

## Introduction

United Loggers OÜ is committed to responsible business practices, emphasizing respect for human rights, fair labor conditions, and environmental sustainability. We expect our Suppliers to uphold these values and comply with all applicable laws and regulations.

This Code of Conduct is an integral part of all contractual agreements between United Loggers OÜ (“the Customer”) and its Suppliers.

### Definitions:

- **Supplier:** Any individual or legal entity providing raw materials or services to the Customer.
- **Sub-supplier:** Any entity engaged by the Supplier in the provision of goods or services.

## 2. Human and Labour Rights

Suppliers must respect internationally recognized human rights and ensure they are not complicit in any violations.

### Requirements:

- No employment of workers under age 15 or below the legal minimum age (whichever is higher), per ILO Convention No. 138.
- Employment of youth (15–18) must not compromise their education, health, safety, or moral development.
- No forced, bonded, or involuntary labor.
- No discrimination in employment practices.
- Fair and respectful treatment of all employees.
- Compliance with occupational health and safety (OHS) laws.
- Promotion of safety culture through training and open communication.
- Reporting and investigation of all health and safety incidents.

### 3. Environmental Responsibility

United Loggers OÜ focuses on:

- **Timber origin**
- **CO<sub>2</sub> footprint of the supply chain**

**Objectives:**

- Support sustainable forest management.
- Prevent use of illegal or questionable timber sources.

**Prohibited Sources:**

- Illegally logged timber.
- Timber from areas with violated civil/traditional rights.
- Timber from forests with endangered conservation value.
- Timber from genetically modified plantations.
- Timber from operations violating ILO's Fundamental Principles (1998).

**Supplier Declaration:**

- Timber complies with Estonian and EU legislation.
- Timber does not originate from woodland key habitats, Natura 2000 forest types, or sacred natural sites.
- Timber complies with EU Timber Regulation (EU No. 995/2010), EUDR (EU 2023/1115), and RED III.

**Additional Requirements:**

- Share supply chain data related to timber origin, CO<sub>2</sub> emissions, and environmental impacts.
- Continuously work to reduce environmental footprint.
- Preference is given to Suppliers with lower environmental impact under similar economic conditions.

### 4. Business Ethics

Suppliers must:

- Comply with anti-corruption laws.
- Avoid offering or accepting bribes, facilitation payments, or improper benefits.
- Meet all safety and quality standards for products and services.

## 5. Compliance and Accountability

Suppliers must:

- Report significant supply chain changes.
- Notify the Customer of any violations related to environment, labor rights, or ethics.

**Events of Breach that may result in termination of cooperation:**

- Repeated or deliberate violations.
- Refusal to share required information.
- Submission of false data.
- Failure to take corrective action.

### Additional information

RED III – Renewable Energy Directive III

RED III is the European Union's directive aimed at accelerating the transition to renewable energy and achieving climate neutrality. It sets sustainability and greenhouse gas (GHG) emission criteria for biomass, including wood-based products, to ensure that energy production from renewable sources does not harm biodiversity or forest ecosystems.

Key requirements for suppliers:

- Wood-based materials must originate from sustainably managed forests.
- Suppliers must demonstrate compliance with RED III sustainability criteria, including traceability and documentation of forest management practices.
- Biomass must not be sourced from areas with high biodiversity value or from degraded ecosystems.

EUDR – EU Regulation on Deforestation-Free Products

EUDR (Regulation EU 2023/1115) is designed to prevent deforestation and forest degradation linked to products placed on the EU market. It applies to commodities such as wood, soy, palm oil, coffee, cocoa, cattle, and rubber.

Key obligations for suppliers:

- Suppliers must collect detailed information about the origin of the raw material, including geolocation of the land where it was produced.
- A risk assessment must be conducted to ensure the product is not linked to deforestation or forest degradation.
- A due diligence declaration must be submitted before placing products on the EU market.
- Wood harvested from land that was deforested after 31 December 2020 is strictly prohibited.

EUTR – European Union Timber Regulation (EU No 995/2010)

The EUTR is a regulation established by the European Union to combat illegal logging and prevent illegally harvested timber and timber products from entering the EU market. It has been in force since 3 March 2013 and applies to both imported and domestically produced timber.

Key obligations for suppliers:

- **Prohibition:** It is strictly prohibited to place illegally harvested timber or products derived from such timber on the EU market.
- **Due diligence:** Operators (those placing timber on the EU market for the first time) must implement a due diligence system that includes:
- **Information gathering:** Details about the timber species, country of harvest, quantity, supplier, and compliance with applicable laws.
- **Risk assessment:** Evaluation of the risk that the timber may be illegal, based on the information collected.
- **Risk mitigation:** If a risk is identified, additional documentation or verification must be obtained to reduce it.
- **Traceability:** Traders (who buy or sell timber already on the EU market) must keep records of their suppliers and customers to ensure traceability throughout the supply chain.

Covered products:

The EUTR applies to a wide range of timber and wood-based products, including:

- Solid wood
- Plywood, particle board, fibreboard
- Wooden furniture
- Packaging materials
- Pulp and paper (excluding recycled products and printed materials like books or newspapers)

Certification note: While certifications like FSC/PEFC can support compliance, they do not exempt suppliers from the due diligence requirements under EUTR.