



Wisma Korindo
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Jakarta 12780, Indonesia

KORINDO RESPONSE

to the Allegations by TuK Indonesia and RAN

The allegations by Transformasi untuk Indonesia (TuK) and Rainforest Action Network (RAN), dated November 12th 2018, are untrue and false. KORINDO Group is at a loss as to how and why these allegations are made.

1. The KORINDO Group business operation in Halmahera region since the end of 2011 contributes to the regional development of North Maluku Province in an absolute accordance with the Indonesian Government's program to develop the region.
2. KORINDO Group has never used illegal timber. Nor it is possible for anyone to use illegal timber due to a systematic process that screens and blocks illegal plywood export as it requires all firms to report supply material through an on-line system. All timbers and timber suppliers for KORINDO are certified with Timber Legality Assurance System (SVLK) in accordance with Indonesian regulation supervised by the Ministry of Environment and Forestry of the Republic of Indonesia (Number P.30/Menlhk/Setjen/PHPL.3/3/2016 Article 9(1/)). It states that all timber manufacturers must have certification in compliance with SVLK scheme. SVLK is a system that had been verified by the European Union government institution, and its credibility has never been challenged.
3. SVLK is not a simple system that an NGO with no expertise or training in timber or forest management can challenge with a dozen page report.
4. KORINDO Group is committed to respecting and abiding by the laws and regulations of Indonesia. KORINDO Group established oil palm plantation in areas designated and approved by the Indonesian Government, and follows strict rules of the Indonesian Sustainable Palm Oil (ISPO) standard.
5. KORINDO Group clears land mechanically with heavy equipment in ways that cause minimum environmental damage. The allegation that KORINDO uses forest burning is not only untrue but impractical. It is a clear demonstration that neither RAN nor TuK understands oil palm management. Please see the Report by the Government Forestry Agency in South Halmahera Regency, North Maluku Province Number 522.1/110/206 dated February 16th 2016 which states that there are no findings of land clearing by forest burning.



6. KORINDO Group respects legal rights, communal rights, and indigenous rights of all people including the indigenous and local population. Korindo Group has never forced, threatened, or committed violent acts against anyone in the community. KORINDO Group has always conducted dialogue through joint discussion with the local community, village government, and the related stakeholders prior to the land being developed. KORINDO did not take away the land owned by the community as accused by TuK Indonesia and RAN, the community and Korindo agreed on the land release as per the Indonesian regulations.
7. KORINDO Group has been neither convicted of nor involved in any questionable practices by the authorities. KORINDO Group has secured all permits and licenses for all its business operations including PKH, ILOK, IUP, Amdal, and HGU. KORINDO Group is always willing, able, and eager to demonstrate transparency in every practice and activity.

KORINDO Group is at a complete loss as to why TuK Indonesia and RAN made these allegations which is nothing more than a negative campaign against the company that has always been in compliance with the regulations.

TuK Indonesia on Monday (12/11/2018) has conducted a 10-minute demonstration in front of KORINDO headquarters without any prior notifications or permission request.

KORINDO Group Management

Jakarta, 12th of November 2018

For further information, you can contact

KORINDO Group Public Relations Team through e-mail: corpcom@korindo.co.id

