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Trase response to the call for evidence on the simplification of administrative burdens in environmental legislation

The EU deforestation regulation (EUDR) should not be included in proposals to simplify environmental legislation

This consultation response is submitted by Trase, a not-for-profit initiative founded in 2015 by the [Stockholm Environment Institute and Global Canopy](#) to bring transparency to deforestation and agricultural commodity trade. Trase combines data on commodity production and trade from many different sources with a unique form of material flow analysis to map supply chains linking consumer markets, via traders, with regions of production. Trase's open-access data and intelligence enable governments, companies, financial institutions and civil society organisations to take practical steps to address deforestation.

Trase believes that the EU deforestation regulation (EUDR) should not be included in any regulation to simplify and streamline administrative requirements related to the environment for the following reasons.

Undermine the EU's environmental objectives

Any attempt to simplify the EUDR's requirements would undermine the EU's environmental policy objectives set out under the Green Deal and its international commitments on climate under the Paris Agreement and biodiversity under the Kunming-Montreal Global Biodiversity Framework (GBF). Eliminating global deforestation is essential to meeting targets to halt biodiversity loss and reduce climate emissions.

The EUDR is a central pillar of the EU's longstanding plan to tackle deforestation that was [first communicated in 2019](#) and reaffirmed under the Green Deal, EU Biodiversity Strategy for 2030 and the Farm to Fork Strategy. It recognises Europe's role as the second largest consumer market for imports of forest risk commodities globally after China. It aims to bring down the EU's overseas footprint on greenhouse gas emissions and biodiversity loss by reducing the EU's impact on forests and promoting investments in deforestation-free products. The EU submission to the Convention on Biological Diversity (CBD) that sets out its targets for implementing the GBF highlights the EUDR as a main piece of legislation to achieve target 16a on sustainable consumption and reduction of global footprint of consumption.

Trase data shows that between 2019 and 2021, the EU was exposed to [190,500 hectares \(ha\) of deforestation](#) on average every year from its direct imports – an area more than ten times the size of Brussels. Over this period, EU imports were associated with 15.0% of the global deforestation linked to direct trade. The top countries of origin for EU exposure were Côte d'Ivoire (19.9%), Brazil (16.0%), Indonesia (11.6%), Ghana (8.7%) and Malaysia (4.7%), which together account for 61% of the EU's total deforestation exposure. The top commodities for EU exposure were cocoa (33.7%), oil palm products (19.3%), coffee (13.0%), soy (9.2%), and cattle products (8.9%), which together account for 84% of the EU total.

The EUDR promises to substantially reduce the EU's role in driving deforestation and could encourage the adoption of similar demand-side measures in other markets; especially China, which is by far the largest export market for beef and soy. Its due diligence approach builds on the lessons and experiences of more than a decade of the EU Timber Regulation implementation and enforcement and as such takes a proportionate and risk-based approach.

A [growing body of research](#) demonstrates that deforestation and climate change pose serious risks to global food security by reducing crop yields, destabilising supply chains and increasing price volatility. These complex and interconnected challenges require coordinated international responses. In the run up to COP30, weakening the EUDR would signal to China and the rest of the world that the EU is no longer committed to addressing these challenges, undermining international efforts just when they are most needed.

Create regulatory uncertainty and undermine investments

Making retrospective changes to agreed regulatory requirements undermines the credibility and certainty of EU law. The EUDR entered into force in June 2023 and – after a one year delay – is due to apply from 30 December 2025. Regulated companies and competent authorities have already taken significant steps to ensure compliance. Changing the EUDR's requirements would create unnecessary uncertainty and additional cost for the private and public sector. Many companies and competent authorities are well-advanced and ready for implementation.

Over 60 major companies including Nestlé, IKEA, Barry Callebaut, Unilever, Mars and Ferrero have [publicly backed the EUDR](#) and opposed efforts to weaken it. These companies have invested in compliance systems and [warn that changes now](#) would undermine these investments, deepen regulatory uncertainty and cause further delays.

Producer governments have already invested in supporting producers and trading companies to demonstrate EUDR compliance including in national traceability systems, geolocation of smallholders and forest monitoring systems and maps. This includes [Kenya's](#) and [Cameroon's coffee sector](#), [Costa Rica's timber sector](#), and [Peru's coffee and cocoa sector](#). Delaying or diminishing the EUDR would undermine the EU's credibility and partnerships with producer countries and send an international signal that the EU is rolling back on deforestation and climate action.

The EUDR takes a proportionate risk-based approach and is not an administrative burden

The EUDR uses an inherently risk-based approach for regulated companies to implement due diligence and competent authorities to deliver enforcement. Furthermore, the EUDR already includes a number of provisions that aim to reduce administrative effort. This includes simplified due diligence for products produced in low-risk countries (Article 13), for SME operators (Article 4 (8)) and downstream companies (Article 4 (9)). Furthermore, the Commission has provided [official guidance](#) and [responses to submitted FAQs](#) that highlights the flexibility of operators to deliver on due diligence obligations, including the ability to declare in their due diligence statements a larger number of plots of land that they source from for every shipment, rather than just the specific subset of plots where the commodity was directly sourced from for each shipment, provided that there is no risk of non-compliance (declaration in excess). Operators are also allowed to submit due diligence statements that cover multiple shipments up to one year in advance.

A [recent study](#) also highlighted the low cost of compliance which it estimated on average as 0.1% of companies' annual revenues. Competent authorities have also undertaken many [dry runs with companies](#) that have delivered trial shipments of EUDR compliant commodities (e.g. [palm oil](#), [cocoa](#), [soy](#)) demonstrating that they are ready for implementation. Work by Trase for ClientEarth demonstrates that existing open datasets provide a [cost-effective resource](#) that can be used to credibly assess risks of non-compliance with the EUDR's deforestation-free and legality requirements.

The EUDR (Article 34) already contains a provision for a general review of the regulation by 30 June 2028. The EU should wait until this opportunity to fully and properly assess the impact of the EUDR based on evidence of its effectiveness.

Proposals to simplify the EUDR are not feasible and would weaken its effectiveness

Recent proposals to simplify the EUDR such as a zero-risk category with no obligations for due diligence for products sourced from these countries would create significant loopholes for the EUDR and undermine its environmental objectives. A zero-risk category that does not require due diligence obligations including geolocations or enforcement checks would introduce a major blind spot in the EUDR framework that could incentivise unscrupulous companies to launder commodities from other, higher risk locations through zero-risk countries.

Such a proposal has already been [rejected by Member States](#) last year having been proposed by the European People's Party. It could also breach WTO rules. Once a commodity is processed in or simply rerouted through a no-risk country, its origin could be easily disguised. This issue has been [documented for timber](#) and the mislabelling of illegal Russian plywood by companies on customs documentation as Chinese, Kazakh or Turkish to disguise its origins and evade sanctions.

Contact us

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