



# Environmental, Climate, and Physical Risk Data for EUDR Compliance

Solution Overview

#### Changes, Challenges, Champions

In addition to performing rigorous due diligence and disclosing the risks associated with their supply chain, companies also have to make sure that the data they are using is auditable, verifiable and real-time. Some of the challenges related to EUDR include:

- Data & Supply Chain Complexity Managing vast datasets and tracing
   multi-tiered supply chains is
   overwhelming, especially without
   verified asset-level data.
- Limited Analysis & High Costs Extracting insights requires
   sophisticated geospatial tools, and robust traceability systems can be costly for smaller producers.
- Geolocation & Communication Issues -Accurate location data is hard to obtain, and language barriers complicate supplier communication.
- Small Stakeholders & Regulatory Issues
   Supporting small stakeholders in meeting EUDR standards is difficult, and regulatory uncertainty adds complexity.
- Reputation & Market Risks Non-compliance can harm reputation,
   and strict EUDR standards may disrupt trade and supply chains.
- Other regulatory demands EUDR is just one of many regulatory expectations for companies and you need one system to manage all of them

2025

December 30, 2025, is the new proposed date on which the European Deforestation Regulation (EUDR) will have to be implemented by large companies (<u>Source</u>)

2020

Companies need to confirm that items imported in the EU do not come from land that has been associated with deforestation since December 30, 2020 (Source)

## <sup>r</sup> 13 million

The size of forests converted for alternative uses or annihilated by natural causes is around 13 million hectares (Source)

RS Metrics provides independent and verified environmental, climate, and physical risk data that can be used to adhere to EUDR and other sustainability standards that are introduced in the sector.

Some of the trends we have seen come as a result of those challenges have also served to determine which companies will be champions of the new transparency period when EUDR is established:

- Responsibility transfer EUDR is moving from the trade & compliance departments to CRO Chief
  Risk Officers to ensure assessment and compliance is integrated into existing business processes and
  supply-chain risk is managed and leveraged as a competitive advantage
- **Workflow enhancement** Data regarding deforestation is generally available but companies are now integrating into workflows and ultimately into existing SORs (Systems of Record)
- **System integrators search** Companies will either have to change their supply processes to ensure Tier 1, 2, 3, and 4 are all covered in the assessment or find a system integrator to create, test, and establish a new system for assessment

Large companies have many reasons to get ready and begin their assessment as soon as possible. They can explore the option of introducing solutions that both help them disclose their performance according to the EUDR framework and that help them more strategically manage their assets, increasing productivity and decreasing uncertainty. In addition to being seen as leaders in their sector, they will also avoid the hefty fines that are envisioned to affect businesses that fail to disclose their performance (Source).

If you're on your journey to full EUDR compliance, but you are missing some data or you are looking for a fully-built out solutions to provide all the necessary information for you, RS Metrics has a solution for you.



#### **RS Metrics - ESGSignals® Solution for EUDR**

Founded in 2010, RS Metrics is a pioneer in providing high-quality, verifiable, auditable geospatial data. Our flagship sustainability product, ESGSignals®, provides independent environmental, climate, and physical risk data for regulatory disclosure and strategic management of company assets. Known for our innovative nature and research focus, we have also supplied industry-recognized solutions for data assessment and disclosure purposes. With ESGSignals® for EUDR, companies that have to adhere to the new regulations can receive all the data they need to efficiently and successfully meet the requirements and stay ahead of others in the sector.

#### Value proposition for CPG companies

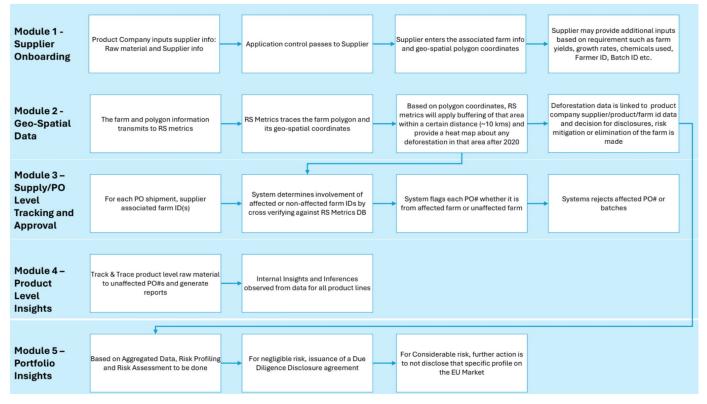
CPG companies have significant exposure to deforestation risk and are up against the new 2025 deadline to report in alignment with EUDR requirements. ESGSignals® addresses all the critical steps needed to comply with EUDR disclosure requirements, and Cognizant provides the ability to seamlessly integrate EUDR data collection and analysis into company operations.

