

EUDR Supply Chain Infographics (3rd Edition)

UNDERSTANDING YOUR POSITION IN BEEF, COCOA, COFFEE, PALM OIL, RUBBER, SOY AND WOOD SUPPLY CHAINS

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3rd edition

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Glossary of terms

Authorised representative

An authorised representative is defined in Art. 2(22) of the EUDR as *"any natural or legal person established in the Union who, in accordance with Article 6, has received a written mandate from an operator to act on its behalf in relation to specified tasks with regard to the operator's obligations under this Regulation"*.

Downstream operator

The amended Regulation includes a new category of operator known as the 'downstream operator'. Downstream operator is defined as *"any natural or legal person who, in the course of a commercial activity, places on the market or exports relevant products made using relevant products, all of which are covered by a due diligence statement or by a simplified declaration"* (Art. 2 (15b) EUDR).

Micro or small primary operator (MSPO)

A new subcategory of operator has been established (Art. 2 (15a) EUDR): micro or small primary operators (MSPOs). A micro or small primary operator is defined as an operator who:

(i) **is small in size**

Specifically, an MSPO is *"a natural person, micro-undertaking or small undertaking, within the meaning of Article 3(1), Article 3(2), first subparagraph respectively, of Directive 2013/34/EU*".

This includes operators "*who exceed the limits of at least two of the three criteria set out in Article 3(1) and (2), first subparagraph, of Directive 2013/34/EU but who can demonstrate that the parts of their balance sheet total, net turnover and average number of employees during the financial year, related to the relevant commodities and the relevant products, do not exceed the limits of at least two of three of those criteria*."

(ii) **is established in a low risk a country**

The country must be classified as low risk under the EUDR country benchmarking system.

(iii) **produces the products themselves**

In the course of a commercial activity, the operator must place on the market or export relevant products that this operator itself has grown, harvested, obtained from or raised on relevant plots of land (or, for cattle, on establishments) located in that low-risk country.

Operator (upstream operator)

The amended Regulation defines 'operator' as *"any natural or legal person who, in the course of a commercial activity, places relevant products on the market or exports them, excluding downstream operators"* (Art. 2(15) EUDR). To distinguish 'operators' from 'downstream operators' (Art. 2(15b)), operators are referred to throughout this report as 'upstream operators'.

Upstream operators are those who place on the EU market for the first time, or export from it, relevant products listed in Annex I of the EUDR, that have not already been subject to due diligence and are not covered by an existing due diligence statement (DDS) or simplified declaration.

Trader

Defined in Art. 2(17) of the EUDR as *"any person in the supply chain other than the operator or downstream operator who, in the course of a commercial activity, makes relevant products available on the market."*

Understanding your position in the supply chain

The EU Regulation on Deforestation-free Products (Regulation (EU) 2023/1115, hereinafter referred to as 'the Regulation', 'this Regulation', or 'EUDR') introduced obligations to operators and traders relating to the placing or making available on the Union market, and exporting from the Union of deforestation-related commodities and associated products. The 1st Edition of this document, published in January 2025, provided an overview of how the obligations applied, depending on the company role (operator/trader), size (non-SME/SME), and position in the supply chain (first placing/downstream) within the EU. A 2nd Edition, with minor edits, was published in July 2025. In December 2025, a number of targeted amendments to the EUDR were adopted (Regulation (EU) 2025/2650, hereinafter referred to as 'the amending Regulation').

This revised version (3rd Edition) therefore updates the original document, emphasizing how the amendments simplify and streamline obligations for various supply chain actors.

A distinction is made between:

- **'Upstream operators' (so called), who are responsible for exercising due diligence prior to placing relevant products on the Union market for the first time or exporting them, and**
- **'Downstream operators and traders', who do not exercise due diligence** (Table 1).

Obligations of downstream operators and traders focus on maintaining traceability for products that are already covered by due diligence exercised upstream. The rules mentioned in the scenarios, while being applied to supply chain-specific scenarios and individual products (Table 2), generally apply equally for all relevant products. This document is intended to be read alongside the FAQs and the Guidance Document (as updated), which will give additional detail on obligations, as well as the Regulation itself. This document is not legally binding; its sole purpose is to provide information on certain aspects of the EUDR. It does not replace, add to or amend the provisions of the EUDR, which establishes the legal obligations.

The Frequently Asked Questions (FAQs) are currently being updated, to reflect the targeted amendments. An update to this 3rd Edition of the Infographics will be released in due course, referencing the relevant FAQs where applicable.

Table 1: Overview of the 'level' of due diligence obligations by company role, supply chain position and size

Key: Upstream operator (Text Box 1) | Upstream MSPO (Text Box 5) | First downstream operator/trader (Text Box 4) | Subsequent downstream operator/trader

Company role	Action	Applicable Products	Due diligence obligations	Engage with the Information System	Responsibility for compliance in relation to due diligence	Action when information suggests product non-compliance	Record keeping requirement	Communicate DDS reference number or declaration identifier to downstream operators/traders	Public reporting requirement
Upstream operator	Places on or exports from Union market	Relevant products	✓✓ Exercise *Art. 4(1)*	✓✓ Submit DDS *Art. 4(2)*	✓✓ Assume and retain *Art. 4(3) and 6(1)*	✓ Inform *(Art. 4(5)*	✓✓ Keep record of DDS *Art. 4(3)*	✓✓ *Art. 4(7)*	✓✓ *Art. 12(3)*[3]
Upstream micro or small primary operator (MSPO)	Places on or exports from Union market	Relevant products that the operator itself has grown, harvested or obtained from or raised on relevant plots of land[1]	✓✓ Exercise *Art. 4(1)*	✓ Submit one-time simplified declaration *Art. 4a(2)*	✓✓ Assume and retain *Art. 4(3) and 6(1)*	✓ Inform *(Art. 4(5))*	✗	✓✓ *Art. 4(7)*	✗
First downstream operator or trader (non-SME)	Places on or exports from Union market (operators) or makes available on the Union market (traders)	Relevant products[2]	✗	✓ Register *Art. 5(2)*	✗	✓✓ Inform and verify *(Art. 5(6))*[4]	✓✓ Collect and keep incl. DDS reference number / declaration identifier *Art. 5(3) (4) and recital 6*	✗	✗
First downstream operator or trader (SME)	Places on or exports from Union market (operators) or makes available on the Union market (traders)	Relevant products[2]	✗	✗	✗	✓ Inform *(Art. 5(5))*	✓✓ Collect and keep incl. DDS reference number / declaration identifier *Art. 5(3) (4) and recital 6*	✗	✗
Subsequent downstream operator or trader (non-SME)	Places on or exports from Union market (operators) or makes available on the Union market (traders)	Relevant products[2]	✗	✓ Register *Art. 5(2)*	✗	✓✓ Inform and verify *(Art. 5(6))*[4]	✓ Collect and keep *Art. 5(3) (4) and recital 6*	✗	✗
Subsequent downstream operator or trader (SME)	Places on or exports from Union market (operators) or make available on the Union market (traders)	Relevant products[2]	✗	✗	✗	✓ Inform *(Art. 5(5))*	✓ Collect and keep *Art. 5(3) (4) and recital 6*	✗	✗

Legend: ✓✓ = **Yes** (Company must fulfil the obligation)
✓ = **Yes** (Company must fulfil reduced obligations)
✗ = **No** (Company does not need to fulfil the obligation, or it is not applicable)

Notes:
1. Or, as regards cattle, on establishments located in that country (Art. 2 (15a)).
2. For downstream operators this would include relevant products made using relevant products, all of which are covered by a DDS or by a simplified declaration.
3. Large operators only.
4. Verification of due diligence is required only in the case of substantiated concerns (Art. 5(6)).

Table 2: Overview of commodity scenarios demonstrating combinations of company role, supply chain position and size.

Supply chain-specific scenarios and individual products are illustrative and the rules depicted in the scenarios generally apply equally for all relevant products.

