

Overview of the complaints panel investigation findings

Korindo held one FSC forest management certificate and four FSC CoC certificates at the time when the complaint was filed. During the investigation Korindo has sold one of its companies that holds a forest management certificate and FSC CoC certificate so that there are currently three FSC CoC certificates remaining with affected companies. The complaint against Korindo is based on the activities of their palm oil subsidiaries in West Papua and North Maluku provinces of Indonesia.

The complaints panel conducted a field visit to Indonesia in December 2017 for twelve days which included 8 days in West Papua of which 4 days were spent in Asike, the centre of Korindo operations in Papua. The panel was unable to visit Korindo operations in North Maluku.

The complaints panel investigation identified the following unacceptable activities in relation to Korindo's operations:

- 1) **Violation of Indigenous Peoples' rights** on the basis of **clear and convincing evidence** in Papua in the way in which it obtained access to land and timber resources.

The panel has also concluded that it is **on the balance of probabilities** that Korindo is **supporting the violation of traditional and human rights** by directly benefitting from inability of communities to express dissatisfaction in relation to their operations due to the company's deficient stakeholder engagement practices, by failing to provide communities with sufficient information to enable making informed decisions and by providing unfair compensation rates to communities, among other issues.

- 2) **Significant conversion of natural forests** on the basis of **evidence beyond reasonable doubt** by carrying out **large scale** conversion.

The conversion was deemed to be significant among others due to its scale of more than 30,000ha in the last five years, due to the failure to protect adequate areas of natural vegetation, and due to the impact that it has had on local communities and in particular the failure to compensate landowners adequately for the timber taken.

- 3) **Significant conversion of natural forests** on the basis of **clear and convincing evidence** in that the forest conversion took place in **High Conservation Value Forests**.

Korindo's activities involved the clearing of substantial areas of Southern New Guinea Lowland Rain Forest which is considered endangered/critical in the Global 200 classification. This renders the conversion significant and is also likely to have contributed to the damage of HCVs. In addition, the conversion most likely destroyed some areas that provided critical resources for local communities.



The original allegations against Korindo included an allegation that Korindo was systematically **using fire for land clearing**. The panel found that **on the balance of probabilities this was not the case**. A later allegation concerned the destruction of Intact Forest Landscapes (IFL) and therefore of HCV and the **panel found that the IFL had not been destroyed** since its remaining area exceeded the threshold of 50,000ha.