RAPID RESPONSE

PALM OIL SECTOR REPORT 51

Prepared with support from planet.

October 2025

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Supply Chain Information

Supply chain information included in Rapid Response reports is based on the latest public versions of mill disclosures, recent export data, and grievance logs. Mighty Earth encourages companies to send updated versions of mill disclosures as soon as they become available and to share any decision to suspend relations with a given group/company with rapidresponse@mightyearth.org.

New Case

Group: Korindo Group (sub-group TSE Group)

PT Dongin Prabhawa (plasma area)

Concession & Clearance Location: -7.4176, 139.5831

Deforestation and/or Peat Development					
Report	**Deforestation (ha)**	**Area of Impact (ha)**	**Peat Forest Development (ha)**	**Tree Cover Loss (ha)**	**Time Period**
51	480	670			October 2024 – March 2025

Planet satellite Imagery shows that between October 2024 and March 2025, there was a total of 480 ha of deforestation in the PT Dongin Prabhawa plasma area (see pages 9-11). The September 2024 Planet imagery shows a network of plantation roads covering some 670 ha have also been constructed.

Supply Chain Information

Company/Group	Traders	Biofuel/Other	Consumer Brands
PT Dongin Prabhawa mill	Cargill, Wilmar	Nisshin Oillio	PZ Cussons
Korindo sub-group TSE Group	Cargill, IFFCO, Wilmar	Nisshin Oillio	Avon, Barry Callebaut, Mondelez, PZ Cussons

The names in the table above include search results from mill lists downloaded between January 2024 and September 2025.

Case Notes and History

Korindo's vast deforestation and social legacies; Suspended by top palm oil customers and investigated by the Forest Stewardship Council (FSC)

In 2016, the Korindo Group ('Korindo') was suspended by its top palm oil customers, including Bunge, Cargill, Musim Mas and Wilmar. This follows the publication of Mighty Earth's 2016 'Burning Paradise' report.

The 'Burning Paradise' report documents that, in total, *'Korindo has cleared more than 50,000 hectares of tropical lowland forests in Papua and North Maluku, Indonesia; an area approximately the size of South Korea's capital city, Seoul. Since 2013 alone it has cleared 30,000 hectares of forests in the two provinces, 12,000 hectares of which were primary forests.'*

Between 2017 and 2019, the Korindo was the subject of three independent investigations commissioned by the Forest Stewardship Council (FSC), a global certification body for responsible forest management.

The FSC investigations followed Mighty Earth's complaint against Korindo, which documents how the group's oil palm operations were in violation of the FSC's '*Policy for Association.'* This policy covers unacceptable activities such as large-scale deforestation, the destruction of High Conservation Values (HCVs) and the violation of traditional and human rights.

In July 2018, the FSC Complaints Panel investigation found that Korindo had destroyed more than 30,000 hectares of rainforest between 2011-2016. Furthermore, the Panel found that Korindo was in '*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*.'

Despite the multiple suspensions and the FSC investigations, Korindo continued to clear over 7,000 ha of rainforest in four out of six of its oil palm concessions between 2016 and 2021.

The full100+ page FSC 'Complaint Panel' report was never published after the FSC received legal threats from Korindo's lawyer, including the apparent delivery of a '*cease and desist*' letter.

In 2020, a joint investigation by the Gecko Project and Mongabay obtained a leaked copy of the full FSC 'Complaint Panel' report. The investigation states: *'Among its findings, the panel estimated that Korindo had deprived local communities in Papua of $300 million by failing to pay commercial rates for the timber harvested from their lands. In its report to the FSC, the panel wrote that Korindo had made "large profits" because it had paid the Papuans as little as $0.80 for each cubic meter (m3) of timber, which the panel estimated to have an average commercial value of $250 per m3.'*

Case Notes and History

In August 2018, at the request of its Board of Directors, the FSC commissioned two further investigations into Korindo's violations of the FSC Policy for Association. One investigation was on High Conversation Value (HCV) environmental impacts, and the other on social impacts on indigenous communities.

However, the final published reports and its findings were heavily redacted (censored) after the FSC received legal threats from Korindo's lawyer.

