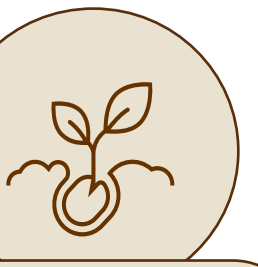
ICAM'S APPROACH TO COMBATING DEFORESTATION AND EUDR COMPLIANCE

Forest protection and respect for the rights of farming communities are key elements of ICAM's sustainability model and are reflected in **three strategic pillars** that shape its long-term vision.



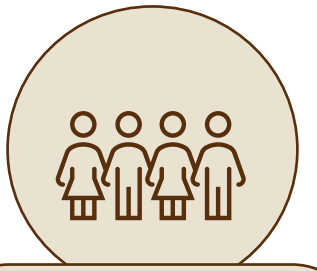
SUSTAINABLE AGRICULTURE

Protecting forests and biodiversity

Promotion of agroforestry systems

Conservation of natural ecosystems and biodiversity

Strengthening the resilience of agricultural production systems to climate change



ENABLING AND SHARED VALUES

Strengthening local farmers

Agricultural training as a driver of economic and social development

Support for EUDR compliance

Adoption of sustainable agricultural practices

Promotion of participation in certification schemes

FAIR VALUE DISTRIBUTION

Generating benefits for producers

Long-term relationships with supply chain partners

Transparency and traceability

Shared value creation throughout the supply chain

Support for local development

OUR EUDR COMMITMENTS

- **Supply chain traceability to origin**
- **Geolocation of production areas**
- **Assessment of deforestation and forest degradation risks**
- **Verification of legal compliance with local legislation**
- **Risk mitigation and management measures**
- **Ongoing monitoring and compliance verification**
- **Reinforcement through recognised certification schemes**

Protecting forests requires a continuous, shared and verifiable commitment.

Through its **Code of Ethics** and **Cocoa Suppliers' Code of Conduct**,
ICAM actively engages suppliers and business partners in promoting responsible practices, preventing risks and achieving shared sustainability objectives throughout the supply chain.

Through this **Policy**, ICAM formalizes its commitment to preventing deforestation and forest degradation, ensuring regulatory compliance and contributing to the protection of forests.

- Policy -

Combating Deforestation in Compliance with the EUDR

Revision	Date	Summary of Changes
00	27/10/2026	First issue

Table of Contents

1. Purpose 4
2. Scope 4
3. Definitions 5
4. Background and Introduction 6
5. Key Commitments 6
6. Due Diligence 7
   6.1. Supply Chain Traceability 7
   6.2. Collection and Verification of Information (Including Geolocation and Compliance with the Legislation of the Country of Origin) 7
   6.3. Assessment of Deforestation Risks and Compliance with Applicable Legislation 7
   6.4. Risk Mitigation 7
7. Definition, Maintenance and Continuous Improvement of the Due Diligence System 8
8. Communication and Record Keeping 8
9. References 8

1. Purpose

The purpose of this Policy is to define the principles through which ICAM S.p.A. (hereinafter "ICAM" or the "Company"):

- implements its vision and engages all internal and external stakeholders across its value chain;
- prevents and combats deforestation and forest degradation throughout the cocoa supply chain and the supply chains of other commodities subject to Regulation (EU) 2023/1115 on deforestation-free products (hereinafter the "EUDR Regulation" or "EUDR");
- verifies compliance with the relevant legislation of the country of production;
- carries out the Due Diligence activities relating to cocoa as required by Regulation (EU) 2023/1115, including information collection, assessment of deforestation risk, and assessment of non-compliance risks with the legislation of the country of production;
- contributes to forest conservation and to the development of a transparent and resilient cocoa supply chain that complies with applicable legislation, meets stakeholder expectations, and supports international environmental protection and sustainable development objectives;
- promotes compliance with the EUDR Regulation among producers;
- collaborates with producers and stakeholders throughout the entire supply chain.

In particular, for the purposes of EUDR compliance, ICAM is committed to placing on the European Union market and exporting only relevant commodities and products for which its Due Diligence system has determined a negligible or no risk of non-compliance.
To this end, ICAM ensures that:

- the information required under Article 9 of the EUDR Regulation is collected and maintained;
- the risk assessment required under Article 10 of the EUDR Regulation is completed;
- any identified risks are reduced to a negligible level through appropriate mitigation measures as provided for in Article 11 of the EUDR Regulation;
- a valid Due Diligence Statement is submitted through the European Union Information System (TRACES).

