

Koskisen Corporation EUDR due diligence description

Description of the due diligence system under the EU Deforestation Regulation
(Regulation (EU) 2023/1115) – Effective from 30 December 2026

1. Introduction

This document describes the due diligence system of Koskisen Corporation ("Koskisen") under the EU Deforestation Regulation (Regulation (EU) 2023/1115, "EUDR"). It describes how Koskisen ensures and demonstrates that its due diligence obligations are fulfilled.

The EUDR entered into force in all EU Member States on 29 June 2023. Large and medium-sized operators, such as Koskisen, must comply with the main obligations of the Regulation from 30 December 2026. The Regulation aims to minimise deforestation and forest degradation, and it covers wood and wood-based products as well as several other commodities and products. Koskisen supports this objective and is committed to complying with all applicable requirements.

The EUDR prohibits placing on the EU market, or exporting from the EU, relevant products that are not deforestation-free, that have not been produced in accordance with the relevant legislation of the country of production, or that are not covered by a due diligence statement (DDS) or a simplified declaration. Before placing products on the market or exporting them, the operator must establish and keep up to date a due diligence system consisting of information requirements, risk assessment and risk mitigation.

2. Koskisen's role under the EUDR

2.1. Organisation and role by origin of raw material

For the purposes of the EUDR, Koskisen is a single legal entity: the wood procurement function and the Sawn Timber Industry and Panel Industry businesses operate under the same Business ID. The Kore® business is operated by Koskisen Sp. z o.o., which is a separate legal entity (see section 2.2).

In accordance with the interpretation of the national competent authority, Koskisen's role – operator, downstream operator or both at the same time – is determined separately for each batch of raw material based on its origin and method of procurement, rather than generally at business or company level. The same legal entity may therefore simultaneously be an operator for one batch of raw material and a downstream operator for another.

Koskisen's wood raw material is procured by Wood Procurement. Depending on the source of the roundwood, it acts either as an operator, i.e. the first to place the products on the market, or as a downstream operator (see the table below). When placing products on the market, Koskisen Wood Procurement ensures that the harvested wood is deforestation-free and has not caused forest degradation and submits a due diligence statement (DDS) for the products. Koskisen's Sawn Timber Industry and Panel Industry are downstream operators that receive the information of the due diligence

statements submitted and received by Wood Procurement. When Koskisen is itself the operator for roundwood and processes it into sawn timber, veneer or panels, this is referred to as a dual role (see Definitions, section 8).

In its role as operator, Koskisen submits the due diligence statement to the EU Information System (TRACES), which assigns a reference number to the statement. In accordance with Article 4(7) of the Regulation, the reference number is communicated to the next operator or trader in the supply chain; however, according to the guidance of the national competent authority, the Finnish Food Authority (Ruokavirasto), it does not need to be passed further down the supply chain after that. In a dual role situation, the reference number is therefore not communicated to buyers of finished products or by-products (e.g. sawdust, chips or bark); instead, it remains linked to the roundwood due diligence statement in Koskisen's own traceability system and applies equally to all Koskisen products. The table below describes how the role is determined for the most common raw material flows.

Origin of raw material	Koskisen's role	Due diligence responsibility
Wood harvested by Koskisen from private forest owners and from Koskisen's own forests	Operator	Koskisen Wood Procurement submits the DDS and communicates its reference number to the next operator in the supply chain.
Wood delivered to Koskisen	Downstream operator	Koskisen does not submit its own DDS but retains the reference number received from the supplier.
Raw material previously placed on the market that reaches Koskisen indirectly	Downstream operator	No reference number is provided to Koskisen for this raw material, as the obligation to communicate it applies only to the first transaction after placing on the market.

2.2. Production units and products

Koskisen's production units process roundwood into products such as plywood, thin veneers, chipboard and sawn timber. The table below describes the production units and their products.