Pages 15-65 of the censored social impacts report include investigations into impacts related to Korindo's PT TSE POP A and PT TSE POP B concessions in Papua, as well as in PT Gelora Mandiri Membangun (PT GMM) in North Maluku. In the PT TSE Pop A and PT TSE Pop B concessions, the reacted (censored) version of the report included:

- '***Failures of representation***, *with only select community members engaged by the company; particular clans not included, and landowners not consulted, including those residing in PNG; landowners barred from entering meetings and domination and manipulation';*
- '***Related failure of consent*** *– land rights waivers not signed by all; and compensation payments to only few - as suggested by few signatures on documentation, claims to have been excluded in testimonies, and numbers on Korindo's record.'*

The conclusions of the social expert report include:

- *'The* ***experiences of communities that have been set out in detail*** *in this case study of one concession in themselves provide ample evidence of the multiple rights violations that have taken place.'*
- *'Taken in sum with those of the other communities affected,* ***the repetition of these same violations across the 5 concessions represents a very serious set of abuses*** *indeed by the company.'*
- *'As a result, of these violations, the* ***affected communities have suffered considerable harms****. These range from the threat and in some cases use of violence, in an ongoing atmosphere of intimidation (and above and beyond that associated with the prevailing local security setting)';*
- *'The* ***inability to exercise their right to oppose the concession****; and the highly disproportionate compensation payments, received by a minority of community members only, and with little knowledge or any participation on the part of many.'*

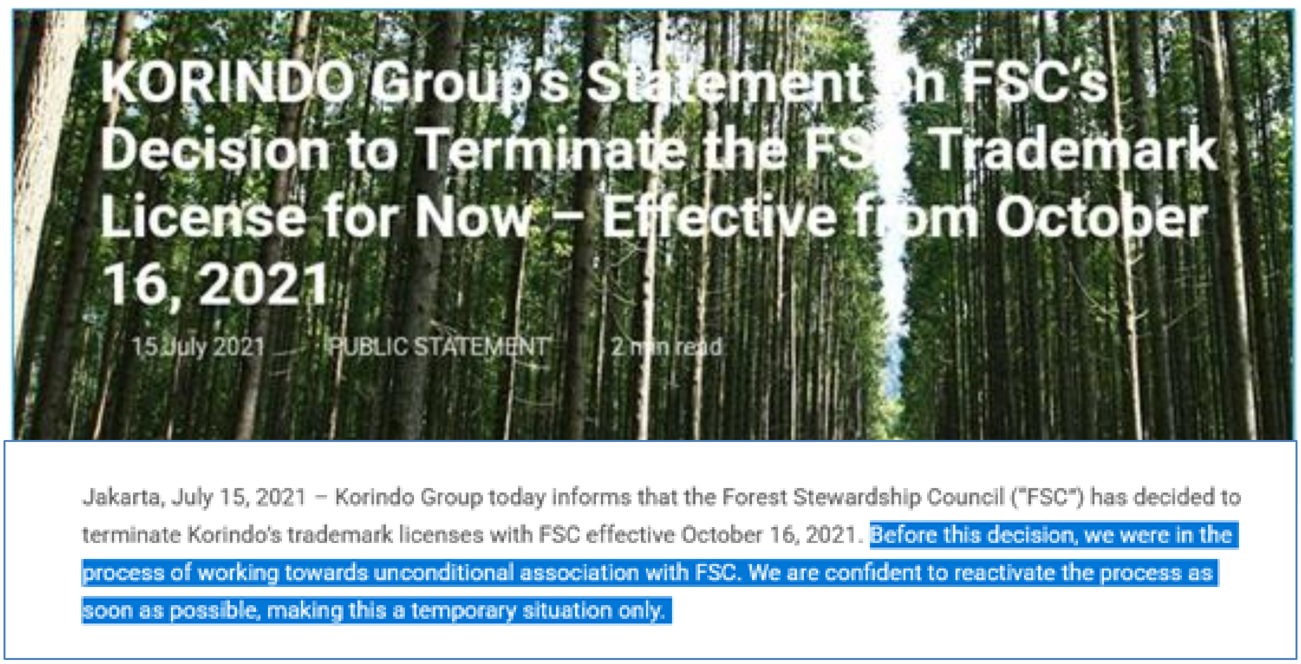
Case Notes and History

FSC disassociates from Korindo Group

In August 2019, the FSC decided to retain a '*conditional association*' of Korindo, requiring the group to implement a list of corrective and remedial actions. This included the '*appointment of independent mediating party to support dialogue and conflict resolution with communities*.'

