

EUDR Compliance Delayed—Turning Challenges into Opportunities Through Supply Chain Transparency

- *Over the past 30 years, agriculture has driven 10% loss of global forest cover (European Commission, 2023), prompting regulatory measures like the EU Deforestation Regulation (EUDR) to enforce sustainable supply chains, deforestation-free sourcing, verify supplier compliance, and implement traceability systems (Deloitte, n.d.).*
- *The EUDR Compliance deadline has been postponed by 12 months due to supply chain complexities and public scrutiny. Medium and large companies must comply by 30 December 2025, while small and micro enterprises have until 30 June 2026.*
- *[KOLTIVA](#), a technology-driven company specializing in traceability and sustainability, offers various solutions to assist businesses in complying with EUDR. By combining data-driven technology, [KoltiTrace](#), with on-the-ground engagement, Koltiva enables businesses to meticulously map their supply chains and ensure that raw materials are not sourced from deforested areas.*

Jakarta, 24 March 2025 - Agriculture remains a key driver of deforestation, with 10% of global forest cover lost in the past 30 years (European Commission, 2023), prompting regulatory measures like the EU Deforestation Regulation (EUDR) to enforce sustainable supply chains. The regulation requires companies to ensure deforestation-free sourcing, verify supplier compliance, and implement traceability systems. Initially set for enforcement on 30 December 2024, the deadline has been postponed by 12 months due to the complexity of supply chain mapping and public scrutiny. As finalized by the EU Council and Commission, medium and large companies must comply by 30 December 2025, while small and micro enterprises have until 30 June 2026. Additionally, by 30 June 2025, the EU Commission will classify countries based on deforestation risk, with specific provisions for timber products (Tax News, 2025).

According to Luca Fischer, Senior Head of Markets Indonesia at Koltiva, the delay in EUDR implementation has created both challenges and opportunities for businesses. "Many companies had already invested millions in preparing their supply chains, seeing compliance as a competitive advantage. A delay in policy creates uncertainty, which is never good. It makes companies question whether regulations will actually be enforced. However, the European Commission made it clear that they are only delaying the regulation by one year, not watering it down. This provides an opportunity. At the end of last year, many companies weren't fully prepared, and the EU's information system still

had technical issues. The extra time allows businesses to reduce their risk of non-compliance and ensure a smoother transition."

Fischer explained that companies must invest in accurate tracking technologies and gain a deep understanding of their supply chains. Fischer emphasizes that companies wishing to remain competitive in the European market must take concrete steps to implement stricter monitoring and risk mitigation systems. Achieving compliance is not just an administrative challenge but a journey that requires businesses to invest in accurate tracking technologies and gain a deep understanding of their supply chains.

[Koltiva](#), a technology-driven company specializing in [traceability](#) and sustainability, has developed solutions to assist businesses in complying with EUDR. By combining data-driven technology with on-the-ground engagement, Koltiva enables businesses to meticulously map their supply chains and ensure that raw materials are not sourced from deforested areas.

One of Koltiva's key tools is [KoltiTrace](#), a platform that allows real-time monitoring of supply chains from upstream to downstream. Fischer explains that this system enables businesses to conduct [risk assessments](#), identify vulnerabilities within their supply chains, and develop more effective [mitigation](#) strategies. "This technology not only helps businesses comply with regulations but also adds value by increasing transparency and trust between suppliers, producers, and consumers," he states.

Fischer explains that the challenges of compliance differ for upstream and downstream players. "Upstream players need to directly map their supply chains, while downstream players must refine their due diligence processes, including the evaluation of each supplier's risk assessment. Last year, many downstream companies rushed to meet requirements, which allowed a lot of products to qualify as EUDR compliant. However, now downstream players have time to optimize their processes. They must figure out how to automate data collection, ensure compliance effectively, and build a reliable due diligence system."

Beyond digital solutions, on-site verification is also crucial in ensuring [EUDR compliance](#). Koltiva deploys a team of [agronomists](#) who work directly with farmers and suppliers to ensure that sustainability standards are truly implemented. Fischer stresses that without this approach, companies may end up with paperwork compliance without genuine verification at the field level. "We believe that sustainability must be holistic, not just an administrative requirement. That's why we combine technology with direct [on-the-ground](#) interventions to ensure that every part of the supply chain genuinely meets sustainability standards," he adds.

Furthermore, Fischer highlights that compliance with EUDR is not just about avoiding sanctions—it is also about maintaining market access and building a corporate reputation

as an environmentally responsible business. With growing consumer awareness of deforestation and sustainability issues, companies that proactively adopt sustainability standards will have a stronger competitive edge. “Going forward, transparency and traceability will be key factors in determining business sustainability in the agricultural and forestry industries,” he says.

While many companies still feel overwhelmed by this regulation, Fischer is optimistic that, with the right technology and strategy, EUDR compliance can be achieved without disrupting business operations. “This challenge can be turned into an opportunity if we see it as a chance to build more efficient, transparent, and sustainable supply chains,” he concludes.

For businesses preparing to meet EUDR requirements, solutions like those offered by Koltiva are essential in managing risks while ensuring long-term sustainability in the global market. Watch the discussion featuring Luca Fischer in recent BeyondTraceability Talks, hosted by Koltiva, at <https://www.koltiva.com/beyond-traceability-talks-vol2>.

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About KOLTIVA

Offering human-centered technology and boots-on-the-ground solutions that digitize agribusinesses and help smallholder producers transition to sustainable practices and traceable sourcing, **KOLTIVA** is recognized as the leading global sustainable agriculture and supply chain traceability company. As a global technology provider, it constructs ethical, transparent, and sustainable supply chains, assisting enterprises in fortifying their resilience and transparency. The company helps businesses, and their suppliers comply with ever-changing regulations and consumer demands worldwide with traceability solutions. Operating in more than 66 countries and fortified by a network of customer support offices in 20 countries, KOLTIVA is committed to supporting over 18,100 enterprises in establishing transparent and robust supply chains while empowering over 1,810,000 producers to increase their annual income. www.koltiva.com

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