Key: Upstream operator (Text Box 1) | Upstream MSPO (Text Box 5) | First downstream operator/trader (Text Box 4) | Subsequent downstream operator/trader

Company role	Wood	Wood	Cattle	Soy	Rubber	Palm oil	Coffee	Cocoa	Wood products
	Scenario 1 (page 9)	**Scenario 2** (page 12)	**Scenario 3** (page 14)	**Scenario 4** (page 17)	**Scenario 5** (page 19)	**Scenario 6** (page 21)	**Scenario 7** (page 23)	**Scenario 8** (page 25)	**Scenario 9** (page 28)
Upstream operator importing from third country					x	x	x	x	x
Upstream operator first placing domestic products	x			x				x	
Upstream operator exporting domestic products				x					
Upstream operator (MSPO) first placing domestic products		x	x						
Upstream operator (MSPO) exporting domestic products			x						
First downstream non-SME operator or trader placing (or making available) on the market	x	x		x	x	x	x	x	
First downstream SME operator or trader placing (or making available) on the market	x		x						x
First downstream operator (non-SME or SME) exporting		x	x		x				x
Subsequent downstream operator or trader (non-SME or SME) placing or making available products	x	x	x		x		x	x	
Subsequent downstream operator (non-SME or SME) exporting products								x	
Other actors or considerations in supply chain:									
Authorised representative						x	x		
Cattle fed with a relevant product			x						
Due diligence for multiple shipments/batches	x			x	x	x	x		x
Product out of scope	x			x		x			x
Treatment of packaging									x
Transfer of ownership		x				x		x	
Placing on market by non-EU operator (Article 7)								x	
Use of relevant product in own business	x			x					
Use of logistical services (e.g. shipping agent)								x	

Text Box 1: Operator (upstream operator)

As illustrated through scenarios in this report, ***upstream operators*** *(see Glossary) include:*

- *importers, placing relevant products the on the EU market under the customs procedure 'release for free circulation';*
- *domestic producers, placing on the market relevant products produced within the EU;*
- *exporters, exporting relevant products under the customs procedure 'export' that are not already covered by a DDS or simplified declaration.*

Before placing relevant products on the EU market or exporting them, upstream operators must:

- *exercise due diligence (Art. 4(1)) and*
- *submit a DDS to the Information System (**Text Box 2**), prior to placing relevant products on the Union market or exporting them.*

They are responsible for ensuring that their products comply with Article 3, including ensuring that they are deforestation-free and produced in accordance with the relevant legislation of the country of production (Art. 4(3)).

Upstream operators must also:

- *keep records of due diligence statements for five years from the date the DDS is submitted;*
- *provide downstream operators and traders with the relevant DDS reference numbers (Art. 4(7));*
- *notify competent authorities if they obtain or are made aware of relevant new information, including substantiated concerns, indicating that their relevant products may be at risk of non-compliance, and inform the traders to whom they supplied the relevant products (Art. 4(5)).*

Notes

A company that transforms a product listed in Annex I (which has already been the subject of due diligence before being placed on the EU market) into another product listed in Annex I (e.g. using cocoa butter to produce chocolate), is considered a ***downstream operator*** *when placing or exporting the new product on the market or exporting it from the Union (see **Text Box 4** for obligations).*

*Micro or small primary operators (MSPOs) are a specific subcategory of upstream operator with simplified obligations (**Text Box 5**).*

Text Box 2: Content of due diligence statements (DDS)

The information to be included in a DDS is set out in Annex II of the EUDR. In addition to descriptive information about the operator and the relevant products, the DDS must include details of the country of production and the geolocation of all plots of land where the relevant commodities were produced.

*See **Text Box 5** for one-time simplified declarations issued by micro or small primary operators (MSPOs).*

*Submission of both the DDS and the simplified declaration include a declaration by the submitting operator that the relevant products will only be placed on the market or exported **where they have been subject to due diligence and no or a negligible risk of non-compliance with Article 3 points (a) and (b) has been found.***

Article 3 states that relevant commodities and relevant products shall not be placed or made available on the market or exported, unless:

a) they are deforestation-free;
b) they have been produced in accordance with the relevant legislation of the country of production; and
c) they are covered by a due diligence statement or a simplified declaration.

Upon submission of a DDS to the Information System, operators receive a reference number that can be used in a customs declaration and communicated downstream.

Text Box 3: Due diligence statements for multiple batches

*To reduce the administrative burden for **upstream operators** who are required to submit due diligence statements (DDS) (i.e. not MSPOs), such a DDS can cover multiple physical batches/shipments for a period of up to one year. In these situations, the upstream operator has to confirm that:*

- *due diligence was carried out for all relevant products intended to be placed on the Union market or exported, and that*
- *no or only a negligible risk was found that the relevant products are non-compliant (Art. 4(4) EUDR),*
- *the operator assumes responsibility for compliance of the relevant products with Art. 3 EUDR (Art. 4(3) EUDR).*

In addition, legal requirements and practical factors must be considered. Greater complexity may increase the risk of non-compliance. Also, once the quantity of products covered by a DDS is reached, a new DDS must be submitted for additional quantities.

Text Box 4: Obligations for downstream operators and traders

*The obligations of **downstream operators** (see Glossary) and **traders** are the same. Downstream operators and traders are **not required to carry out due diligence or submit due diligence statements** (DDS), which significantly reduces their reporting obligations.*

*Important: For relevant products made from relevant products (for example wooden furniture made from wood, HS 9403 30) a company that first places those products on the Union market after importing them from a third country is an **upstream operator**, not a downstream operator. This is because the products are not yet covered by a due diligence statement or a simplified declaration (see **Text Boxes 1 and 5**).*

Maintaining traceability obligations:

*Because of their important role in ensuring supply chains are deforestation-free, **non-SME downstream operators** and **non-SME traders** are required to register in the Information System, prior to placing or making available on the market or exporting relevant products (Art. 5(2) EUDR).*

*In addition, the **first downstream operator or trader**, (whether it is an SME or not), must collect and keep certain information related to the relevant products they intend to place or make available on the market or export. This includes DDS reference numbers or declaration identifiers received from operators (Art. 5(3(a)) EUDR).*

***Subsequent downstream operators and traders** (Art. 5 EUDR) are required to collect and keep only basic information related to relevant products they intend to place or make available on the market or export. This includes details of their suppliers and of downstream operators and traders to whom they have supplied relevant products. Downstream operators and traders will generally already possess this information as part of their everyday business operations.*

*All downstream operators and traders are required to notify the appropriate competent authorities if they obtain, or are made aware of, information suggesting that their relevant products may be at risk of non-compliance (Art. 5(5)). Where there are substantiated concerns, **non-SME downstream operators and traders** must also verify that due diligence was exercised and that no or only a negligible risk was identified (Art. 5(6)), **otherwise they cannot place or make available on the market or export that relevant product.***

Text Box 5: One-time simplified declarations from micro or small primary operators (MSPOs)

A key simplification in the amending Regulation is to reduce the administrative burden on micro or small producers from low risk countries who place on the EU market or export relevant products that they have produced themselves. ***Micro or small primary operators*** *(MSPOs, see Glossary) are not required to submit a due diligence statement (DDS). Instead, they submit a* ***one-time simplified declaration*** *to the Information System (Art. 4a). After submission, they receive a declaration identifier, which accompanies the relevant products they place on the market or export, in place of a DDS reference number.*

The simplified declaration must contain all the information set out in Annex III of the EUDR. MSPOs may provide the postal address of the establishment or of all plots of land on which they produce relevant commodities, instead of geolocation coordinates, if preferred.

Where the required information is already available in national databases under EU or Member State law, Member States shall make that information available in the Information System. In this case, the micro or small primary operator does not need to submit a simplified declaration (Art. 4a(4)).

In all cases, ***MSPOs must hold a declaration identifier issued by the Information System before they place relevant products on the Union market or export them****.*

Text Box 6: Customs declarations

An ***upstream operator*** *who places imported products on the Union market or exports relevant products must provide either a due diligence statement (DDS) reference number or a declaration identifier to complete their customs declaration. This applies to the customs procedures 'release for free circulation' and 'export'. A DDS reference number is issued after a DDS is submitted and can be used in the customs declaration lodged for the relevant product. If a DDS covers multiple shipments or batches, the same DDS reference number may be used in several customs declarations, provided all EUDR requirements are met.*

For ***downstream operators*** *who are placing on the market or exporting relevant products that are already covered by an upstream DDS or simplified declaration,* ***there is no obligation to submit a new DDS.***

Text Box 7: Obligations of authorised representatives

*An operator may choose to mandate an **authorised representative** (see Glossary) to submit their due diligence statements (DDS) (Art. 4(2)) or, in the case of micro or small primary operators (MSPOs), their simplified declaration (Art. 4a(2)), to the Information System on their behalf (Art. 6(1)). Authorised representatives must register separately in the Information System to carry out this mandate.*

*An **upstream operator** that is a natural person or a microenterprise may mandate the next downstream operator or trader in the supply chain that is not a natural person or a microenterprise to act as their authorised representative. The downstream operator or trader mandated in this way must not place or make available on the market or export relevant products unless it has submitted the DDS pursuant to Article 4(2) on behalf of that operator (Article 4(2)) or in the case of MSPOs, the simplified declaration, in the Information System.*

*Operators, including MSPOs, that mandate an authorised representative, **always remain responsible for ensuring that their relevant products comply with Art. 3**. This responsibility is not transferred to the authorised representative, including where a natural person or microenterprise mandates a downstream operator or trader in its supply chain.*

Authorised representatives must provide competent authorities with a copy of the mandate from the operator or MSPO, upon request. The mandate must be provided with:

- *a copy submitted in an EU official language, and*
- *a copy in an official language of the Member State in which the DDS or the simplified declaration is handled or, if that is not possible, in English.*

