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EU sustainability update: deforestation and other sustainability measures

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Deforestation



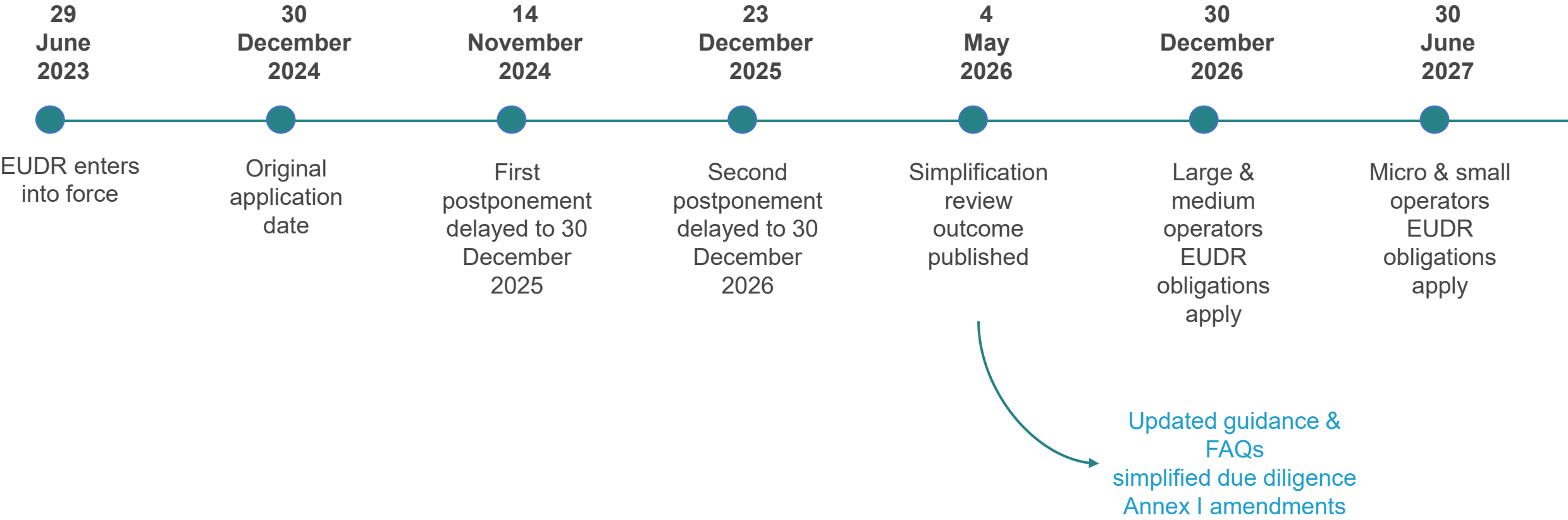
European Union Deforestation Regulation (EUDR) recap

- The EUDR establishes rules to guarantee that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide
- EUDR affects seven commodities – cocoa, coffee, soy, palm oil, wood, rubber, and cattle – as well as select products derived from these goods (e.g. chocolate)
- **Products not listed in Annex I are not subject to the regulation, even if they contain commodities listed in Annex I**
- Commodities and products covered by the regulation may not be marketed or exported in or from the EU, unless all the following conditions are fulfilled:
 - They are deforestation-free
 - They have been produced in accordance with the relevant legislation of the country of production
 - They are covered by a due diligence statement

Information demonstrating that products are deforestation-free

- Under the EUDR, companies have to ensure their products originate from land where no deforestation or forest degradation has occurred since December 31, 2020 (regardless of whether the deforestation or forest degradation was legal according to the laws in the country of production)
- To demonstrate a product is deforestation-free under EUDR, businesses must implement a due diligence system that involves gathering detailed supply chain information and implementing measures to mitigate identified risks
- Information that can be used to demonstrate deforestation-free includes:
 - Geolocation data for all production plots, matched to timelines
 - Satellite imagery confirming forest status has not changed since 2020
 - Land-use documents showing legal rights to produce on the land
 - Historical land-use records proving agricultural activity pre-2020
- Due diligence information must be retained for 5 years