However, in July 2021, Korindo failed to agree to the conditions of an independent verification process, and therefore, the FSC Board of Directors decided to terminate the Korindo's trademark licenses with the FSC.

Korindo responded to the FSC disassociation by declaring: '*Before this decision, we were in the process of working towards unconditional association with FSC. We are confident to reactivate the process as soon as possible, making this a temporary situation only.*'


KORINDO Group's Statement on FSC's Decision to Terminate the FSC Trademark License for Now – Effective from October 16, 2021

15 July 2021 | PUBLIC STATEMENT | 2 min read

Jakarta, July 15, 2021 – Korindo Group today informs that the Forest Stewardship Council ("FSC") has decided to terminate Korindo's trademark licenses with FSC effective October 16, 2021. Before this decision, we were in the process of working towards unconditional association with FSC. We are confident to reactivate the process as soon as possible, making this a temporary situation only.

The disassociation was 4 years ago. The process with the FSC has not been reactivated, as wished for by Korindo in its above statement. Under FSC rules, Korindo would now need to apply for 're-association' with the FSC following its formal disassociation.

The FSC has developed a '*Remedy Framework*' which is a set of permanent and effective measures required for remedying past conversion of natural forest and 'unacceptable activities,' including the violation of traditional and human rights.

Case Notes and History

In July 2021, the Korindo group announced that its oil palm companies had been '*separated from the Korindo Group' and would be 'managed independently as TSE Grou*p'. As the ultimate beneficial owners remain the same, the Korindo Group has effectively rebranded its palm oil business as the '*TSE Group.*'

In November 2021, the TSE Group published an NDPE policy which includes a commitment to *'No new development until we have identified and are able to effectively protect the High Conservation Value (HCV) and High Carbon Stock (HCS) areas within our concessions*.'

The 2021 Policy also includes a commitment to '*Develop and implement a Remediation and Compensation Procedure (RaCP) to provide tangible and long-term benefits to conservation and local communities, as well as to compensate the impact our operations may have caused. We will carry out the initial assessment of liabilities no later than the middle of November 2021.*'

This liability assessment was developed by the Hylobates Awara Foundation. The full assessment report, called '*Assessment of Forest Cover Change in the Tunas Sawa Erma (TSE) Concession Group, South Papua Province and North Maluku Province,*' states that its aims were only to '*determine the area of primary and secondary forest converted after December 2015.*'

The assessment states that 'TSE Group's Liability Value based on the results of the analysis of changes in forest cover to non-forest is 7,042.67 Ha,' as shown in the table below.

Table 41. Total forest area converted to non-forest in TSE Group concessions

Company	Province	Liability/Ha (2015-2021)
PT. Tunas Sawa Erma A (TSE A)	South Papua	-
PT. Tunas Sawa Erma B (TSE B)	South Papua	1,411.57
PT. Berkat Cipta Abadi (BCA C)	South Papua	-
PT. South Papua Agro Lestari (PAL)	South Papua	2,846.14
PT. Dongin Prabhawa (DP)	South Papua	1,105.42
PT. Gelora Mandiri Membangun (GMM)*	North Maluku	1,679.54
Total		**7,042.67**

*) GMM (Liability 2015-July2023)

Case Notes and History

As stated by the authors of the Recovery Plan (2024–2049), the '*Liability area value serves as the basis for determining the extent of the Recovery Plan to be implemented*.'

The '*Liability Study'* therefore does not determine or address the full social liabilities related to the violation of traditional and human rights. These include violation of Free Prior and Informed Consent (FPIC), or loss of forest areas fundamental to meeting basic needs of local communities (HCV 5) or areas critical to local communities' traditional cultural identity (HCV 6).

Should Korindo be allowed into a company's supply chain with unresolved social issues?