In the absence of the above conditions, sourcing activities shall be suspended until the identified issues have been fully resolved.
Where a non-compliant product is identified, ICAM promptly implements appropriate corrective measures, including the blocking, withdrawal, or recall of the product where necessary, and adopts actions aimed at reducing the risk of recurrence and eliminating the root causes. As a final corrective measure, where permitted by applicable legislation, ICAM allocates the affected products for donation to Fondazione Banco Alimentare ETS or to third-sector organisations operating within the relevant territory.
This Policy is approved by the Board of Directors of ICAM S.p.A. and compliance with it is overseen at management level by the EUDR Compliance Officer, who is responsible for its implementation and monitoring.
This Policy is reviewed and, where appropriate, updated annually, as well as whenever changes occur in the EUDR regulatory framework, organisational changes arise, risk exposure evolves, substantiated concerns emerge, or requests are received from the Competent Authority.

2. Scope

This Policy applies to the following commodities and relevant products subject to the EUDR for which ICAM is directly responsible for customs clearance activities:

- cocoa beans, whole or broken, raw or roasted;
- cocoa shells, husks, skins and other cocoa waste;
- cocoa paste, whether or not defatted;
- cocoa butter, fat and oil;
- cocoa powder, not containing added sugar or other sweetening matter;
- chocolate and other food preparations containing cocoa;
- palm oil and its fractions, whether or not refined, but not chemically modified;
- pulp and paper products, with the exception of bamboo-based products and recycled materials (waste and scrap).

3. Definitions

Term	Definition
Agroforestry Systems	Agricultural production systems in which crops are grown under tree cover. The term includes all plantations of relevant commodities other than timber. Agricultural plantations are excluded from the definition of "forest".
Competent Authority (CA)	National competent authority as defined under Article 14 of the EUDR. In Italy, this is the Ministry of Agriculture, Food Sovereignty and Forestry (MASAF), supported by the Central Inspectorate for Quality Protection and Fraud Repression of Agri-food Products (ICQRF).
Cooperative	A legal entity composed of agricultural producers that aggregates cocoa supplied by its members and markets it collectively, while managing supply chain traceability and documentation.
Customer	A natural or legal person who purchases, uses, or benefits from a product or service provided by a company in exchange for financial consideration or within the framework of a commercial relationship.
Deferestation zero	Products produced on land that has not been subject to deforestation after 31 December 2020.
Deforestation	The conversion of forest land to agricultural use, whether human-induced or not.
Due Diligence	Due Diligence shall comprise: (a) the collection of information, data and documents required to comply with Article 9; (b) the risk assessment measures set out in Article 10; and (c) the risk mitigation measures set out in Article 11.
Forest	Land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover exceeding 10%, or trees capable of reaching those thresholds in situ, excluding land that is predominantly under agricultural or urban use.
Forest Degradation	Structural changes to forest cover consisting of the conversion of: (a) primary forests or naturally regenerating forests into plantation forests or other wooded land; or (b) primary forests into planted forests.
Geolocation	Latitude and longitude coordinates with at least six decimal places. For plots larger than 4 hectares (except for cattle), a polygon is mandatory (Article 2(28)). The information system accepts the GeoJSON format (FAQs 7.8 and 7.26).
Information System / TRACES	The European Union information system referred to in Article 33 of the EUDR, in which operators and Due Diligence Statements (DDS) are registered ("European portal"). Access may be obtained directly or through web services (APIs) integrated with third-party platforms.
Local Exporters	An economic operator established in the country of production or origin of the commodity who purchases, aggregates, markets, or exports products intended for the European Union market. The local exporter provides the information necessary for batch traceability, identification of production areas, and collection of evidence required for EUDR Due Diligence.
Negligible Risk	A level of risk whereby, following the completion of the risk assessment process (Article 10) and, where applicable, risk mitigation measures (Article 11), there is no cause for concern that the products are non-compliant with Article 3(a) or 3(b) of the EUDR (Article 2(26); EUDR Guidance 2026, Section 4.b).
Relevant Legislation of the Country of Production	Applicable legislation in the country of production concerning the legal status of the production area with regard to: (a) land-use rights; (b) environmental protection; (c) forest-related rules, including forest management and biodiversity conservation linked to timber harvesting; (d) third-party rights; (e) workers' rights; (f) human rights protected under international law; (g) the principle of Free, Prior and Informed Consent (FPIC), including the United Nations Declaration on the Rights of Indigenous Peoples; and (h) tax, anti-corruption, trade and customs regulations (Article 2(40) EUDR). This constitutes the legal compliance requirement referred to in Article 3(b) of the EUDR.
Trusty Platform	Software platform provided by Trusty S.r.l. – Società Benefit, used by ICAM to support supplier management, geolocation management, automated deforestation analysis, and legal/social assessment questionnaires.

