

September 2024

Information update to our customers

Preparing For EUDR

How Danzer Is Supporting Your Business Every Step of the Way

As the European Deforestation Regulation (EUDR), effective since June 2023, prepares to significantly impact wood product imports and exports starting from December 30, 2024, we want to provide you with an important update on our proactive efforts to ensure full compliance.

Our goal is to reassure you that we are fully committed to collecting the required data well in advance, so your business remains unaffected by these regulatory changes.

We understand that some of our customers have requested extensive information ahead of time. However, to ensure full transparency and compliance with EUDR requirements, we need to focus our time and resources on gathering and processing the necessary data. By doing this, we will be able to provide required information by the December deadline, rather than risk missing important details by responding prematurely to specific requests. We kindly ask for your patience while we complete this crucial work.

OUR APPROACH: STAYING AHEAD AMIDST UNCERTAINTY

There is ongoing uncertainty around the practical implementation of EUDR, with no final guidance from authorities yet. While some industry participants view this uncertainty as a potential sign of postponement, we do not share this view. At Danzer, we are preparing for the most likely requirements with full steam ahead to benefit our customers by January 1, 2025.

To maintain our proactive stance, we've made the following assumptions based on the regulation's current framework:

- **Low-Risk Regions:** We assume North America and Western Europe will be classified as low-risk regions for EUDR compliance.
- **High-Risk Regions:** We consider countries deemed high-risk in our biannual risk assessments (bribery, corruption, forced labor, and illegal logging) to be high-risk for EUDR legality as well.
- **Deforestation-Free Supply:** We are assuming that timber source polygons will be sufficient to prove deforestation-free supply chains.

- **Data Confidentiality:** We expect that confidentiality around supplier details will remain intact, in line with other supply chain regulations, meaning sensitive data like supplier addresses will *not* need to be shared with customers.

WHAT WE ARE DOING: PROACTIVE STEPS TO SUPPORT YOUR COMPLIANCE

Our teams have been working tirelessly to ensure that we are fully prepared. We are committed to providing you with the most accurate and complete information. Here's how we are progressing:

Documentation requirement	Available now	Available by Dec 30, 2024
Description of product	✓	
Country of origin/harvest	✓	
Geo-localization data		✓
Product common and scientific name	✓	
Date or time range of harvest		✓
CITES certificate (if applicable)	✓	
Due Diligence Statement reference number (from EUDR IT platform)		✓

Since July 1, 2023, we have been actively collecting geo-localization data and harvest dates from our suppliers for all logs and products. This effort bolsters traceability, ensuring that by the December deadline, we'll have the necessary data ready for the EUDR IT platform.

OUR COMMITMENT: TAILORED TO YOUR NEEDS

We understand that the evolving requirements may cause some uncertainty, but rest assured, our focus is on delivering data that is complete, accurate, and compliant.

Information as of September 3, 2024
Responsible: Elodie Alberny

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- **Data Traceability:** We trace every product in our system, ensuring documentation along the supply chain. However, due to the ongoing data collection process, we cannot yet provide geo-localization data or due diligence statements for every product. Our goal is to deliver this data in full before December 30, 2024.
- **Continuous Improvement:** We are committed to continuously improving our data collection processes, adapting swiftly to new regulatory developments, and keeping you informed along the way.
- **Adaptation to Certification Standards:** We are closely monitoring FSC and PEFC certification standards to ensure alignment with EUDR requirements.
- **Risk Assessments:** Upon receiving further EUDR guidance, we will update our supply chain risk assessments accordingly to reflect the latest requirements.

WE'RE HERE FOR YOU: ONGOING SUPPORT AND COMMUNICATION

We are in constant communication with our customers to ensure their needs are met. Your trust in us is our top priority, and we appreciate your patience as we navigate these evolving regulations. Should you have any questions or require further clarification, please don't hesitate to reach out to your Danzer representative.

Together, we'll ensure a smooth transition to EUDR compliance.