GGL SUSTAINABLE BIOMASS DIALOGUE

FROM COMPLIANCE TO IMPACT: THE FUTURE OF BIOMASS CERTIFICATION

19th February 2025
2:30pm - 5:20pm (GMT+8)
Sheraton Petaling Jaya Hotel

Powered by SUSTAINABLE ACTION CONFERENCE

Topic Title

EUDR Compliance

Presented by

Ebnu Holdoon Shawal
Project Manager-Sustainability, Control Union Malaysia

Organized by CONTROLUNION

What is EUDR

EU Deforestation Regulation

EUDR compliance refers to the EU Deforestation Regulation, which requires companies importing certain products into the European Union to trace their origins and prove they are not associated with deforestation. Large companies must comply by the end of 2025, while smaller enterprises have until mid-2026

Objective: Reduce EU-driven deforestation by ensuring products are deforestation-free (post-Dec 2020)

Adoption: Enacted June 2023

Legal Basis: Part of the European Green Deal

Scope: Commodities & Products

7 Key Commodities: Palm oil, soy, cattle, coffee, cocoa, timber & rubber.


Timber

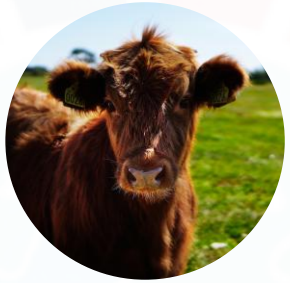

Cocoa


Coffe e


Oil Palm


Rubber


Soy


Cattle

*Include derived products

Note: Within each commodity, the regulation defines which products are included, according to a list of EU customs codes. Any product under a different Customs Code would be exempted from the regulation

Relevant commodity	Relevant products
Oil palm	1207 10 Palm nuts and kernels 1511 Palm oil and its fractions, whether or not refined, but not chemically modified 1513 21 Crude palm kernel and babassu oil and fractions thereof, whether or not refined, but not chemically modified 1513 29 Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding crude oil) 2306 60 Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nut or kernel fats or oils ex 2905 45 Glycerol, with a purity of 95 % or more (calculated on the weight of the dry product) 2915 70 Palmitic acid, stearic acid, their salts and esters 2915 90 Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding formic acid, acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic acids, pentanoic acids, palmitic acid, stearic acid, their salts and esters, and acetic anhydride) 3823 11 Stearic acid, industrial 3823 12 Oleic acid, industrial 3823 19 Industrial monocarboxylic fatty acids; acid oils from refining (excluding stearic acid, oleic acid and tall oil fatty acids) 3823 70 Industrial fatty alcohols

Affected Companies

Who?:

EU-based companies and non-EU exporters to the EU market.