Text Box 8: Traceability and mass balance chains of custody

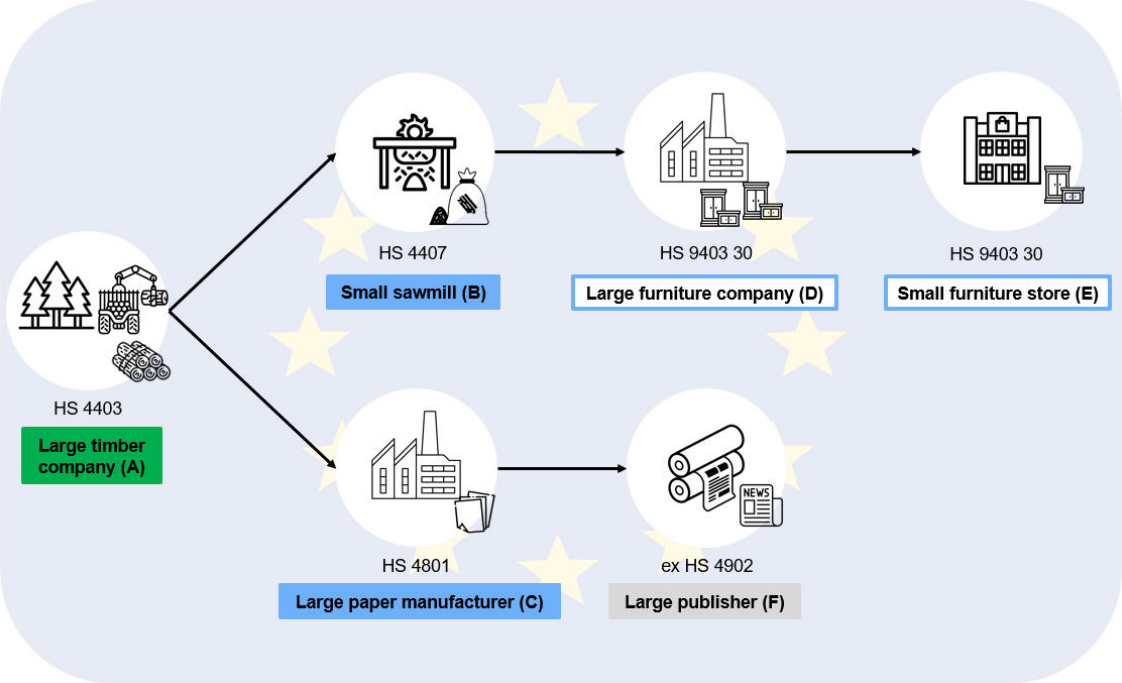
Under the Regulation, the commodities used in all relevant products must be traceable back to the plots of land where they were produced. Traceability requirements apply to each batch of relevant commodities, whether imported, exported, or produced within the EU.

Mass balance chains of custody that allow deforestation-free commodities to be mixed with commodities of unknown origin or non-deforestation-free commodities are not permitted under the Regulation. Such mixing is not allowed because it cannot be guaranteed that the commodities placed on the Union market, or exported, are deforestation-free.

Commodities intended for the EU market must therefore be kept physically segregated from commodities of unknown origin and from non-deforestation-free commodities at every stage of the supply chain.

1. EU-based operations with commodities produced in the EU

Scenario 1: Supply chain for domestic timber (1)



**Although this supply chain depicts wood, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

A **large timber company A**, established in the EU, sells logs (HS 4403) that it sources from its own forests to a small sawmill B and to a large paper manufacturer C. Timber company A is placing a relevant product listed in Annex I of the EUDR (wood in the rough, whether or not stripped of bark or sapwood, or roughly squared, HS 4403), on the Union market for the first time, so timber company A is an ***upstream operator*** **(*Text Box 1*).** Timber company A must exercise due diligence. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal, and must also submit a DDS for the logs in the Information System (***Text Box 2***). As an upstream operator, timber company A must also communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

As timber company A is placing batches of logs on the market over a period of time, which originate from its own forests, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for

all relevant products intended to be placed on the market prior to submission of the DDS and all geolocations have been declared **(*Text Box 3*).**

N.B.: If timber company A harvested some of the trees from its forests and processed the logs (HS 4403) into sawn wood (HS 4407) at its own sawmill, before placing the sawn wood on the Union market for the first time, then timber company A would need to exercise due diligence and submit a DDS for the sawn wood. The DDS should relate to the relevant product being placed on the market for the first time, which in this case would be sawn wood, a derived product listed in Annex I of the EUDR, rather than the logs.

*Alternatively, if timber company A harvested some of the trees for **use in its own business** (such as using logs to heat its own premises, or using sawn wood to make furniture for use in its office), timber company A would not be an operator for these products: this is because it would not be placing them on the market as in such cases there is no supply of the relevant products.*

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Small sawmill B transforms the logs (HS 4403) into sawn wood (HS 4407), and **large paper manufacturer C** transforms them into paper (HS 4801). Large paper manufacturer C and small sawmill B are each placing a new relevant product listed in Annex I of the EUDR on the Union market. However, because the sawn wood and paper are made entirely from the logs placed on the market by timber company A (HS 4403), all of which are covered by a DDS, paper manufacturer C and sawmill B are both **downstream operators (*Text Box 4*).** Given that their direct supplier is an upstream operator, they are both ***first downstream operators*** and are required to collect and keep DDS reference numbers from that supplier. They are also subject to the general obligations of downstream operators and traders, including record keeping. In addition, large paper manufacturer C, as an enterprise that is not micro-, small or medium sized (a non-SME), is required to register in the Information System.

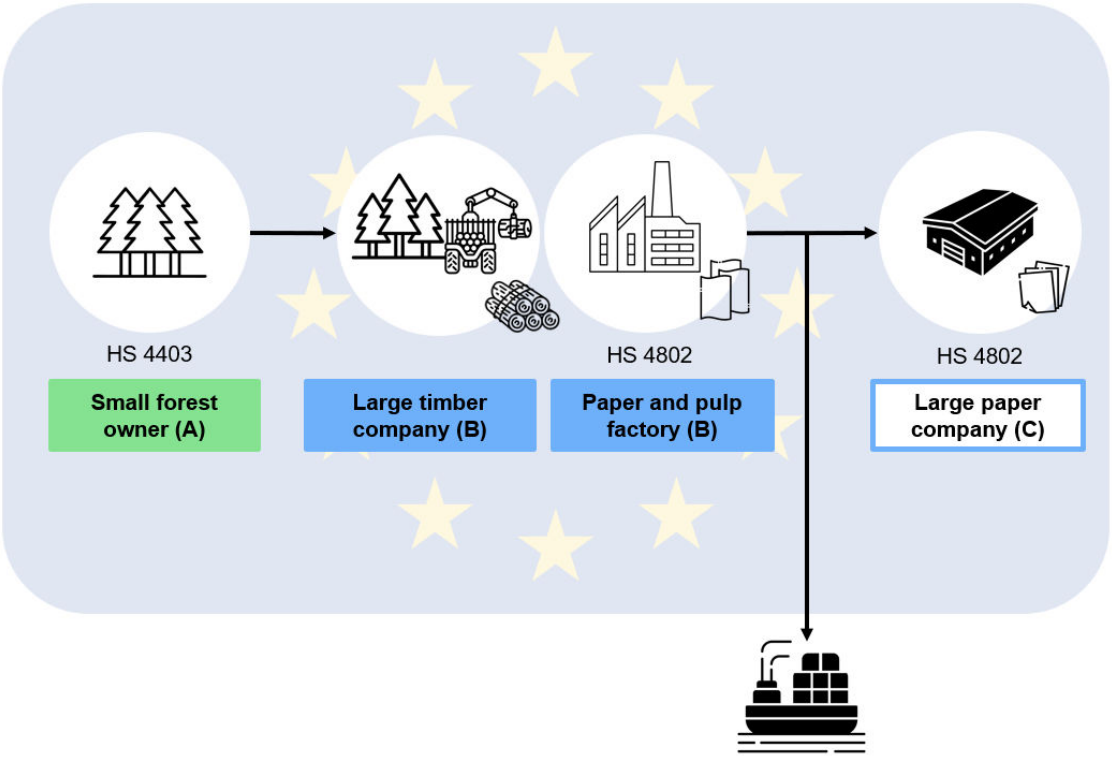
Small sawmill B sells its sawn wood (HS 4407) to a company producing furniture in the EU. **Large furniture company D** transforms the sawn wood into furniture (HS 9403 30). It is placing a new relevant product listed in Annex I of the EUDR on the Union market. However, because the furniture is made entirely from relevant products all of which are covered by a DDS from when relevant products were first placed on the Union market (i.e. the DDS for the logs, HS 4403 submitted by timber company A), large furniture company D is a **downstream operator** (***Text Box 4***). It is not directly supplied by an upstream operator; hence it is a ***subsequent downstream operator***. It is subject to the general obligations of downstream operators and traders, including record keeping (***Text Box 4***). In addition, as a non-SME, large furniture company D is required to register in the Information System.

