

Risky Business

EU TIMBER IMPORTS LINKED
TO THE DESTRUCTION OF
BORNEO'S FORESTS

earth sight

auriga

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Earthsight is a non-profit organisation committed to harnessing the power of primary investigative research and reporting to bring attention to pressing issues of human rights and environmental justice. We aim to get to the core of an issue, using a range of investigative research methods to obtain first-hand, documented evidence of crimes against both people and the planet which is irrefutable and impossible to ignore. By following the money and tracing supply chains, our research also aims to expose the complicity of consumers and financiers in abetting these abuses.

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Machinery loads logs onto a truck in a recently cleared area of the PT Indosubur Sukses Makmur concession, East Kalimantan, January 2025
Source: © Auriga / Earthsight



KEY FINDINGS

- With some of Indonesia's last remaining orangutan strongholds being flattened at an alarming rate, our investigators have, for the first time, traced the timber companies buying the wood produced through this deforestation – and their biggest European clients
- Thousands of unpublished documents, obtained by Earthsight and our Indonesian partner Auriga Nusantara, allowed us to piece together a near-comprehensive snapshot of the companies using wood from bulldozed forests in Borneo, the epicentre of Indonesian deforestation. New footage captures the destroyed habitat of multiple endangered species, while members of local and Indigenous communities speak of harm to their livelihoods
- Combined with analysis of trade data, the documents reveal that the biggest Indonesian buyers of logs produced through this clearance of natural forest – rather than logging that leaves the rest of the forest standing – are all shipping wood products to Europe
- The main European customers of Indonesian firms handling deforestation wood are Dutch, Belgian and German companies, which ordered more than 23,000 cubic metres of wood products in 2024, including finished plywood, garden decking and door frames
- There is a high risk that any timber imported from these Indonesian companies comes from forest clearance. We found evidence that proves deforestation wood has entered European markets, while our undercover investigation exposes a pattern of dishonesty and false claims, meaning timber exporters' promises of sustainable supplies cannot be trusted
- Our findings highlight the urgent need for the EU Deforestation Regulation, which when implemented should ban imports of deforestation wood. But the regulation is under persistent attack from some policymakers and industry groups
- EU importers of Indonesian wood products should cease buying from any company that handles logs from forest clearance, and switch to some of the many Indonesian firms that are not using this shameful timber



Watch the trailer



SUMMARY

**“THE COMMUNITY
DEPENDS ON THE
FOREST. IN THE PAST
WE WERE SPOILT BY
NATURE. EVERYTHING
WE NEEDED WAS
HERE. IF WE WANTED
TO CATCH FISH, IT
WOULD ONLY TAKE A
SHORT TIME, AND
ANYTHING WE PLANTED
WOULD GROW.”**

Hante, resident of
Humbang Raya

Hante¹ lives in Humbang Raya, a village of around 900 people on the banks of the Mangkutup River in Central Kalimantan province, Indonesian Borneo. Tropical rainforest stretches to the east, west and south of the village, supporting one of the highest densities of orangutans in Indonesia, as well as endangered gibbons, sun bears and hornbills.² The Indigenous (Dayak) residents of the village use the forest as a source of food, firewood and traditional medicines, and it is fundamental to their traditional beliefs and rituals.

But to the north of Humbang Raya lies the concession of timber plantation company PT Industrial Forest Plantation – one of Indonesia’s most voracious and destructive deforesters. The concession covers more than 100,000 hectares (ha), an area bigger than Singapore. Since 2021, PT Industrial Forest Plantation has cleared over 15,000ha of natural forest within its concession, replacing it with vast monoculture stands of fast-growing acacia trees. Since 2022, the company has cleared more natural forest each year than any other, bar

one, across Indonesia’s entire industrial plantation sector.³

“Now, the community can no longer search for wood like they used to; it’s gone,” says Hante. “The company never considered whether the forest was customary forest [traditionally managed by local communities] or community forest. They were powerful because they had permits.” He says that a company promise to provide plants that the community could use to support their livelihoods has come to naught. Tensions escalated in 2019, when the community staged a roadblock in protest against the company’s operations, leading to confrontations with the police.

This picture has been repeated across much of Borneo in the last decade, as the world’s third-largest island has become the epicentre of deforestation in Indonesia. Analysis by Auriga Nusantara found that deforestation rates in Indonesian Borneo (also known as Kalimantan) have increased every year since 2021, with more than 129,000ha of forest destroyed in 2024 alone. The biggest driver was the clearing of natural forest to establish



Natural forest (on the left) and young timber plantations on recently deforested land (on the right) in the concession of PT Industrial Forest Plantation, Central Kalimantan, November 2024
Source: © Auriga / Earthsight

timber plantations, followed by mining and oil palm.⁴

When natural forest is cleared for these purposes, the ‘deforestation wood’ produced is typically sold on to sawmills and timber factories, where it is processed for domestic and international markets. Far from an unimportant by-product, the sale of this deforestation wood is a critical element in many concession holders’ balance sheets, used to finance the ongoing clearing of forest. This may be legal under Indonesian law, but creates a chain of complicity in the destruction of the country’s precious forests as the wood is bought and sold.

