

October 3, 2024

Ahlstrom's EUDR Information

Regulation (EU) 2023/1115 on deforestation-free products (EUDR) sets a European legal framework to halt and reverse EU-driven global deforestation based on mandatory due diligence. It entered into force on June 29, 2023, and we are currently in the transition period before it becomes applicable on December 30, 2024. Sourced wood and products derived from virgin wood fiber are in scope of this Regulation.

The due diligence requirements are increased compared to the previous EU Timber Regulation requirements (EUTR), including:

- The due diligence requirements apply to both operators and traders, with simplified due diligence applicable for Small and Medium-sized enterprises (SMEs) and low-risk cases;
- The data requirements include tree species, countries of origin, geolocations for the
 plots of forest land and the dates for commencing the processing of wood in order to
 generate due diligence statements and reference numbers;
- Transfer of traceability of the wood along the whole value chain through sharing forest related information via the European Commission's digital platform TRACES NT and monitored by relevant authorities.

Ongoing activities

Ahlstrom is currently preparing to be compliant with the requirements set out in the Regulation. We are strongly committed to responsible wood fiber sourcing and compliance with all applicable legislation and are therefore preparing the necessary actions along the full value chain. This includes working with our suppliers to collect the required data points and being able to share this with stakeholders for the launch of EUDR in a digital format. This is dependent on the Commission's digital platform EU TRACES NT being live and available as planned on December 2, 2024.

The European Commission issued a <u>press release</u> on October 2, 2024, proposing a 12-month extension pending approval by the Parliament and Council. Ahlstrom awaits the final decision on this proposal and continues working in accordance with the available information.

If you are a customer or supplier of Ahlstrom and would like more information, please don't hesitate to contact your sales contact.

Please find more information about the Regulation here and the implementation here.