Wilmar lifted its suspension of the Korindo Group in April 2024. Wilmar's grievance log states: '*As of April 2024, Korindo Group has* ***met all the requirements stipulated in our re-entry criteria****. This includes their commitment to the development of a Recovery Plan for Non-Compliant Land Clearing to the NDPE policy at group level, for activity that has taken place from January 2016 onwards*.'

The re-entry criteria, formally titled '*minimum criteria for supply chain re-entry after suspension due to NDP-non-compliance,'* was developed by palm oil companies, including Wilmar, and NGOs. The full unedited version of the '*re-entry criteria*', as published by GAR, for example, states:

'*Decisions about re-entry may also take into account other non-NDP factors and considerations in addition to the minimum requirements outlined below. Non-NDP factors could include amongst others,* ***exploitation-related violations or grievances****, commercial considerations, supply chain factors, etc.*'

Exploitation issues have no cut-off date. They too must be addressed to a high standard of remediation and not overlooked even when Deforestation and Peatland issues are resolved.

Wilmar's decision to unsuspend Korindo did not take into account ***exploitation-related violations.***

Mapping Analysis

PT Dongin Prabhawo plasma development and impact on HCS forest

The boundary and landcover (as of 2021) of the PT Dongin Prabhawo concession is shown below, as published in Korindo's TSE Group 'liability' assessment report conducted by the Awara Hylobates Foundation.