N.B.: If, in the making of the furniture, furniture company D uses relevant products that have not been subject to due diligence already (e.g. if D imports), it would need to exercise due diligence on these relevant products since as the first placer on the Union market for these products D would be an ***upstream operator*** *(**Text Box 1**). Company D would be required to submit a DDS to the Information System covering the relevant products that had not already been subject to due diligence upstream.*

Large furniture company D sells some of its furniture (HS 9403 30) to small furniture store E, who sells the furniture to consumers. As it is making available on the market relevant products that were already placed on the Union market by large furniture company D, and the HS code does not change, **small furniture store E** is a ***trader***. It is subject to the general obligations of downstream operators and traders, including record keeping (***Text Box 4***).

Large paper manufacturer C sells some of the paper (HS 4801) that it produces to **large publisher F** who uses the paper to print newspapers (ex HS 4902). Newspapers (as well as other products under the HS code ex 49) are no longer a relevant product in scope of the EUDR. **Publisher F** is therefore not placing or making available a relevant product on the Union market; hence it does not have obligations under the EUDR for the newspapers.

Scenario 2: Supply chain for domestic timber (2)



**Although this supply chain depicts wood, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Small forest owner A, a natural person established in the EU, signs a contract with a large timber company B for the sale of tree logs, and forest owner A authorizes large timber company B to fell the trees. Based on their contract, forest owner A is placing a relevant product (wood in the rough, whether or not stripped of bark or sapwood, or roughly squared, HS 4403), on the Union market for the first time, by transferring the ownership of this product to timber company B after the harvest, so forest owner A is an **upstream operator** (***Text Box 1***). Forest owner A must exercise due diligence and is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. As forest owner A qualifies as a ***micro or small primary operator*** **(*Text Box 5*),** the placing of relevant products on the Union market can be covered by a **one-time simplified declaration**. As an upstream operator, forest owner A must also communicate their declaration identifier to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

*N.B.: If forest owner A, other than in scenario 2, authorizes large timber company B to harvest **standing timber**, and where B directly and automatically becomes the owner of that timber by the mere fact of felling the trees concerned, A would not be considered an upstream operator under EUDR; standing trees are not a relevant product under the EUDR, and A is not transferring ownership of a relevant EUDR product (the felled logs) in this alternative case.*

In the present scenario, forest owner A has submitted a one-time simplified declaration to the Information System prior to placing any relevant products on the market, and passes its declaration identifier to timber company B.

N.B.: If forest owner A was from a Member State where all the information required in the one-time simplified declaration was available in a national system or database, then the Member State will make this information available in the Information System and provide the forest owner with a declaration identifier (Art. 4a(4)). Forest owner A could alternatively mandate large timber company B as an authorised representative to submit the one-time simplified declaration in the Information System on behalf of forest owner A (Art. 6(3)). Whichever option is chosen to obtain a declaration identifier, forest owner A would retain responsibility for compliance of the relevant products with Article 3.

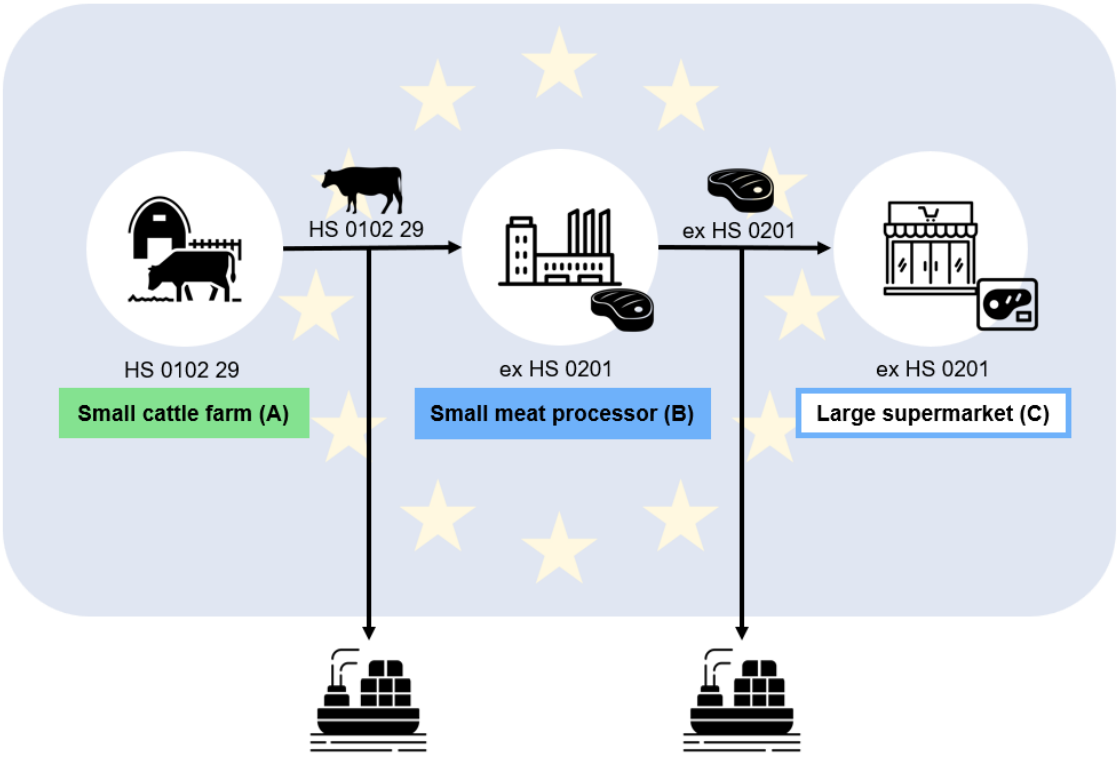
Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Timber company B fells the trees and transports part of the harvested logs to a paper and pulp factory that it owns. At this factory, timber company B processes the logs into paper products (HS 4802). Part of the paper produced at the factory is then exported from the EU, and the rest is sold to paper sales and distribution company C that is within the EU.

Large timber company B is a **downstream operator**, for both the placing on the market and the export of new relevant products (paper products, HS 4802) that are made using other relevant products (harvested logs, HS 4403), all of which are covered by a DDS or by a simplified declaration **(*Text Box 4*).** Given that its direct suppliers are all upstream operators, including MSPOs, timber company B is a ***first downstream operator***, hence it is required to collect and keep DDS reference numbers from those suppliers who are upstream operators, as well as declaration identifiers from any suppliers that are MSPOs. Timber company B is also subject to the general obligations of downstream operators and traders, including record keeping. In addition, as a non-SME, it is required to register in the Information System. For the paper products which are exported, timber company B, as a downstream operator, is not subject to the obligation to provide the DDS reference number in its customs declaration (Art. 26(4)).

The **large paper sales and distribution company C** sells printing/writing/copying paper (HS 4802; a relevant product under the scope of HS 48) to companies within the EU. As it is making available on the market relevant products that were already placed on the Union market by timber company B, **paper sales and distribution company C** is a ***trader***. It is subject to the general obligations of downstream operators and traders, including record keeping. As a non-SME, it is also required to register in the Information System **(*Text Box 4*).**

Scenario 3: Supply chain for domestic cattle



**Although this supply chain depicts cattle, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Small cattle farm A (established in the EU) produces and raises live cattle (HS 0102 29), some of which it sells to meat processor B within the EU and some of which it exports from the EU. Cattle farm A is an **upstream operator (*Text Box 1*)**, both when placing a relevant product listed in Annex I of the EUDR (HS 0102 29) on the Union market for the first time, and when exporting a relevant product. Cattle farm A must exercise due diligence and is responsible for compliance of the relevant products with Article 3.

Since cattle farm A produces the live cattle itself, its due diligence needs to ensure that the cattle are produced in accordance with the relevant legislation (in this case any relevant regional, national and EU legislation), and that cattle have been produced on an area not subject to deforestation since 31 December 2020. As cattle farm A qualifies as a ***micro or small primary operator***, the placing of relevant products on the Union market or the export of relevant products can be covered by a **one-time simplified declaration (*Text Box 5*).**

In the present scenario, cattle farm A comes from a Member State where all the information required in the one-time simplified declaration is available in a national system or database. The Member State has made this information available in the Information System. Cattle farm A can only place relevant products on the Union market or export them after having been assigned a

declaration identifier. As an upstream operator, cattle farm A must also communicate their declaration identifier to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Small meat processor B uses the cattle to produce a new relevant product listed in Annex I of the EUDR: meat of cattle, fresh or chilled (ex HS 0201). Some of this meat is placed on the Union market and some is exported from the EU. Because the meat is made entirely from other relevant products (live cattle, HS 0102 29) all of which are covered by a DDS or by a simplified declaration, meat processor B is a **downstream operator (*Text Box 4*),** both for the placing on the market of cattle meat (ex HS 0201) and for its export.

