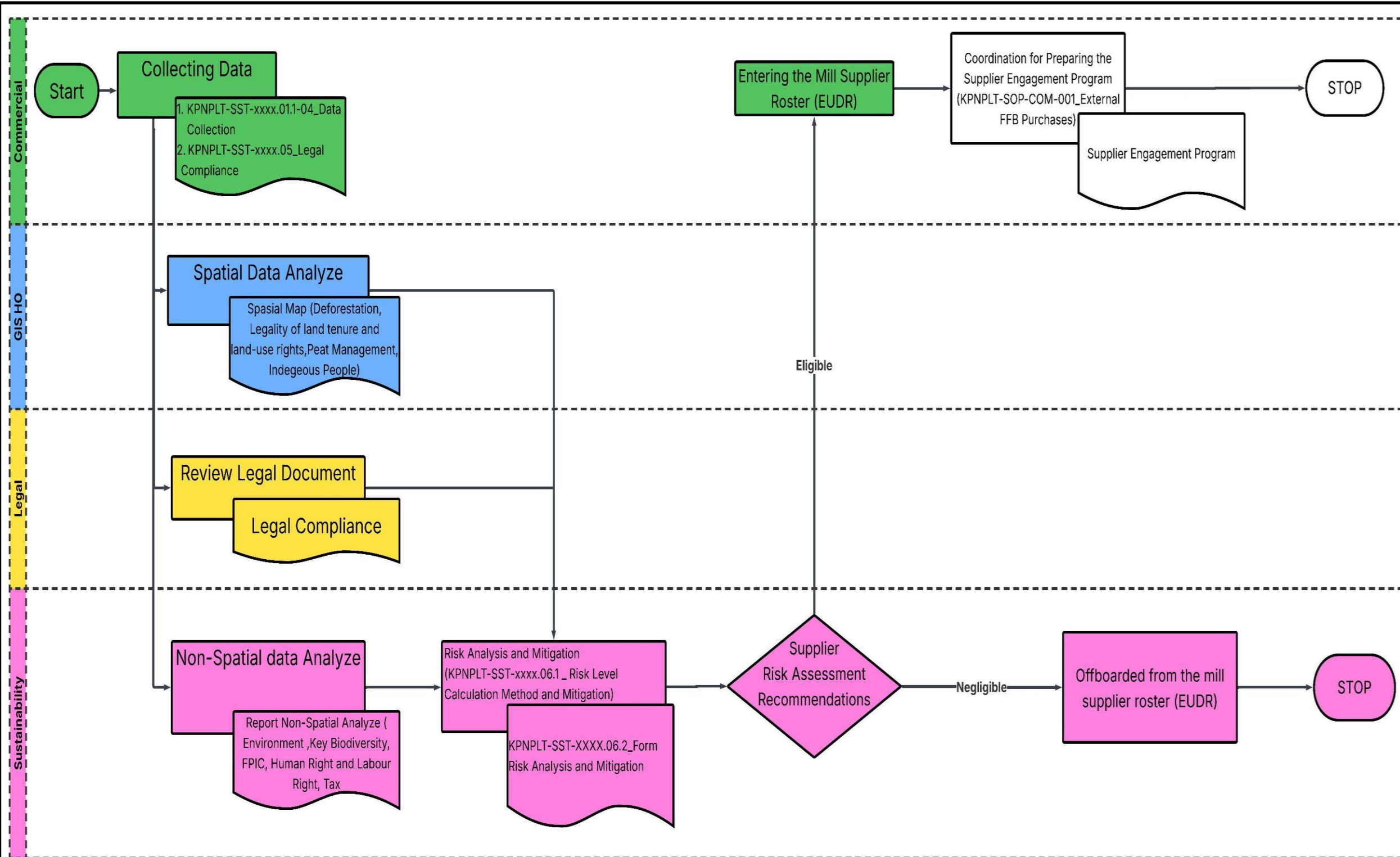


# EUDR Compliance Risk Analysis and Mitigation Mechanism



Note: This process must be conducted whenever there is a change in the FFB production plot(s).

## Legend



## Notes :

This mechanism describes the workflow to determine risk levels and mitigation actions within KPN Plantation concessions and its supplier

### Legal Basis and Related Policies

- EU Deforestation Regulation (EUDR)**  
Core principles: traceability (geolocation of the point of origin), due diligence, evidence of deforestation-free production with a cut-off date of **31 December 2020**, and legal compliance in the country of production.
- National Regulations (grouped by issue)**
  - Deforestation**
    - Law No. 41/1999 on Forestry** — prohibition of land clearing without permits; forest protection.
  - Land Legality**
    - Law No. 5/1960 (Basic Agrarian Law/“UUPA”)** — framework for land rights.
    - Government Regulation No. 24/1997 on Land Registration** and related land regulations (e.g., certification/HGU—Right to Cultivate).
  - Peatlands**
    - MoEF Regulations** on the designation, restoration, and governance of peatlands (e.g., technical water-management corridors; prohibition of clearing that impairs peat functions).
  - Indigenous Peoples**
    - Law No. 39/1999 on Human Rights** — recognition of the rights of indigenous peoples.
    - Minister of Home Affairs Regulation No. 52/2014** — guidelines for regional governments on recognizing and protecting customary law communities.
  - Environment**
    - Environmental quality standards, environmental permitting (AMDAL / UKL-UPL), technology-based monitoring, and management of hazardous and non-hazardous waste.
    - Minister of Agriculture Regulation No. 5/2018** — good practices for opening and/or cultivating plantation land without burning.
  - Biodiversity**
    - Law No. 5/1990 on the Conservation of Biological Natural Resources and Their Ecosystems.**
  - Third-Party Rights (FPIC)**
    - Law No. 39/1999 on Human Rights** — rights to information, participation, and protection for affected parties.
  - Labor & Human Rights**
    - Law No. 13/2003 on Manpower** (partially amended by post-Job Creation legislation).
    - Law No. 39/1999 on Human Rights** — non-discrimination, freedom of association, etc.
  - Taxation**
    - Income Tax Law and VAT Law** (and implementing regulations) — withholding/collection obligations, reporting, and fiscal compliance of business entities.
- Company Policies**
  - KPN Plantations NDPE Policy (No Deforestation, No Peat, No Exploitation — 1 February 2023):** forest and peat protection, supplier compliance, and socially equitable practices (aligned with EUDR and internal SOPs).
  - KPN Plantations EUDR Policy:** due diligence, traceability to the point of origin, five-year data retention, training, audits, and sanctions for non-compliant suppliers.