ESGSignals® ingests asset locations (required to be collected by EUDR) via API or other methods to generate over 200 environmental, climate and physical risk metrics including deforestation, vegetation, Key Biodiversity Areas, etc. Together with Cognizant, RS Metrics can integrate this capability to ensure each company product will be properly assessed for deforestation and other emerging regulatory requirements.

Because ESGSignals® is a one-stop shop for all geospatial climate data, companies from the CPG sector can assess the same asset locations for all climate and physical risks, enabling a full assessment of potential supply disruptions.

#### Ready-made solution for EUDR adherence with Cognizant

In addition to providing data for any suppliers that you have trouble finding reliable information about, RS Metrics has partnered with the technology leader <u>Cognizant</u> to also offer built solutions for EUDR reporting. The same verified and high-quality data from ESGSignals® is accessible through different modules to support any part of the supply process and allow for quick and insightful assessments.





#### **Other Opportunities**

EUDR is just one of many regulations that will be affecting businesses offering their services in the EU. Other regulations include the <u>Corporate Sustainability Reporting Directive</u> (CSRD) in 2026, the <u>Corporate Sustainability Due Diligence Directive</u> (CSDDD) in 2028. Since gathering accurate and reliable data is an important component of all of them, you can obtain an expanded solution from RS Metrics with data that can be used for a variety of other purposes. See below what offers we currently have:

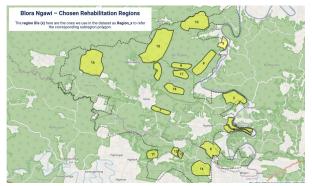
- ESGSignals® for TNFD As a proud partner of the Taskforce on Nature-related Financial Disclosures (TNFD), RS Metrics added a variety of nature-related databases to ESGSignals® to enhance the product and make it suitable for such extensive assessments. As a result, the ESGSignals® can be used to locate a company's interface with nature, evaluate its dependencies and influence, assess its performance, and prepare its data for reporting.
- ESGSignals® for SASB Disclosures The Sustainability Accounting Standards Board (SASB) framework encourages companies to accurately and transparently inform investors about their sustainability performance. The environmental impact metrics provided by ESGSignals® such as emissions, land usage, water stress, etc. are linked to the SASB materiality map.
- ESGSignals® for ISSB Disclosures At RS Metrics, we champion the International Sustainability Standards Board (ISSB) values, guiding companies in effective sustainability reporting. Products like ESGSignals® allow companies to obtain an independent and objective assessment of their assets' environmental performance. Those metrics can inform stakeholders about the efforts being made by businesses to become more environmentally friendly.

#### Use Case: Southeast Asia Forest Monitoring Project for Apparel Manufacturer

On a recent project, RS Metrics conducted a broad forestry assessment and forest rehabilitation project for a large global apparel manufacturer.

Some of the data insights we focused on included: dynamic indicators (monthly average land cover classification, monthly average vegetation index, daily temperature (in K), daily total rainfall), static indicators (Red list species distribution including total number of species, % of extinct in the wild, % of extinct, % of critically endangered, % of endangered, % of vulnerable, % of near threatened, % of least concerned, % of data deficient), historical indicators (summary of forest conditions in the region based on historical data).

Please reach out to your contact for the key findings of our Forest Monitoring proposal



### Use Case: TNFD Alignment Project for a Large Metal Producer

RS Metrics is a TNFD Data Catalyst member and has contributed to the building of the organization's LEAP framework. ESGSignals® can be used to conduct a complete TNFD-aligned LEAP assessment on corporate assets and those of your suppliers. Please reach out to your contact for a copy of our TNFD LEAP assessment

"RS Metrics' use of Google Cloud's AI capabilities to develop cutting-edge solutions can help customers drive digital innovation at scale." Rodrigo Rocha, Head of Global Apps ISV Partnerships at Google Cloud





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