

## Tackling Deforestation: Delving into State-of-Art Groundbreaking Solutions to Aid Businesses in EU Regulation Adherence

- Effective from December 30<sup>th</sup>, 2024, EU businesses are obligated to comply with the EU Deforestation Regulation (EUDR), ensuring products do not contribute to deforestation. Compliance entails adhering to land-use rights, forest management, labor, tax, and human rights laws and providing a due diligence statement. (European Commission)
- Indonesia-based sustainable agriculture and supply chain traceability startup, <u>KOLTIVA</u>, draws on over 11 years of expertise supporting over 8,000 businesses across 61 countries, now introduces its EUDR Solutions, featuring three distinct modular approaches: **KoltiTrace**, a platform for traceability; **KoltiSkills**, which offers extension services to promote sustainable sourcing practices; and **Data Verification**, delivering expertise solutions for comprehensive EUDR analysis reports.

**Jakarta, Indonesia Monday 23<sup>rd</sup> April 2024** – The world has lost one-third of its forest – an area twice the size of the United States. A mere 4 billion hectares remain today, compared to the <u>6 billion hectares</u> that were once covered by forests approximately 10,000 years ago, representing a drastic decline. This alarming rate of deforestation threatens the livelihoods of indigenous communities, exacerbates climate change, and leads to the loss of invaluable biodiversity. According to the recent Global Forest Resources Assessment (FRA) Report by the FAO, approximately <u>420 million hectares</u> of forest have been lost due to deforestation since 1990, predominantly in Africa and South America. Among the countries experiencing the highest average annual net losses of forest area in the past decade are Brazil, the Democratic Republic of the Congo, <u>Indonesia</u>, Angola, Tanzania, Paraguay, Myanmar, Cambodia, Bolivia, and Mozambique.

To address the pressing necessity of tackling deforestation and safeguarding global biodiversity, the EU will introduce a Regulation mandating that businesses marketing their products in Europe adhere to the <u>European Union Deforestation-Regulation (EUDR</u>). This Regulation, set to take effect on December 30th, 2024, aims to ensure that products sold in the EU market do not contribute to deforestation. Compliance requires businesses to adhere to various laws related to land use rights, forest management, labor practices, taxation, and human rights. Additionally, companies must prepare a due diligence statement to demonstrate their commitment to these regulations.

The Regulation requires adherence from over 50,000 businesses involved in importing or processing seven key commodities, including **Palm Oil, Cocoa, Coffee, Rubber, Wood, Soy, Cattle,** and their derivatives like **leather and furniture.** This upcoming legislation marks a significant stride in the battle against deforestation and underscores the EU's dedication to environmental sustainability. Deforestation persists as one of the most pressing ecological crises, causing widespread disruption to ecosystems, wildlife, and climate change.

As a leading global AgriTech firm with over 11 years of experience in sustainable agriculture and supply chain traceability across 61 countries, <u>KOLTIVA</u> aids businesses in meeting these regulatory requirements its groundbreaking EUDR Solutions, tailored for businesses and enterprises seeking EUDR compliance, which mandates rigorous **Due Diligence**. This process includes extensive Data Collection on product origins, including specific geolocation data,



ensuring products are deforestation-free and compliant with local laws. **Risk assessments** consider factors like country risk levels and forest presence. Additionally, businesses are required to implement **Risk Mitigation** measures such as audits and supplier support. Finally, the Regulation necessitates annual public reporting on due diligence systems and maintaining related documentation for at least five years.

**Manfred Borer**, CEO and Co-Founder of KOLTIVA, discussed the EUDR compliance journey in a recent conversation, stating, "We view that the EUDR is more than a regulation; it's a mission, a key element of the European Green Deal, driving climate neutrality by 2050. By adhering to the regulation, businesses contribute to the global fight against deforestation, a significant factor in climate change and biodiversity loss. With the deadline approaching in less than a year, we reaffirm our commitment to assisting businesses in achieving compliance. We stand ready to provide expertise, technology, and services to ensure regulatory adherence while concurrently fostering a sustainable future."

The traceability tech platform, KoltiTrace MIS platform enables processors with **Supply Chain Mapping and Risk Assessment**, ensuring comprehensive producer compliance. It streamlines recording supply chain connections and offers expert field implementation support for businesses lacking resources. To ensure traceable transactions, it also **Verifies Supply Chain Connections** from plantations to processors, collaborates with local stakeholders (dealers, agents, collectors) to document traceability by registering transactions from mapped farmers. It reviews transactional data to identify new and mapped farmers within supply chains.

Segregation **Training and Monitoring** play a vital role in EUDR compliance. The Field Agent Business Support (FABS) support training and monitoring at the dealer level to ensure proper implementation, compliance, risk mitigation, and transparency. Beside on that, remote sensing expertise in the traceability tech platform and **Deforestation Maps** can provide historical data on tree cover loss, enabling in-depth analysis and enhancing the accuracy of deforestation detection and monitoring.

**Risk Mitigation** initiatives, such as personalized producers coaching and support in obtaining land legality also important. Through data-driven one-on-one coaching, it focuses on EUDR non-compliant or flagged farmers, guiding farm development plans and accelerating the adoption of Good Agricultural Practices (GAP).

**Due diligence** is integral to EUDR compliance, which the KoltiTrace platform streamlines by automatically generating due diligence statements for processors and their main suppliers. These tools provide evidence for compliance submissions, guaranteeing transparency and accountability across the supply chain.

Borer stated, "Today signifies a significant milestone in our journey towards a greener, more sustainable future. With the launch of our state-of-the-art EUDR solutions, KOLTIVA is fully committed to helping businesses comply with and combat deforestation with our dependable and adaptable modular methods that go beyond traceability. We're empowering businesses with essential tools to effortlessly navigate EU regulations on deforestation, utilizing our robust traceability platform, **KoltiTrace**, extension services for sustainable sourcing through **KoltiSkills**, and expert solutions for comprehensive EUDR analysis reports, **Data Verification**.



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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 Indonesia-based sustainable agriculture and supply chain traceability startup. 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 61 countries and fortified by a network of 16 customer support offices, Koltiva is steadfast in supporting over 8,000 enterprises in establishing transparent and robust supply chains while empowering over 1,170,000 producers to increase their annual income. <u>www.koltiva.com</u>

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