

Origin of Wood Declaration

This statement covers all Metsä Wood Kerto LVL and plywood mills.

Kerto LVL mills

- Lohja, Finland
- Punkaharju, Finland

Plywood and veneer mills

- Suolahti, Finland (birch and spruce plywood)
- Punkaharju, Finland (birch plywood)
- Äänekoski, Finland (birch veneer)
- Pärnu, Estonia (birch plywood)

Wood procurement for Metsä Wood mills

Metsä Wood mills in Finland have only one roundwood supplier, Metsä Forest, part of Metsä Group.

Metsä Forest has environmental (ISO 14001) and quality (ISO 9001) management system certificates and PEFC (PEFC/02-31-03) and FSC® (FSC-CO14476) chain of custody certificates. Metsä Forest local wood procurement organisations in different countries have certified chains-of-custody (PEFC and FSC) and certified environmental management systems (ISO 14001).

The veneers used in Pärnu plywood mill are produced in the Metsä Wood mills in Finland, mainly in Äänekoski veneer mill. If Metsä Wood Pärnu plywood mill requires to procure external veneers they originate from long-term supplier partners. Origin info of the wood material is required and it meets the requirements of PEFC and FSC.

Metsä Forest wood procurement is based on a uniform environmental policy

Metsä Forest operates in the following countries: Finland, Russia, Sweden, Estonia, Latvia and Lithuania. Since 3rd of March 2022 Metsä Forest has stopped purchasing and harvesting round wood that is of Russian or Belarussian origin. Metsä Forest considers all timber originating from Russia and Belarus to be 'conflict timber' (PEFC: controversial sources and FSC: unacceptable sources). Our position and procedures regarding wood sourcing is in line with the statements made by PEFC and FSC in regard to Russian and Belarussian timber March 4th 2022 and March 8th 2022 respectively. We monitor and comply with current and future sanctions as these may be announced and modified at any time by the EU, UN, National countries etc.

Metsä Forest operations are guided by its environmental policy as well as by its principles of corporate responsibility (see www.metsagroup.com). Environmental policy is put into practice through the company's

environmental program, which is reviewed annually. The general principles of the policy include sustainable forest management, compliance with legislation, traceability of wood origin, forest certification support and continuous improvement.

Metsä Forest knows the origin of wood

Metsä Forest has a wood origin tracking system and certified and traceable wood supply chain which is included in the company's certified ISO quality and environmental management systems. The delivered wood whether it is certified or controlled must fulfil the strict criteria of Metsä Forest.

Metsä Forest sustainable forest management practices ensure that different aspects of sustainability are considered and the use does not exceed the rate of growth. Metsä Forest applies the same sustainable forest management practices in all wood procurement areas. The most significant tools to ensure sustainable forest management are the certification schemes. Forest certification and chain of custody certification are comprehensive ways to ensure the sustainable and traceable origin of wood. Forest certification takes into account social, ecological and economical aspects in forest management operations. By setting requirements that assure a certain level of performance, irrespective of country, forest certification is a valuable tool to increase sustainability. In 2021, the proportion of certified wood used by Metsä Group was 88%.

Chain of custody certification provides the proof that origin, legality and sustainability is realised throughout the supply chain. By following (PEFC and FSC) chain of custody certification requirements, Metsä Forest is not only sourcing wood mainly from certified forests, but also choosing responsible partners and suppliers and following and reporting certified amounts and origin information correctly throughout the chain. In addition, we also make sure that all the non-certified materials follow and exceed requirements, for example, the legal requirements in sustainability related issues.



Wood procurement in Baltic countries

In the Baltic countries Metsä Forest only operates through its network of subsidiary companies and long-term external wood suppliers. Preference is given to long-term partners who have own forestry operations and evidence of sustainable forestry practices. According to the terms of the purchase contract, the wood supplier must always provide details of wood origin.

Metsä Forest makes regular logging site audits. Logging rights are verified and the quality of silvicultural and environmental practices evaluated. The audit also focuses on social issues, such as training of employees and safety at work.

Controlled sources

Metsä Forest follows the PEFC and FSC principles in its wood procurement. All non-certified wood procured by Metsä Forest fulfil the requirements of PEFC Controlled Sources and FSC Controlled Wood.

In order to ensure compliance with the FSC Controlled Wood requirements, Metsä Forest has conducted a variety of control measures and applies these in all the procurement of wood material supplied without an FSC claim. For example, data and maps of potential high conservation value forest areas are included in the data systems utilised in the planning and conducting of wood purchase and harvesting operations of Metsä Forest Finland. These high conservation areas are additional forest areas to those protected by law, and are specified in FSC risk assessment defined as concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels. Typically, in Finland these areas are extensive and uniform concentrations of key biotopes.

Metsä Forest does not procure wood from high conservation value forests (HCVF) when forestry operations weaken the conservation values of forest.

Metsä Forest does procure wood from IFL (Intact Forest Landscapes) areas.

Metsä Forest principle is that all wood comes from legally harvested forests and no wood is procured from areas where logging is prohibited by the law or regulations given by authorities.

Wood origin tracking systems, which include field audits, have been built up to track the origin of wood.

There are no genetically modified trees in commercial use in the countries where Metsä Forest is active.

In the areas Metsä Forest operates there are no human, labour nor traditional rights violated by forest management.

In the areas where Metsä Forest operates there are no forests that are converted from natural forests to plantations.

Metsä Forest does not procure conflict timber e.g. defined by PEFC.

Metsä Forest has the necessary process in place to fulfil the obligations of the EU Timber regulation. 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 information, risk assessment and mitigation of risks. The "Trader" is obliged to keep a record for five years of its suppliers and customers.

In case of products produced by Metsä Wood Finnish mills, Metsä Forest is the one acting as the "Operator" with the obligation to prove legality of the wood to the authorities. Metsä Wood as well as their customers act as a "Trader".

References To Other Regulations

Metsä Forest and Metsä Wood 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.

Certificates of Metsä Wood mills

ISO 9001:	FIHSK11042929AB
ISO 14001:	FIHSK11042929AB
ISO 45001:	FIHSK11042929S
PEFC CoC:	200774
FSC CoC:	BV-COC-897631 (limited availability of FSC certified products)
FSC CW:	BV-CW-897631

Wood species and origin of wood

PRODUCT	SPECIES	LATIN NAME OF SPECIES	ORIGIN OF WOOD
	Spruce	Picea abies	Finland
Kerto LVL	Pine (product may contain small amounts)	Pinus sylvestris	Finland
	Birch	Betula spp	Finland
Kerto LVL PLUS	Spruce	Picea abies	Finland
	Pine (product may contain small amounts)	Pinus sylvestris	Finland
Birch plywood	Birch	Betula spp	Finland Estonia
	Spruce	Picea abies	Finland
Spruce plywood	Pine (product may contain small amounts)	Pinus sylvestris	Finland

EU Timber Regulation

The EU Timber Regulation is a law (EU Regulation No 995/2010) and an important part of FLEGT Action Plan that came into force across all European Union member states on March 3rd 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.