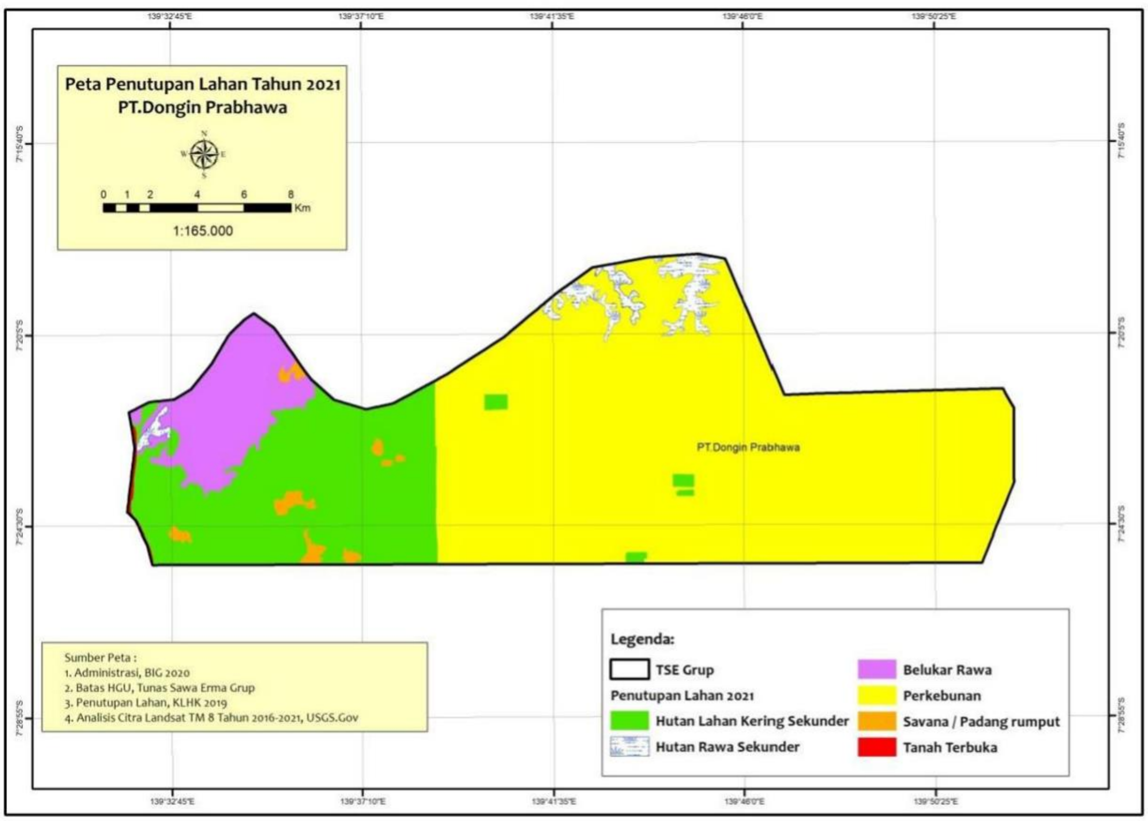


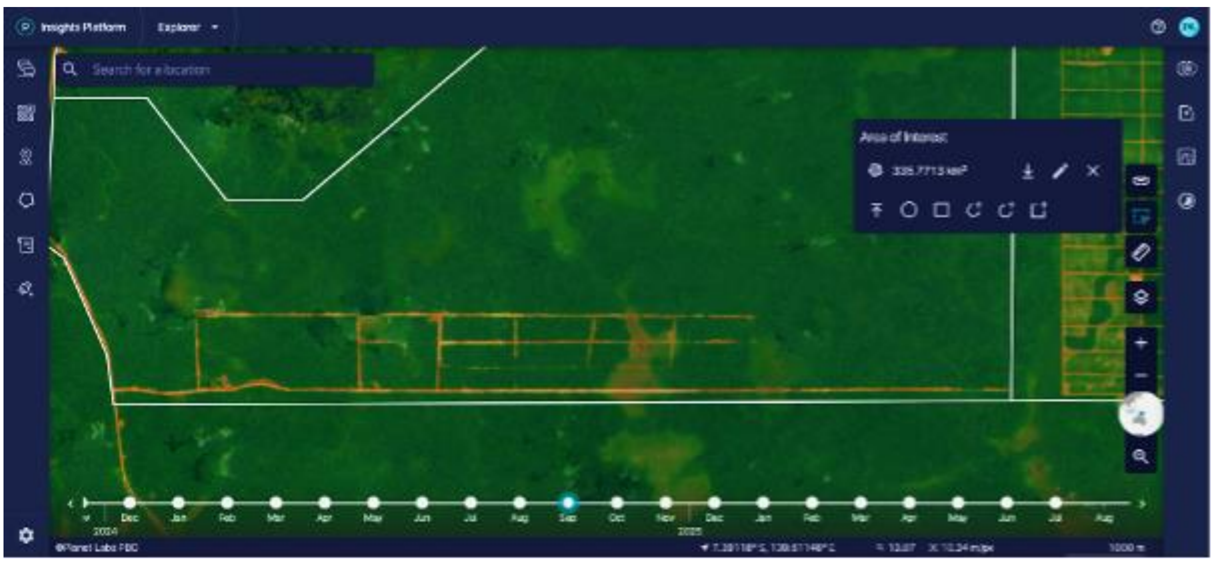
Figure 25. Land cover map in PT. DP's concession in 2021

Mapping Analysis

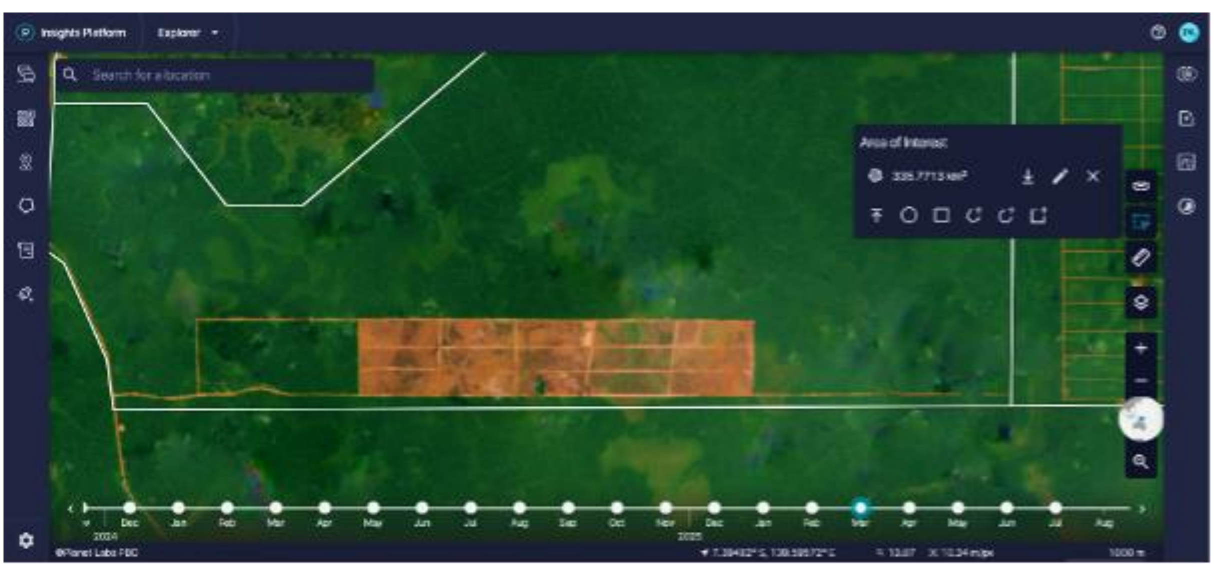
A Planet satellite image dated August 2024 shows a new road within the boundary of PT Dongin Prabhawo's HGU Business Permit dated 2013 (No. 85/HGU/BPN RI/2013).

