

To Whom It May Concern

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April 2025 Update on

SAPPI EUROPE AND EU DEFORESTATION REGULATION

The European Union Deforestation Regulation [EUDR – (EU) No 2023/1115 ¹] is aimed at ensuring that products derived from certain commodities (*cattle, cocoa, coffee, oil palm, rubber, soya, wood*), which are placed on the EU market or exported from the EU, have not caused deforestation or forest degradation during their production.

Relevant commodities and products *placed or made available on, or exported from* the EU must meet the following three conditions:

- they are deforestation-free;
- they have been produced in accordance with the relevant legislation of the country of production; *and*
- they are covered by a Due Diligence Statement.

The EUDR entered into force on 29 June 2023 and its provisions will apply from 30 December 2025 onwards.

This briefing is a follow-up to Sappi Europe's earlier briefings² on EUDR and in the next pages provides an update on our preparations³:

1. A brief snapshot of the status of Sappi Europe's EUDR preparations

- In the first quarter of 2025, Sappi Europe has continued its preparations for implementing the requirements of the EUDR into its IT-systems, processes and procedures, and the work has proceeded well.
- Testing of the EUDR *Traces* IT-system of the European Commission started already in late 2024 by using the training platform *EUDR Acceptance*, and in March 2025 a phased-in testing of the platform *EUDR Live* was launched to receive e.g. EUDR data from our wood, chips, and pulp suppliers.

¹ Regulation (EU) No 2023/1115: [EUR-Lex - 32023R1115 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2023/1115/oj) and European Commission's [web-site on EUDR implementation](#)

² Sappi Europe's previous EUDR briefings were published in February, May, August, October, and December 2024.

³ As the European Commission is committed to continue providing new clarifications via e.g. the update of the Guidance document and FAQs, some of the envisioned courses of conduct and timelines are subject to changes, when new information and/or interpretations emerge.



- Sappi Europe will switch fully to the platform *EUDR Live* once we have full certainty of the system functionalities and capturing of all the *EUDR Reference Numbers* of the inbound raw materials. The exact date will be announced later in 2025. This is well aligned with the initial guidance from the European Commission⁴, which advised operators that the *Due Diligence Statements* (DDS) submitted in the *EUDR Live* server should only cover such products that are to be placed on the market or exported after the entry into application. The *DDSs* submitted in the *EUDR Live* server have legal value and their content can be subject to checks by the *Competent Authorities*, whereas the *DDSs* submitted via the training platform *EUDR Acceptance* server do not have legal value.
- Over 80% of Sappi Europe's wood-based raw materials originate from European forests, with its major suppliers located in Austria, Finland, and Germany. EUDR-solutions are implemented in close collaboration with our wood suppliers, which is important, because in Europe, Sappi does not buy wood directly from forest owners, but via long-term partner companies.
- In addition to carrying out tests with our wood and pulp suppliers, we have invited our customers to test our EUDR-solutions in order to ensure that our approach supports their EUDR-work in the best possible way. Customer testing is expected to begin at the end of the 2nd quarter of 2025. In April, a request form will be available, allowing customers to sign up for testing.

2. EUDR data to be provided to the customers

- Sappi Europe has customers both within the EU and outside the EU. In both cases, Sappi will compile and submit *Due Diligence Statements* (DDS) into the EUDR *Traces*-system in line with the requirements of the EUDR.
- When submitting a *DDS* for the EUDR-relevant product we produce and intend to place on the EU-market or export, Sappi receives a *EUDR Reference Number* (incl. a *Verification Number*) in return.
- Customers will receive from us the relevant *EUDR Reference Number* (RN) including the *Verification Number* (VN); both numbers are needed to retrieve the *DDS* data out of the EUDR *Traces* system.
- The EUDR *RNs* are 14-digit codes consisting of numbers and letters and unique for every *DDS* submitted. The *VN* is a complementary security token which Sappi will communicate together with the *RN* to its customers who wish to include an upstream *DDS* reference into their own *DDS*. It is the chain of such *RNs* that build the traceability link between the end product and the origin of the wood-based raw material.
- Sappi's aim is to provide one *RN* for each article in a delivery to customers, to make their post-processing simpler.

3. Tools and format to deliver the EUDR data to customers

- Sappi Europe will share the *RNs* (incl. *VNs*) to customers in a separate document sent via an automated e-mail. In addition, we will provide a csv file with the same details to simplify further processing of the data.

