

Update on Goričane and European deforestation regulation

European Union Deforestation-free Regulation (EUDR) is a set of rules implemented by the European Commission to prevent deforestation and forest degradation associated with the production and consumption of certain commodities. The regulation aims to ensure that goods sold in the EU market do not contribute to deforestation or forest degradation, both within and outside the EU.

Currently we are in a EUDR transition period (June 2023 – December 2025). To our knowledge, all wood-based products produced in the transition period and placed on the EU market after December 2025 are under EU timber regulation (EUTR) provided that wood or semi-finished product were verifiably placed on EU market before December 2025.

Our Commitment to Sustainable Practices

At Goričane, we have always been committed to sustainability and responsible sourcing. We recognize the importance of this new regulation in protecting the world's forests and maintaining biodiversity. As such, we are actively taking steps to align our operations and supply chains with the requirements set forth by the EU Deforestation Regulation.

Current Status of Compliance Preparation

While we are diligently preparing to meet these new regulatory standards, we would like to inform you that we are still in the process of implementing the necessary changes to fully comply with the regulation. This preparation includes:

1. **Supplier Engagement:** We are actively engaging with our suppliers to ensure they adhere to sustainable practices and provide the necessary documentation to prove their products are free from deforestation or forest degradation.
2. **Traceability Systems:** We are in the process of enhancing our traceability systems to support new EUDR requirements.
3. **Certification:** We have established FSC and PEFC system of sustainable forest management which require third-party certified chain of custody to trace wood from certified forests to the end products. Both FSC and PEFC are intensely working on adaptations on their system to support certified operators to comply to EUDR.

As we continue to work towards full compliance, we want to assure you that we are committed to providing products that meet the highest standards of sustainability and quality. We will keep you updated on our progress and will notify you as soon as we have completed all necessary steps to comply with the EU Deforestation Regulation.

In the meantime, if you have any questions or require further information about our preparations, please don't hesitate to contact us.

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We appreciate your understanding and support as we navigate these regulatory changes. Together, we can contribute to the protection of the world's forests and promote more sustainable practices across the supply chain.

Urban Svoljšak,
administrator for sustainable
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