

European Agricultural Regulations. Impact On The Region, Opportunities For Sustainable Development

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14 February 2025



Agenda

1. Development of the European Agricultural Regulations.
2. EU Deforestation Regulation (EUDR).
3. Directives on corporate sustainability reporting (CSRD та CSDDD).
4. Opportunities and synergies for the industry.

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European Green Deal

Goal: Transformation of the EU economy & imports to become carbon neutral by 2050

Milestone: 55% CO₂-reduction by 2030 = Fit for 55

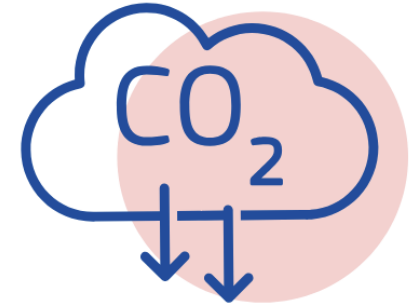
Key strategies and policies of the Green Deal

Farm to Fork Strategy, Biodiversity Strategy for 2030, Soil Health Law, Common Agricultural Policy (CAP) Reforms, Sustainable Use of Pesticides Directive, Forest strategy, Framework for sustainable food systems

→ Complete transformation of the EU economy with over 150 legislative initiatives covering all areas like circular economy, mobility, infrastructure, agriculture, animal welfare, electricity, buildings



Become
climate-neutral
by 2050



European Green Deal – Farm2Fork & Biodiversity Strategies

Goal: Resilient, fair & sustainable food system

Targets for 2030 (among others; some not in force yet):

- 25% of EU agriculture is organic
 - 50% reduction of pesticides and 20% reduction of fertilizers
 - 50% reduction of food waste
 - Create sustainable food labelling → Green Claims
-
- Establish protected areas for at least 30% of land in Europe and 30% of sea in Europe



The Biodiversity Strategy will put Europe's biodiversity on the path to recovery by 2030, for the benefit of people, climate and the planet.



Green Deal and Agriculture



Greenhouse gasses CO₂



Water quality



Biodiversity & Nature



Pesticides



New green business models



Antimicrobials



Organic Farming



Soil Health



Animal Welfare



Other & Indirect

EU Integration of Ukraine

The Government of Ukraine has adopted the **Strategy of agricultural and rural development till 2030.**

The Strategy is a condition of the Ukraine Facility Agreement and aims to integrate Ukraine's agricultural policy with the EU's Common Agricultural Policy (CAP), Farm2Fork, and other policies.

One of the key strategic goals is to implement **climate-smart agricultural practices** to mitigate and adapt to climate change.



Міністерство аграрної політики та продовольства України

СТРАТЕГІЯ РОЗВИТКУ агросектору до 2030 року

Стратегічна ціль

Кліматично орієнтоване сільське господарство: пом'якшення наслідків зміни клімату та адаптація до них

Міністерство аграрної політики та продовольства України

Візія

Післявоєнний розвиток сільського господарства відбувається з урахуванням кліматичних змін. Виробники сільськогосподарської продукції ощадливо використовують природні ресурси. Внесення добрив та засобів захисту рослин відповідають вимогам ЄС, а рівень їх використання не перевищує відповідний рівень в країнах ЄС. Зростають обсяги виробництва органічної продукції. Контроль за використанням ГМО посилюється

Кліматично орієнтоване сільське господарство Циркулярна біоекономіка Біоенергетика

Запобігання втраті біорізноманіття, покращення екосистемних послуг і збереження середовища існування та ландшафтів

EU Protein Strategy

Aims to reduce the EU's reliance on imported proteins.

- Promotes the production and diversification of plant-based proteins within the EU.
- Targets the cultivation of protein-rich crops (soybeans, legumes, and oilseeds).

Environmental Impact Reduction:

- Addresses the environmental impact of agri-food production.
- Focuses on livestock rearing's link to GHG emissions, deforestation, and land-use change.

EU protein strategy

SUMMARY

The EU is largely self-sufficient in agricultural products, thanks to its common agricultural policy (CAP). However, the EU livestock sector is critically dependent on imports of plant-based proteins for animal feed, especially soybeans, from Argentina, Brazil and the United States (US). The links between protein imports and deforestation, on the one hand, and the substantial greenhouse emissions (GHG) from animal farming, on the other, are also lending greater prominence to the use of plant-based proteins in human nutrition. The European Union (EU) has long aimed to reduce its protein import dependency, but Russia's invasion of Ukraine has exacerbated the need to shield EU agriculture from price volatility and trade disruptions.

