



Implementation of the EU Deforestation Regulation and US Lacey Act

Information and Declaration to our Customers

Dear customer,

As part of our [Responsible Forestry and Procurement Policy](#), we implement a Due Diligence System that complies with the European Union's Deforestation Regulation (RD EU)¹, the EU Timber Regulation² and the US Lacey Act (2008). We would like to inform you how INTERHOLCO AG ensures that we and our suppliers are in compliance with the "Due Diligence" aspects of these regulations and assure responsible sourcing.

Service and Declaration to our Customers

Today many customers rely on us concerning the legality of timber sources. We take this seriously and therefore have implemented means and measures to organize ourselves to give to you the best and most reliable service possible.

We confirm that any wood product we import into the EU or the USA will undergo our Due Diligence process, that meets the definition of "due diligence" under the European Union Deforestation Regulation (EUDR), the PEFC standard DDS requirements, avoiding controversial sources and assuring controlled sources³, and the definition of "due care" under the United States Lacey Act⁴.

We give access to the information required by these regulations. If an operator would still identify a non-negligible risk, we give access to external auditors.

Taking into consideration the risks of the country of harvest, the supplier and species, we have obtained the necessary information and documentation in order to attain a negligible risk that the products are not compliant with the national laws and regulations of the country of production and that deforestation (conversion to agriculture) or degradation (conversion of natural forests to forest plantations) has taken place after 31 December 2020 in the harvest areas where the wood was produced.

Interholco's due diligence in procuring legal and deforestation free timber for our customers encompasses:

1. access to information describing the wood and wood products, such as country of production (harvest), species, quantity, details of the supplier, the annual harvest area coordinates (polygons) and period of harvest, information on compliance with the national legislation;
2. systematic assessment of the risk of illegal, non compliant timber in the supply chain, based on information identified above and taking into account criteria set out in the EU Deforestation Regulation and US Lacey Act, verifying the absence of deforestation or forest degradation;
3. implementation of risk mitigation measures and procedures if non negligible risk is identified, including requiring additional information, documents, field audits or 3rd party verification.

Certification or 3rd party legality verified timber is one of the best options to prove of legal compliance and avoidance of deforestation and forest degradation, for wood from areas with non negligible risk.

In particular for non-certified wood or wood products, from areas with non negligible risk, we assess in detail the risk of the wood supply based on legal documents indicating compliance with the

¹ [Regulation \(EU\) 2023/1115](#) of 31 mai 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

² Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010

³ PEFC ST 2002:2020: Chain of Custody of Forest and Tree Based Products: Ch. 7. Due Diligence System (DDS) requirements

⁴ 2008, Amendments to the Lacey Act from H.R. 2419, Sec. 8204



applicable legislation, deforestation and degradation risk and signed agreements. Based on our risk assessment, we either request additional information, audit suppliers or request 3rd party verification.

Background- The EU Deforestation Regulation (EU DR) and the US Lacey Act

In 2008, the USA Amended the Lacey Act, to include plants, making it unlawful to trade, transport or possess any plant which was produced or traded in violation of any law or regulation.

On 31 May 2023, the EU Deforestation Regulation was approved with the aim of minimizing the consumption of products from supply chains associated with deforestation or forest degradation, while ensuring the legality of products.

The regulation should come into force **on 30 Dec. 2024** (30 June 2025 for SME⁵) and the EU Timber Regulation would be cancelled on 30 Dec. 2024, except for wood produced before 29 June 2023, it remains applicable 3 more years. The EU is currently approving a delay for one more year.

The regulation applies to a range of products (palm oil, soya, coffee, cocoa, beef, rubber, timber, etc.). It includes requirements for legality and requirements to avoid deforestation and forest degradation, after 31 Dec. 2010.

Responsible Procurement as part of the Sustainability Agenda

Interholco has a Due Diligence system which includes verification of the legality and responsible origin of procurement sources and progressively increase the volume of 3rd party legality verified and responsible forestry certified timber sources. As a matter of principle, we decided to avoid any controversial sources⁶.

Our goal is, by 2030, to progressively increase procurement of certified timber (FSC[®] and PEFC) and, for non-negligible risk areas, to procure only timber verified by a 3rd party or certified timber. **Currently, about 90% of Interholco's wood products are 3rd party legality verified and, about 85% are FSC[®] and PEFC certified.**

Our due diligence system comprises a risk assessment to establish ahead of any procurement commitment the level of potential legality and deforestation or forest degradation risks which may arise from the respective wood species, country of origin, forest of origin, or supplier. In case of potential risks, we give preference to procure goods supplied with a certificate confirming legality as a minimum requirement or preferably a confirmation of legality and responsible forest management. If certification cannot be obtained, we initiate our audit procedures.

As a result of our efforts, Interholco has a **certified Due Diligence System (Control Union TLV and PEFC DDS)**, which will conform with EUDR requirements. Our TLV, FSC and PEFC Chain of Custody certification, enable us to assure the chain of custody up to our clients when selling certified or controlled products.

Please ask our sales team for our large panel of certified and 3rd party verified legal timber, the best proof of compliance with the EU Deforestation Regulation, the US Lacey Act and Controlled Sources⁶.

Thank you for doing business with us and thank you for your confidence!

Baar, October 2024,

Ulrich Grauert,
CEO

⁵ SME - Small and Medium Sized Enterprises as defined in [DIRECTIVE 2013/34/EU](#).

⁶ Cf. PEFC ST 2002:2020: Controlled sources/DDS requirements (§ 7.), avoiding Conflict timber (§3.6) and Controversial sources (§3.7) as well as complying with FSC Policy for Association (FSC-POL-01-004), avoiding controversial sources



The mark of responsible forestry



With Control Union (NL), we are certified FSC[®] and PEFC[™] chain of custody, enabling us to sell certified products, and Timber Legality Verification (TLV), assuring a solid due diligence approach that will comply with EUDR. CU-TLV-849962