

May 12th, 2025

Our Comments on the Draft delegated regulation amending Regulation (EU) 2023/1115 of the European Parliament and of the Council as regards the list of relevant commodities and relevant products

Dear Sirs,

The Japan Machinery Center for Trade and Investment ("JMC") is a non-profit organization with the character of a public-interest corporation. It was established in December 1952 in accordance with the Japanese Export and Import Trade Law under the authorization of the Minister of Economy, Trade and Industry of Japan. The objective of the JMC is to engage in activities that enhance the common benefit of member companies and promote the sound development of international trade and investment by the machinery industry. JMC comprises member companies engaged in machinery and systems-related exports and foreign investments such as machinery manufacturers, trading houses and engineering companies. At present, the total number of JMC member companies is about 240.

Our committee handles environmental and product safety issues regarding products for trade and is strongly concerned with overseas environment- and product safety-related regulations on products. From this standpoint, we would like to send our comment on the Draft delegated regulation amending Regulation (EU) 2023/1115 of the European Parliament and of the Council as regards the list of relevant commodities and relevant products.

If you have any questions, please feel free to contact our secretariat (Mr. Chiaki Morikawa, E-mail: morikawa@jmcti.or.jp)).

Sincerely yours,

KANNO Yasuhiko

Kanno Gasuhiko

Chairman

**Environment Law Committee** 



JMC comments on the Draft delegated regulation amending Regulation (EU) 2023/1115(EUDR) of the European Parliament and of the Council as regards the list of relevant commodities and relevant products

We welcome the opportunity to contribute to the public consultation regarding the Draft delegated regulation amending Regulation (EU) 2023/1115(EUDR) of the European Parliament and of the Council as regards the list of relevant commodities and relevant products.

<u>Delegated Regulation amending Annex I of Regulation (EU) 2023/1115 (EU Deforestation Regulation)</u>

JMC would like to ask the European Commission to take into account the following proposals in the further regulatory simplification activities:

1. Exemption of packaging imported into the EU with the HS code within the scope and subsequently replaced with identical packaging that is already placed on the market which is supporting, protecting, or carrying the product therein.

Reason: Packaging for electrical and electronic products in general has a product inside, so it is not imported into the EU with HS code within the scope. However, a relatively small quantity of stand-alone packaging for the purpose of replacing damaged packaging is imported, and in such case the HS code in Annex I is assigned. It is extremely cumbersome to obtain due diligence information and especially information on latitude and longitude where wood was produced from suppliers. As the majority of the same packaging imported with products inside are outside of the scope of EUDR, we would like to request empty replacement packaging which will be used to replace packaging already imported into the EU to be outside of the scope.

2. Removal of item 49, "Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans, of paper," from the list of relevant commodities and relevant products within the scope of the EUDR.

Reason: The manufacturers of printed books and sheet music are not the same as paper producers; instead, they operate through a longer and more complex supply chain. Therefore, it is unfeasible to trace all wood back to the point of harvest for paper. If the origin of the paper cannot be identified at the level of the harvested forest plot, it would have a significant negative impact on the cultural aspect, as books and sheet music could not be imported or exported to and from the EU.



Item 49, "Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans, of paper," was not within the scope of REGULATION (EU) No 995/2010, and we hope for the same treatment under the EUDR. If this is not possible, we request that the requirements be relaxed to a level of information that manufacturers of books and similar products can realistically obtain, considering the longer and more complex supply chain.

## 3. Relaxation of the requirements stated in Article 9 (1) (d) of the EUDR, which mandates:

We would like to request that the following requirements of Article 9(1)(d) of the EUDR be relaxed. "the geolocation of all plots of land where the relevant commodities that the relevant product contains, or has been made using, were produced, as well as the date or time range of production; where a relevant product contains or has been made with relevant commodities produced on different plots of land, the geolocation of all different plots of land shall be included; any deforestation or forest degradation on the given plots of land shall automatically disqualify all relevant commodities and relevant products from those plots of land from being placed or made available on the market or exported; for relevant products that contain or have been made using cattle, and for such relevant products that have been fed with relevant products, the geolocation shall refer to all the establishments where the cattle were kept; for all other relevant products of Annex I, the geolocation shall refer to the plots of land."

At the very least, for paper, we would like to request that if information cannot be obtained through the supply chain, the same level of origin information as REGULATION (EU) No 995/2010 be accepted, namely:

- country of harvest, and where applicable:
  - sub-national region where the timber was harvested; and
  - concession of harvest.

Reasons: With regards to paper, it is not possible to trace all wood back to the point where it was harvested as explained below.

## 1) Supply chain complexity

Paper production involves multiple sourcing and processing steps. Wood from different forests is often mixed at the logging site, mixed at the pulp mill, and further blended at the paper mill. A single sheet of paper may contain fibres from dozens or even hundreds of different trees from different locations.

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## 2) Pulp aggregation

Pulp, the raw material for paper, is usually processed in large quantities. A mill may source logs or recycled paper from multiple suppliers or regions. These are mixed during the pulping process, making it impossible to separate the fibres by origin later.

- 3) Individual traceability
  - Fibers are not individually tracked or tagged. There are no barcodes or chips to track each tree.
- 4) Excessive Regulation
  - In the context of the EU's Omnibus package announced in February 2025, where the revision of the Corporate Sustainability Due Diligence Directive (CSDDD) proposes to accept investigations of direct suppliers as "due diligent," it is not considered feasible to require the geolocation of all plots of land where the raw materials of manufactured products are produced at the level set under the current EUDR\*, especially for products that cross multiple stages of the supply chain.
  - \*'geolocation' means the geographical location of a plot of land described by means of latitude and longitude coordinates corresponding to at least one latitude and one longitude point and using at least six decimal digits; for plots of land of more than four hectares used for the production of the relevant commodities other than cattle, this shall be provided using polygons with sufficient latitude and longitude points to describe the perimeter of each plot of land. (Article 2(28))

The European Commission's advice to farmers in the FAQ, such as using a smartphone application to check the location of farmland, would not be applicable to producers in countries where EU laws are not directly enforced. Especially for manufactured products like paper, it is very difficult to collect detailed information to comply with EU law because producers have no idea where or how their products are processed and whether they are ultimately sold to the EU. Excessive regulation will never lead to cost-effective management.

For these reasons, it is virtually impossible to trace a single piece of paper back to the forest or tree where the raw materials were harvested.

Please refer to the following website for a more detailed explanation: https://www.afandpa.org/news/2024/why-eu-needs-reconsider-their-deforestation-law



4. Exemption of label, user manuals and other information materials imported into the EU with the HS code within the scope if the EU-established importer (namely, operator) subsequently packages such items with or labels to products that are already placed on the market upon supplying to the immediate downstream retailer for distribution, consumption or use.

Reason: These labels, manuals and information materials would be outside of the scope of EUDR were they imported in a form packaged with a product. But in the case of worldwide design model, document, and label necessary for circulation in the EU are sometimes affixed or packaged after import into the EU. We would like to ask that such items imported separately in the EU but will be affixed to or packaged with products within the EU to be outside of the scope of EUDR.

End