At their informal meeting in Versailles of March 2022, EU leaders identified 'increasing the EU production of plant-based proteins' as a means to improve the EU's food security and reduce food prices. Further to this high-level political declaration, the European Commission is expected to review its protein policy in the first quarter of 2024, reviving hopes for a comprehensive EU protein strategy. Some of the proposals being considered to close the EU's protein gap include encouraging the domestic production of protein-rich crops, which have received substantial support in the CAP national strategic plans for the 2023-2027 period. Diversifying the available protein sources for food and feed is another way of reducing the EU's deficit. These sources include microbial, insect and seaweed proteins. Finally, greater efficiency and circularity in the way food is produced and consumed would also contribute to the EU's protein self-sufficiency and to mitigating the environmental footprint of its agri-food sector.

The European Parliament's Committee on Agriculture and Rural Development (AGRI) has prepared a draft report on a European protein strategy (rapporteur: Emma Wiesner (Renew, Sweden). Some 716 amendments to the draft report have been submitted ahead of the vote in the AGRI committee.



IN THIS BRIEFING

- Why are proteins important for the EU?
- EU protein deficit: 'A long-standing problem'
- How to reduce the protein deficit?
- Stakeholders' views
- European Parliament report



(draft document)

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The discussion on the development of EUDR has been ongoing for about 5 years

11 December 2020

EU Due Diligence Regulation to Reduce Deforestation and Forest Degradation



An opportunity to build on and scale lasting, local solutions

As a mission-driven organisation working extensively in the responsible sourcing and production of various deforestation risk commodities, Proforest supports the EU's initiative to tackle deforestation and forest degradation. We also welcome the broad stakeholder engagement and opportunity for technical experts, NGOs, academics, industry players and civil society to respond to the plans. Based on our experience working at the production level and with international supply chain actors, we recommend the following as means of further strengthening the legislation. Ultimately, we do not believe there is one silver bullet, and a smart mix that drives and rewards continuous improvement is essential.

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<https://www.wsj.com/articles/cop26-leaders-agree-to-end-deforestation-by-2030-11635844937>

WORLD

COP26 Leaders Agree to End Deforestation by 2030

More than 100 countries, accounting for 85% of the world's forests, agree to protect and restore them



The Amazon rainforest in Brazil is one of the forests that will be protected by the new deal.

PHOTO: DADO GALDIERI/BLOOMBERG NEWS

By [Max Colchester](#)

Updated Nov. 2, 2021 6:49 am ET

GLASGOW—World leaders from more than 100 countries, including the U.S., China and Brazil, agreed to a deal aimed at ending and then reversing deforestation by 2030, committing nearly \$20 billion of public and private funds to protect and restore forests.

U.K. Prime Minister [Boris Johnson](#), during the [COP26 climate summit in Scotland](#) on Tuesday, called the pledge a landmark agreement that includes countries accounting for 85% of the world's forest land. But details about how such a deal, which isn't legally binding, would be executed and policed haven't yet been worked out.

EU Deforestation Regulation (EUDR)

The European Union has introduced regulation (Regulation (EU) 2023/1115) aimed at preventing the import of goods associated with deforestation and forest degradation. This specifically applies to soy and its processed products.

The requirements apply to goods and processed products that can cause deforestation: soya, cocoa, palm oil, cattle, coffee, rubber, timber.



SOYA



COCOA



PALM OIL



CATTLE



COFFEE



TIMBER

EU Deforestation Regulation

Annex I of the EUDR defines which products are covered and can be compared using Harmonised System Code:



1201

Soya beans

1208 10

Soya bean flour

1507

Soya bean oil and its fractions, whether or not refined, but not chemically modified

2304

Oilcake and other solid residues resulting from the extraction of soya bean oil, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil

EU Deforestation Regulation

Key Features of the Regulation

On December 30, 2025, the regulation comes into application — impacting this year's soya harvest. From now on, it will be impossible to legally import any ton of soya into the EU without fulfilling the following conditions:

- ✓ **Geo-coordinates of the fields** (Article 9(d) of the Regulation);
- ✓ **Confirmation of no deforestation on these fields after 2020** (Article 9(g) of the Regulation);
- ✓ **Traceability of each batch of the product to the field where it was grown** (Article 9(d) of the Regulation);
- ✓ **Confirmation of the legality of production** (Legality — Article 9 (h) of the Regulation).
- ✓ **Country of cultivation and Harvest Date** (Article 9 (c) and (d) of the Regulation)



Goal: Ensure deforestation-free supply chains in the EU

Impact on the supply chains

The first impact is on crushers and traders in origination and destination. There is a need to change the business model from a commodity business (like soy complex) into a specialty business (focus on segregation).