Unit	Production line	Main raw material	Products (examples)
Järvelä	Plywood	Birch, spruce, aspen	Plywood (4412), birch veneer chips (4401)
Järvelä	Chipboard	Spruce and pine sawdust, birch chips	Chipboard (4410)
Hirvensalmi	Thin veneer	Birch	Thin veneer plywood (4412), veneer (4408), birch veneer chips (4401)
Kouvola	Sawn timber	Pine, spruce	Sawn timber (4407), spruce sawmill chips (4401)
Järvelä	Sawn timber	Pine, spruce	Sawn timber, planed timber (4407), briquettes (4401), spruce sawmill chips (4401)
Iisvesi	Sawn timber	Spruce	Sawn timber (4407), spruce sawmill chips (4401)
Poland, Toporów (Kore)	Processing	Plywood	Processed panels (4412)
Poland, Skwierzyna (Kore)	Processing	Plywood	Processed panels (4412)

The Kore® business is operated by Koskisen Sp. z o.o., which is a legal entity separate from Koskisen. This description does not cover that company, whose EUDR compliance is supervised by the competent authority of Poland. From an EUDR perspective, deliveries to Koskisen Sp. z o.o. are treated in the same way as other customer deliveries.

2.3. Other raw materials within the scope of the EUDR and supplier requirements

Coated and impregnated papers and veneers from suppliers are used for overlaying plywood and chipboard. These fall within the scope of the EUDR, and the operator that first places them on the market is responsible for their DDS. Koskisen purchases the finished overlay, acts as a downstream operator for this raw material and does not submit its own DDS.

The Järvelä sawn timber line also includes planing. The timber to be planed may be Koskisen's own production or sawn timber purchased from other sawmills; for purchased sawn timber, Koskisen is typically a downstream operator, and the raw material is already covered by the seller's DDS.

Koskisen Corporation

Tehdastie 2 | 16600 Järvelä, Finland

+358 20 553 41 | info@koskisen.com

VAT No.: FI01482419

Koskisen also requires all its suppliers to comply with the EUDR on a contractual basis: suppliers must declare that the timber supplied originates from legal harvesting sites, has been harvested in accordance with applicable legislation and meets the requirements of the EUDR.

2.4. Governance and management commitment

Koskisen does not have a separate, stand-alone EUDR policy. The commitments and principles required by the EUDR are included in the Group's operating policy and in its environmental and wood procurement principles, and their practical implementation is guided by Koskisen's main instruction Origin of wood Management. In its public operating policy, Koskisen's Executive Board has committed to maintaining the wood origin management system.

The Sustainability and Communications function steers wood origin management, and the business areas are responsible for fulfilling the obligations in their own operations, including the due diligence obligation under the EUDR. The Executive Board reviews the results of the system annually as part of the management review of the Group's management system and approves the related instructions.

3. Due diligence system

Article 12 of the EUDR requires operators to establish and keep up to date a due diligence system to ensure that products placed on the market or exported comply with the requirements of the Regulation. The table below describes the three elements of Koskisen's due diligence system, their purpose and Koskisen's own measures for each.

Element	Purpose (EUDR)	Koskisen's measures
Information requirements (Article 9)	To collect and keep evidence-based information, documents and data demonstrating that the products are deforestation-free, have been produced in accordance with the relevant legislation of the country of production and are covered by a DDS or a simplified declaration.	Where applicable, Koskisen collects the following information: - a description of the product, including the trade name, the type of product and the common name and full scientific name of the wood species - the quantity of the product (net mass, volume or number of units) - the country of production and, where relevant, parts thereof - the geolocation of all plots of land where the relevant commodities were produced, as well as the date or time range of production

