



# Trabocca – Statement on European Regulation on deforestation free product 23/1115 (EUDR)

## Our Approach

Trabocca 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 coffee supply. Trabocca's sourcing, sustainability, quality, and commercial teams aim to **ensure 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 Trabocca in a front position of supplying EUDR compliant ingredients to the EU.

Since its implementation in 2023 the Trabocca 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 internal timeline foresees to roll out the due diligence system on all relevant products in Q4/24 and be ready to provide all required documents i.e. DDS codes to our customers, when the EU information system goes live on Dec 2<sup>nd</sup>.**

We do not rely on any speculations on a delay of the regulation and are preparing ourselves and our supply chains to be ready to comply when the regulation comes into effect.

## 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)**:

- **All Trabocca sourcing projects and suppliers, that are supplying the European market** 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.

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- When data is provided it will be reviewed by the Sustainability Team, using **third party verification and analysis tools**. During the first phase we used Global Forest Watch pro as our service provider, but **since 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 Trabocca staff member.
- We welcome any **third-party certification or audit reports** that cover deforestation prevention, but **only as supportive information** provided by the supplier.
- **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

### 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 and in Q3/2024 we will be starting to work with one of the leading and high quality EUDR SaaS companies to ensure traceability and compliance of all our EU destined coffee supply chains.

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

Our EUDR compliance project has been ongoing since over a year. Please be aware that collecting all required data and setting up the systems is a lengthy project. The deadline for our internal due diligence system to be ready is in early Q4/2024, which is when shipments leave ports of origin and might arrive in the EU in early 2025. By then we should be able to process all necessary data and will only import compliant products.

However, per regulation we are required to provide DDS codes to relevant products not earlier than by 30<sup>th</sup> of December 2024. Although we'd like to follow some requests to provide these earlier, the DDS codes can technically not be provided before December 2<sup>nd</sup>, 2024. This is due to the EU information system producing these codes not being live before that date. We are closely monitoring the practical implementation of the legislation and will update our timelines in case of changes in the public launch of the EU Information System. Please respect that we cannot cater for any individual requests of due diligence statements and DDS codes prior to these dates.

### Can you share geolocations of products we have been buying from you in the past?

Geolocations of products sold after the in-action date will be shared with customers through the EU information system and will be referenced via the respective DDS codes. Aside of that, we are not allowed to share any geolocations of farmers 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 coffee 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, we are neither relying on certification as a 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 been existing prior to the cutoff date in 2020. This is supported by the fact that many crop plants including coffee trees need to mature up to 5 years to bear harvestable fruits. Additionally, the non-compliance risk regarding legality of production will be assessed based on various internal and external databases to verify adherence to local laws.

If risks are identified, clear measures will follow to assess whether these can be mitigated or in extreme cases business relations need to be ceased.

For questions and comments, please contact us at [sustainability@trabocca.com](mailto:sustainability@trabocca.com)