Challenges:

- Traceability and geolocalizations
- Legality of the production shipped to the EU
- Data privacy
- Segregation + maintaining a deforested free supply chain
- Administrative aspects / follow controls of authorities - Cost of compliance
- Aligning process across EU countries

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„You cannot manage/improve what you cannot measure“



CO₂-/LCA-Data



Deforestation-Data



Environmental-Data



Supplier-Data



Geo-Data



Legality-Data

Traceability-Data

Supply chain data is required
→ Certification can help

Corporate Sustainability Reporting Directive (CSRD)

CSRD - new framework for non-financial reporting on **Environmental, Social & Governance** aspects (ESG) to move the EU economy towards the goal of climate neutrality by 2050.

- **Scope:** large companies and all companies listed on regulated markets (except micro-enterprises)
- **Timeline:** on 5 January 2023 entered into force. Starting 2026 for reporting year 2025
- **Double materiality:** Companies must analyze their sustainability impact through two different types of materiality, which are how their business impacts people and the planet, and how sustainability and climate change impact their business.

Key requirements of the CSRD

- **ESRS:** Companies must follow the European Sustainability Reporting Standards (ESRS) when conducting their sustainability reporting. These standards cover environmental, social, and governance topics.
- **Third-party assurance:** The CSRD requires companies to provide limited assurance for their sustainability information. This means that an impartial, reliable, and knowledgeable third party must review the data to ensure its accuracy and reliability.
- The information must be a part of the management report and published in a digital format (XHTML).
- **CSRD** has direct implications for **Scope 3 emissions:** companies need to measure and disclose their Scope 3 emissions as part of their broader sustainability reporting.

EU integration: Order of the Cabinet of Ministers 18.10.2024 № 1015

CSRD has become part of Ukraine's legislation.

An operational plan for the implementation of sustainable development reporting by enterprises during 2024-2026 has been adopted.

Corporate Sustainability Reporting Directive (CSRD)

European Sustainability Reporting Standard:

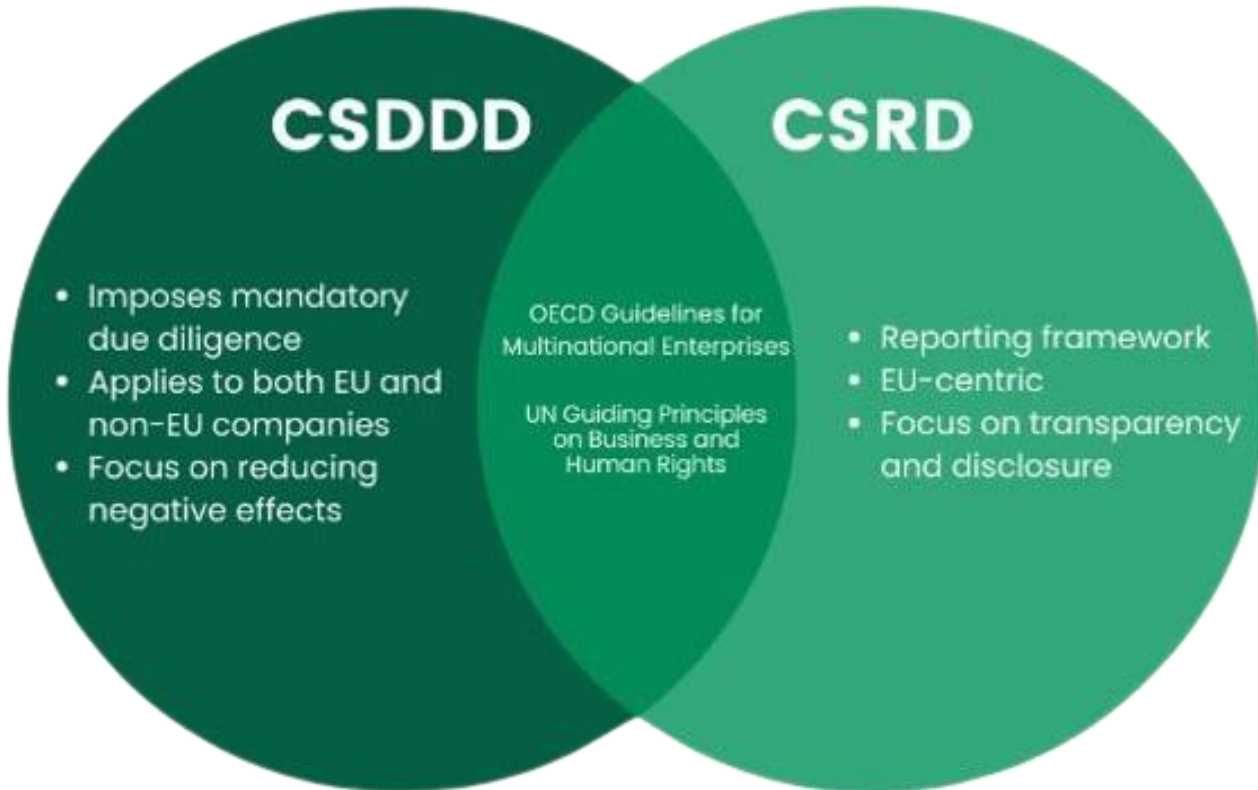
General	Environment	Social
ESRS 1 General requirements	ESRS E1 Climate change	ESRS S1 Own workforce
ESRS 2 General disclosures	ESRS E2 Pollution	ESRS S2 Workers in the value chain
Governance	ESRS E3 Water and marine resources	ESRS S3 Affected communities
ESRS G1 Business conduct	ESRS E4 Biodiversity and eco systems	ESRS S4 Consumers and end-users
	ESRS E5 Resource use and circular economy	

