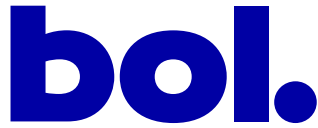


Postbus 8080  
3503 RB Utrecht  
Papendorpseweg 96  
3528 BJ Utrecht  
t +31 (0)30 6008888

# **Our approach to the EU Deforestation Regulation**



## Introduction

This document explains how we ensure that relevant commodities (cattle, cocoa, coffee, oil palm, rubber, soya and wood) and products in scope of the EU Deforestation Regulation, that Bol<sup>1</sup> places or makes available on the EU market, are 'deforestation free'<sup>2</sup>, produced in accordance with the relevant legislation of the country of production, and covered by a due diligence statement. We are committed to complying with the obligations set forth in the EU Deforestation Regulation. Our suppliers play an important role in achieving this objective.

This document is intended to provide general guidance to support you in complying with the key obligations that result from the EU Deforestation Regulation. Such obligations may consist of exercising due diligence regarding relevant products and establishing and maintaining a due diligence system to ensure the compliance of such products, communicating to operators and traders further down the supply chain the information required to demonstrate that the due diligence was effectively exercised and making available and submitting a due diligence statement through the designated EU information system.

While this document captures the main requirements under the EU Deforestation Regulation, adhering to this document may not be sufficient to meet all statutory requirements in place; this document does not contain any legal advice and cannot be relied upon by any party other than Bol. Users should always consult their own legal counsel in determining legal compliance obligations. One should always consider any local requirements related to the EU Deforestation Regulation.

By establishing a clear approach, we aim to navigate the complex landscape of EU deforestation requirements, and to avoid the legal and reputational risks associated with exporting, placing or making available non-compliant relevant products on the EU market at the brand level and the group level.

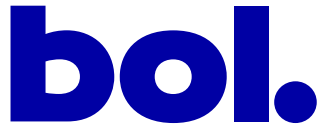
This document is in addition to any existing guidance in respect of how we conduct our business and should be read in conjunction with the Ahold Delhaize Code of Ethics, and any other agreement or laws applicable .

Please note that Bol will report on its due diligence system in accordance with article 12 of the EU Deforestation Regulation.

---

<sup>1</sup> This document applies to our European brands (except Bol) that are in scope of the EU Deforestation Regulation and Serbia to the extent applicable.

<sup>2</sup> In the meaning of the EU Deforestation Regulation.



### What is the EU Deforestation Regulation?

The EU Deforestation Regulation ((EU) 2023/1115) is an EU-wide law that aims to guarantee that listed products that EU citizens buy, use and consume, do not contribute to deforestation or forest degradation worldwide. The products in scope concern products that contain, have been fed with or have been made using the following **commodities**: cattle, cocoa, coffee, oil palm, rubber, soya and wood.<sup>3</sup> A full list of **products** covered is included in Annex I of the EU Deforestation Regulation.

The EU Deforestation Regulation applies in all Member States alike, and imposes requirements on operators and traders. An **operator** is, in essence, any person who places relevant products on the EU market (or exports them) in a commercial context. A **trader** is, in essence, any person other than an operator, who supplies a relevant product for distribution, consumption or use on the EU market in a commercial context. Any operator or trader who markets these products in the EU, must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation. To this end, the EU Deforestation Regulation introduces the following key **prohibition**:

*Relevant commodities and relevant products shall not be placed or made available on the market or exported, unless all the following conditions are fulfilled:*

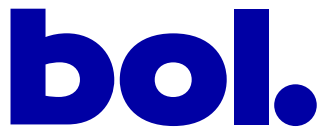
- (a) they are deforestation-free;*
- (b) they have been produced in accordance with the relevant legislation of the country of production; and*
- (c) they are covered by a due diligence statement.*

A **cut-off date** for 31 December 2020 is used to this end, '**deforestation-free**' meaning that the relevant commodities and products come from land that has not been subject to deforestation after 31 December 2020, or from forest without inducing forest degradation after 31 December 2020.