4. Background and Introduction

Combating deforestation represents a material topic for ICAM and constitutes one of the fundamental pillars of its sustainability strategy and shared value creation throughout the cocoa supply chain.
Consistent with the principles set out in its Code of Ethics and Cocoa Suppliers' Code of Conduct, ICAM recognises the environment as a primary asset and forest ecosystems as a heritage to be preserved for present and future generations. ICAM is therefore committed to promoting responsible sourcing models that contribute to forest conservation, biodiversity protection, climate resilience, and respect for the rights of the communities involved in the production of raw materials.
Deeply rooted in environmental stewardship, ICAM's vision has always fostered supply chains in which cocoa grows in harmony with the forest through agroforestry systems.
ICAM's ability to ensure quality assurance, traceability, sustainability and regulatory compliance throughout the value chain is based on its sourcing model and direct oversight of the supply chain, characterised by:

- Short supply chains: direct relationships with farmers' cooperatives and producers, without the use of intermediaries;
- Vertical integration: direct oversight of the supply chain and direct presence in selected countries of origin;
- Long-term relationships with local producers: strengthening knowledge of sourcing areas and production contexts.

This model represents a distinctive element of the Company's strategy and is a key success factor underpinning the Due Diligence and responsible sourcing activities implemented by ICAM, enabling greater visibility over social, environmental and governance risks.
ICAM shares and promotes the principles expressed by the FAO, according to which agroforestry systems play a fundamental role for smallholder farmers and rural communities, contributing to the achievement of social development objectives.
For ICAM, whose supply chains are predominantly composed of smallholders, the agroforestry approach is an integral component of its sustainability strategy, as it supports the economic viability and food security of farming communities, strengthens the resilience of production systems, and contributes to the prevention of deforestation. At the same time, it promotes biodiversity conservation, safeguards the balance of ecosystem services, reduces environmental impacts, and enhances carbon sequestration through enhanced biomass accumulation.

5. Key Commitments

ICAM is committed to sourcing exclusively cocoa and cocoa-derived products originating from land that has not been subject to deforestation, conversion or forest degradation after 31 December 2020 and that have been produced in compliance with the applicable legislation of the countries of origin, as defined by the European Union Deforestation Regulation (EUDR).
ICAM is committed to conducting an initial validation and annual assessment of its supply chain through a Due Diligence system designed to ensure compliance with applicable regulatory requirements through:

1) Supply chain traceability
2) Collection and verification of Information regarding the origin of cocoa, including geolocation data and evidence of compliance with the legislation of the country of origin;
3) Assessment of Deforestation Risks and Compliance with the applicable legislation of the country of production, including, but not limited to, obligations relating to land-use rights, environmental protection, forest management, workers' rights, the rights of local communities and Indigenous Peoples, taxation and human rights;
4) Risk mitigation, where necessary.

ICAM is committed to protecting forests, recognising their importance as a central element of its supply chain sustainability approach. In particular, the Company promotes sustainable, organic, regenerative and agroforestry farming practices aimed at preserving soil fertility, biodiversity, natural ecosystems and the climate resilience of production areas.
As part of its sustainability strategy, ICAM recognises the strong interconnection between environmental, social and governance aspects and promotes an inclusive approach focused on continuous improvement throughout the entire supply chain.
ICAM acknowledges that forest protection is closely linked to respect for the rights of Indigenous Peoples and local communities. In this regard, ICAM is committed to sourcing in a manner that respects land tenure rights and rights of access to and use of natural resources, in accordance with the principle of Free, Prior and Informed Consent (FPIC), by consulting and cooperating with Indigenous Peoples and affected communities and by integrating these aspects into its Due Diligence system.
ICAM is committed to actively collaborating with suppliers, farmers' cooperatives and business partners, supporting training, awareness-raising and capacity-building initiatives, with particular attention to smallholder farmers, while assisting its suppliers in their journey towards compliance with applicable regulatory requirements. As part of its contractual requirements, ICAM requires suppliers to commit to the protection of forests.
ICAM is committed to incorporating the conclusions and guidance issued by the European Commission's expert groups supporting the implementation of the EUDR into its risk assessment processes.
ICAM further commits to submitting Due Diligence information to the competent authorities through the Information System and assumes responsibility for the EUDR compliance of the relevant products towards its customers and stakeholders.
Through these commitments, ICAM actively contributes to promoting the principles of sustainability, fairness and shared development that underpin its responsible sourcing model.