All companies must report their CO₂ footprint & CO₂ reduction plans, incl. scope 3 (supply chain)

- No offsetting via credits
- CO₂ reduction must be implemented in supply chain
- Requirements are passed on by large companies along their supply chain

Corporate Sustainability Due Diligence Directive (CS3D)

- Supply Chain Act CS3D = How to behave
- Reporting Directive CSRD = How to report on the behaviour



Starting 2027, companies must implement due diligence processes to protect human rights & the climate in their supply chain, incl. **Climate Transition Plan**

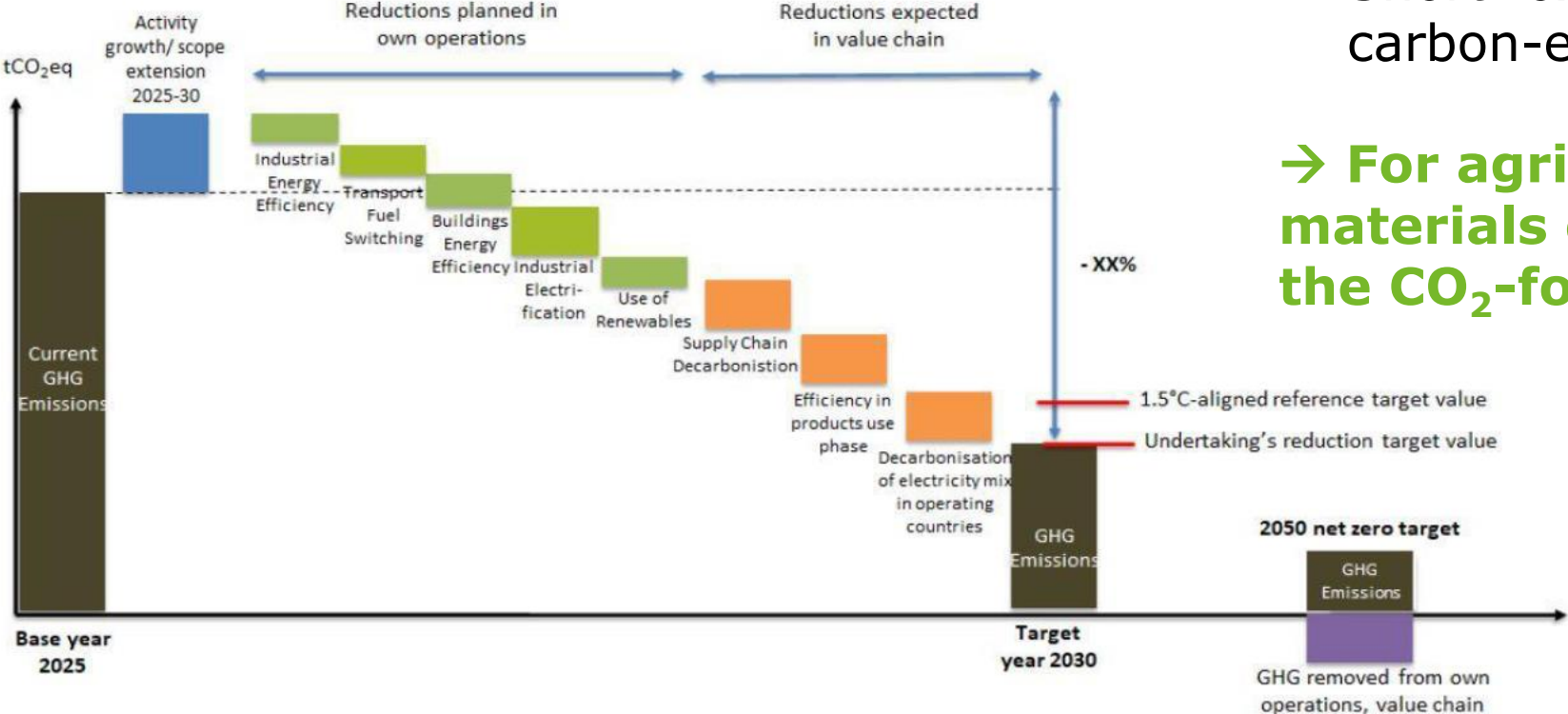
→ Requirements are passed on by large companies along their supply chain