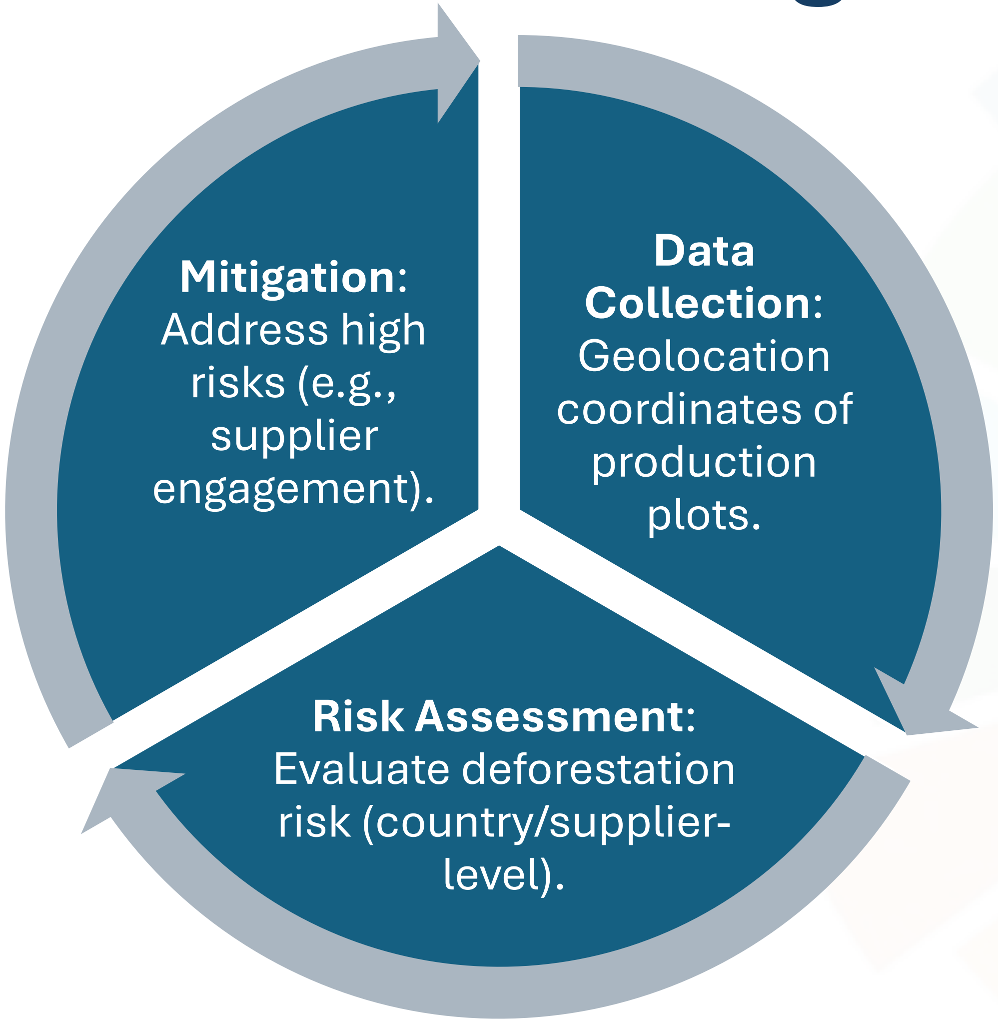
Exemption:

SMEs have a 6-month grace period

EU Deforestation Regulation

EUDR compliance refers to the EU Deforestation Regulation, which requires companies importing certain products into the European Union to trace their origins and prove they are not associated with deforestation. Large companies must comply by the end of 2025, while smaller enterprises have until mid-2026

Key Requirements: Due Diligence



Geolocation & Traceability

Traceability:

To the plot level using tech (satellite imagery, blockchain).

Cutoff Date:

No deforestation after Dec 31, 2020.

Enforcement & Penalties

Enforcers: EU member state authorities

Cutoff Date: No deforestation after Dec 31, 2020.

Penalties: Fines (up to 4% of EU turnover), product confiscation, market exclusion.

EUDR Penalties	
Fines	Up to 4% of a company's annual turnover in the EU
Confiscation	Of products or revenues from the products
Exclusion from public procurement	For up to 12 months
Temporary prohibition	From placing products on the European market
Prohibition from simplified due diligence	For serious or repeated infringements

Timeline

- **2019**: EU Commission adopts policy framework
- **2021**: EU Commission adopts proposal for EUDR
- **2022**: EU agrees on EUDR
- **2023**: EUDR enters force in June
- **2025**: Medium & large companies to comply by December 30th
- **2026**: Small and micro enterprises to comply by June 30th
- **2029**: EU Commission conducts general review

Business Implications

Actions Needed:

Supply chain mapping, supplier collaboration, tech investment.

Challenges:

Costs, SME burden, traceability complexity.