⁴ <https://ec.europa.eu/newsroom/env/newsletter-archives/58277>

- These emails will be sent out when the EUDR *Reference Number* is confirmed by the EUDR *Traces* system. They will contain the following information:
 - Customer PO number
 - Sappi Shipment number / TransID / BOL
 - Billing number
 - Delivery number
 - Delivery Quantity & UoM
 - Order number
 - Order item number
 - Brand member description
 - Product number
 - Producer name
 - Producer country
 - GSM
 - Commodity Code
 - DDS Reference Number
 - DDS Validation Number
- The *RNs* (incl. *VNs*) can also be retrieved in Sappi's e-commerce portal, which will be available in 2026; they will be linked to the invoice of the Sales Order.
- For EDI (Electronic Data Interchange) customers, the *RNs* may be included in the delivery messages; the *papiNet* standard has already been adapted. Please check on www.papinet.org for more details. The EDI-solution will be available in June 2025; however, customers will need to request for it as EDI-interfaces are customer-specific.

4. EUDR data requirements from the Transition Period

- Provisions related to the *Transition Period* (from June 2023 to the date of entry into application, i.e. 30 December 2025) are important not only for operations within the EU, but very much also for e.g. reimports from non-EU countries.
- The European Commission is expected to provide clarifications to the requirements in the revised versions of the EUDR *Guidance document* and FAQs (*Frequently Asked Questions*) in April 2025. At the time of preparing this April briefing, both were still in the making. However, it remains our understanding that EUDR-relevant wood-based products produced in the transition period but placed on the EU-market after the entry into application date, do not need to be supplied with the traceability data (geolocation data or EUDR *Reference Numbers*) provided that the wood or semi-finished products used to produce the relevant product were verifiably placed on the EU-market before the entry into application date (i.e. 30 December 2025). We will update our EUDR Briefing, when new information is available.

5. Information on Sappi Europe's due diligence system and procedures

- Sappi Europe's existing due diligence -system will be extended to cover the requirements of especially the *Articles 8 (Due Diligence)* and *9 (Information requirements)* of the EUDR.
- We will provide all our customers with EUDR-relevant information about our due diligence system and procedures. Our plan is to provide a description of our due diligence system along with other relevant material on our website and upon request. The format, scope and extent of the due diligence reporting is expected to evolve once e.g. the country risk assessment of the EU Commission is completed and released later in the spring 2025.

6. The role of geolocation data in demonstrating EUDR compliance

- Traceability is one of the fundamental elements behind the EUDR: In case the harvesting takes place in the EU, the precise geolocations of the harvesting sites are recorded in a *Due Diligence Statement* (DDS) submitted by the forest owner, who sells the wood (or harvesting rights) to e.g. a wood procurement company. In case an EU-based operator imports EUDR-relevant wood-based products from a non-EU country, the importer is responsible for gathering the respective geolocation data from its non-EU supplier and submitting a *DDS*.
- After the submission of the *DDS* (including the geolocation data) into the EUDR *Traces* system, the forest owner (or importer) receives a EUDR *Reference Number* (RN) in return. This EUDR *RN*, which builds the link to the original harvesting site, is then passed on to the wood procurement (or processing) company. Wood procurement companies most often buy wood from several forest owners, and when selling wood further to e.g. a pulp mill, they pass on the traceability data in the form of EUDR *RNs*.
- The role and usage of the geolocation data has caused a lot of uncertainties among the so-called downstream operators, who buy EUDR-relevant products from e.g. pulp and paper producers. For this reason, *Cepi* (Confederation of European Paper Industries) and *Intergraf* (European printing industry association) along with several other industry and trade associations put together a clarifying statement⁵ on the role of geolocation data in demonstrating compliance with the regulation. The key message is that it's the EUDR *RNs* that build the invaluable traceability link from the EUDR-relevant products to the origins of the wood/woodfibre that was used to produce the product. A EUDR *RN* refers to a *DDS* that was submitted by the previous operator. Following the trail of the EUDR *RNs*, a downstream operator gets to see the countries of origin. However, the original geolocation data in its entirety is in most cases only visible for the *Competent Authorities*.

7. Please contact us

- Sappi Europe is firmly committed to zero deforestation and shares the aims of the EUDR. We are determined to implement the EUDR into our operations and to ensure timely delivery of all the EUDR-relevant data and information required along the supply chain.
- We continue participating closely in the work of *Cepi* and the national industry associations in the countries where Sappi's European pulp and paper mills are located. Communication efforts of several national *Competent Authorities* are welcome, as well as of industry associations like *Intergraf*⁶.
- Implementing EUDR into the woodfibre-based value chains is a joint effort to ensure that we have steady solutions up and running across the entire value chain. Please don't hesitate to reach out for any questions or additional information.

⁵ Cepi et al. March 2025 - Clarifying the role of geolocation data in EUDR compliance:

<https://www.intergraf.eu/policy/policy-positions/item/578-clarifying-the-role-of-geolocation-data-in-eudr-compliance>

⁶ Intergraf, February 2025 – Guidance document on deforestation regulation:

<https://www.intergraf.eu/communications/press-releases/item/558-intergraf-launches-the-updated-guidance-on-the-eu-deforestation-regulation-eudr>