

Necessary Improvements for Korindo to maintain FSC certification

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The Forest Stewardship Council (FSC) has developed the improvements Korindo must successfully achieve to keep their FSC certification. This move follows FSC's [decision](#) earlier this year not to expel Korindo from its system, despite reports pointing to issues related to Korindo's conversion of natural forests to oil palm production.

The improvements specified by FSC have been defined based on discussion with Korindo to define the actions Korindo must implement to improve performance and remedy past negative environmental and social impacts. This approach is in line with FSC's aim to build a path together with both the company and interested stakeholders towards successful and responsible management on the land that Korindo manages in Indonesia.

FSC considers that continued dialogue with interested stakeholders and Korindo is the best way forward towards achieving meaningful positive impacts in the company's forestry and forestry-related operations. The process will continue through a structured, transparent and inclusive public stakeholder engagement process.

Action areas

Korindo will:

- Implement a moratorium on land clearing across all Korindo's operations and commodities in Indonesia. This moratorium will remain in place, and Korindo will refrain from developing activities in the areas identified as containing high conservation values (HCV) and/or as being high carbon stock (HCS) areas until all HCV and HCS assessments are finalized and approved.
- Refrain from developing its activities in areas identified as containing HCV or as being HCS areas as a result of these assessments and implement the necessary measures and actions to ensure the conservation, viability and maintenance of the identified biodiversity values (HCV and HCS).
- Progressively reduce and - within the next year - cease the use, purchase, trade and liquidation of logs acquired from the development of palm oil



plantations or from any other conversion as raw material in all the companies in the Korindo Group. In parallel, to progressively increase the use of FSC-certified and controlled wood material of Korindo companies in the timber trade and forest products sector.

- Work towards full FSC certification to be achieved within the next four to five years for its forest concessions located in Kalimantan and Papua, Indonesia. Korindo will demonstrate sustained effort towards this goal through measurable progress and regular updates.
- Undertake remedy and improvement processes to assure social measures have been and will be fair and proportionate and subject to FPIC of affected communities in Papua and North Maluku.

Further specification of actions could arise during the planned public stakeholder engagement process. For all the above areas, Korindo will provide regular progress updates to FSC. FSC will provide timely updates for stakeholders and members.

For media enquiries:

Alexander Dunn
External Affairs at FSC International
a.dunn@fsc.org