6. Due Diligence

6.1. Supply Chain Traceability

Leveraging its sourcing model, ICAM implements supply chain traceability up to the individual farmer level.
Within vertically integrated supply chains, ICAM has direct knowledge of the local cooperatives from which it sources and, in some cases, of the farmers themselves.
Within short supply chains, ICAM identifies, selects, and maintains direct relationships with farmer cooperatives and agricultural enterprises. Where local exporters are involved, they provide visibility over upstream actors within the supply chain.

6.2. Collection and Verification of Information (Including Geolocation and Compliance with the Legislation of the Country of Origin)

ICAM adopts information collection processes for geolocation and legal compliance that are tailored to the characteristics of its sourcing supply chains:

- within vertically integrated supply chains, ICAM collects data directly from farmers or local cooperatives;
- within short supply chains, ICAM receives data from cooperatives and agricultural enterprises; where local exporters are involved, they support the collection and transmission of the required information.

ICAM verifies the quality, accuracy, and reliability of the information collected.
ICAM provides all stakeholders with an accessible, transparent, and confidential Grievance Mechanism, enabling the collection and management of reports and concerns and facilitating the timely identification and management of potential risks and non-compliances relating to human rights, environmental matters, land rights, and applicable EUDR requirements throughout the supply chain. This mechanism forms an integral part of ICAM's Due Diligence System and supports its continuous monitoring activities.
In implementing its traceability and Due Diligence systems, ICAM promotes an inclusive approach, recognizing the challenges that such systems may pose for smallholder farmers. In particular, ICAM acknowledges:

- the need to prevent the risk of market exclusion of smallholder farmers, whose livelihoods often depend significantly on cocoa cultivation;
- the need to limit the burden associated with collecting and maintaining information required under traceability and Due Diligence processes;
- producers' right to access information relating to them and to request its verification and, where necessary, correction.

6.3. Assessment of Deforestation Risks and Compliance with Applicable Legislation

ICAM promotes ongoing dialogue with its business partners to translate its principles and commitments into concrete actions, requiring acceptance of the Code of Ethics and the Code of Conduct as a prerequisite for risk prevention, collaboration, and the continuation of commercial relationships.
For the assessment of deforestation and forest degradation risks, ICAM uses a dedicated platform that supports satellite-based monitoring and provides analyses relating to forest conservation status, potential deforestation events, and associated alerts.
For the assessment of legal compliance risks in countries classified under the EUDR as standard-risk or high-risk, ICAM applies its Risk Assessment framework, taking into account supply chain characteristics, available information, and the results of verification activities.
ICAM actively engages suppliers in meeting applicable legal requirements through the contractual adoption of the Code of Ethics and the Code of Conduct.
ICAM recognises the value of established certification schemes, including Rainforest Alliance, Fairtrade and Organic certifications, as well as third-party audit programmes such as SMETA, as supporting tools within its Due Diligence System. These schemes contribute to strengthening information collection, risk assessment, verification activities and supplier engagement, thereby promoting responsible and transparent supply chain management.

6.4. Risk Mitigation

Based on the outcomes of the Risk Assessment process, ICAM defines and, where necessary, implements proportionate risk mitigation measures aimed at reducing identified risks to a negligible level, in accordance with the Regulation.
Where required, ICAM may implement mitigation measures which, by way of example, include:

- requesting additional information, clarification or supporting documentation from suppliers;
- verifying information through certifications and documentary evidence;
- conducting consistency checks on production data and supply chain flows;
- carrying out second-party or third-party inspections at suppliers, cooperatives or production sites;

- conducting audits and independent assessments performed by qualified third-party organisations;
- delivering training and capacity-building activities for suppliers;
- defining and implementing targeted improvement projects.

