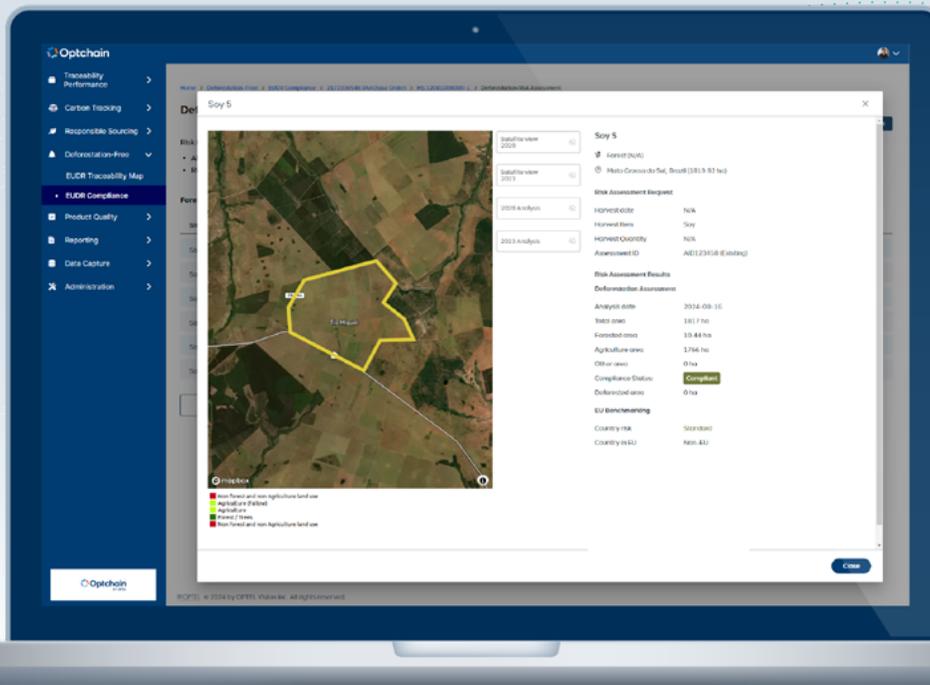# Optchain™
BY OPTEL

OPTCHAIN FOR EUDR COMPLIANCE

The European Union's Deforestation Regulation (EUDR) requires fast action as its deadline soon approaches. Operators and traders will need to prove deforestation-free sourcing for targeted commodities entering the EU market. The commodities under scrutiny can be found under Annex I of the regulation.

EUDR COMPLIANCE TIMELINE

2020	2023	2025	2026
DECEMBER	**JUNE**	**DECEMBER**	**JUNE**
Deforestation-free cut-off date	Approval of text and entry into force of the EUDR	Obligations for large and medium-sized companies to comply with EUDR	Obligations for micro and small businesses to comply with EUDR

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WHAT NEEDS TO BE ACCOMPLISHED

Your compliance tasks will vary depending on your role in the commodity's supply chain. See your specific responsibilities below:

	OPERATOR	DOWNSTREAM OPERATORS	TRADERS
LARGE COMPANY	• Collection of information and documents • Risk Assessment • Risk Mitigation* measures • Setting up and publicly reporting on due diligence (DD) system • Receives DD statement reference number	• DD check obligation • Submits DD statement based on previous reference number • Receives DD statement reference number	• DD check obligation • Submits DD statement based on previous reference number • Receives DD statement reference number
SME**	• Full due diligence for those parts of the product not yet covered by a DD procedure; rest can refer to existing DD declaration	• No DD obligation • Receives DD statement reference number and makes it available on demand	• No DD obligation • Information collection obligation • Receives DD statement reference numbers and keeps record

* Simplified risk assessment and mitigation measures required if classified as low risk

**Classification criteria for SMEs: balance sheet under €20M, revenue under €40M, or less than 250 employees. It is required that two of these conditions are met

HOW OPTCHAIN WORKS

SUPPLY CHAIN TRACEABILITY DATA CAPTURE

Optchain connects each commodity to its specific plot of land, using data capture tools designed to align with the complexities of your supply chain, operational processes, and the proficiency of your team. Here is how it works:

Inbound Traceability (Multi-Tier Supply Chain Mapping and Onboarding): Optchain maps and onboards suppliers across complex and multi-tiered supply chains. By capturing EUDR-compliant data—such as geolocation coordinates, supplier information, and detailed production records—Optchain ensures that every link in your supply chain is transparent and traceable.