EUDR postponement timeline



Simplification review

- The European Commission concluded that the EUDR should remain in force and be implemented as planned, while issuing updated guidance to clarify compliance requirements
- The guidance clarifies:
 - Obligations for downstream operators
 - A simplified compliance regime for micro and small operators
 - Streamlined requirements for sourcing from countries classified “low risk”
 - The ability to submit Due Diligence Statements (DDS) on an aggregated annual basis rather than for individual shipments
- The Commission also proposed targeted amendments to the list of products covered by the EUDR. Product scope changes adopted on July 13, 2026 include the addition of: soluble coffee, certain palm oil derivatives and frozen cattle tongues

EUDR implementation remains on track, with no substantive rollback of the regulation

**The European Commission
has said that all the changes
together means**

75%

reduction in compliance costs

Green claims



Empowering consumers for the Green Transition Directive

- The Directive (EmpCo/ECGT) is an EU consumer protection measure aimed at eliminating greenwashing. Key provisions include:
 - Prohibition of generic environmental claims (e.g., “green”, “eco-friendly”) unless supported by recognised environmental performance excellence
 - Restrictions on carbon offset-based claims used to suggest environmental neutrality or reduced impact
 - Tighter controls on sustainability labels and logos
 - Ban on unsubstantiated future environmental commitments
 - Assessment across the full product life cycle, rather than selected stages only

Application date – 27 September 2026

Member States

- Directives need to be implemented into national legislation
- MS had until 27 March 2026 to do this for EmpCo
- 20 failed to do so & the Commission started infringement proceedings against them

Guidance & ‘old stock’

- Q&A-style guidance published in June provides additional interpretation of the Directive
- Clarifies that “recognised excellent environmental performance” is evidenced through recognised schemes and classifications, including the EU Ecolabel, ISO 14024 Type I ecolabels (e.g. Nordic Swan and Blue Angel) and top-tier EU energy efficiency classes
- Environmental imagery (e.g. trees and nature scenes) and sustainability-related colours may constitute implicit environmental claims
- Brand names may themselves be considered environmental claims
- Introduces a “two separate legal entities” test for sustainability labels
- Confirms that the Directive applies to B2C communications only and not to B2B communications
- There is no formal grace period for ‘old stock’ but a pragmatic approach is encouraged. Product recalls & destruction of packaging for legacy claims to be avoided



Food waste



Waste framework directive

- Directive (EU) 2025/1892 was published in September last year. It updates Directive 2008/98/EC
- It is mainly Member State directed but creates 31 December 2030 targets that affect the food industry
 - Reduce food waste from processing and manufacturing by 10%
 - Reduce per capita food waste across retail, food services and households by 30%

(both against a 2021-2023 average baseline)
- Business may be expected to track, quantify and report their food waste after national implementation

Food Waste Hierarchy



Pesticides



Direction of travel for EU pesticide regulation

The EU has had to rethink its approach to pesticides following the unravelling of the Sustainable Use of Pesticides Regulation (SUR) in early 2024.

- Tighter controls on imported food treated with pesticides not approved in the EU, with the Commission proposing changes to residue rules that could make it easier to restrict imports containing certain EU-banned pesticides
- Abandonment of the Farm to Fork 50% pesticide reduction target, signalling a move away from headline reduction goals as a central policy objective

Omnibus X is set to significantly reshape the EU's approach to pesticides.

- Introduces approvals without fixed renewal periods for most pesticide active substances, replacing the current system of periodic renewals, while maintaining stricter oversight for higher-risk substances
- Streamlines sampling, reporting and follow-up requirements, enabling authorities to focus resources on higher-risk areas through a more risk-based approach to controls
- Leaves maximum residue limits (MRLs) unchanged

Questions?

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