

STATEMENT

Metsä Tissue

January 2023

Position of Metsä Tissue Corporation concerning EU Timber Regulation (EUTR) No 995/2010 and other regulations prohibiting illegally harvested timber and timber products on the market

The EU Timber Regulation is a law (EU Regulation No 995/2010) and an important part of FLEGT Action Plan and it came into force across all European Union member states on March 3, 2013. The core objective is to prohibit all timber products that have been illegally harvested from being placed on the EU market. It covers a broad range of timber products including round wood, solid wood products, flooring, plywood, pulp, paper and board.

EU Timber regulation (EUTR) defines the obligations of "operators", placing the timber product on the EU market for the first time as well as obligations for "traders", who are buying or selling products already placed on the EU market.

The "Operator" is obliged to prove the legality of raw material to the national EU Timber Regulation authorities and to implement a due diligence system, including three elements: access to relevant information, risk assessment and mitigation of the risks identified. The "Trader" is obliged to keep a record for five years of its suppliers and customers.

In case of products produced by Metsä Tissue, our pulp suppliers (or their wood suppliers) act as "Operator" with the obligation to prove legality. Metsä Tissue and our customers act as "Trader", which means that we have the obligation to show (on enquiry of an authority) who our suppliers and customers are and to archive the necessary documents for 5 years.

All Metsä Tissue mills as well as our pulp and base paper suppliers have PEFC and FSC chain of custody certification, which ensures traceability of the fibre that is used. The pulp and base paper that we use is either certified (FSC or PEFC) or controlled sources.

Metsä Forest and Metsä Group also fulfil the obligation of UK Timber Regulation, US Lacey Act and Australian Illegal Logging Prohibition Act, which prohibit the placing and trading of illegally harvested timber and timber products on the market.

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