

Preparing for the EU Deforestation Regulation

The purpose of this document is to inform business partners of Norske Skog, in particular customers, how our products are affected by the EU Deforestation Regulation, and how we are planning to meet future compliance needs.

What is the EUDR?

Under the EU Deforestation Regulation, only products that are legal in the country of production and not linked to deforestation and forest-degradation after 31 December 2020 can be placed on the EU market nor in any export markets.

The main purpose of the [EU Deforestation Regulation \(EUDR\)](#) is to minimize global deforestation and degradation. The regulation will comply from 30 December 2024 and will replace the EU Timber Regulation. The new regulation will build on the existing due diligence framework.

This includes a wide range of businesses, from direct suppliers to those who transform covered products into another. The regulation covers seven commodities, including wood-based products such as paper and packaging¹.

How does EUDR apply to products from Norske Skog?

Publication paper: The regulation applies to fresh wood used in paper products such as newspaper and magazines. Recycled fiber is exempted from the regulation. Products that contain a mix of wood and recycled fiber are required to meet compliance requirements to be traded in the EU Market.

Containerboard packaging: The regulation does not apply to packaging made from recycled fiber. Containerboard packaging from Norske Skog is made from 100% recycled fiber, and thus, exempted from the regulation.

What does Norske Skog need to do to be compliant?

Norske Skog is considered an operator² according to the regulation. In order to be compliant Norske Skog need to make sure that all of the following conditions are met for publication paper:

1. Products are **deforestation-free**.
2. Products have been produced in accordance with **legislation** of the country of production.
3. Products are covered by a **due diligence statement** submitted in the EU data base prior to placing products in the EU market.

¹ Annex 1 of the regulation, HS code 4421 ex 49 and HS code 4415

² "Operator" means any natural or legal person who, in the course of a commercial activity, places relevant products on the market or exports them. The definition also covers companies that transform one product of Annex 1 (which has already been the object of due diligence) into another product of Annex 1.

Operators and traders have the obligation to exercise the due diligence and share the due diligence reference number along the supply chain.

How are we planning to meet the compliance requirements?

Norske Skog is not a forest owner. We source wood from supplier near our mills in Europe and Australia.

As an operator down the supply chain, we rely on due diligence performed earlier in the supply chain by our wood suppliers when submitting the due diligence statement.

Close cooperation and dialogue with wood certification bodies, wood suppliers and relevant business partners are a priority in preparing for compliance to the EUDR.

In addition, the following elements will be expected to simplify the due diligence:

- **Low-risk countries:** If wood is sourced entirely from areas classified as low risk, as is expected to be the case for Norske Skog, then the due diligence obligations are reduced. However, providing origin information (e.g. geo locations) remains mandatory for all products, whether from high or low risk regions. As of now, the European Union has not released the official list of these geographies, but it is expected to do so before January 2025.
- **Certified wood:** Norske Skog has systems and processes in place to make sure that all wood used in Norske Skog's products comes from sustainably managed forests. All Norske Skog mills utilizing fresh wood fiber have third-party verified Chain of Custody (CoC) certification systems in place. PEFC and FSC are working to incorporate new requirements from the EU Deforestation regulation into the certification processes and related tools.

Norske Skog is committed to zero deforestation and to demonstrate this through compliance with EUDR. As we continue to learn and adapt our systems and processes to meet the new requirements from EUDR we invite you to get in touch on sustainability.hq@norskeskog.com if you have any questions.