ICAM considers the strengthening of supply chain actors' capabilities to be a driver of economic and social development that goes beyond the transfer of technical knowledge, representing a structured process of empowerment and enabling aimed at supporting the resilience of farming communities.
In line with the outcomes of the risk assessment process and with the objective of strengthening the environmental and social resilience of sourcing areas, ICAM promotes support projects focused on sustainable agriculture, the promotion of good agricultural practices and the development of agroforestry systems. These initiatives represent a tangible risk mitigation measure and are implemented in collaboration with cooperatives, engaging supply chain stakeholders, including customers, certification bodies, local governments and non-governmental organisations.

7. Definition, Maintenance and Continuous Improvement of the Due Diligence System

The achievement of sustainability and compliance objectives is based on a continuous improvement journey that requires the collaboration and active engagement of all parties involved throughout the supply and processing chain of the relevant commodities and products.
ICAM's Due Diligence System includes an internal procedure governing processes, responsibilities, tools and risk assessment methodologies (ref. ICAM*ESG-PG#0100 - Gestione conformità all'EUDR*).
Data and information collected throughout the supply chain are updated annually.
The outcomes of monitoring activities, verification processes, mitigation measures and reported concerns contribute to the continuous strengthening of the system and support supply chain initiatives relating to compliance and sustainability.
The Due Diligence System is also integrated into the Company's annual procedure review process, which is carried out by an independent audit function to promote its long-term effectiveness and ensure the reliability of the information collected, the adequacy of the measures adopted and compliance with applicable requirements.
The system is also reviewed whenever regulatory developments, or contextual changes occur that may affect the risk assessment process or the Due Diligence System itself.

8. Communication and Record Keeping

ICAM retains, for a minimum period of five years, the information and evidence supporting the Due Diligence process for products subject to the EUDR, including records of any non-compliances identified and the related corrective actions implemented.
Supporting information, documentary evidence and traceability records are classified as "confidential", as further defined in the Company's information security documentation. Subject to the execution of a specific Non-Disclosure Agreement (NDA), such information may be disclosed to stakeholders in the context of inspections, verifications or audits, ensuring full transparency while complying with confidentiality, personal data protection and information security requirements.
ICAM reports annually on the implementation of its Due Diligence System through its Sustainability Report, providing information on import volumes and countries of origin, the Due Diligence system adopted, the outcomes of risk assessments, the measures implemented and the stakeholder consultation process.
In the interest of transparency, should information or evidence emerge indicating a potential EUDR non-compliance relating to products already placed on the market (substantiated concerns), ICAM ensures their prompt assessment and management, adopting appropriate corrective measures and informing, where required or appropriate, the competent authorities, relevant stakeholders and affected customers.

9. References

The regulations and standards used as a reference for the definition of this document are indicated.

Code/Abbreviation	Title
Regulation (EU) 2023/1115 of 31 May 2023	REGULATION (EU) 2023/1115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010
Regulation (EU) 2025/2650	REGULATION (EU) 2025/2650 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 December 2025 amending Regulation (EU) 2023/1115 as regards certain obligations of operators and traders
Implementing Regulation (EU) 2025/1093	COMMISSION IMPLEMENTING REGULATION (EU) 2025/1093 of 22 May 2025 laying down rules for the application of Regulation (EU) 2023/1115 of the European Parliament and of the Council with regard to a list of countries that present a low or high risk of producing relevant commodities

Commission Notice C (2026) 4972 final del 13.7.2026	COMMISSION NOTICE - Guidance Document for Regulation (EU) 2023/1115 on Deforestation-Free Products
EUDR FAQ	Frequently Asked Questions – Implementation of the EU Deforestation Regulation, versione 5 (aprile 2026)
Country Classification List	Country Classification List - Green Forum - European Commission
Regulation (EU) 2016/679 (GDPR)	Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR) concerning the processing of personal data related to geolocation information

The following documents are considered relevant and supportive for the implementation of this Policy:

Documents
Code of Ethics
Suppliers Code of Conduct
Grievance Mechanism
Sustainability Report
ICAM_ESG-PG#01_00 - Gestione conformità allEUDR
ICAM_SGI-PG#04_01-Qualifica e valutazione dei Fornitori
Modello di Organizzazione, Gestione e Controllo ex D.lgs. 231/2001
Procedura di Gestione delle Segnalazioni