Deforestation wood has long been big business in Indonesia. When deforestation in the country was at its height in the 2010s, as much as 85 per cent of all the natural forest logs being harvested were estimated to have come from the clearance of forest for agriculture and timber plantations.⁵

Though the proportion has since declined, the volumes involved remain large. According to figures published by Indonesia’s Ministry of Forestry,

WHAT IS DEFORESTATION WOOD?

We use the term ‘deforestation wood’ to refer to the timber that is produced when forests are cleared. This is also known as ‘conversion wood’ or ‘conversion timber’, referring to the process of forest being ‘converted’ into land for other uses, such as plantations. When the companies involved have the necessary permits to clear forest and sell the resulting timber, this deforestation wood is legal.

This is different from ‘selective logging’, in which specific trees are felled but the rest of the forest is left standing. At least in theory, selective logging can be sustainable if it does not significantly alter the ecological functions of the forest, which is then given enough time to recover.

‘Deforestation wood’ also excludes timber harvested from plantations which have been artificially grown in Indonesia, using species such as acacia or eucalyptus.



SUMMARY | CONTINUED

LAPORAN REALISASI KINERJA PENGOLAHAN HASIL HUTAN : Pemenuhan Bahan Baku
 BPBPH : KORINDO ARIABIMA SARI, PT.
 Lokasi Kabupaten/Kota Kotawaringin Timur, Provinsi Kalimantan Tengah