Given that its direct supplier is an upstream operator, meat processor B is a ***first downstream operator***, hence it is required to collect and keep DDS reference numbers from any suppliers that are upstream operators, as well as declaration identifiers from any suppliers that are MSPOs. Meat processor B is also subject to the general obligations of downstream operators and traders, including record keeping. For the meat exported, the meat processor B as a downstream operator is not subject to the obligation to provide the DDS reference number in its customs declaration (Art. 26(4)).

Meat processor B sells some of the meat products (ex HS 0201) to **large supermarket C**, which sells them to customers. As it is making available on the market relevant products that were already placed on the Union market by meat processor B, supermarket C is a ***trader***. It is subject to the general obligations of downstream operators and traders, including record keeping. As a non-SME, it is also required to register in the Information System (***Text Box 4***).

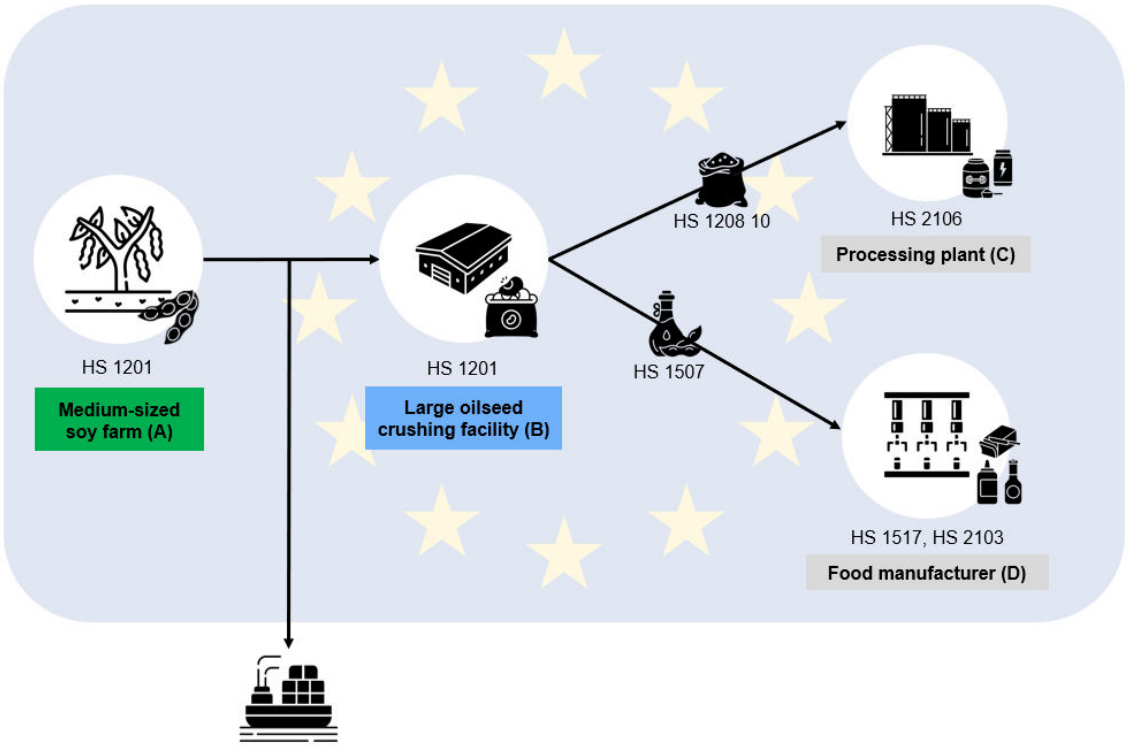
*N.B.: If cattle farm A fed its cattle with soymeal (HS 1208 10), a relevant product listed in Annex I, then cattle farm A should ensure that the soymeal is compliant with the EUDR. If cattle farm A purchased soymeal produced domestically within the EU, then the soymeal would already have been placed on the Union market and must be covered by a DDS. Cattle farm A would be a **downstream operator**, not required to exercise due diligence nor submit a DDS and not responsible for compliance of the soymeal with Article 3.*

*If cattle farm A had produced all of the soymeal themselves then as a **micro or small primary operator** it should conduct due diligence, to ensure that the soymeal was produced in accordance with the EUDR. Cattle farm A would not need to make an additional submission to the Information System if producing soy for its own cattle, because it would not be supplying soymeal on the market **(Text Box 5).***

*If cattle farm A instead imported the soymeal (HS 1208 10) from a third country and placed it on the Union market then cattle farm A would be an **upstream operator** for that*

relevant product: it would not be a micro or small primary producer in this case because it has not produced (grown/harvested) the relevant product itself (Art. 2(15a)). As an upstream operator, cattle farm A would need to carry out due diligence for the soymeal and submit a DDS into the Information System prior to import ***(Text Box 1)****. Cattle farm A would include the DDS reference number in the customs declaration for 'release for free circulation' for the soymeal (****Text box 6****). Cattle farm A would then use the reference numbers and other documentation from the soymeal that it imported to demonstrate that its cattle feed was deforestation-free.*

Scenario 4: Supply chain for domestic soy



**Although this supply chain depicts soy, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Medium-sized soy farm A, established in the EU, grows soybeans. It sells some of the soybeans within the EU, to large oilseed crushing facility B and exports the rest to a third country. Soybeans, whether or not broken (HS 1201), are a relevant product listed in Annex I of the EUDR. Soy farm A is therefore an ***upstream operator*** **(*Text Box 1*),** both for placing a relevant product on the Union market for the first time, and for exporting a relevant product. Soy farm A must exercise due diligence. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also ensure that the soybeans are covered by DDS submitted to the Information System prior to placing the soybeans on the Union market or exporting them **(*Text Boxes 2 and 6*).**

As soy farm A is placing batches of soybeans on the market, and exporting, over a period of time, which originate from the same farms, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market or exported and all geolocations have been declared **(*Text Box 3*).** As an upstream operator, soy farm A must also communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

*N.B. If soy farm A used some of the soybeans grown on its own farm for **use in its own business** (e.g. it processed soy beans into soy flour, another relevant product, which was fed to its own chickens) soy farm A would not be an operator for these products: soy farm A would not be placing them on the market as in these cases there is no supply of the relevant products. [In cases where farmers feed soy products listed in Annex I to cattle (relevant products) which are then placed on market, refer to Recital 39 of the EUDR].*

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

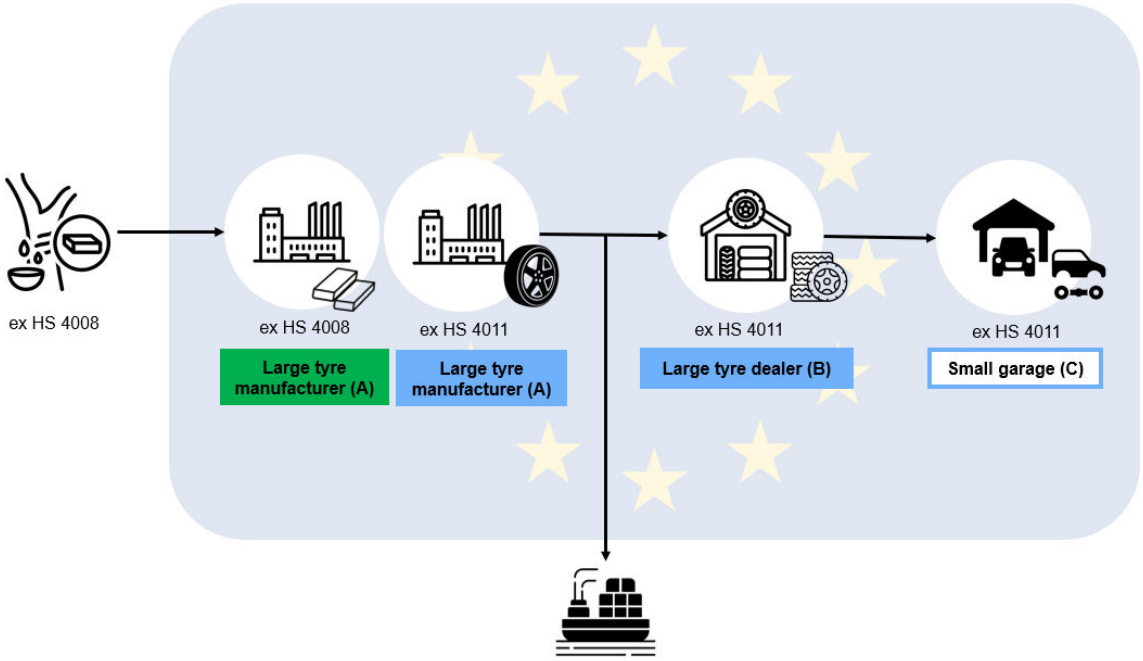
Large oilseed crushing facility B processes the soybeans into soymeal (HS 1208 10) and soybean oil (HS 1507), both of which are new relevant products listed in Annex I of the EUDR and sells them on the Union market. However, because the soymeal and the soybean oil are both made entirely from the soybeans (HS 1201), all of which are covered by a DDS, crushing facility B is a **downstream operator (*Text Box 4*).** Given that crushing facility B is supplied directly by an upstream operator, it is a ***first downstream operator***, hence it is required to collect and keep DDS reference numbers from that supplier. Crushing facility B is also subject to the general obligations of downstream operators and traders, including record keeping. In addition, large oilseed crushing facility B, as a non-SME, is required to register in the Information System.