Climate Transition Plan – Required by CSRD & CSDDD

A science-based corporate action plan to achieve net zero target by 2050:

Including:

- Scope 3 (supply chain)
- Short- & long-term goals to reduce carbon-emissions



→ For agri-supply chains, raw materials often are a large part of the CO₂-footprint

Quelle: EFRAG (2022) Exposure Draft ESRS E1 Climate Change.

Examples of voluntary initiatives

EU Deforestation Regulation EUDR

Starting 30.12.2024

- All soy must be
- **deforestation-free, cut-off date 2020**
 - **geo-data** of fields
 - covered by due diligence
- **Traceability**

EU Sustainability Reporting CSRD

Starting 2026 for reporting year 2025

- Companies must report on their CO₂-footprint along the supply chain (among other topics)
- **Traceability & CO₂-reduction**

EU Supply Chain Act CSDDD

Starting 2027

- Companies must ensure due diligence along their supply chains to protect human rights & reduce CO₂
- **Traceability & CO₂-reduction**

SBTi FLAG
 (voluntary commitment)

FLAG targets by 2024

- Commitment to reduce CO₂ in own supply chains, Climate Transition Plan
- **Traceability & CO₂-reduction**

QS Sojaplus (DE)
 AMA pastus+ (AT)
 (industry-commitments)

January 2024

- Soya feed must be **conversion-free** certified
- **Traceability & Certification**

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Protein Partnership Programme

Donau Soja Protein Partnership Programme enables agricultural producers to certify soybeans for compliance with EU sustainability criteria for free:

- ✓ Deforestation and Conversion-free status (cut-off-date 2008)
- ✓ Traceability and segregation
- ✓ Legality of production
- ✓ Non-GM



Protein Partnership Programme

Number of partners & countries



The program has covered over **1.6 million tonnes** of non-GM soybeans in Ukraine the past 3 years (25% of all non-GM soya in UA).

Farm inspections are included, which allowed for the initiation of a **pilot project and EUDR verification** in 2024 (only in Ukraine).

Sponsors of the programme



etc.

Monitoring changes in land use and deforestation

Areas 2023 (soya):

- 1) Collection of geodata during farm audits;
- 2) Remote sensing: Landsat 5, Sentinel 2;
- 3) Surveyed area: approximately 250,000 hectares;
- 4) Conclusions and clarifications for the process in 2024.

Areas 2024 (soya):

- 1) Geodata collection: completed;
- 2) Remote sensing conducted – 330,000 hectares.



