

Media Release

Safeguarding Forests: Climate Bonds Initiative Unveils Guidance EU Regulation on Deforestation-Free Products: A Roadmap for Sustainable Supply Chains

London, 28/09/2023, 10:00 BST: Climate Bonds Initiative today [released pivotal guidance](#) on the European Union's Regulation on Deforestation-Free Products. This comprehensive guide equips corporates and financial institutions to meet and exceed the EUDR's requirements, advancing global sustainability standards.

"This guidance serves as a compass for sustainable practices within global supply chains. Comprehensive due diligence and traceability are not just about compliance; they're about spearheading a resilient, sustainable economy. This initiative aims to ignite a transformative approach to deforestation and land use," said **Sean Kidney, CEO, Climate Bonds Initiative**.

Key Facts:

- Deforestation accounts for nearly 11% of all anthropogenic greenhouse gas emissions.
- The EUDR sets stringent standards, prohibiting the sale within the EU of agricultural commodities on land cleared after December 31, 2020.
- While the Regulation does not currently target financial institutions (FIs), there is a review clause that is foreseen to expand the regulatory coverage and impose new obligations on FIs under the EUDR in the near future.

Implementation Insights:

- The EUDR presents an opportunity for companies to acquire full supply chain transparency, satisfying EU sustainability reporting mandates.
- Challenges lie in the need for cost-effective solutions to meet information requirements.

Key Recommendations:

1. Voluntary Certification: Showcases due diligence.
2. Structured Transition Plans: Help eliminate deforestation from supply chains.
3. Robust Reporting: Essential for risk assessment and mitigation.
4. Go Beyond Compliance: Adopt best practices for climate resilience.

Climate Bonds Initiative is further developing [agri-food transition frameworks](#) to align with the EUDR. Our guidance transcends regulatory minimums, promoting broader sustainability goals. In essence, this initiative places businesses and investors at the helm of the global green transition.

Transition Finance serves as the catalyst in propelling our global shift from brown to green, stimulating both innovation and systemic transformation. Members of the press are cordially invited to the **Climate Bonds Global Conference in London** on **Nov 9 - 10, 2023** to delve into this pivotal instrument with industry leaders and policymakers. [Register online](#). For In-person attendance please get in touch.

For more information, please contact:

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Note to Editors: High-resolution images and interviews are available upon request.

About Agri-Foods Transitions Programme: Climate Bonds Initiative's Agri-Food Transitions Programme is working to define sustainable pathways in the agricultural sector. The programme is currently developing new criteria that will encompass Deforestation, Crop and Livestock Production, and Value Supply Chains. Set to be available for Certification under the Climate Bonds Standard. The new criteria will expand upon the existing Agriculture Criteria under the Standard. They will allow for the certification of entities and Sustainability Linked Bonds (SLBs) based on transition pathways in these sectors. Going beyond climate mitigation, the criteria will also focus on climate adaptation and resilience, land use change, biodiversity, water use and quality, food loss and waste, circularity, and just transition. The programme is guided by the Agri-Food Advisory Group, a consortium of experts in agri-food systems, NGOs, international bodies, policy experts, financial institutions, and investors, aimed at building a consensus around transition narratives and pathways. Find out more [here](#).

About Climate Bonds Initiative:

An investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy, Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global Climate Bonds Standard & Certification Scheme. To learn more about the Climate Bonds, visit [website](#).

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