	• the name, postal address and email address of the direct supplier • adequately conclusive and verifiable information that the products are deforestation-free • adequately conclusive and verifiable information that the products have been produced in accordance with the relevant legislation of the country of production (including land use rights, environmental protection, forest-related rules, third parties' rights, labour rights, tax, trade and customs regulations, and anti-corruption rules) The information is collected and managed in Koskisen's ERP system, which records the wood species, country of origin and supplier details for each delivery. The FSC® and PEFC chain of custody systems (see section 4) complement the information collection, particularly in demonstrating legality and traceability, and an annual origin survey is also collected from suppliers that are not FSC-certified. Information collection is complemented by supply chain mapping, which describes the wood procurement routes from forest owners and external timber suppliers to the production units and onwards to customers. When raw materials from different sources are mixed in production, for example at the log yard, Koskisen monitors total volumes using the mass balance principle instead of tracking individual raw material flows separately according to their original EUDR role, provided that all raw materials have already been placed on the market and the total volumes are auditable.
--	---

Risk assessment (Article 10)	To assess the risk that the products are non-compliant, taking into account, among other things, the country risk, the complexity of the supply chain, the reliability of documentation, substantiated concerns and other relevant indicators.	Koskisen assesses risk both at the level of the entire supply chain and at the level of individual deliveries. The assessment takes into account at least the country risk (including the European Commission's country benchmarking), the complexity of the supply chain, the risk of mixing and circumvention, the reliability of documentation, substantiated concerns and other relevant criteria. Risk assessment is carried out at least annually and always when a new supplier relationship is established.
Risk mitigation (Article 11)	Where the risk is found to be non-negligible, to adopt adequate and proportionate risk mitigation measures to reach no or only negligible risk before placing the products on the market or exporting them.	If the risk is found to be non-negligible, Koskisen adopts adequate and proportionate risk mitigation measures before placing the products on the market. Such measures may include, for example, requesting additional information and documents from the supplier, reviewing the supplier's due diligence system, third-party or internal audits and, where necessary, terminating the supplier relationship.

4. FSC® and PEFC certification as part of the due diligence system

Koskisen Wood Procurement and the business areas apply the voluntary FSC and PEFC chain of custody systems, which provide a strong basis for EUDR compliance. The traceability and legality requirements of these systems directly support the evidence of deforestation-free status and legality required by the EUDR. Koskisen Sp. z o.o., which operates the Kore® business, is not covered by this chain of custody system.

Depending on the product line, the following systems are used in the supply chains: FSC Mix Credit, FSC Controlled Wood and PEFC Certified. All batches meet at least the requirements of FSC Controlled Wood, which ensure the legal origin of the timber and the consideration of high conservation value (HCV) areas.

5. Substantiated concerns

If Koskisen receives information about a substantiated concern regarding the compliance of the products it supplies, Koskisen carries out the necessary further investigations and measures. Where necessary, the competent authorities and downstream operators or traders are informed as required by the EUDR. Such contacts are handled by the persons responsible for wood origin management.

6. Record keeping, review and reporting

Koskisen keeps all documentation related to due diligence, including risk assessments and supplier declarations, for at least five years from the date of placing on the market or export. This ensures traceability and accountability throughout the supply chain. The due diligence system is reviewed at least annually, or more often if necessary, to ensure that it reflects current processes and requirements.

7. Contact information

If you have any questions about this description or Koskisen's EUDR compliance, please contact your sales representative or info@koskisen.com.

8. Definitions

Term	Definition
EUDR	Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010.
Operator	Any natural or legal person who, in the course of a commercial activity, places relevant products on the market or exports them.
Downstream operator	An operator who places on the market or exports relevant products made from relevant products that are already covered by a due diligence statement or a simplified declaration.
Trader	Any person in the supply chain other than the operator who, in the course of a commercial activity, makes relevant products available on the market.

Dual role	A situation in which the same legal entity is, for the same batch of raw material, both the operator (for the raw material) and a downstream operator (for the product processed from it), because the procurement and further processing of the raw material take place within the same legal entity.
Due diligence statement (DDS)	A statement submitted by the operator to the EU Information System confirming that due diligence has been exercised and that no or only a negligible risk of non-compliance was found.
Due diligence system	The framework of procedures and measures by which compliance with the due diligence requirements of the EUDR is ensured.
Reference number	A unique identifier assigned by the EU Information System (TRACES) to a due diligence statement or a simplified declaration.