Deutsches Aktieninstitut
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Towards a simpler and more effective European Deforestation Regulation (EUDR)

Proposals for a risk oriented, harmonised and proportionate reform of the EUDR

Simplification of the European Deforestation Regulation, 31. March 2026

Introduction

In the context of the debate on competitiveness of the European Union, we welcome the European Commission's initiative to further simplify the European Deforestation Regulation (EUDR). Even though the simplification package of December 2025 has shown relief EUDR compliance still creates significant administrative burden and legal uncertainty for European corporates. Companies are still struggling with the complexity and overlap of various EU due diligence obligations — especially the EUDR and CSDDD— and are in urgent need of clearer, more harmonised legislation.

Numerous central issues arise from the text of the regulation– such as unclear definitions, additional complex duplicative processes, disproportionate administrative burdens and the absence of materiality thresholds. The added value of the regulation in terms of risk identification and effective deforestation prevention remains in part unclear. A more risk-oriented and pragmatic design would significantly enhance both efficiency and effectiveness. Therefore, the regulation requires clarifications and adjustments.

Deutsches Aktieninstitut suggests

- **introducing a materiality threshold (de-minimis) for due diligence obligations**

  We believe that a materiality threshold (de-minimis) should be introduced to avoid disproportionate compliance burden for small imports/exports with a negligible amount of relevant products. This threshold could be determined by relating to an importer's/exporter's EU import/export volume (in weight) of EUDR-relevant commodities or products.

- **operators pass on DDS reference numbers to downstream market participants**

  We recommend that first-time operators should be obliged to pass on Due Diligence Statement (DDS) reference numbers to downstream participants with bundling of multiple deliveries permitted and sample-based verification deemed sufficient for compliance.

- **harmonising due diligence processes across EU supply chain regulations**

  We consider the various EU due diligence frameworks — including the EUDR, CSDDD, and the Battery Regulation — impose overlapping and partially inconsistent obligations, creating significant complexity for companies seeking compliance.

- **defining EUDR due diligence obligations as obligations of means, not of result**

  We suggest clarifying that due diligence obligations under the EUDR constitute obligations of means rather than obligations of result — in line with the approach already established under comparable EU and national supply chain legislation, such as the CSDDD and the German Supply Chain Due Diligence Act (LkSG).

1 Introducing a materiality threshold (de-minimis) for due diligence obligations

The introduction of a materiality threshold (de-minimis) for due diligence obligations is important for importers and exporters in order to avoid disproportionate compliance burdens in relation to negligible proportions of relevant raw materials contained in a product.

We propose to determine the threshold by relating to an importer's/exporter's EU import/export volume (in weight) of EUDR-relevant commodities or products. EUDR-relevance would only apply once an importer/exporter exceeds the threshold, e.g. 100 kg per shipment. If this is not feasible, we prefer a weight-based threshold linked to the total volume of imports of EUDR-relevant goods or commodities into the EU (as applied under CBAM). The threshold must be predictable and fixed — not a flexible threshold.

The burden of compliance should rest with the manufacturer of the goods, and where the goods are EUDR-compliant, a symbol/certification such as FSC-certified ("EUDR-certified") should be sufficient for compliance with EUDR obligations.

2 Streamlining DDS Reference Number Transmission for Operators and Downstream Market Participants

While the obligation for operators to pass on Due Diligence Statement (DDS) reference numbers for relevant products to downstream market participants is necessary, its practical implementation gives rise to significant concerns regarding administrative burden and operational feasibility. We recommended that first time market operators should communicate their role in the downstream supply chain and to provide the required DDS reference numbers to downstream market participants and traders.

Only where substantial concerns exist, should a downstream market participant or trader be required to verify the supplier's role in the supply chain. Furthermore, the legislator needs to clarify that multiple deliveries — and thus multiple DDS numbers — may be aggregated when passed on down the supply chain. Under the amended regulation, downstream market participants no longer need to generate a new DDS number, thereby eliminating the previous possibility of "bundling" different deliveries under a single new reference number. As a result, operators

would need to assign each individual delivery to a specific DDS number before forwarding it downstream — an outcome that runs counter to the stated objective of simplification and creates a considerable additional administrative burden.

Finally, downstream market participants and traders should conduct a sample-based verification to confirm that access to the relevant DDS reference number is available as required.

3 Harmonising due diligence processes across EU supply chain regulations is necessary

We consider the various EU due diligence frameworks — including the EUDR, CSDDD, and the Battery Regulation — impose overlapping and partially inconsistent obligations, creating significant complexity for companies seeking compliance. We therefore recommend that the EU legislator should not only clarify and simplify these requirements, but above all substantially harmonise the underlying due diligence processes across the different supply chain regulations.

4 Clarifying EUDR due diligence obligations as obligations of means, not of result

We suggest clarifying that the due diligence obligations under the EUDR constitute obligations of means rather than obligations of result — in line with the approach already established under comparable EU and national supply chain legislation, such as the CSDDD and the German Supply Chain Due Diligence Act (LkSG).

5 We call for urgent action to remove geolocation data sharing barriers

We advise to remove the geolocation data sharing barriers, as implementation obstacles exist, particularly with regard to the sharing of the necessary geolocation data. In key producer countries legal and technical barriers to sharing geodata remain in place. Furthermore, clarity is often lacking as to permissible transmission channels, responsibilities, and data protection requirements. As a result, EU

companies cannot reliably fulfil due diligence obligations, and the risk of supply disruptions and market distortions is already increasing. The official confirmation of viable alternative pathways is needed through guidance documents or implementing acts such as the direct transmission of geodata by producer country authorities to the EU and legally compliant data interfaces, alongside closer coordination between the EU and producer countries.

6 Adress political risks with supplying countries

According to the FAQ on EUDR, market operator and traders may not place goods on the EU market if their governments prohibit their suppliers abroad from passing on the EUDR data. This will in some cases mean massive supply bottlenecks and severe economic problems for companies as for safety and compliance reasons, there is often little flexibility for companies in changing suppliers or modifying the composition of production parts.

7 Inward Processing Relief should not be compromised by the EUDR

The EUDR provisions should not compromise Inward processing reliefs (IPR). To preserve the competitiveness of EU manufacturing within complex global value chains, it is crucial that the EUDR provisions do not compromise established customs/tax mechanisms like the IPR. However, even after simplifying the regulation, the requirements regarding an EUDR Due Diligence Statements and the IPR might not align – this is because the EUDR (and the corresponding FAQ provisions) can be interpreted in different ways regarding the validity of a DDS. We argue that while a DDS shall indeed only cover deliveries within one year, companies can otherwise use it over a longer period of time. Nevertheless, the provisions can also be understood to mean that the validity of a DDS is actually limited to 12 months.

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