The **relevant legislation** of the country of production refers to laws applicable in the country of production in terms of, *inter alia*, land use rights, environmental protection and forest-related rules, and also in respect of labour and human rights.

---

<sup>3</sup> The relevant products are classified in Annex I (Combined Nomenclature) to Council Regulation (EEC) No 2658/87 against the indicated harmonized system code. The chapters referenced in Annex I correspond to the chapters as included in the Combined Nomenclature. The link to and further information on such Combined Nomenclature can be found here: [https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/combined-nomenclature\\_en](https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/combined-nomenclature_en).



### Scope of this document

This document concerns Bol in its capacity as a non-SME operator and non-SME trader, as well as the suppliers of Bol, in their capacity as SME operators and traders or non-SME operators and traders.<sup>4</sup> This document is limited to the EU Deforestation Regulation. Legislation addressing illegal deforestation may also apply in other parts of the world, but is not in scope of this document.

### The information to be provided to Bol

Bol heeft de volgende informatie van haar leveranciers nodig om naleving van de Ontbossingsverordening van de EU te garanderen:

Bol requires the following information from its suppliers to ensure compliance with the EU Deforestation Regulation:

1. The **reference number** of the due diligence statement relating to the due diligence performed on the relevant product, as submitted in the designated EU information system.
2. Supplier is expected to verify that the reference number to the due diligence statement correctly refers to the relevant product. Should the reference number not be correct, supplier is expected to inform Bol thereof.
3. If a relevant product was subject to (upstream) due diligence, the supplier is expected to verify whether parts of the relevant product were not subject to (upstream) due diligence and, if so, perform due diligence on such parts and inform Bol thereof.
4. If no due diligence statement and/or reference number is available, because no (upstream) due diligence has been performed for the relevant product, supplier is expected to inform Bol thereof and perform due diligence on such product.
5. If the exercise of the (upstream) due diligence has revealed a non-negligible risk that the relevant product is not compliant with the EU Deforestation Regulation, supplier is expected to inform Bol thereof.<sup>5</sup>
6. The information, documents and data which demonstrate that the relevant products are deforestation free, have been produced in accordance with the relevant legislation of the country of production and are covered by a due diligence statement. The specific information required in this regard is listed in article 9 of the EU Deforestation Regulation.
7. Any **other relevant documentation** required for Bol to carry out a risk assessment to establish whether there is a risk that the relevant products intended to be placed on the market or exported are non-compliant with the EU Deforestation Regulation.
8. Any **new information**, including substantiated concerns, which could point to a risk that the relevant product does not comply with the EU Deforestation Regulation or that the EU Deforestation Regulation is circumvented.

---

<sup>4</sup> The abbreviation 'SME' stands for micro, small and medium-sized enterprises as defined in the EU directive on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (2013/34/EU). This directive categorizes micro,- small and medium-sized enterprises on the basis of three criteria: balance sheet total, net turnover and average number of employees during the financial year. For each category of enterprise, different thresholds apply for each criterion.

<sup>5</sup> Please be aware that the EU Deforestation Regulation requires operators and traders that obtain or are made aware of relevant new information, including substantiated concerns, indicating that a relevant product that they have placed or made available on the market is at risk of not complying with this Regulation, shall immediately inform the competent authorities of the Member States involved as well as traders to whom they supplied the relevant product.



