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BusinessEurope welcomes the European Commission's proposal to postpone the entry into implementation of the EU Regulation on Deforestation-Free Products (EUDR) by 12 months. This postponement is necessary to ensure that all entities involved in the implementation of the Regulation – Member States' competent authorities and the private sector – are ready.

European companies are fully committed to the implementation of the EUDR and to the EU's efforts to mitigate the effects of deforestation on the planet. Despite the EUDR complexity and the challenges confronting companies, they are doing their utmost to prepare for the implementation, intensely working within their supply chains. These efforts must be fully supported by ensuring that all technical and legal conditions are in place.

The recent publication of the additional guidance documents and the international cooperation framework are welcomed steps, but we still miss important elements for a good EUDR implementation. We would like to refer to the <u>benchmarking system</u> for the classification of countries depending on the risk related to deforestation. This is key to guide companies in their due diligence and risk mitigation actions and the authorities in the controls. Additionally, the <u>information system</u> supporting the authorities and the economic operators with the implementation of the EUDR should be fully operational and accessible well in advance to ensure that technical problems are detected and corrected beforehand. We urge the European Commission and the Member States to accelerate their efforts over the next months to ensure that these elements are fully operational.

In the current context, approving the European Commission's proposal to postpone the implementation of the EUDR is a necessity. It will mitigate the risk of serious disruptions in supply chains, allowing more time for our trading partners to be ready. It will ensure national authorities are better prepared for a smoother and more harmonized implementation across the single market. It will give companies more time to adjust to new requirements, preventing excessive compliance costs.