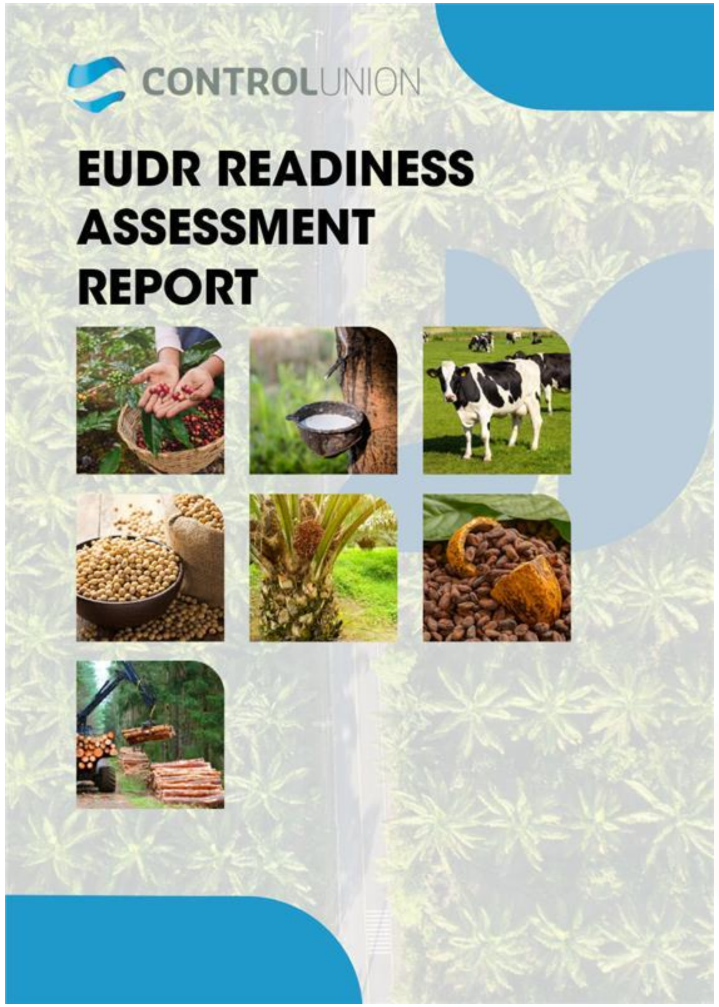
Opportunities:

Market differentiation, sustainability branding.

What CU Can Offer?

Due Diligence Readiness Assessment:

To assess client's due diligence system establishment to meet the EUDR requirements (EUDR Article 8 – 13)




CONTROLUNION

VERIFICATION STATEMENT

As an independent third-party

Control Union Certifications

confirms to have assessed

EUDR DUE DILIGENCE SYSTEM READINESS

as developed by

PT MUSIM MAS
Jl. K.L. Yos Sudarso
KM 7,8 Tanjung Mulia
Medan 20241
Sumatera Utara,
Indonesia

PT Musim Mas has demonstrated a high level of preparedness for the upcoming EUDR. Our assessment, which rigorously examined the compliance of the company with REGULATION (EU) 2023/1115 from Article 8 to Article 13, revealed that the company has established a comprehensive and well-integrated management system that meets all the requirements of the EUDR Due Diligence System. No gaps were identified during the assessment, underscoring the robustness of the company systems. The company leadership and teams have clearly committed to ensuring full compliance and sustainability at every level.

Attestation information

Verification statement no	CU-MM-EUDR-2024.01
Lead Verifier	Afiq Othman
Place and date of issue	Klang, 09-10-2024

Declared by:
On behalf of the Managing Director

Chathuranga Deshapriya
Technical reviewer
Control Union (Malaysia) Sdn. Bhd.
Port Tech Tower, Level 17, Unit No: 1-7,
Jalan Tiara 3, KU/1,
Bandar Baru Klang,
Selangor Darul Ehsan, Malaysia
0060-3-30004132
malaysia@controlunion.com

Page 1 of 2

Conclusion & Call to Action

Summary:

EUDR is a transformative regulation with strict compliance steps.

Act Now:

Start due diligence on your product and supply chains especially if you are the operator (Exporter), leverage technology and system, and collaborate with us.

GGL
SUSTAINABLE BIOMASS DIALOGUE

FROM COMPLIANCE TO IMPACT: THE FUTURE OF BIOMASS CERTIFICATION

19th February 2025
2:30pm - 5:20pm (GMT+8)
Sheraton Petaling Jaya Hotel

Powered by
SUSTAINABLE ACTION CONFERENCE

Topic Title

Industry needs for ESG

Presented by

Ebnu Holdoon Shawal
Project Manager-Sustainability, Control Union Malaysia

Organized by
CONTROLUNION

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD
1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

What is ESG?