Bol expects its suppliers to provide the information as included above promptly.<sup>6</sup>

### **The steps to be taken to gather this information**

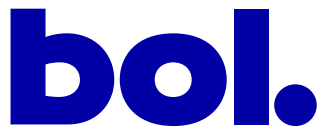
In order to ensure that the information as included in the previous paragraph is provided to Bol in a timely manner, supplier is recommended to take the following steps (without limitation):

1. Assess whether the products supplied qualify as relevant commodities and relevant products within the meaning of the EU Deforestation Regulation.
2. If the products supplied fall within the scope of the EU Deforestation Regulation, determine whether you qualify as a trader or an operator in relation to these products. The EU Deforestation Regulation only imposes obligations on traders and operators.<sup>7</sup>
3. If you qualify as a non-SME operator or a non-SME trader the following applies:
  - a. Exercise due diligence in relation to the relevant products before placing them on the EU market or exporting them to prove that such products are deforestation-free, have been produced in accordance with the relevant legislation of the country of production and are covered by a due diligence statement;
  - b. Submit the due diligence statement to the competent authorities through the designated EU information system on the basis of the due diligence exercised;
  - c. Keep a record of the due diligence statement for at least five years from the date the statement is submitted through the designated EU information system;
  - d. Communicate to Bol the reference numbers of the due diligence statements associated to the products supplied as well as all other information necessary to demonstrate that the due diligence was exercised on such products and that no or negligible risk was found that the products are non-compliant with the EU Deforestation Regulation;
  - e. If the due diligence statement in relation to a relevant product was already submitted in the designated EU information system, because the due diligence was exercised further up the supply chain, ensure that the due diligence relating to such product was exercised in accordance with the requirements prior to referring to such statement. In addition, include the reference number of such statement in the due diligence statement you submit in the designated EU information system. Insofar as there are parts of the relevant product that have not been subject to due diligence, exercise due diligence on such parts in accordance with the applicable requirements.

---

<sup>6</sup> Please be referred to the applicable purchase conditions for further guidance on the manner in which and the period within which you should inform Bol.

<sup>7</sup> And, for completeness sake, on Member States and their competent authorities.



### **Practical recommendations**

1. Consider hiring a specialized company to assist you with setting up a system to comply with the due diligence requirements of the EU Deforestation Regulation.
2. Consider which standard procedures should be put in place and which policies should be implemented in your business operations to meet the specific requirements of the EU Deforestation Regulation. It is *inter alia* important to think about which employee(s) or department(s) will be responsible for the execution of the requirements, which member of management will be ultimately responsible, how the performance of the due diligence system will be assessed and evaluated, and who is responsible for verifying that the system functions properly and how the staff will be trained so that they become aware of the obligations under the EU Deforestation Regulation and their specific role(s) in this.
3. Incorporate the EU Deforestation Regulation into your annual business cycle. This will allow you to periodically assess whether the system is functioning properly and continues to comply with the relevant requirements.
4. Take the requirements of the EU Deforestation Regulation into account when purchasing goods. Conduct research as early as possible and only proceed with the purchase when you are certain that there is no or only a negligible risk of deforestation and forest degradation.
5. Keep track of and document where the products are sourced and through which intermediate steps they arrive at your company. Ask yourself where the commodities come from, where they are processed and whether there is a possibility that unknown material is added to the product.
6. Pay extra attention to products that are known to carry a higher risk. For instance, products that are traded through a complex chain across various countries, composite products whose composition is not clear, or products that originate from a country with a high corruption index.

The above practical recommendations are not intended to be conclusive and each supplier should assess the appropriate steps to ensure compliance with the EU Deforestation Regulation.

### **The timelines that apply**

The EU Deforestation Regulation entered into force on 29 June 2023. The regulation enters into application on 30 December 2025 for medium and large enterprises and on 30 June 2026 for micro and small enterprises. Therefore, there is a transition period between the entry into force of the regulation on 29 June 2023 and its entry into application on 30 December 2025 or 30 June 2026 respectively.

Prior to the entry of application of the EU Deforestation Regulation, medium and large enterprises should implement a due diligence system. This system will allow them to demonstrate that the origin of their products is both legal and traceable. Micro and small enterprises should keep a record of the suppliers they purchase their products or commodities from and to whom they sell their products, pass on the due diligence statements they receive from their suppliers and keep a record of the relevant documentation for a minimum of 5 years.