By September 2024, Planet satellite imagery shows that the road had been extended to the western edge of the HGU boundary (version No. 85/HGU/BPN RI/2013). In the eastern part of the concession, the road was extended to within 600 m from PT Dongin Prabhawo's established plantation area (to the far right of the Planet image below).

The September 2024 Planet imagery below shows that a network of plantation roads covering some 670 ha have also been constructed.



Planet imagery below shows that 480 ha of land clearing continued in this area from October 2024 up until March 2025 and then stopped. See March 2025 imagery from Planet below.



Mapping Analysis

No further development has taken place in the period between March 21, 2025 and October 10, 2025.

The deforestation shown on the previous page is related to what PT Dongin Prabhawo states is its '*commitment to allocate 20% of its lands with the Rights to Cultivate (HGU) to Iska Bekai Cooperative for plasma plantation development.*'

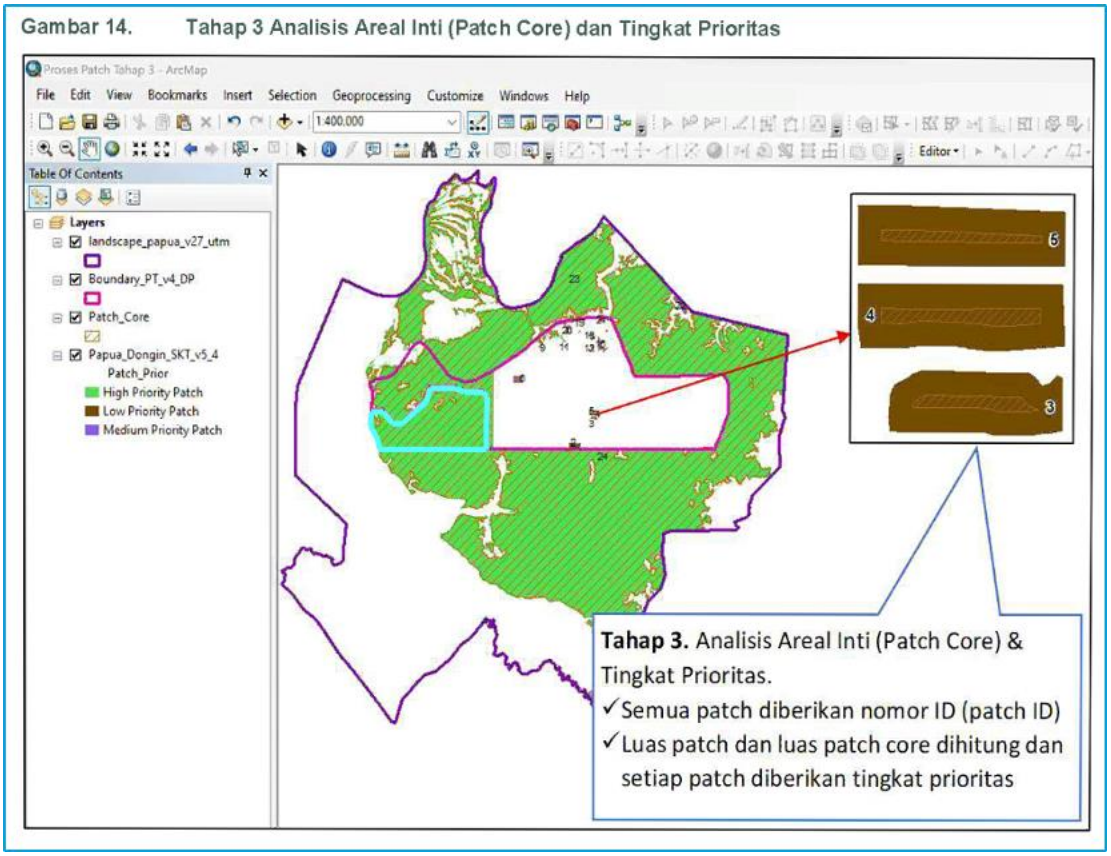
In practice, PT Dongin Prabhawo excised 5,667ha of undeveloped land (blue outline) from its 33,544ha HGU Business Permit (No. 85/HGU/BPN RI/2013) and allocated it to a Plasma area held by the Iska Bekai Cooperative.