ESG, short for Environmental, Social, and Governance, is a framework used to assess the sustainability and ethical impact of a company.

An ESG framework is essential for assessing companies by investors, consumers, and stakeholders. It goes beyond traditional financial metrics to evaluate how a company performs in areas that affect society and the environment.

This approach helps investors make informed decisions that align with their values and long-term goals.

Pillar 1 : Environmental (Planet)

Focuses on minimizing and eliminating greenhouse gas emissions and protecting the planet and its resources.

It includes areas such as green energy, waste management, eliminating toxic hazards, reuse or recycling of materials, and reducing the carbon emissions throughout the supply and demand chains.

Pillar 2 : Social (People)

The social component of Environmental, Social, and Governance factors examines how a company manages relationships with employees, suppliers, customers, and the communities where it operates.

Key areas include customer satisfaction, ethical labor practices, creating organizations that are diverse, equitable, inclusive and just. It also includes employee welfare, fair wages, gender equality, worker and customer safety

A strong social performance can enhance a company's reputation and build trust with stakeholders.

Pillar 3 : Governance (Profit)

Governance involves the leadership and management structures within a company. It includes transparency, ethical business practices, board diversity, and shareholder rights.

Good governance ensures that a company is accountable, reducing the risk of corruption and enhancing long-term stability

Also focus on financial viability, governance and transparency of a business. It considers what business models, policies and practices businesses need to implement to survive and thrive as an economic entity that provides employment and economic opportunity for society.

Why is ESG Important?

Sustainability: Environmental, Social, and Governance promotes sustainable business practices that help preserve resources for future generations.

Risk Management: Companies with strong ESG practices are better equipped to handle risks related to environmental regulations, social issues, and governance challenges.

Why is ESG Important?

Competitive Advantage: Strong ESG practices can differentiate a company from its competitors. Implementing strong ESG policies can also attract talent and improve financial performance.

Investor Confidence: Transparent ESG efforts build trust with investors and stakeholders.

Operational Efficiency: Sustainable practices often lead to cost savings and improved efficiency.

•**Regulatory Compliance:** Proactively addressing ESG issues ensures compliance with laws and standards.

CMM launches Simplified ESG Guide (SEDG)

