



PRESS RELEASE

## Koltiva Sparks Multi-Stakeholder Dialogue on EU Deforestation Regulation and Industry-Wide Sustainability Compliance

- Deforestation in Asia, home to 15% of the world's forested land (<u>Our World in Data</u>, 2020), is intensifying pressure for industry to comply with regulations like the EUDR or risk losing access to international markets.
- <u>Koltiva</u> hosted the "BeyondTraceability Talks" forum on January 22, 2025, bringing together key stakeholders from the agricultural industry and highlighted the need for collaborative efforts to address regulatory challenges, including compliance with emerging frameworks like the EUDR.
- Discussions emphasized the importance of meeting anti-deforestation requirements and ensuring smallholders are not excluded from the supply chain, maintaining inclusivity and market access while meeting international sustainability standards.

Jakarta, February 5<sup>th</sup>, 2025 – Stakeholders from various sectors of the agricultural industry gathered at KOLTIVA's "BeyondTraceability Talks," a discussion forum aimed at addressing critical gaps in regulatory compliance for a sustainable and resilient agricultural sector. The discussion, centered around the topic *From Farms to Global Markets: Regulatory Compliance for a Resilient and Sustainable Agriculture Industry*, focused on the growing pressure to meet international sustainability standards, particularly the <u>European Union's Deforestation Regulation (EUDR)</u> and other emerging regulations, and the pressing need for collaboration to achieve full compliance.

As global markets increasingly demand transparency and ethical sourcing, the Indonesian government and various stakeholders are working together to address compliance challenges, promote sustainability within the industry and the most important is smallholder inclusion in the supply chain. The discussions, initiated and facilitated by KOLTIVA, highlighted significant opportunities in regulatory frameworks like the EUDR, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Social Due Diligence Directive (CSDDD), and emphasized the collective responsibility of industry players to bridge the gaps.

## Identifying Compliance Gaps and the Role of Stakeholders

The forum featured a comprehensive exchange of ideas among key industry players, including government representatives, agricultural businesses, and public-private partnership, who shared insights into the biggest challenges they face in complying with evolving regulations. The goal was to better understand how these organizations could collaborate to overcome these challenges and promote sustainability in agriculture, while also sharing actionable strategies for other key players in the sector.

Diah Suradiredja, Secretariat National Dashboard Development – Indonesia Coordinating Ministry of Economic Affairs (CMEA), emphasized the need for a proactive



approach to regulatory compliance. "While the EUDR is a critical regulation, it's not the only one. Emerging regulations, such as the CSRD and CSDDD, could also impact the way the industry operates. It's essential that all stakeholders are aware of these frameworks and start preparing their compliance efforts accordingly," Diah said.

The Indonesian government has taken proactive steps to facilitate compliance with international sustainability standards, particularly the EUDR which focuses on antideforestation requirements on products marketed in the EU. The government's National Dashboard, which serves as a platform for managing agricultural data, has been central to enhancing traceability and monitoring compliance. With the support of various stakeholders, the government is working to establish a comprehensive database that includes smallholder producers, land status identification, and legal documentation. This is crucial as the EUDR and similar regulations demand detailed traceability and compliance, which are difficult for Indonesia's smallholder producers. Many lack digital tools, infrastructure, and funding, making it challenging to meet stringent data and traceability requirements to prove deforestation-free production (RSM, 2024).

Additionally, capacity-building programs have been implemented to help smallholder producers better understand and comply with regulatory requirements. Efforts to ensure land legality are also underway, providing producers with the necessary resources to meet legal and sustainability standards. These programs are designed to increase awareness, provide training, and ensure that smallholders are included in the broader sustainability initiatives. The government is also working closely with industry players to provide resources and funding for these efforts.

## Initiatives to Drive Sustainability

<u>PISAgro</u>, a collaborative platform that promotes sustainable agricultural practices in Indonesia, has played a key role in addressing the challenges related to regulatory compliance in smallholder level. The organization works with producers, cooperatives, and companies to implement sustainable farming practices that meet both local and international standards.

One of the central themes discussed was the importance of smallholder inclusion in the sustainability efforts and the regulatory compliance process. Smallholder producers represent a significant portion of Indonesia's agricultural workforce, and their inclusion is critical to achieving the broader goals of sustainability and traceability.

Through its partnership scheme, PISAgro is focused on helping producers meet compliance requirements. "Collaboration has been key in driving compliance as each stakeholder has an important role to support the smallholder producers to ensure they are not left behind," **Insan Syafaat, Executive Director at PISAgro** stated. Collaboration is key to addressing obstacles such as setting up traceability systems and certification which involve significant costs, which can be prohibitive for smaller producers. It is



essential to mitigate economic barrier that risks excluding smallholders from the market as larger players who can afford these investments dominate the supply chain (Mongabay, 2023).

Private sectors and non-profit organizations in EUDR affected commodities, such as rubber, palm oil and cocoa, have been working to ensure that smallholder producers are integrated into the traceability systems that support regulatory compliance. These organizations are focusing on improving data collection and monitoring systems, which are essential for ensuring that smallholder producers can meet sustainability standards and contribute to the broader agricultural supply chain.

## KOLTIVA's Comprehensive Support in Traceability and Capacity Building

KOLTIVA has been at the forefront of providing technological solutions to support traceability and capacity building across the agricultural supply chain. With its flagship KoltiTrace platform, KOLTIVA offers an advanced tool that ensures data transparency and enables stakeholders to track products from seed to table. The platform is designed to assist companies in meeting the due diligence requirements set by the EUDR and other regulations, ensuring that their products are free from deforestation.

Its approach goes beyond traceability; it also focuses on capacity building to ensure that producers are well-equipped to meet regulatory demands. Through its boots-on-theground support which provide training programs, KOLTIVA helps producers understand the importance of Good Agricultural Practice, land legality, compliance and sustainability, empowering them to improve their practices and access international markets.

On the important of technology in supporting compliance effort, **Ainu Rofiq, Co-Founder and Board Member of KOLTIVA**, said, "Our role is to facilitate a transparent and accountable agricultural supply chain. I believe technology is transforming regulatory compliance in several ways: transparency and traceability, risk management, automation and efficiency, and building trust by enhancing collaboration. We work closely with governments, NGOs, and businesses to provide solutions that ensure full traceability and help stakeholders meet evolving regulatory standards. It's all about empowering local communities, enhancing supply chain integrity, and supporting long-term sustainability."

As the regulatory landscape evolves, stakeholders must stay vigilant and proactive in preparing for future challenges. In the closing remarks, all speakers emphasized the importance of ongoing collaboration and foresight to anticipate new regulations, ensuring that Indonesia's agricultural sector remains both competitive and sustainable. <u>BeyondTraceability Talks</u> serves as a platform to foster discussions on developments within the agricultural industry and to highlight these critical topics.

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 17,500 enterprises in establishing transparent and robust supply chains while empowering over 1,738,000 producers to increase their annual income. <u>www.koltiva.com</u>

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