A February 2025 statement by TSE claims that: '*Currently, KSU Iska Bekai is partnering with PT Tritama Lestari, under local government directives, to develop an oil palm plantation. PT Dongin Prabhawa has no involvement in this development.*'

Mapping Analysis

The map below shows that this undeveloped area (identified by the blue outline added by Mighty Earth) was classified as a '*High Priority Patch*' (High Carbon Stock, HCS) in Ata Marie's [2024 High Carbon Stock/High Conservation Value assessment]() of PT Dongin Prabhawo.

The modified HGU boundary for PT Dongin Prabhawo is marked with the purple outline in the map below.



The high-resolution Planet satellite image (August 17, 2025) below shows that the land clearing goes all the way down to rivers that flow through the developed areas – i.e. no riparian areas have been established to protect the quality of the rivers.

Additional Case Notes

PT Dongin Prabhawa plasma plantation development and compliance with TSE Group's NDPE Policy

The February 2025 statement by TSE claims that: '*PT Dongin Prabhawa has no involvement in this* [plasma] *development*.' However, the same statement claims that its NDPE policy covers its plasma plantations:

> *'Since 2019, TSE Group has enforced a No Deforestation, No Peat, No Exploitation (NDPE) policy, which covers both nucleus and plasma plantations… Aligned with our ESG Policy, TSE Group only sources Fresh Fruit Bunches (FFB) from suppliers adhering to our stringent policy.'*

The first part of the above statement above assumes that PT Dongin Prabhawa plasma plantation development would need to comply with TSE Group's NDPE policy.

The second part of the statement is reinforced by the TSE Group NDPE policy, which states: '*No procurement of Fresh Fruit Bunches (FFB) from suppliers that do not comply with our policy*.'

These policy statements indicate that the PT Dongin Prabhawa mill, and other TSE Group mills, have committed to not source any FFB from any plasma area that was developed following deforestation (i.e. clearing of HCS forest) – such as the PT Dongin Prabhawa plasma area.

