Dear Honorable,

We are members of the Producers, Processors and Traders (PPT) of the Global Platform for Sustainable Natural Rubber (GPSNR), a multi-stakeholder platform to promote sustainable natural rubber industry. Since the introduction of EU Deforestation Regulations (EUDR), the members of PPT category have invested a lot of effort and resources to ensure the natural rubber supplied to our customers are EUDR-compliant. We are the first point of contact to millions of smallholders who have closely cooperated with us to ensure their supplies meet the EU requirement.

With the recent proposal by the EU Commission to delay EUDR implementation by another 12 months, we are writing to you to express our serious concern on such proposal. The PPT members strongly believe we, alongside our smallholder suppliers, are ready to comply with the EUDR by 30 December 2024.

Since EUDR was introduced, our customers and PPT members worked tirelessly with our farmers to perform mapping and due diligence process, as required by EUDR. Substantial investments have been made such as upgrading our IT system, roll out of tracing tools, remote sensing technologies and hiring of surveyors. These represent initial upfront costs reaching millions of US dollars borne by our members. In addition, we established commitments to our farmers, mostly smallholder farmers in less developed and developing countries, that their efforts in ensuring their farms meet EUDR will be compensated appropriately. All these efforts will be wasted if the proposal to delay EUDR will be approved.

After the announcement by EU Commission to delay the date of implementation, some of our customers have requested to cancel or postpone their EUDR contracts. These contracts have certain premium added, which was intended to allow us to support our farmers and also, to cover our initial preparation costs. Such drastic contract cancellation will put our members in a very difficult position, as we will be unable to recover our set-up costs and invest back into our systems. Worst case is that we will be unable to compensate our farmers, as initially committed, due to the extended transitional period. The postponement will disincentivise us and our farmers to continue to work towards meeting the requirements of EUDR in the future. This will not only result in an economic burden to our supply chains but also serve as a deterrent to your efforts in helping operators and traders to fully establish their due diligence systems.

We, therefore request the European Parliament and the Council to vote against postponement of the entry into application. Ample time has been given to all industries to comply with the regulation and we see no reason for further delays.

Thank you for your attention.

Sincerely, on behalf of the Producer, Processor and Trader Members of GPSNR,

The PPT Representatives to the GPSNR Executive Committee:

Marc GenotNattee ThiraputhbhokinChristian BustamanteSIPHSri Trang AgroHalcyon Agri

Supported by:

1. Agro Business Group

2. Cocoasource SA

- 3. Compagnie Heveicole de Cavally (CHC)
- 4. Halcyon Agri Corporation Ltd
- 5. <u>Hevea-Tec</u>
- 6. Industrias de Exportación, S.A.
- 7. <u>Itochu Corporation</u>
- 8. <u>Kirana Megatara</u>
- 9. Namazie International Pte Ltd (PT Nusa Alam Rubber)
- 10. Olam Agri

- 11. Simko North America
- 12. <u>SIPH</u>
- 13. Socfin
- 14. Southland Global
- 15. Sri Trang Agro-Industry Plc
- 16. <u>Thai Eastern Group (E.Q. Rubber Co., Ltd)</u>
- 17. Thaitech Rubber Corporation Ltd
- 18. <u>Tropicore</u>
- 19. Von Bundit Co., Ltd.