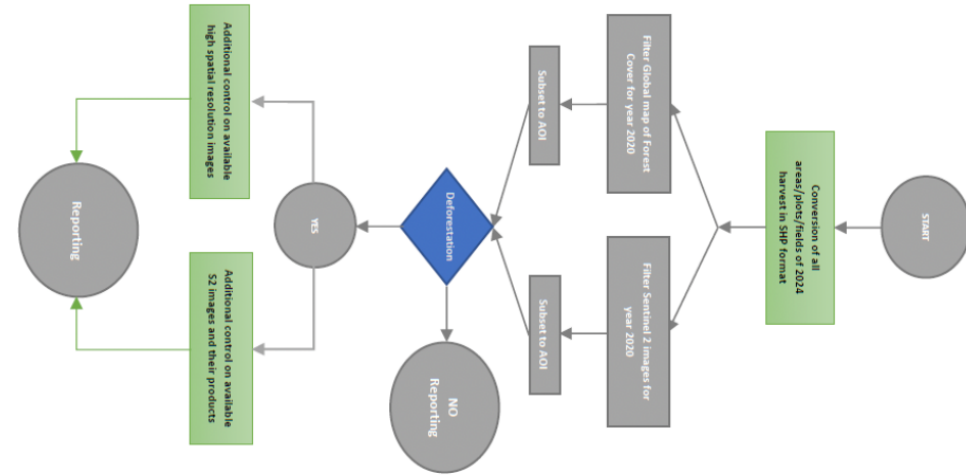
Protein Partners already got



Deforestation status of arable land used for Donau Soja production (harvest 2024) in Ukraine 2020-2024

(performed for the purpose of Donau Soja Organisation Integrity Control)

Report



Deforestation		Risk					
YES	NO	No Risk	Very Low Risk	Low Risk	Moderate Risk	High Risk	Maximum Risk
0	58	37	19	0	2	0	0

Protein Partners already got

Period: October – November 2024

Donau Soja certified partners can provide the following information, that helps to meet EUDR requirements:

- ✓ **The geo-locations of soya fields** in the Donau Soja IT traceability System (with the possibility to convert in GeoJSON format as accepted for EUDR):
- ✓ **Land Use Verification 2024** — based on satellite image analysis;
- ✓ **Legality** — via the inspection checklist for audits;
- ✓ **Donau Soja/Europe Soya certificate.**

Goal: ensure that Due Diligence declaration is made easily by the importer of Donau Soja soybeans/oil/meal) in the EU)

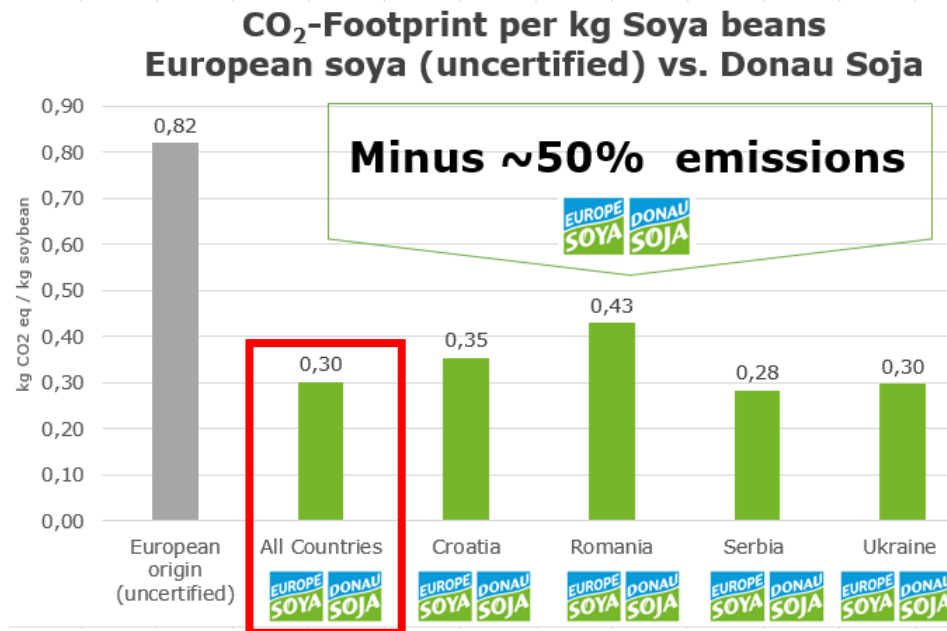
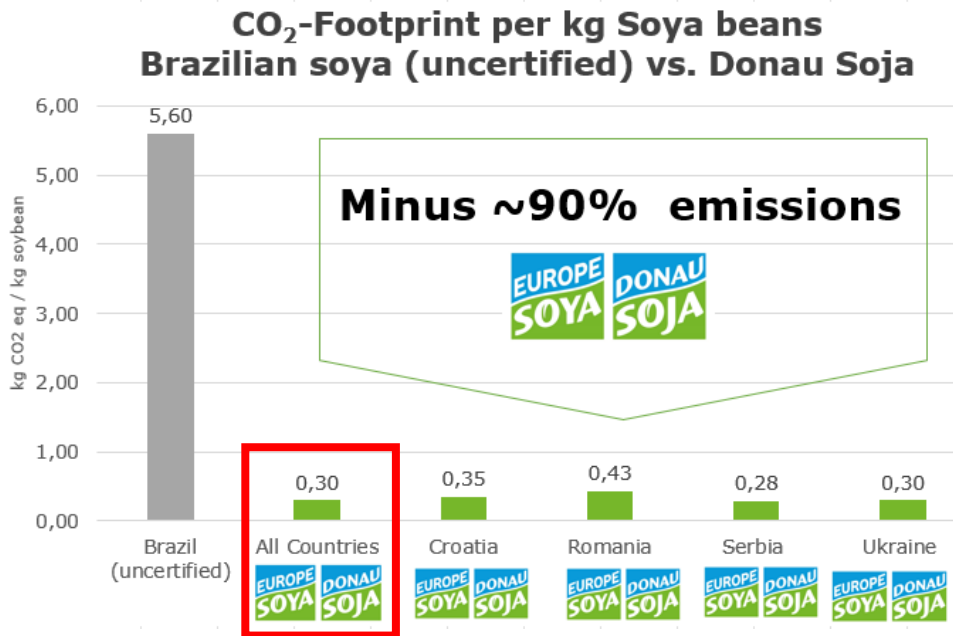


