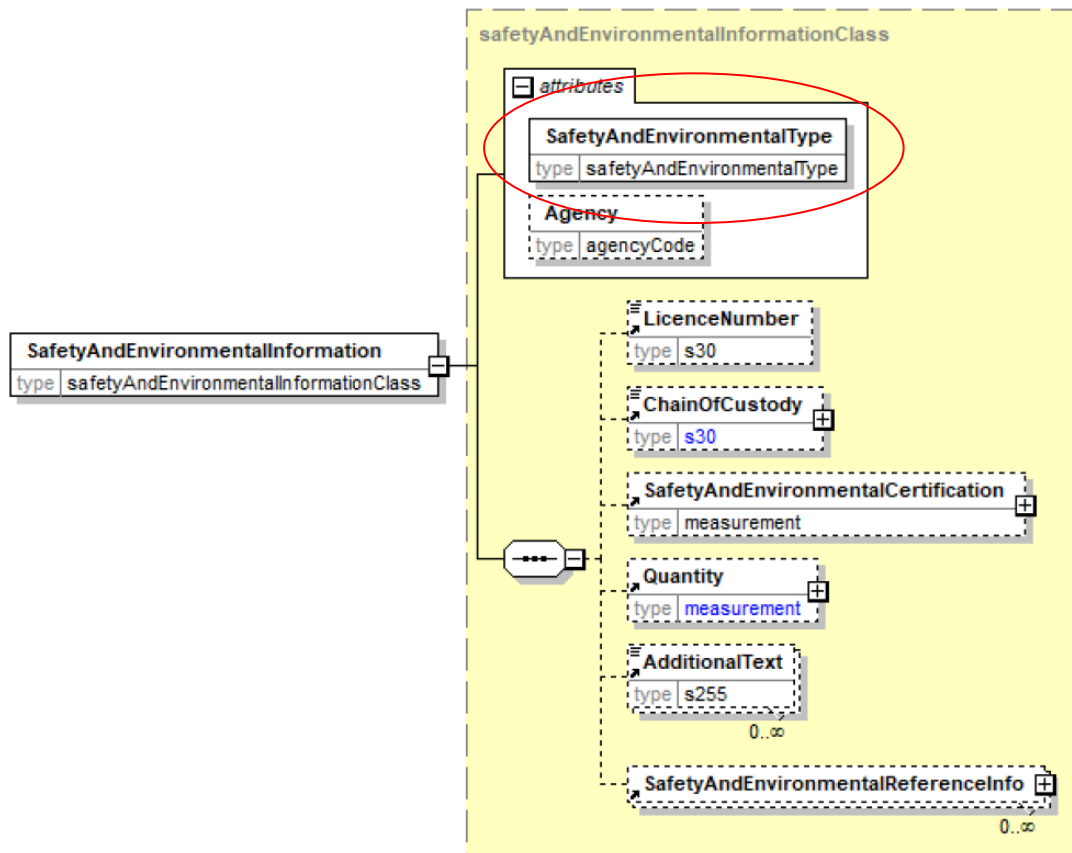
New enumeration DeforestationNotApplicable

- ✓ A new enumeration value of attribute SafetyAndEnvironmentalType that one can provide in a document to communicate that a “Regulation for prevention of deforestation is not applicable”
- ✓ It can be included in papiNet e-documents since schema Build 20241010
- ✓ As some examples of usage, the attribute can be used in business cases when
 1. a transaction is not subject to any law regulating prevention of deforestation or
 2. when a Product is not a relevant product according to ANNEX I of the EUDR or
 3. when the timber or timber product was produced before June 29, 2023

DeforestationNotApplicable in the schema design

SafetyAndEnvironmentalType = DeforestationNotApplicable, without any Agency

This is the only thing to include in a SafetyAndEnvironmentalInformation, which is used to communicate that a "regulation for prevention of deforestation is not applicable."



Sample usage of attribute DeforestationNotApplicable in a SafetyAndEnvironmentalInformation

- ✓ It is provided in a separate SafetyAndEnvironmentInformation element, if required.
- ✓ One may optionally enter a text in element AdditionalText to communicate why the EUDR or other Regulation for prevention of deforestation is not applicable

```
<SafetyAndEnvironmentalInformation SafetyAndEnvironmentalType="DeforestationNotApplicable">  
  <AdditionalText>The delivery includes no "Relevant Product" as defined in the EUDR.</AdditionalText>  
  <!-- N.B. The element SafetyAndEnvironmentalInformation may in its optional element  
    AdditionalText provide a text explaining WHY a regulation of deforestation is not applicable. -->  
</SafetyAndEnvironmentalInformation>
```

More about the EU Deforestation Regulation

- Regulation (EU) 2023/1115 of the European parliament and of the Council is usually called the EU Deforestation Regulation and is abbreviated EUDR.
- The regulation has been created as part of the European Green Deal roadmap launched in 2019.
- As this presentation is created, the regulation is available in all official EU languages using the link below:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115>