Español தமிழ் BERNAMA.com

BUSINESS

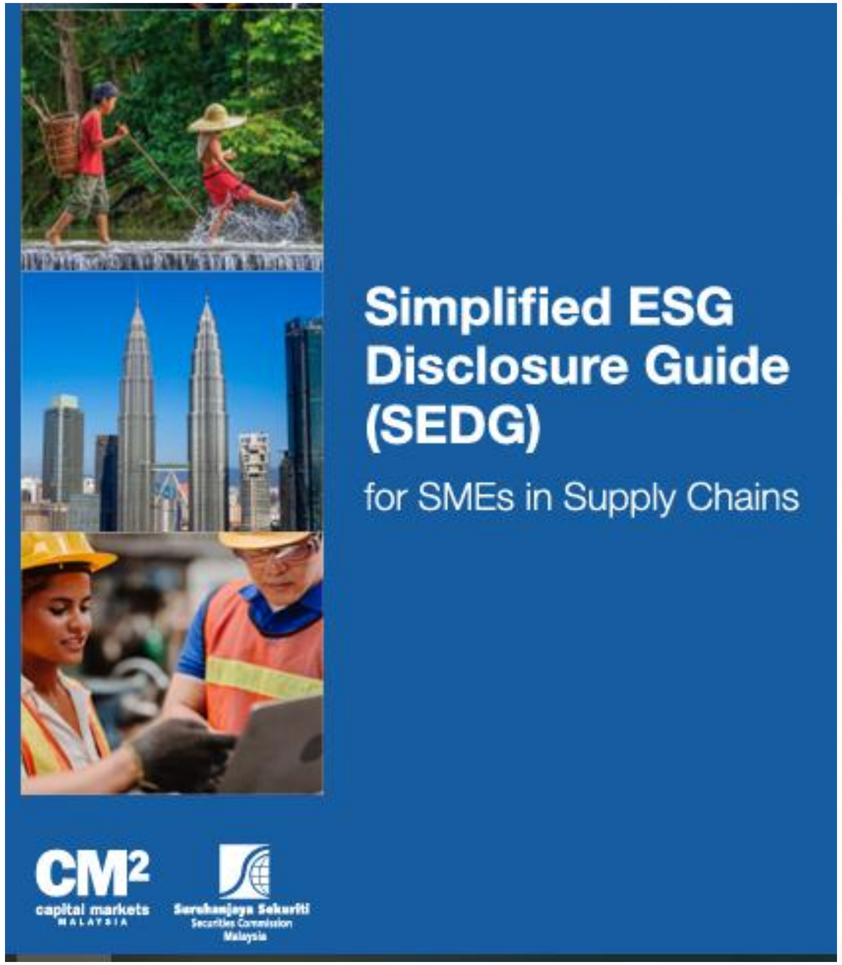
CMM LAUNCHES SIMPLIFIED ESG DISCLOSURE GUIDE FOR SMES IN SUPPLY CHAIN

CM2 capital markets MALAYSIA

18/10/2023 09:53 PM

KUALA LUMPUR, Oct 18 (Bernama) -- Capital Markets Malaysia (CMM) today launched a Simplified ESG Disclosure Guide (SEDG) to provide small and medium enterprises (SMEs) within global supply chains with a streamlined and standardised set of guidelines in relation to environmental, social and governance (ESG) disclosures.

CMM is an affiliate of the Securities Commission Malaysia (SC) and the launch makes Malaysia the first country globally to issue such guidelines for SMEs.



Japan Policy Shift

ENVIRONMENT JULY 3, 2020 / 11:05 AM / UPDATED 4 MONTHS AGO

Japan to accelerate closure of old coal power plants

By Reuters Staff

TOKYO (Reuters) - Japa
inefficient coal power pla
said on Friday.

APAC OCTOBER 23, 2020 / 2:51 PM / UPDATED 24 DAYS AGO

Japan set to target zero emissions by 2050 in policy shift

By Aaron Sheldrick, Yuka Obayashi 4 MIN READ

TOKYO (Reuters) - Prime Minister Yoshihide Suga is set to bind Japan to a target for carbon neutrality by 2050, a shift in stance that will bring the country in line with the European Union and more than 60 other nations in efforts to combat climate change

Fukushima Daiichi nuclear disaster

March 11, 2011

ushima Daiichi nuclear disaster was due to a
clear accident at the Fukushima Daiichi
Power Plant in Ōkuma, Fukushima
re initiated by the 2011 Tōhoku earthquake
ıami. Wikipedia

