

ARAUCO North America– Customer Commitment to Compliance with the EU Timber Regulation

The following information outlines Arauco North America, Inc., Arauco Canada Limited, and Prime-Line, Inc.'s, (collectively "ARAUCO North America") compliance with the European Union Timber Regulation. The European Union Timber Regulation (EUTR) became effective in March 2013. It is one component of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan.

The EUTR makes it illegal to place timber that has been harvested in violation of the laws in the country of origin on the EU market. The EUTR engages economic Operators, as defined in the EUTR as those businesses who first place timber on the EU market, to take active steps to assess and mitigate the risks associated with illegally sourced timber.

ARAUCO North America acknowledges the following basic requirements of the EUTR:

- a) It is prohibited to place illegally harvested timber and products derived from such timber on the market;
- b) Organizations placing timber on the EU market for the first time (Operators) must keep records of their suppliers and customers;
- c) Operators are committed to exercise 'due diligence' when sourcing wood-based material in order to reduce the risk that material from illegal sources is placed on the market.
- d) ARAUCO North America, as it relates to our products, maintains a complete overview of the following:
 - a. products and species (trade name, type of product and common name/full scientific name of species);
 - b. country and region of harvest;
 - c. quantities expressed in volume sourced from each individual supplier;
 - d. supplier names and addresses;
 - e. information about pre-consumer reclaim inputs from secondary manufacturers.

ARAUCO North America is committed in supporting our customers, or those downstream Operators, by maintaining a due diligence process for the purposes of EUTR compliance. If necessary, ARAUCO North America, upon request, will allow our customers or their external auditors to conduct relevant inquiries including access to appropriate evidence of our commitment to compliance with the EUTR.

For further support, please contact your ARAUCO North America Sales Representative. We further encouraged you to visit: na.arauco.com.

Regards,



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