

Important Customer Notice

European Deforestation Regulation (EUDR) Compliance

As part of our commitment to environmental sustainability and legal compliance, we at Danzer are proactively addressing the requirements of the European Deforestation Regulation (EUDR), effective June 2023. Here's a brief outline of what the EUDR entails and how Danzer is meeting its requirements.



EUDR COMPLIANCE TIMELINES

- The EUDR affects all wood harvested from 29 June 2023.
- It applies to wood imported to, placed on, or exported from the EU market after 30 December 2024.
- Wood harvested before 29 June 2023 but delivered to the EU before 30 December 2027, must comply with the existing EU Timber Regulation (EUTR).

DANZER'S PROACTIVE MEASURES

- 1. Enhanced Traceability:** We trace every log through our production process. Our products that come with sustainability certification are linked to the specific product or batch. For traded products, specific protocols are in place.
- 2. Comprehensive Compliance:** Our procurement policy is strict regarding land use, environment, human rights, labor rights, anti-corruption, and trade. We employ a robust Due Diligence system to mitigate risks in these areas.
- 3. FSC 100% Product Data:** For our FSC 100% products, we maintain detailed Forest Management Unit data, crucial for the EUDR's geo-coordinate polygon requirements.
- 4. Product Marking:** We're developing a document to indicate "harvested before 29 June 2023" for relevant products, ensuring clear compliance tracking for semi-finished products (logs, veneer, lamellas, and other batch products).
- 5. Geo-Localization Data Collection:** Since 1 July 2023, we've begun requesting geo-localization data from our suppliers. This effort extends to all logs and products purchased, enhancing traceability.
- 6. GIS Specialist Recruitment:** We will train and/or hire a GIS specialist to process and integrate this geo-localization data, ensuring our customers have the necessary information for the European market post-30 December 2024.
- 7. Internal Systems Upgrade:** Our internal information systems are being upgraded to link all collected data to the corresponding product or batch, from forest to sale.
- 8. Retroactive Data Assignment:** We're working to assign geo-localization data retroactively to products procured from 1 July 2023, as we receive this information.
- 9. Continuous Data Improvement:** Our commitment to data accuracy is unwavering. We are continuously refining our data collection methods.
- 10. Preparation of Due Diligence Statements:** We're developing Due Diligence Statements for all our supply countries and regions, ensuring comprehensive compliance.
- 11. Risk Assessment Adaptation:** Upon EU's issuance of EUDR guidance, Danzer will categorize its own supply countries or regions as Low, Standard or High risk accordingly, and conduct thorough risk assessments and mitigation as necessary. We're prepared to adapt swiftly to these guidelines.

In case of questions or if you require further details, please do not hesitate to reach out to your Danzer representative.

Information as of November 28, 2023

Responsible: Cathy Lynn Danzer