

REA Empowers Indonesia's smallholder farmers by fostering sustainable palm oil production value chain

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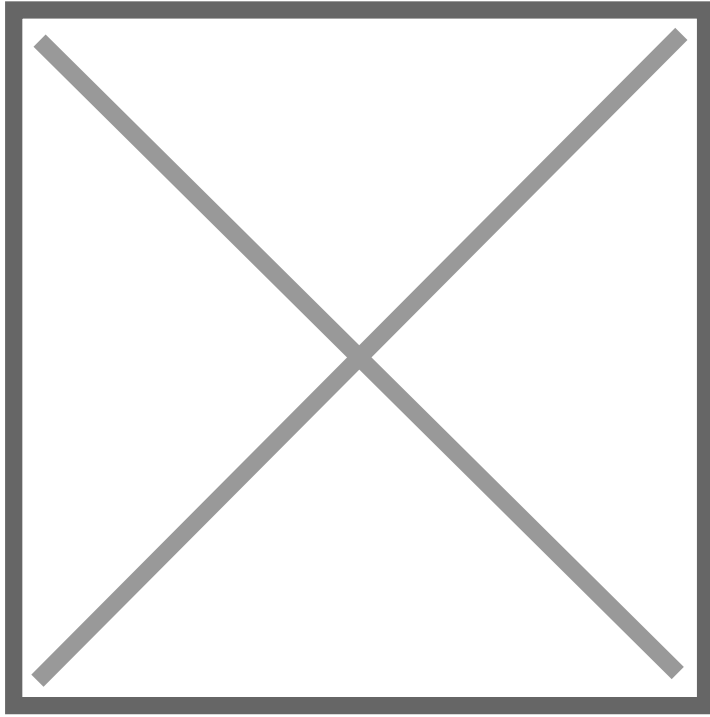
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PT REA KALTIM PLANTATIONS (REA), continues to advance its SHINES (SmallHolder INclusion for Ethical Sourcing) programme to improve the livelihood of smallholders through RSPO certification and European Union Deforestation Regulation (EUDR) compliance. Launched in October 2024, SHINES brings together corporate partners to drive transformative changes and foster shared responsibility across the value chain.

REA is a leading palm oil producer committed to sustainable, traceable, and inclusive production since 1991. A subsidiary of R.E.A. Holdings PLC, listed on the London Stock Exchange, REA operates in Balikpapan and East Kalimantan, Indonesia. Their operations span oil palm plantations, palm oil mills, and kernel crushing plants, complemented by forest conservation efforts covering approximately 18,000 hectares. Through initiatives like the SHINES programme, REA aims to enhance RSPO-certified supply chain compliance, improve productivity, and secure long-term market access for smallholders, aligning with evolving international regulations such as the EUDR.



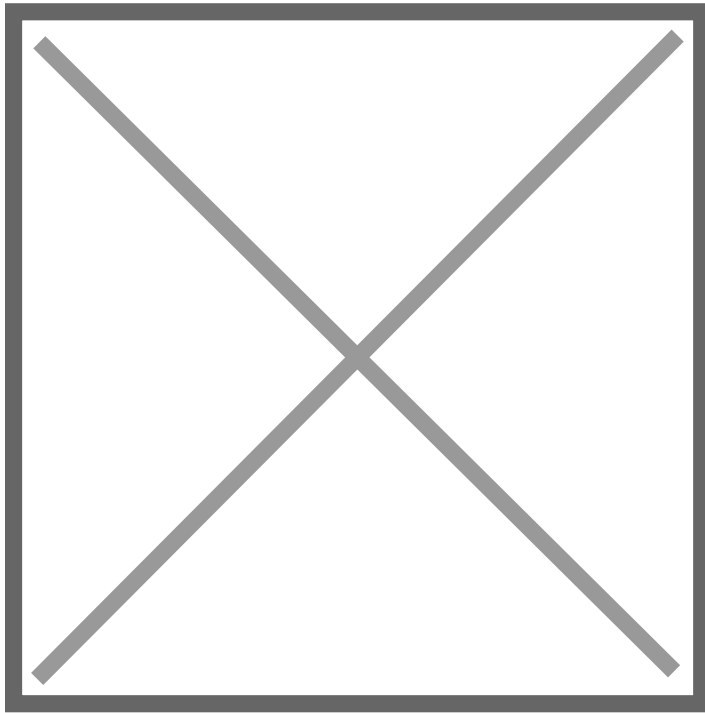
"Smallholder inclusion is key to sustainable development," said Bremen Yong, Group Chief Sustainability Officer of REA. "SHINES presents a strong business case that brings together stakeholders across the value chain to drive transformative change, improve livelihoods, and strengthen supply chain integrity," added Bremen.

Through targeted interventions, REA ensures that producers comply with international regulations and gain improved access to economic opportunities. Smallholder cooperatives in Kutai Kartanegara, namely Koperasi Perkebunan Belayan Sejahtera, Gotong-Royong, Tunas Harapan, Bina Wana Sejahtera, and Karya Penoon are provided with training, technical support, and market incentives for those meeting EUDR requirements and industry standards, ensuring long-term compliance and market access.

KOLTIVA Supports SHINES with Mapping and Traceability Expertise

As part of the programme's traceability and compliance component, REA engaged KOLTIVA, a Swiss-Indonesian agritech company, to provide technical support for polygon mapping, farm assessments, and the deployment of its traceability platform, KoltiTrace. This comprehensive solutions will facilitate more than 600 independent smallholders in ensuring full compliance with EUDR requirements.

"KOLTIVA's work with REA underscores our shared commitment to building a resilient and sustainable palm oil supply chain. By integrating farm assessments, technological adaptation through KoltiTrace and training on Good Agricultural Practices (GAP), we are enabling producers to meet the evolving regulatory landscape while improving their long-term economic prospects," said Manfred Borer, CEO of KOLTIVA. Its approach combines innovative digital solutions with on-the-ground interventions, ensuring that producers can seamlessly navigate the complexities of global sustainability standards.



Related to this project, KOLTIVA is currently rolling out its KoltiTrace platform across 10 cooperatives in East Kalimantan, aiming to map and verify farm polygons. This digital traceability infrastructure provides the baseline for legal land verification and ongoing monitoring required under RSPO and EUDR standards.

Indonesia's smallholder readiness for EUDR remains limited. Roughly 41% of Indonesia's oil palm plantations—around 6.7 million hectares—are managed by independent smallholders, yet studies show only 1% of these smallholders are “cleanly and clearly” certified, meaning they meet traceability and legality requirements aligned with the EUDR. Major obstacles include inadequate geolocation data, unclear land tenure, and lack of digital systems. Without urgent action, many smallholders face exclusion from EU markets under the new regulation (Palm Oil Monitor, 2023).

The SHINES programme directly responds to this readiness gap by providing smallholders with the tools and support necessary to achieve traceability, certification, and compliance. It represents a tangible step toward closing these gaps, offering smallholders a viable pathway to meet regulatory requirements and secure long-term market access.

In the next phase, KOLTIVA will support the implementation of a segregation feature requested through the KoltiTrace FarmGate system update. This will allow suppliers to distinguish between EUDR-compliant and non-compliant Fresh Fruit Bunches at the point of delivery. This feature responds to a core requirement of the EUDR, which mandates that commodities from land plots with verified compliance must remain physically separated from those without supporting evidence (European Commission, n.d.).