

Winter & Company EU Deforestation Regulation

This statement covers our current position on the repealed EUTR and its replacement EUDR, with which all companies placing goods for sale on the EU market must comply with by December 2025.

EUDR (EU) No 2023/1115, EUTR & UKTR Timber Regulations

Winter & Company currently meets the compliance obligations of EU Timber Regulations and aims to ensure full compliance to incoming EUDR Regulations, the implementation of which is now postponed until December 2025.

The EUDR Regulation lays down rules regarding the placing and making available on the European Union market as well as the export from the Union of relevant products, as listed in Annex I of the regulation, that contain, have been fed with or have been made using relevant commodities, namely cattle, cocoa, coffee, oil palm, rubber, soya and wood, with a view to:

- (a) minimising the Union's contribution to deforestation and forest degradation worldwide, and thereby contributing to a reduction in global deforestation.
 - (b) reducing the Union's contribution to greenhouse gas emissions and global biodiversity loss.
- EUTR was designed to combat the trade in and harvesting of illegal timber and bans companies from placing illegally harvested timber or timber products on the market.

EUDR is more robust and aims to address the problem of deforestation and degradation associated with certain commodities. It aims to encourage the creation of a "deforestation-free" market in Europe and globally.

In the regulation, companies that first place relevant products on the European market are referred to as "operators". Companies that buy or sell timber or timber products already placed on the EU market are referred to as "traders".

Winter & Company acknowledges its role as both an "operator" and a "trader" as defined in Chapter 1, Article 2 and with obligations set out in Chapter 2, Articles 4 & 5 within the EUDR Regulation and is taking all appropriate actions to comply with those obligations.

As an "Operator" Winter & Company has a Due Diligence System (DDS) in place which includes all the elements that are clearly outlined in Chapter 2, Article 4 of the Regulation.



"Traders" are required to keep basic traceability information indicating from whom they purchase and to whom they sell their products. When functioning as a Trader, Winter & Company comply with all the elements clearly outlined in Chapter 2, Article 5.

Whilst the principles, the sustainability and the environmental benefits of the regulation are clear, the issues for Winter & Company and all other companies in our supply chain is that the requirements of the regulation in terms of the scope of information required for due-diligence under Chapter 2, Article 9 is beyond what is currently possible to obtain from the upstream supply chain, particularly in terms of precise geo-location of forest source.

EUDR has proved a significant challenge for the Pulp and Paper industry, and the provision of geo-location data is in the hands of Pulp suppliers and their Wood suppliers who will have to implement systems for data collection that ensures it is available for all companies down through the supply chain.

Winter & Company are looking to appoint an independent compliance service partner to provide a system to manage our EUDR compliance requirements.

This includes material source mapping, risk assessment & mitigation and due diligence reporting as well as automated interaction with the EU Traces NT system to obtain the required shipment references.

Implementation and integration of this EUDR compliance tool with our internal IT system will be completed through Summer 2025.

The aim of Winter & Company is to be compliant across the full range of in-scope EUDR regulated products in advance of the EUDR regulation requirement.

If there is any deviation from that I will update you.

Additionally, we remain fully committed to FSC® and PEFC® certification and our ongoing programmes to create innovative sustainable products.

Yours sincerely

David Nelson
Head of Group Product Management

13th March 2025