*N.B.: If crushing facility B adds any other soybeans in the making of the soymeal and soy oil that have not been previously subject to due diligence, then it would need to exercise due diligence on those relevant products for which it is the first placer on the Union market, and submit a DDS for these additional soybeans to the Information System (**Text Box 1**).*

Oilseed crushing facility B sells the soymeal (HS 1208 10) to **processing plant C**, which used the soymeal to manufacture soy protein isolates (HS 2106). As soy protein isolates are not a relevant product listed in Annex I of the EUDR, processing plant C **does not have obligations under EUDR** for this product. Oilseed crushing facility B also sells the soybean oil (HS 1507) to a **large food manufacturer D** who refines the oil and uses it to make a variety of products like margarine or sauces which are not listed in Annex I of the EUDR. **Manufacturer D** is not placing or making available a relevant product on the Union market and therefore is not an operator or trader under the EUDR for those products – and **has no obligations under EUDR**.

2. EU-based operations with commodities produced outside the EU

Scenario 5: Supply chain for rubber



**Although this supply chain depicts rubber, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Large tyre manufacturer A buys natural vulcanised rubber (ex HS 4008) from a third country and imports it into the EU. Tyre manufacturer A is an ***upstream operator*** when declaring the import under customs procedure 'release for free circulation', because it is placing a relevant product listed in Annex I of the EUDR on the Union market for the first time **(*Text Box 1*)**. Tyre manufacturer A must exercise due diligence for the vulcanised rubber (ex HS 4008) **(*Text Boxes 2 and 6*)**. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also submit a DDS in the Information System prior to import and include the DDS reference number in the customs declaration.

If tyre manufacturer A imports multiple shipments of vulcanised rubber (ex HS 4008) from the same country/region, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market prior to submission of the DDS and all geolocations have been declared **(*Text Box 3*)**.

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

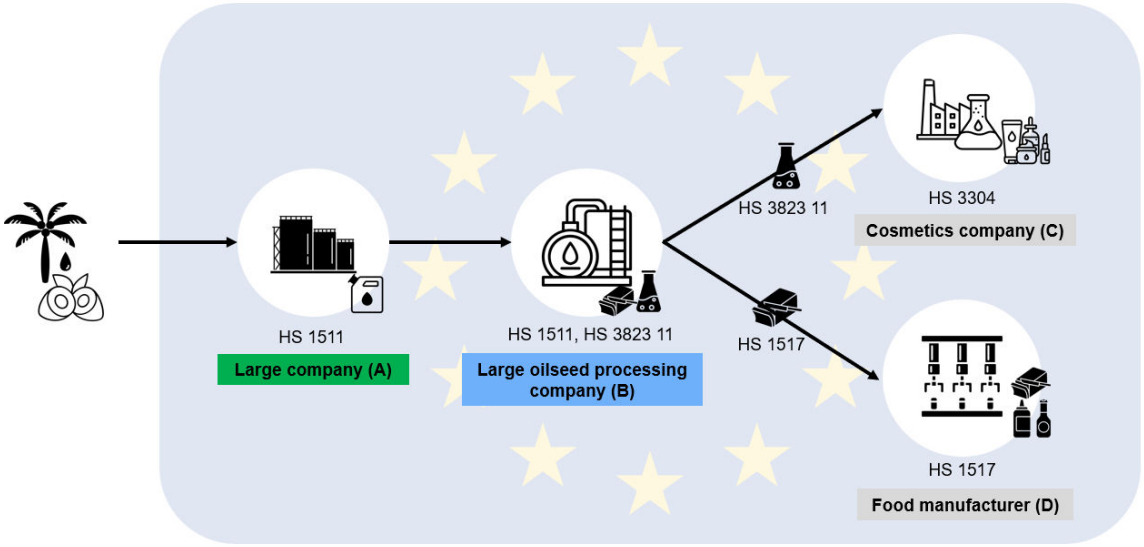
Large tyre manufacturer A uses the vulcanised rubber that it imported to produce new tyres (ex HS 4011), a new relevant product listed in Annex I of the EUDR. Some of these tyres are placed on the Union market and some are exported from the EU. Given that the new tyres are made entirely from the vulcanised rubber (ex HS 4008) that was already subject to due diligence and covered by a DDS prior to its import, tyre manufacturer A therefore meets the definition of ***downstream operator*** in respect of the tyres both for their placing on the market and for their export **(*Glossary*, *Text Box 1*).**

Because tyre manufacturer A has already fulfilled their obligations as an upstream operator (for vulcanised rubber ex HS 4008) they do not have any additional obligations when placing the tyres (ex HS 4011) on the market. However, as tyre manufacturer A was an upstream operator for the vulcanised rubber, it must communicate the DDS reference numbers to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)), for example to large tyre dealer B.

Some of the new tyres (ex HS 4011) are sold to **large tyre dealer B**. Tyre dealer B makes the new tyres available on the Union market, and the HS code does not change. Tyre dealer B is therefore a **trader** (***Text Box 4***). Obligations for traders are the same as for downstream operators. Given that its direct supplier was an upstream operator (tyre manufacturer A, when importing the vulcanised rubber), tyre dealer B, as the ***first trader***, is required to collect and keep DDS reference numbers from that supplier. It is also subject to the general obligations of downstream operators and traders, including record keeping. As a non-SME, it is also required to register in the Information System.

Tyre dealer B sells the tyres to **small garage C**, which sells tyres to customers. Garage C makes the new tyres available on the Union market and is therefore a ***trader***. Garage C is subject to the general obligations of downstream operators and traders, including record keeping **(*Text Box 4*).**

Scenario 6: Supply chain for palm oil



**Although this supply chain depicts palm oil, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

A **large company A** (established in the EU) buys palm oil (HS 1511) from a supplier who is established outside the EU. Under the contract, ownership is immediately transferred to company A whilst the palm oil is still outside the EU, and company A imports it. Company A is an **upstream *operator*** when declaring the import under customs procedure 'release for free circulation', because it is placing a relevant product listed in Annex I of the EUDR on the Union market for the first time **(*Text Box 1*)**. Large company A must exercise due diligence for the palm oil **(*Text Boxes 2 and 6*)**. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also submit a DDS in the Information System prior to import and include the DDS reference number in the customs declaration.

In this scenario, large company A chooses to mandate another EU-established company as its **authorised representative (*Text Box 7*),** to submit the DDS on company A's behalf. The authorised representative is not a supply chain member; it is only a service provider. Company A retains responsibility for compliance of the relevant products with Article 3.

If company A imports multiple shipments of palm oil (HS 1511) from the same country/region, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market prior to submission of the DDS and all geolocations have been declared **(*Text Box 3*).**

As an upstream operator, company A must communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