Meets International Trade Centre (UN & WTO) criteria for EUDR instruments

CO₂-Reduction for soybeans with Donau Soja

Up to 90% CO₂ reduction compared to Brazilian soya & 50% compared to European soya

The latest Donau Soja CO₂-values (Blonk 2024, red box) can be used for all Donau Soja volumes, independent of cultivation country. This simplifies carbon footprint calculations & goal setting.



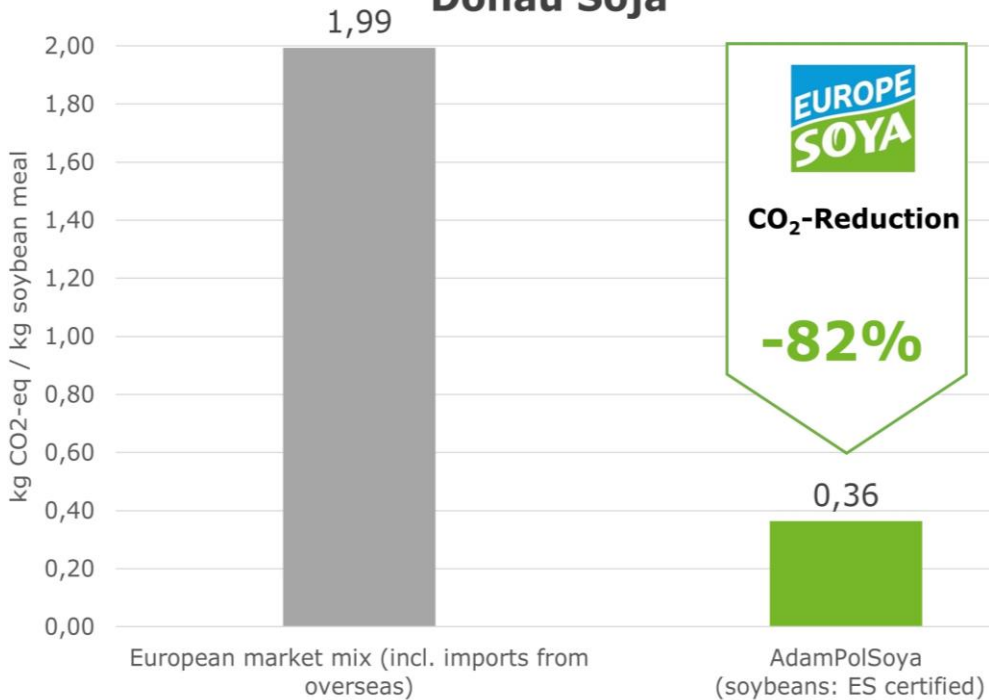
- DS/ES CO₂ data available as „branded datasets“ in recognised databases
- In SBTi FLAG format



