

REA – ready for EUDR

Against the backdrop of climate change and increasing focus on a deforestation-free supply chain, the palm oil sector is facing increased scrutiny of its operational processes and supply chain. In response, the industry is adopting more stringent standards and preparing to meet the requirements of the European Union Deforestation Regulation (EUDR) which comes into effect from 30 December 2024 and will have a significant impact on several commodities.

The [EUDR](#) mandates that companies dealing in seven key commodities (cattle, cocoa, coffee, oil palm, rubber, soy, and wood, together with their derivative products (Annex I of the EUDR)) must perform comprehensive assessments across their supply chains and provide an official due diligence statement to verify that their products were produced on land that is not associated with deforestation.

REA recognises that meeting regulatory standards is a continuous process that demands ongoing improvement and adaptation. REA's principal operating subsidiary, REA Kaltim, is committed to embracing the evolving regulations and standards for the palm oil industry. In anticipation of the EUDR enforcement, REA Kaltim has implemented measures to ensure that the group's operations and supply chain are prepared and can comply seamlessly with these requirements.

REA Kaltim has engaged an external verifier to conduct a comprehensive assessment of the group's preparedness for the EUDR across the key areas of its operations. This assessment covered one of the group's three palm oil mills and seven estates. The verifier concluded that REA Kaltim has established a robust due diligence system to comply with the upcoming regulations, ensuring that every requirement is met. "REA Kaltim has demonstrated a high level of preparedness for the upcoming EUDR. Our assessment, which rigorously examined the compliance of REA Kaltim with Regulation (EU) 2023/1115 from Article 8 to Article 13, revealed that the company has established a comprehensive and well-integrated management system that meets all the requirements of the EUDR Due Diligence System. No gaps were identified during the assessment, underscoring the robustness of REA Kaltim's systems. REA Kaltim's leadership and teams have clearly committed to ensuring full compliance and sustainability at every level," stated Supun Nigamuni, Managing Director of Control Union Malaysia.

This achievement underscores the hard work, expertise and dedication of all those involved, demonstrating their commitment to upholding the highest standards of integrity and sustainability across REA Kaltim's operations. REA Kaltim continues to work towards an inclusive future for the company and its stakeholders, the local community, and smallholders by fostering sustainable development, addressing climate change, preserving forests, empowering smallholders, and forming partnerships.

Commenting on the EUDR assessment, Luke Robinow, president director of REA Kaltim stated: "Looking to the future, REA Kaltim is focused on building resilience and ensuring that our operations meet evolving regulatory standards. This external assessment validates the robustness of REA Kaltim's systems and the competence of our teams in adapting effectively to the new requirements. REA Kaltim is committed to creating a sustainable, transparent, and inclusive palm oil supply chain and we are equipped to allocate the necessary resources to continue leading sustainable palm oil production."