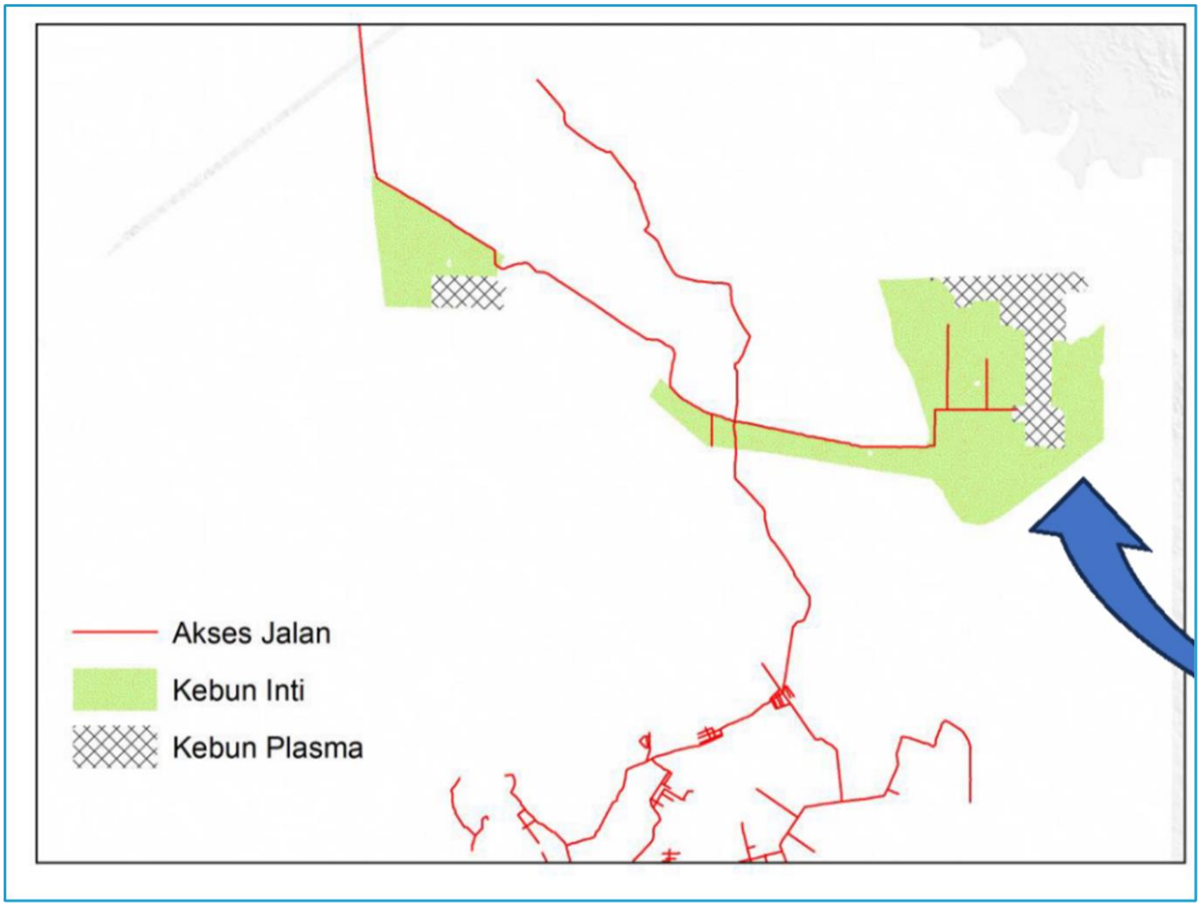
Furthermore, palm oil traders' NDPE policies, as well as its downstream customers, wouldn't allow sourcing of palm oil derived from PT Dongin Prabhawa plasma area.

Plasma compliant with NDPE policies and RSPO

PT Dongin Prabhawa could have allocated 20% of its existing mature oil palm plantation areas to comply with its plasma obligations. The PT Berkat Cipta Abadi concession, also owned by Korindo, adopted this approach by *transferring '2,280 hectares of mature plasma plantation to the Ziid Kiwab Bersatu (ZKB) Cooperative.'*

POSCO Group's PT Bio Inti Agrindo's (PT BIA) two main concession areas, which neighbour a number of Korindo's TSE Group concessions, also allocated 20% of its own mature plantation areas to plasma agreements, as illustrated in the PT BIA map on the following page. The Plasma areas are marked by the grey crosshatch.

Additional Case Notes



Unlike Korindo's approach, PT BIA decided to meet its Plasma plantation legal requirements by applying for RSPO membership and complying with its Remediation and Compensation Procedure (RaCP) and certification requirements. PT BIA has a deforestation legacy of over 35,000 ha under the RSPO scheme.

Under the 2018 RSPO Principles and Criteria (P&C), PT BIA's '*certified mill*[s] *shall develop and implement a plan to ensure that 100% of scheme smallholders and scheme outgrowers are compliant with the 2018 RSPO P&C within three years of the mill's initial certification.*' PT BIA claims that the Plasma areas supply 100% of its Fresh Fruit Bunches (FFB) to PT BIA and that the Plasma plantation areas are certified to RSPO standards.

If the TSE Group became an RSPO member, the group would need to address all its oil palm related deforestation and social impact legacies, as well as comply with RSPO Plasma plantation scheme requirements. This would be a welcome development.

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