Understanding the EUDR and our compliance approach

Dear Customers,

Many of you have contacted us regarding the new European regulation on deforestation (EUDR - EU Deforestation Regulation, Regulation (EU) 2023/1115). To address your questions collectively and transparently, we have summarised below the key points you need to be aware of.



WHAT IS THE EUDR?

The EUDR (EU Deforestation Regulation) is a European regulation that will come into effect on 30 December 2025.

It aims to prohibit the placing on the market or the export from the European Union of products derived from raw materials that have contributed to deforestation or forest degradation after 31 December 2020, even where such deforestation is legal in the country of origin.

Wood and wood-derived products, such as paper, are among the categories covered.

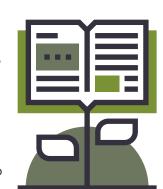
WHAT DOES THIS MEAN?

For PdL and PdV, as paper manufacturers:

We will need to demonstrate that the fibres used in our products come from deforestation-free sources. This requires a robust traceability system, down to the precise location of the wood harvesting areas.

For our customers (paper processors, printers, packagers, etc.):

- If you place paper-based products on the European market or export them, you will need, from 30 December 2025, to ensure their compliance with the EUDR.
- As upstream manufacturers, we commit to providing the necessary information to support your own compliance declarations in line with regulatory requirements.



OUR ACTIONS FOR EACH BATCH OF PULP PURCHASED

INFORMATION GATHERING

For each batch, we collect:

- Product description and quantity
- Country or production area
- Production date or period
- Supplier information
- Geographical coordinates of the harvesting area
- Confirmation that the "deforestation-free" criteria are met
- Compliance with the laws of the country of origin

RISK ASSESSMENT

Each batch is evaluated based on:

- · Country risk level (low, standard, high)
- Environmental characteristics of the production area
- Supply chain complexity
- Measures to prevent any circumvention of the regulation

RISK MITIGATION

If a potential risk is identified, we may:

- · Obtain additional information
- Conduct inspections or audits
- Implement appropriate preventive measures, controls, and procedures



COUNTRY RISK LEVELS

The official list of countries and their associated risk levels (Article 29 of Regulation (EU) 2023/1115) is now available.

We do not source raw materials from countries classified as high risk.

All of our materials are covered by FSC® and/or PEFC certifications, ensuring responsible forest management and robust traceability.



WHAT IS THE TRANSITIONAL PERIOD?



After 30 December 2025, only products newly placed on the EU market will be subject to the full obligations of the EUDR. Products placed on the market before this date will remain covered by the previous regime (EUTR) until 31. December 2028.

In the event of mixing stocks placed on the market before the application date with post-application products, the Due Diligence Statement in the Information System should cover only the recent products, as they alone are subject to the due diligence requirements.

HOW ARE PDL AND PDV MANAGING THIS

As part of our compliance with the EUDR, we will prepare Due Diligence Statements by product category. We have subscribed to a platform (Osapiens) to support us in risk assessment and in populating the European TRACES system.

The required information will be provided to our customers in a structured and standardised file, sent automatically upon dispatch from the sales administration team's email address.

To ensure successful implementation of this regulation, we have maintained a dedicated team for over a year to monitor and enforce compliance.

For any further information, your usual sales contacts are available and can, if needed, arrange a dedicated video call regarding the EUDR.