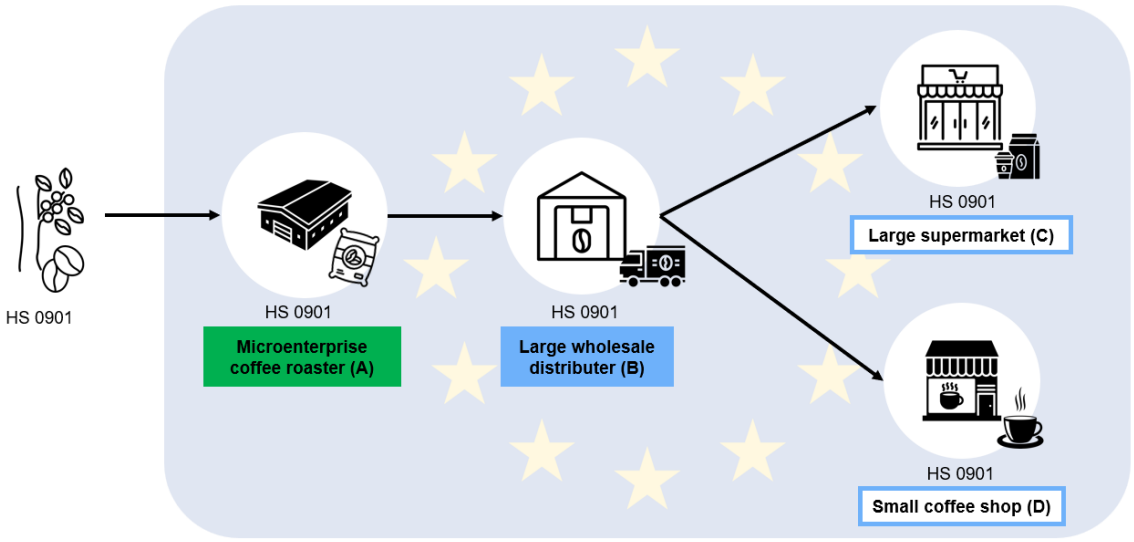
The palm oil is sold to **large oilseed processing company B**, which uses it to make two products: stearic acid, industrial (HS 3823 11) and margarines (HS 1517). Margarine is not a relevant product under Annex I of the EUDR, so it is **not subject to any obligations**. Stearic acid (HS 3823 11) is a relevant product under Annex I, so is subject to the EUDR. However, because the stearic acid is made from other relevant products (palm oil, HS 1511), all of which are covered by DDS, oilseed processing company B is a **downstream operator** for the stearic acid **(*Text Box 4*)**. Given that its direct supplier is an upstream operator, Company B is a ***first downstream operator***, hence it is required to collect and keep DDS reference numbers from that supplier. Company B is also subject to the general obligations of downstream operators and traders, including record keeping. As a non-SME, large oilseed processing company B is also required to register in the Information System.

Oilseed processing company B sells the stearic acid (HS 3823 11) to **cosmetics company C**. Cosmetics company C uses the stearic acid to manufacture cosmetic products (HS 3304) and sells them to consumers. Cosmetics are not a relevant product under Annex I of the EUDR. Cosmetics company C is therefore not placing a relevant product on the Union market; hence it **does not have obligations under the EUDR for the cosmetics**.

*N.B.: If cosmetics company C was instead importing relevant products (such as stearic acid) into the EU from a third country to use in its cosmetic products, as first placer on the Union market for these products it would be an **upstream operator** (**Text Box 1**). It would need to exercise due diligence on those relevant products and submit a DDS in the Information System prior to import.*

Oilseed processing company B sells the margarine (HS 1517) to **downstream food manufacturer (D)** in the EU. As margarine is not a relevant product under Annex I of the EUDR, neither oilseed processing company B nor downstream manufacturer D are placing or making available a relevant product on the Union market. **Neither have obligations under EUDR for this product.**

Scenario 7: Supply chain for coffee



**Although this supply chain depicts coffee, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Microenterprise coffee roaster A established in the EU imports coffee beans (HS 0901) in bulk containers into the EU from a third country. Coffee roaster A is an ***upstream operator*** when declaring the import under customs procedure 'release for free circulation', because it is placing a relevant product listed in Annex I of the EUDR on the Union market for the first time **(*Text Box 1*).** Although coffee roaster A is a microenterprise, it does not meet the requirements of 'micro or small primary operator' as it is not the primary producer of the coffee beans ***(Glossary, Text Box 5)***. It must therefore exercise due diligence for the coffee beans (***Text Boxes 2 and 6*).** It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also submit a DDS in the Information System prior to importing, rather than a one-time simplified declaration.

In this scenario, coffee roaster A decides to use an **authorised representative** to submit the DDS in the Information System on its behalf **(*Text Box 7*).** However, it retains responsibility for compliance of the relevant products with Article 3. For example, given that coffee roaster A is a microenterprise, it can mandate the next downstream operator or trader in the supply chain that is not a natural person or a microenterprise to act as its authorised representative. In this case, the next in the supply chain is a large wholesale distributor B, who therefore submits the DDS on coffee roaster A's behalf.

If coffee roaster A imports coffee beans originating from the same geolocations over a period of time, these batches/shipments could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market **(*Text Box 3*).**

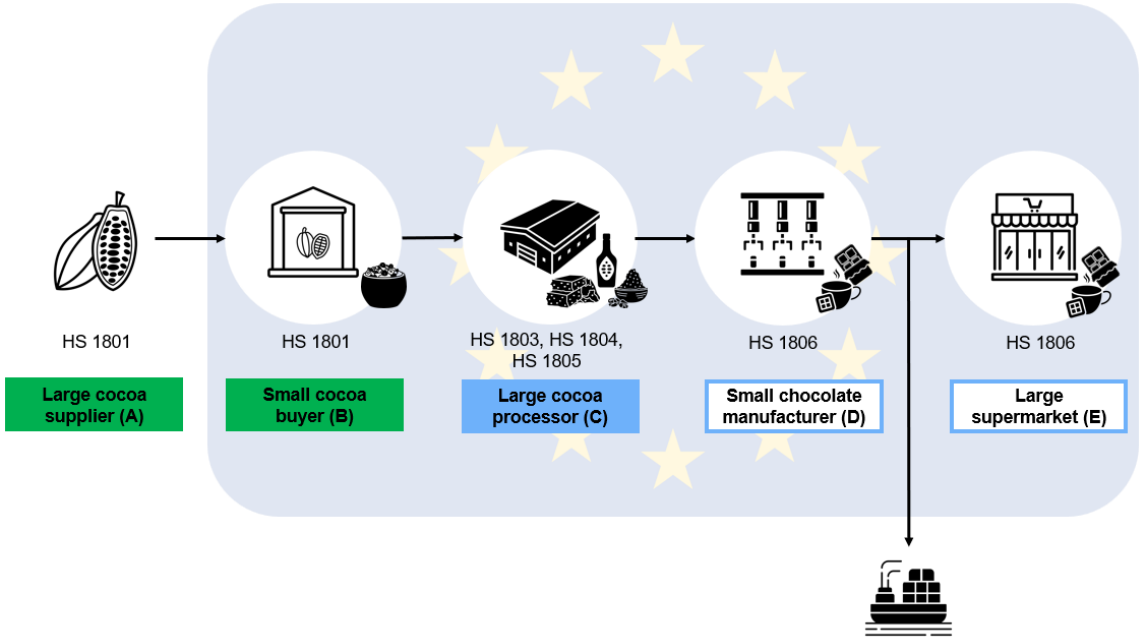
As an upstream operator, coffee roaster A must communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Coffee roaster A sells the roasted coffee beans (HS 0901) to **large wholesale distributer B**, who in turn sells the roasted coffee beans (HS 0901) to large supermarket chain C and small coffee shop D. Large wholesale distributer B is making roasted coffee beans available on the market and is therefore a **trader**. In addition to its role as authorised representative to submit DDS on coffee roaster A's behalf, it is also subject to the general obligations of downstream operators and traders, including record keeping, as well as the specific obligation of non-SME downstream operators and traders to register in the Information System **(*Text Box 4*).** Large wholesale distributer B is not responsible for compliance of the relevant products, either in its role of authorised representative or the role of trader. As it is directly supplied by an upstream operator (microenterprise coffee roaster A), large wholesale distributer B, as the ***first trader***, is required to collect and keep the DDS reference numbers from that supplier.

Large supermarket chain C and **Small coffee shop D** sell the roasted beans (HS 0901) to consumers. They are making roasted coffee beans available on the Union market and are therefore ***traders***. Supermarket chain C and coffee shop D are subject to the general obligations of downstream operators and traders, including record keeping. In addition, as a non-SME, large supermarket chain C is required to register in the Information System **(*Text Box 4*).**

Scenario 8: Supply chain for cocoa



**Although this supply chain depicts cocoa, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Small cocoa buyer B established in the EU buys cocoa beans (HS 1801) from a large cocoa supplier A, who is established in a third country. Under the contract, ownership is only transferred to cocoa buyer B when the cocoa beans are delivered to buyer B's facility in the EU. Cocoa supplier A uses a shipping agent to import the cocoa beans into the EU and delivers them to cocoa buyer B's facility.

Large cocoa supplier A has a valid EORI number issued by an EU Member State for its import operations, hence can access the Information System and place relevant products on the Union market. Cocoa supplier A is an ***upstream operator*** when declaring the import under customs procedure 'release for free circulation', because it is placing a relevant product listed in Annex I of the EUDR on the Union market for the first time **(*Text Box 1*)**. This means that supplier A must exercise due diligence on the cocoa beans, submit a DDS to the Information System and include the DDS reference number in the customs declaration prior to import **(*Text Boxes 2 and 6*)**. As an upstream operator, cocoa supplier A must communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

The shipping agent in this case is not an operator or trader and is therefore not subject to any obligations under the EUDR. Cocoa supplier A retains responsibility for compliance of the relevant products with Article 3.