In-House Traceability (Linking Inputs with Outputs): Within your operations, Optchain ensures that every input is accurately linked to its corresponding output. This involves capturing data on raw material sources, documenting production processes, and maintaining records that comply with EUDR regulations.

Outbound Traceability: Optchain enables you to track finished goods from your facility to your buyers. By linking Due Diligence Statements Reference Numbers with shipments, you can ensure that all outbound goods meet EUDR requirements. This end-to-end traceability guarantees that your products are compliant as they move through the supply chain.

AI-DRIVEN RISK ASSESSMENT

Optchain can process all the collected data and pinpoint areas of heightened risk and demonstrate where interventions would have an impact, thereby providing the necessary information to perform the due diligence risk assessment section. Here is how it works:

Deforestation Risk Assessment: Optchain's AI-driven deforestation monitoring uses satellite imagery to evaluate the compliance of geolocations associated with your imported commodities. Recognizing that supply chain mapping can be complex and time-consuming, Optchain also provides regional analysis at the municipal or regional level, or around key processing and storage facilities, to quickly identify high-risk areas that may require immediate attention.

Legality Risk Assessment: Optchain's Legality Risk Assessment ensures full compliance with EUDR by evaluating environmental, human rights, and anti-corruption standards. This is achieved through a three-level approach:

• Risk-based assessment using public indicators and EU risk mapping.

• Self-assessment questionnaires for a deeper evaluation of specific risks.

• On-field audits for any identified non-negligible risks.

CORRECTIVE ACTION FOR RISK MITIGATION

To address and mitigate risks, the Optchain tracks non-conformities, alerts relevant stakeholders, and analyzes the potential impacts. It prioritizes risks and develops corrective action plans, monitors their implementation, and maintains records that are always audit-ready. This proactive approach ensures that any issues are swiftly resolved, keeping your operations compliant and risk-free.

Downstream Operators and Traders must lean on their suppliers to comply with the regulation. Optchain has been crafted to facilitate engagement with stakeholders and sharing data. Additionally, Optchain acts in collaboration with established audit firms for compliance verification and access to expert evaluations and certifications to meet stringent regulatory requirements. The assurance of data integrity and precision is upheld through audit and verification procedures.

AUTOMATIC DUE DILIGENCE REPORTING VIA EU DUE DILIGENCE REGISTRY API INTEGRATION

Optchain is connected to the EU Due Diligence Registry API, allowing OPTEL to submit Due Diligence Statements on-behalf of clients. With the current status of the EU Portal API, it is possible to:

Ping Check: This function is used to verify the connection to the EU Due Diligence Registry API, ensuring that the service is available and operational.

Submit DDS: This function allows the submission of Due Diligence Statements (DDS) on behalf of clients. It involves providing necessary data regarding due diligence processes to comply with the EU regulations.

Retrieve DDS Data: This function enables the retrieval of previously submitted Due Diligence Statements from the EU Due Diligence Registry. It is used to review or audit the submitted data.

Handle Error: This function deals with error responses from the EU Due Diligence Registry API. It includes mechanisms to identify, log, and respond to various errors that may occur during API interactions.

Amend DDS: This function allows for modifications to be made to already submitted Due Diligence Statements. It is used when updates or corrections to the initial submission are necessary.

Retract DDS: This function provides the capability to withdraw previously submitted Due Diligence Statements. It is used to remove statements that are no longer valid or were submitted in error.

GET STARTED WITH OPTCHAIN TODAY

Ensure your supply chain is fully compliant with the EUDR before the deadline. Optchain's features and OPTEL's expert support will help your compliance journey. Contact us now to learn how Optchain can secure your place in the EU market.

OPTEL™

TRACEABILITY TECHNOLOGIES FOR A BETTER WORLD

Certified **B** Corporation