



## **FSC IMPOSES STRONG MEASURES FOR IMPROVEMENT ON KORINDO**

August 3, 2019

The Forest Stewardship Council (FSC) has chosen to impose improvement and remedy requirements.

On the Korindo Group (Korindo) rather than expel Korindo from the FSC scheme. This move follows an investigation of Korindo's alleged misconduct in its oil palm operations.

The environmental NGO, Mighty Earth, raised a complaint against Korindo, and Korindo was then investigated by FSC under its [Policy for Association \(PfA\)](#).

The PfA investigation concluded that Korindo had converted forests to establish oil palm plantations in Indonesia, leading to the destruction of high conservation values. The allegations that Korindo had deliberately and illegally set fires in plantations, were rejected, but overall there was evidence of violations of FSC's Policy for Association.

Even though, as Korindo points out, the company followed the laws and regulations of Indonesian government and the explicit instructions of the licensing requirement of the Indonesian authorities in its oil palm concessions, the activities were not in full compliance with FSC's Policy for Association.

In addition, the investigation found Korindo's practice of Free Prior and Informed Consent (FPIC) was not aligned with the high requirements of FPIC demanded by FSC.

In the implementation of its Policy for Association, FSC has learned that simply expelling companies does not provide any solutions to the environmental and social damage done by the companies. In some cases, the expelled companies come back to FSC with a wish to end the disassociation, but this normally only happens after years, which means that valuable time is lost before measures can be put in place to correct and compensate for past misconduct.

In this case, Korindo has already made a clear commitment to FSC certification and has agreed to collaborate with FSC to improve their environmental and social performance and to provide remedy for the possible impacts caused. This comes in addition to Korindo's already existing social programmes, including creation of jobs and significant social and physical infrastructure.

FSC believes this is the most effective way to ensure a fast-track process for Korindo to commit to reparations from past conversion practices and to implement effective changes to align its forestry operations to FSC's standards. The process resulting from this commitment will be as rigorous as any process for ending disassociation from FSC, but faster in achieving positive change.

It is for these reasons that the FSC International Board of Directors decided to maintain association with Korindo and immediately enter a programme of improvement and remedy.

“After thorough consideration of the case and after receiving clear indications from Korindo of their commitment to work for constructive solutions, we firmly believe that disassociation would not yield any constructive mechanism to ensure that conversion stops and that Korindo improves its forestry practices and secures remedy for past issues,” comments Kim Carstensen, Director General of FSC International.

“By ensuring that Korindo commits to a set of agreed conditions, FSC is in the position to ensure compliance with our rules, to address inadequate performance in the past, and to evaluate that no further improper activities are taking place in Korindo's operations now and into the future,” adds Kim Carstensen.

Korindo is required to continue its suspension of any forest conversion and deforestation, achieve FSC certification in all its forestry operations and to comply with the principle of FPIC. Korindo is also required to assess past negative impact and secure remedy for it.

Further conditions for Korindo to remain associated shall be defined within a structured, transparent and inclusive public stakeholder consultation process to develop a roadmap to guide this process.

FSC will closely monitor Korindo's progress of its implementation of the measures and conditions stipulated by FSC. Failure to satisfactorily meet these conditions would be basis for FSC to end its association with the company.

For media enquiries:

Alexander Dunn

External Affairs at FSC International

[a.dunn@fsc.org](mailto:a.dunn@fsc.org)

**FSC Global Development GmbH** · ic.fsc.org · FSC® F000100  
Adenauerallee 134 · 53113 Bonn · Germany  
**T** +49 (0) 228 367 66 0 · **F** +49 (0) 228 367 66 65  
Geschäftsführer | Director: Kim Bering Becker Carstensen  
Handelsregister | Commercial Register: Bonn HRB15990

**FSC International Center gGmbH** · ic.fsc.org · FSC® F000100  
Adenauerallee 134 · 53113 Bonn · Germany  
**T** +49 (0) 228 367 66 0 · **F** +49 (0) 228 367 66 30  
Geschäftsführer | Director: Dr. Hans-Joachim Droste und/and Stefan Salvador  
Handelsregister | Commercial Register: Bonn HRB12589

