

## SUBJECT: European Union Deforestation Regulation (EUDR) Customer Update

At Domtar, our business is founded on the principle of sustainable growth. As a customer, we know you want assurance that the forest products you use come from legal, sustainable sources and reflect good social and environmental values.

Recently the EU Trilogues (EU Commission, EU Parliament and EU Council) came to agreement on approving the 12-month delay for the implementation of EUDR until December 30, 2025 for large companies and June 30, 2026 for smaller enterprises.

The Commission noted the 12 months of additional time could serve as a “phasing-in period” to ensure a “smooth implementation” as companies prepare for compliance. In addition, the Commission agreed to further delays of implementation in the form of an “emergency brake” if the online platform is not ready by December 30, 2025, or if the risk benchmarking is not completed by June 30, 2025.

During this time, we continue to advocate for clarity on industry-wide obstacles for full compliance, including strict geolocation and traceability requirements for forest residuals sourced from private land and compliance with laws in the country of origin. In the meantime, Domtar is committed to providing accurate information to our customers and we continue to work diligently to demonstrate compliance:

- After trialing various technology companies to provide geolocation files as well as corresponding Due Diligence Statements (DDS) for pulp and paper shipments placed on the EU market, Domtar has selected [NGIS TraceMark](#) as its end-to-end software solution.
- We have created a cross functional team focused on business integration, IT, mill integration and corporate compliance actively working towards the goal of implementing a solution by early Q4 2025.
- We are working with suppliers to validate the EUDR eligibility of raw materials.
- We continue to actively work in conjunction with trade associations including [AF&PA](#), [FPAC](#) and [CEPI](#) to influence the timing and substance of EUDR to facilitate compliance.

Domtar has been compliant with European Union Timber Regulation (EUTR) since inception and is working diligently to meet the EUDR’s requirements. Please be assured that EUDR compliance remains a top priority for us, and we will continue to work collaboratively with our customers. We appreciate your patience as we continue these efforts and await further guidance from the EU.

Sincerely,



John Lafave  
Senior Vice President, Commercial Pulp



Rob Melton  
Senior Vice President, Commercial Paper & Packaging