



Tradin Organic – Statement on European Regulation on deforestation free product 23/1115 (EUDR)

UPDATED TIMELINE

After the negotiations between the EU commission and the EU Parliament have resulted in a new timeline for application of the regulation, we are also adapting our internal timeline.

Given the new time horizon of an **additional 12 months** and the **remaining hurdles with the EU Information system** to submit DDS in a smooth way via API, we are setting **a new timeline for rolling out our due diligence system**. We will take the additional time to harmonize our systems, make final adjustments to processes and keep on engaging with suppliers. **We envision to be able to provide due diligence statements to our customers by the end of Q1 2025.**

OUR APPROACH

Tradin Organic employs an extensive international team of locally stationed field scouts and agronomists who work directly with farmers and processors. This local presence has enabled us to build successful sourcing projects and strong partnerships that provide us with a steady and secure supply of a wide range of organic ingredients. Tradin Organic's sourcing, sustainability, quality, and commercial teams aim to jointly ensure organic and ethical integrity and traceability of our products. We want to guarantee that all products that we source, supply and produce are free from negative impacts, and work together with our sourcing communities and suppliers to do so. These long-standing business relationships and a track record in trading certified organic and other certified products puts Tradin Organic and its sister companies in a front position of supplying EUDR compliant ingredients to the EU.

Since its implementation in 2023 the Tradin Organic teams are engaged in multiple **EUDR working groups and information platforms** to ensure up to date information about the newest developments and announcements around EUDR. Our IT team has been taking part in all pilots and testing projects provided by the EU on the EU information system. We have a **dedicated taskforce** consisting of team members from quality assurance, trade, logistics, and IT departments led by the sustainability team and our compliance officer working out the required processes and developing our internal due diligence system.

OUR DUE DILIGENCE SYSTEM

As of today, there is **no globally recognized deforestation-free certification program** available yet, although some standards include limited coverage of deforestation prevention. We therefore have been building up our internal due diligence system and have been collecting data of the farms and

fields growing products with a deforestation risk in our portfolio, so we can perform **the due diligence as requested by EU regulation 23/1115 (EUDR)**:

- **Tradin Organic sourcing projects** and **suppliers** of EUDR relevant products (Annex 1 of EU regulation 23/1115) will be required to fill out our (digital) Deforestation-free Sourcing Questionnaire. The key components of this questionnaire are providing geolocations of all fields involved in the production (best available but minimally required, ideally GPS polygons), and detailing mechanisms in place to prevent deforestation and ensure legality of production.
- Wherever suppliers do not have the capacities to provide the required data, we directly engage and **support them in capacity building activities**, training and skill sharing, or connecting them to publicly funded projects to facilitate the preparation for EUDR compliance.
- When data is provided it will be reviewed by the Sustainability Team, using **third party verification and analysis tools**. In July 2024 we onboarded **Osapiens** as an accredited and trusted partner to ensure a precise, comprehensible and reliable EUDR assessment. If non-compliant fields are identified, a follow up risk mitigation procedure will be triggered. This can include additional documentation requests, but also an audit by a trained Tradin Organic staff member.
- We welcome any third-party certification or audit reports that cover deforestation prevention, but only as supportive information provided by the supplier. Aside of the deforestation free requirement certifications are a helpful tool to **support compliance with the legality requirement of EUDR**. For this we are assessing the available certifications in our supply chains and their coverage of the different compliance risks.
- In case we cannot verify a sufficient level of transparency and assurance of compliance by a supplier, and the supplier is not willing to engage in an improvement plan, **the consequences will include ceasing the business relation**.

We commit to publicly report progress on the verified share of our supply chain on an annual basis. Where required for compliance, data and information will be shared with clients and/or government institutions.

FAQ Section

How do you ensure compliance?

Please see statement above. We have been working on this topic since its implementation in 2023. We have a continuous and dedicated task force led by our sustainability team working on the matter. Since July 2024 we are working with Osapiens, one of the leading EUDR SaaS companies to ensure traceability and compliance of our organic and sustainable agricultural commodities.

When will you be ready to comply with EUDR? When can you share DDS codes?

We closely monitored the practical implementation of the legislation and updated our timelines based on the renegotiations regarding the implementation date of the regulation.

Our EUDR compliance project has been ongoing for over a year. Please be aware that collecting all required data and setting up the systems is a lengthy project, for us and the producers. The updated deadline for our internal due diligence system to be ready is in Q1 2025. By then we will be able to process all necessary data and can provide Due Diligence Statements, depending on customer needs and involved supply chains. Once the regulation formally comes into application on 30th December 2025, we will of course always provide Due Diligence Statements with all relevant orders.

Can you share geolocations of products we have been buying from you in the past? Can you share geolocations or DDS earlier than 30th December 2025?

Due Diligence Statements cannot be created and shared retroactively. Depending on the supply chain geolocations or Due Diligence Statements can be shared during the phase-in period in 2025. Availability and the conditions for this scenario need to be negotiated individually with the trader responsible.

The geolocations of products imported after the application date on 30th December 2025 will be referenced in the Due Diligence Statement in the EU information system which will be shared with customers. In case customers are per regulation required to conduct their own due diligence, we will share the relevant geolocations separately.

No geolocations of farmers will be shared with customers prior to a relevant purchase due to privacy and data security reasons.

Do you expect any non-compliant products?

We do not expect substantial shares of our supply chains to be non-compliant. Multiple factors indicate low rates of non-compliance risks. Our track record in certified products enables not only traceable supply chains but also high standards when it comes to adherence to local laws, safeguarding protected areas and anticipating deforestation through counter measures such as afforestation and agroforestry systems. All certified products in our portfolio are third party audited and verified, showcasing a good indicator for regulatory compliance. However, not all products are certified, and we are neither relying on certification as sole proof of compliance nor as proof of no deforestation.

Deforestation-freeness will be assessed with precise satellite imagery and drone footage, which will prove that in almost all cases plantations have existed prior to the cutoff date in 2020. This is supported by the fact that many crop plants including coffee and cocoa trees need to mature at least 5 years to bare harvestable fruits. Additionally, the non-compliance risk regarding legality of production will be assessed based on various sources such as questionnaires and external databases to verify adherence to local laws.

Over the course of the past months, we have reviewed many suppliers and supply chains. As we are mostly working with smallholder producing organizations, this results in analyzing multiple thousand land plots. So far, we can confirm not to have found major issues with deforestation.

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Nevertheless, given the vast number of land plots under examination and the remote analysis approach, some deforestation risk alerts are inevitable due to the inherent nature of our supply chains. Whenever these risks are identified, they will be verified to exclude potential false positives. Only if a false positive can be excluded clear measures are following to assess whether the risk can be mitigated or in extreme cases producers need to be excluded or business relations need to be ceased.

For questions and comments, please contact us at sustainability@tradinorganic.com