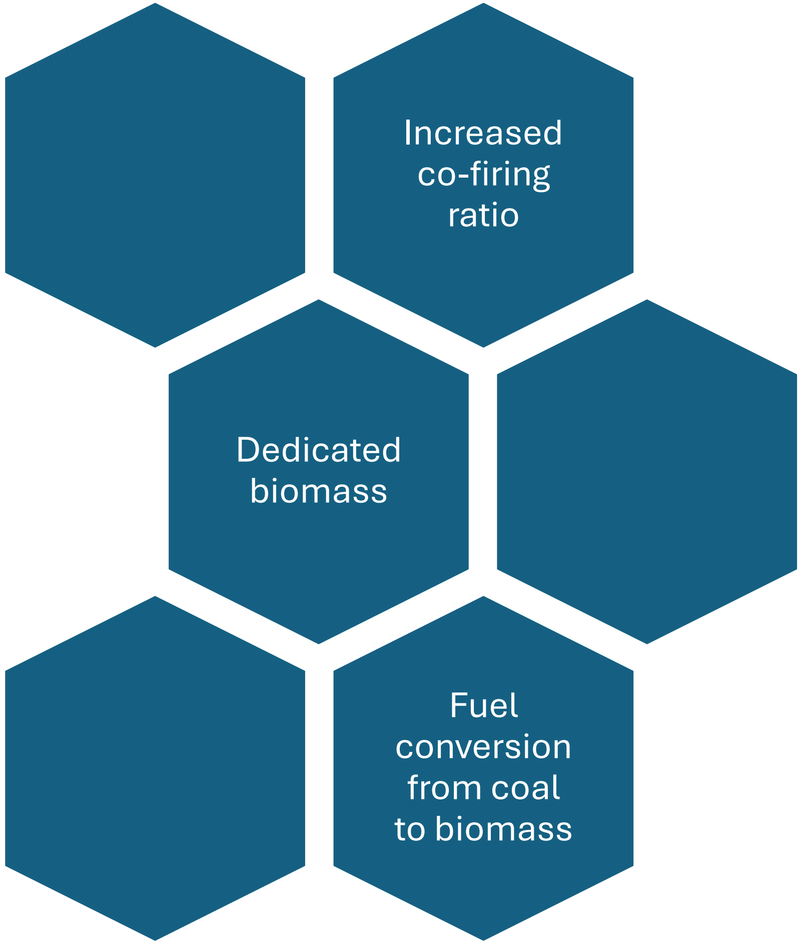
n: Okuma, Fukushima, Japan

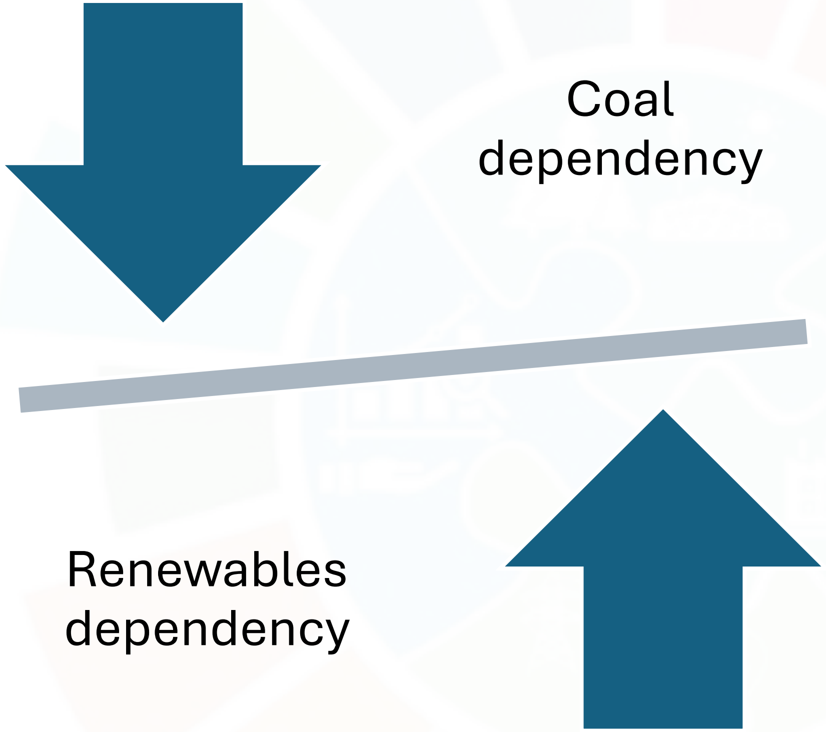
arch 11, 2011

1 cancer death attributed to radiation
e by government panel.

INES Level 7 (major accident)

Strategies Adopted





Control Union Services and what we offer?

ESG Capacity Building

i) Training on Capacity building, workshop, knowledge development and awareness towards ESG

ii) Gap Analysis comparing for current standards/ framework being used

ESG Assurance Services

i) Assuring your ESG Report based on international and local framework / standards such as SEDG, BURSA, GRI and IFRS

"Sustainability is a journey, not a DESTINATION"

Further information, please contact
General; malaysia@controlunion.com