

EUTR (EU Timber Regulation)

- What, why, how?

"With this, we are sending a signal to the world that the EU will no longer serve as a market for illegally harvested timber" words by European Environment Commissioner Janez Potocnik about the new regulation.

In short, what does the timber regulation say:

- Prohibition against trading illegally felled timber or materials from such in EU
- Demand that "operators" implement "Due Diligence" in their whole supply chain
- "Operators" must have a register of their suppliers and their subsuppliers as well as customers making traceability possible.

Relevant players:

- The dealer channel:
 - Operators: Companies clearing timber materials to an EU country from a non EU country. (Westpack is an example of an "operator").
 - Traders: Companies that hereafter use materials of timber from an "operator". (Westpack's customers around Europe are for example "traders" in such cases.)
- Enforcement and monitoring:
 - The European Commission
 - The authorities from the respective member countries – e.g. the Danish Customs and Tax Authorities
 - Monitoring entities – e.g. the Danish National Forest and Nautre Agency

What are each player's obligations:

- Operator:
 - Westpack is obliged to observe the legislation's text and spirit.
 - Westpack must not place illegal timber, or materials of such, on the EU market.
 - Westpack must work out a sturdy "Due Diligence System" guaranteeing that the risk of importing illegal timber or materials of such is minimized.
 - Westpack must document all suppliers' use of legal materials in production of products for Westpack's customers.
- Traders – that means Westpack's customers in Europa:

- Must keep a registration of their products, suppliers and buyers with the purpose of being able to document that their choice of "operator" meets the EUTR

Which products are included in the EUTR:

- If looking at Westpack, we are included in the legislation as regards 2 custom groups. Those are custom groups consisting of: bags, boxes and paper. The custom group consisting of wooden boxes and wooden displays are, however, not part of the regulation. Still, Westpack has chosen to include this custom group in our own Due Diligence System. This additional choice has been made because Westpack wishes to positively contribute to sustainability and be on top of the situation in case of a future adjustment of the regulation. This attitude is perfectly in line with Westpack's FSC certification, which is not a legal requirement, but entirely a question of attitude in relation to sustainability in general.

Which products are *not* included in the EUTR:

- Recycled materials – recycled paper or timber and normal transport packaging

What has Westpack practically done to conform to the EUTR:

- Westpack has drawn up a Due Diligence System that observes the regulation's text and spirit. This Due Diligence System is continuously revised as the authorities learn about new problems or introduce new custom codes to EUTR.
- Westpack has invited external authorities and nongovernmental organization to comment on our Due Diligence System and has received feedback. In this way, we ensure that the system appears secure and robust and lives up to the legislation's text about minimizing the risk for import of illegal timber into EU.
- In addition is Westpack's FSC certification, which also helps minimizing the risk.
- Westpack's supply chain continuously ensures that all information about FSC and EUTR is correct. This guarantees that Westpack is always at the forefront of both legislation, attitude and trends.

If desired, all Westpack's customers are welcome to get tangible insight in our always up to date Due Diligence System. And if a transfer of import solutions and custom clearance through Westpack in order to avoid being "operator", with the authorities' demands about Due Diligence this implies, this simply requires contacting the undersigned.

Kind regards
Westpack

Morten Dalsgaard
CEO