



## FSC STATEMENT IN RESPONSE TO BBC REPORT – NOVEMBER 2020

November 16, 2020

The BBC recently reported on allegations against the Korindo Group (Korindo) concerning its oil palm operations in Indonesia. The report referenced the action taken by the Forest Stewardship Council (FSC) following the FSC Policy for Association complaint made against Korindo in 2017. It also presented new information that alleges Korindo used fire for land clearing.

As FSC made clear in the BBC programme, there is no doubt that Korindo breached FSC's rules. That was the conclusion of the independent complaints panel appointed by FSC in 2018 to conduct an investigation into Korindo's oil palm operations in Indonesia. Korindo was found to have converted forests to establish oil palm plantations in Indonesia, leading to the damage and destruction of high conservation values. Additional social analysis supported the conclusion that violation of traditional, indigenous and human rights had occurred. As for the allegations about Korindo's use of fire for land clearing, satellite images show the presence of smoke from fires on Korindo concession areas, but it could not be determined that these fires were set with the intention to clear land. The panel therefore did not find clear and convincing evidence in this area, and the issue of fires has not been included in the follow-up discussions with Korindo.

Following the results of these third-party investigations, FSC subsequently imposed corrective action and improvement to the company, with the aim for Korindo to provide social and environmental remedy for any negative impact caused. The FSC International Board of Directors decided a course of action that would see Korindo make improvements, rather than a decision to disassociate from the company. The Board saw this as the best way to achieve the fastest and most effective outcome for the environment and the affected communities in Indonesia.

Korindo made a clear commitment to FSC certification in 2019 and agreed to improve its environmental and social performance and to provide remedy as needed. The company also agreed to a moratorium to any further conversion of forests. Following this commitment expressed by the company, FSC defined a set of conditions and measures to be implemented

by Korindo and put a timebound and independently verified process in place to monitor their implementation. FSC will continue its work to assess the progress made by Korindo in implementing the required measures.

Korindo needs to make progress against the conditions that have been set by FSC. Failure to satisfactorily meet these conditions would form a basis for FSC to end its association with the company.

FSC welcomes any new evidence regarding land clearing (or any other unacceptable activities under the FSC Policy for Association) and will review it fully as part of the ongoing process in this case.

Korindo remains conditionally associated with FSC.

For more information, read the FAQs below or download the [FAQs as a PDF](#).

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