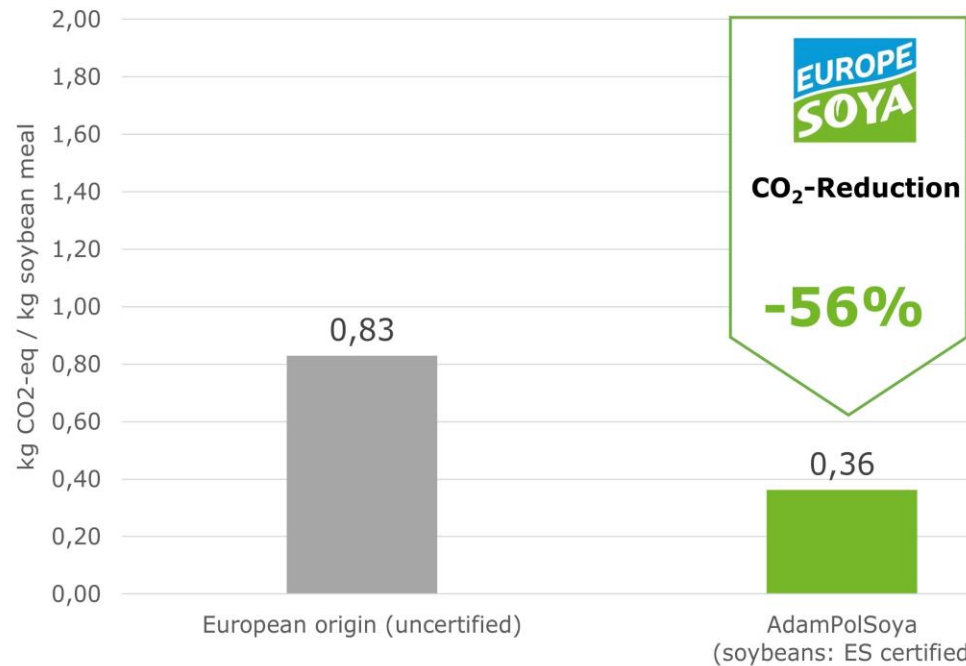
CO₂-Reduction in Soybean Meal with Donau Soja

Up to 82% CO₂ reduction compared to average soya processed in Europe and 56% compared to soya of European origin

**CO₂-Footprint per kg soyabean meal
 Average market mix (incl. imports) vs
 Donau Soja**



**CO₂-Footprint per kg soyabean meal
 European soya (uncertified) vs Donau
 Soja**



Thank you!

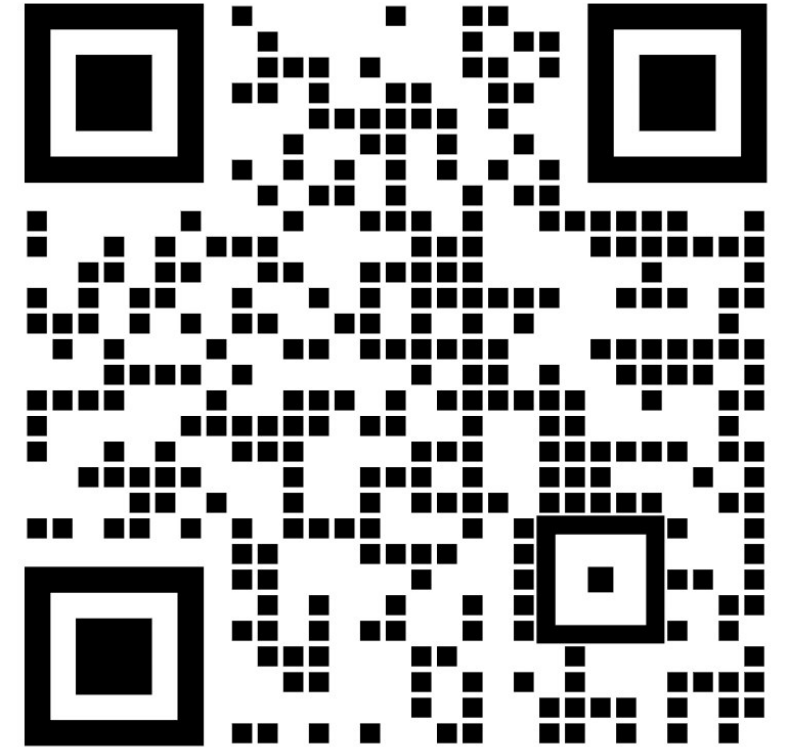


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Certified export consultant



Business and Climate Change:
Towards Net Zero, Cambridge
Institute for Sustainability Leadership
(CISL)



Sustainability: Strategies and
Opportunities for Industry,
Massachusetts Institute of
Technology (MIT)