In cases where a non-EU based operator places a relevant product on the Union market, the first natural or legal person established in the EU to make the relevant

products available on the EU market is also deemed to be an **operator**, pursuant to Article 7. **Small cocoa buyer B** is therefore also an ***upstream operator*** in this scenario. Article 7 establishes that the **Small cocoa buyer B** is subject to the same obligations as an upstream operator. Therefore, cocoa buyer B must exercise due diligence **(*Text Box 1*),** ensuring that the relevant products are deforestation-free and legal, and must submit a separate DDS to the Information System before selling the cocoa beans. Cocoa buyer B is responsible for compliance of the relevant products with Article 3.

N.B.: Commodities such as cocoa beans may originate from many small farms and be mixed during storage, processing or shipping. Under the EUDR, to ensure that relevant products are deforestation-free, there should not be mixing at any step in the supply chain of deforestation-free products with products of unknown origin or originating from land subject to deforestation after 31 December 2020 **(*Text Box 8*).**

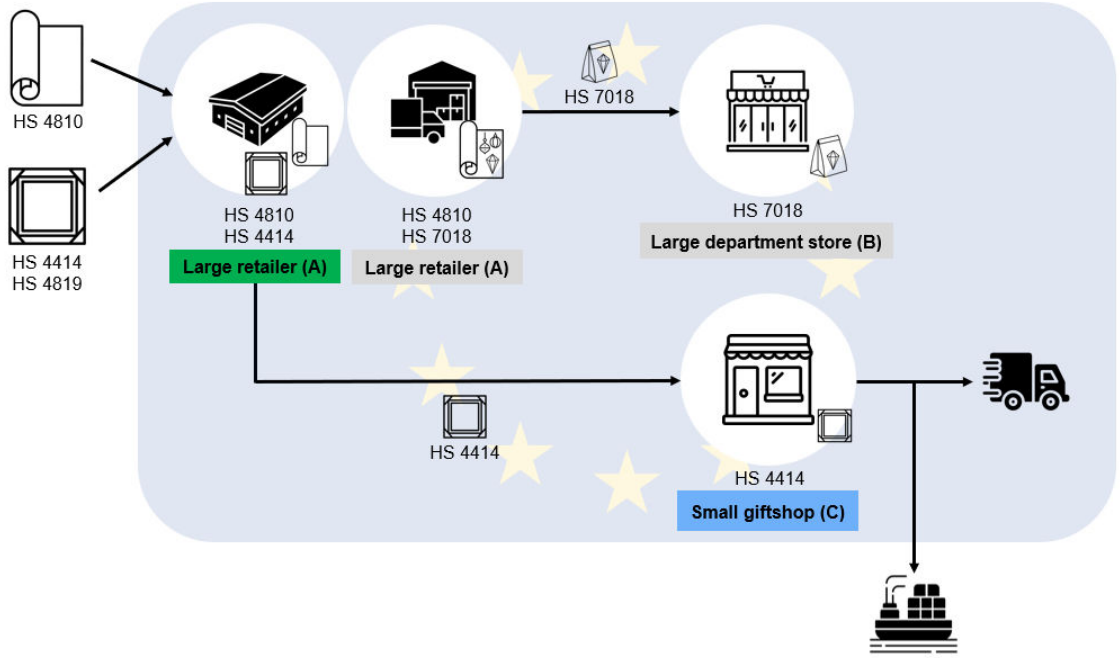
Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Small cocoa buyer B sells the cocoa beans (HS 1801) to a **large cocoa processor C**, which processes them into cocoa mass/liquor (HS 1803), cocoa butter (HS 1804), and cocoa powder (HS 1805). Cocoa processor C is placing new relevant products listed in Annex I of the EUDR on the Union market. However, because they are made entirely from cocoa beans (HS 1801), all of which are covered by DDS, cocoa processor C is a **downstream operator (*Text Box 4*).** Given that its direct supplier is an upstream operator, cocoa processor C is a ***first downstream operator***, hence it is required to collect and keep DDS reference numbers from that supplier. Cocoa processor C is also subject to the general obligations of downstream operators and traders, including record keeping. In addition, **large cocoa processor C**, as a non-SME, is required to register in the Information System.

Cocoa processor C sells the cocoa mass/liquor (HS 1803), cocoa butter (HS 1804), and cocoa powder (HS 1805) to a **small chocolate manufacturer D** who produces chocolate and drinking cocoa powder (both HS 1806). Chocolate manufacturer D sells these products to a large supermarket E and also exports chocolate from the EU. Chocolate manufacturer D is a **downstream operator**, both when placing relevant products (chocolate and drinking cocoa powder, HS 1806) onto the Union market and when exporting relevant products (chocolate), all of which are covered by DDS **(*Text Box 4*)**. It is not directly supplied by an upstream operator; hence it is a ***subsequent downstream operator***. It is subject to the general obligations of downstream operators and traders, including record keeping. For the chocolate that is exported, Chocolate manufacturer D, as a downstream operator, is not subject to the obligation to provide the DDS reference number in its customs declaration (Art. 26(4)).

Large supermarket E sells the chocolate and drinking cocoa powder to consumers. As it is making available on the market relevant products that were already placed on the Union market by chocolate manufacturer D, supermarket E is a ***trader***. It is subject to the general obligations of downstream operators and traders, including record keeping, as well as the specific obligation of non-SME downstream operators and traders, to register in the Information System (***Text Box 4***).

Scenario 9: Supply chain for wood/paper products



**Although this supply chain depicts wood products, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Large retailer A imports coated craft paper (HS 4810) to the EU from a third country, to use as packaging for other products. Although the coated craft paper will be used as packaging, it is being imported as a product in its own right. Retailer A is therefore an ***upstream operator*** when declaring the import under customs procedure 'release for free circulation', because it is placing a relevant product listed in Annex I of the EUDR on the Union market for the first time **(*Text Box 1*)**. It must exercise due diligence for the craft paper **(*Text Boxes 2 and 6*)**. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also submit a DDS in the Information System prior to import and include the DDS reference number in the customs declaration.

Retailer A also imports wooden frames for paintings/photographs (HS 4414) packaged in cardboard (HS 4819), to the EU from a third country. Retailer A is acting as an ***upstream operator*** with regards to the wooden frames, because it is placing a relevant product (HS 4414) listed in Annex I of the EUDR on the Union market for the first time. Retailer A must exercise due diligence for the frames and is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal **(*Text Box 1*)**. It must also submit a DDS in the Information System prior to import. However, retailer A is not required to exercise due diligence or submit a DDS for the cardboard packaging, as this was not imported as a product in its own right but rather as packaging material (which is of a kind typically used for packaging such

goods, and not giving the product its essential character) and is therefore not regulated as a relevant product under the EUDR.

N.B.: There may be additional considerations when conducting due diligence on processed products (e.g. wooden frames and coated craft paper made from other relevant wood products), such as complexity of the supply chain and the product containing commodities sourced from multiple countries of production.

Multiple products can be added to the same DDS, and if retailer A imports multiple shipments of craft paper (HS 4810) and wooden frames (HS 4414) from the same countries/regions over a period of time, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market prior to submission of the DDS and all geolocations have been declared **(*Text Box 3*)**. As an upstream operator, retailer A must communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (HS 4414 and HS 4810) (Art. 4(7) and Art. 5(3)(a)).

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 *(Text Box 4)*.

Large retailer A uses the craft paper (HS 4810) to package glass ornaments (HS 7018), which are not relevant products listed in Annex I of the EUDR. Furthermore, the craft paper (HS 4810) is no longer considered a relevant product when it is used solely as packaging material to support, protect or carry another product, rather than being placed on the market or exported as a product in its own right. Retailer A therefore has **no obligations under the EUDR for the craft paper once it is used to package other products**.

Retailer A sells the packaged glass ornaments (HS 7018) to **large department store B**, who sells them on to consumers. Since neither the craft paper being used as packaging nor the glass ornaments are relevant products under Annex I of the EUDR, large department store B is therefore not making available a relevant product on the Union market and **does not have obligations under the EUDR.**

Retailer A sells the packaged wooden frames to a small giftshop C, who is buying the packaged frames for subsequent sale to consumers in the EU and also exporting to a third country. If **small giftshop C** sells the frames (HS 4414) to consumers based in the EU, then by making available on the Union market relevant products that were already subject to due diligence upstream by retailer A, giftshop C is acting as a ***trader***. When exporting from the Union market relevant products (the wooden frames) that were already placed on the Union market by retailer A, **small giftshop C** is acting as a ***first downstream operator***. Obligations for traders are the same as for downstream

operators **(*Text Box 4*)**. Given that its direct supplier was an upstream operator (retailer A, when importing the wooden frames), giftshop C is required to collect and keep DDS reference numbers from that supplier. It is also subject to the general obligations of downstream operators and traders. For the wooden frames which are exported, giftshop C, as a **downstream operator**, is not subject to the obligation to provide the DDS reference number in its customs declaration (Art. 26(4)).

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