Year: January - December 2024

No.	Source or origin of raw materials	Provinsi / Negara	Rencana Tahun Ini	Realisasi Bulan Ini	Realisation until December	Uraian Realisasi Sampai Dengan Bulan Ini								Keterangan/ Lain-Lain	
						Logs from natural forest					Logs from plantation forest		Kayu Olahan Setengah Jadi (dari pihak lain atau IPHHK lain)		Kayu Limbah (dari pihak lain atau IPHHK lain)
						Kayu Bulat Besar Kelompok Jenis Kayu Meranti	Kayu Bulat Besar Kelompok Jenis Kayu Rimba Campuran	Kayu Bulat Besar Kelompok Jenis Kayu Indah/ Mewah	Kayu Bulat Besar Kelompok Komoditi Lainnya	Kayu Bulat Kecil	Kelompok Kayu Hutan Tanaman (termasuk hutan rakyat)	Kelompok Kayu Perkebunan			
			(M3)	(M3)	(M3)	(M3)			(M3)	(M3)		(M3)	(M3)		
I.	Persediaan Akhir di IPHHK Tanggal 31 Desember Tahun Lalu (2023)														
	1. Kayu Bulat		11,168.54	0.00	11,168.54	5,217.67	5,924.13	25.16	1.58	0.00	0.00	0.00	0.00	0.00	
	2. Bahan Baku Kayu Olahan Setengah Jadi		7,857.79	0.00	7,857.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,857.79	0.00	
	3. Limbah Pengolahan Hasil Hutan		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
II.	Natural forest logs derived from selective logging														
	1. BALIKPAPAN WANA LESTARI, PT (D/H PT. BFI)	Kalimantan Timur	24,000.00	0.00	19,253.72	15,386.41	3,797.59	69.72	0.00	0.00	0.00	0.00	0.00	0.00	
	2. DAISY TIMBER, PT	Kalimantan Timur	15,000.00	0.00	9,523.30	9,096.87	424.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	3. HUTANINDO LESTARI RAYA TIMBER, PT	Kalimantan Tengah	17,000.00	0.00	15,930.16	15,930.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	4. INHUTANI I (UNIT LABANAN), PT	Kalimantan Timur	7,300.00	0.00	7,266.37	7,113.49	172.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	5. INHUTANI I, PT (UNIT SAMBARATA)	Kalimantan Timur	5,500.00	0.00	5,416.72	5,416.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	6. KARDAS TRADERS, PT	Kalimantan Tengah	10,000.00	0.00	8,636.90	8,636.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	7. KARYA JAYA PARAKAWAN, PT	Kalimantan Utara	28,892.05	0.00	28,745.36	9,004.12	19,741.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	8. TRISETIA INTIGA, PT	Kalimantan Tengah	13,050.00	0.00	8,323.97	6,852.28	1,441.45	0.00	30.24	0.00	0.00	0.00	0.00	0.00	
III.	IUPHHK Restorasi Ekosistem Dalam Hutan Alam Yang Telah Mencapai Keseimbangan, atas nama :														
IV.	Hutan Tanaman Rakyat (HTR)/Hutan Kemasyarakatan (Hkm), atas nama :														
V.	IUPHHK Pada Hutan Tanaman Industri atau HTI, atas nama : 1. KORINTIGA HUTANI, PT	Kalimantan Tengah	1,200.00	0.00	919.20	0.00	0.00	0.00	0.00	0.00	919.20	0.00	0.00	0.00	
VI.	Hutan Rakyat untuk Kayu Tumbuh Alami														
VII.	Hutan Kemasyarakatan (Hkm), atas nama :														
VIII.	Perum Perhutani														
IX.	Kesatuan Pengelolaan Hutan, atas nama :														
X.	Izin Lainnya Yang Sah (ILS) atau IPK, atas nama :														
XI.	Hutan Rakyat Kayu Tanaman Budidaya, atas nama : 1. Ketapang	Kalimantan Barat	100.00	0.00	56.62	0.00	0.00	0.00	0.00	0.00	56.62	0.00	0.00	0.00	
	2. Kotawaringin Barat	Kalimantan Tengah	600.00	0.00	371.22	0.00	0.00	0.00	0.00	0.00	371.22	0.00	0.00	0.00	
	3. Kotawaringin Timur	Kalimantan Tengah	5,800.00	0.00	4,107.20	0.00	0.00	0.00	0.00	0.00	4,107.20	0.00	0.00	0.00	
	4. Lamandau	Kalimantan Tengah	900.00	0.00	496.30	0.00	0.00	0.00	0.00	0.00	496.30	0.00	0.00	0.00	
	5. Seruyan	Kalimantan Tengah	1,500.00	0.00	1,252.26	0.00	0.00	0.00	0.00	0.00	1,252.26	0.00	0.00	0.00	
XII.	Kayu Perkebunan, atas nama :														
XIII.	Impor Kayu Bulat/Olahan Dari Eksporir, atas nama :														
XIV.	Hasil Lelang Kayu Bulat Rampasan, Sitaan Atau Temuan, atas nama pemenang lelang :														
XV.	Tempat Penampungan Kayu dari sumber yang sah (TPTKB/TPKRT)/Pengumpul Limbah Industri, : 1. Limbah Dari Pabrik Sendiri (Kalteng)	Kalimantan Tengah	14,400.00	0.00	4,489.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,489.09	
XVI.	IPHHK Lain : a. Kayu Bulat, penyuplai atas nama : b. Bahan Baku Kayu Olahan Setengah Jadi, penyuplai atas nama : 1. ALAM KAYU ABADI, PT 2. ANEKA TIMBER & FURNITURE, PT 3. HASIL NUSANTARA SEJAHTERA, CV 4. PT. KORINDO ABADI 5. WANA CAHAYA NUGRAHA, PT c. Limbah Pengolahan Hasil Hutan, penyuplai atas nama	Jawa Timur Jawa Timur Jawa Timur Papua Jawa Timur	250.00 50.00 350.00 65,000.00 800.00	0.00 0.00 0.00 0.00 0.00	186.94 48.22 235.23 57,660.43 661.38	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 57,660.43 661.38	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	
XVII.	Natural forest logs derived from land clearing in the plantation timber concession PT Indosubur Sukses Nakmur	Kalimantan Timur	20,000.00	0.00	14,496.53	12,596.22	1,900.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			162,010.59	0.00	125,984.37	95,252.84	33,402.03	94.88	31.82	0.00	7,202.89	0.00	0.00	0.00	
	Total Bahan Baku Kayu Olahan Setengah Jadi		74,307.79	0.00	66,650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Total Bahan Baku Limbah Pengolahan Hasil Hutan		14,400.00	0.00	4,489.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

LAPORAN BELUM DIBUAT

An example of an RPBB (Rencana Pemenuhan Bahan Baku Industri, or 'Industrial Raw Materials Fulfilment Plan') document, detailing from where and in what quantities Indonesian timber companies source their supplies of logs or semi-processed wood

Source: © Auriga / Earthsight



Recently deforested land in the concession of oil palm company PT Bina Sarana Sawit Utama, November 2024
Source: © Auriga / Earthsight

514,762m³ of timber derived from land clearing or land preparation in timber plantation, mining and agricultural concessions were used by the country's timber industry in 2024.⁶ Seventy-nine per cent of all wood from clearance in timber plantation concessions was processed by mills in Borneo.^{7,8}

In summer 2024, investigators from Earthsight and Auriga gained access to a treasure trove of new data in the form of thousands of official documents that timber companies submitted to the Indonesian government. These documents, known as RPBBI (*Rencana Pemenuhan Bahan Baku Industri*, or 'Industrial Raw Materials Fulfilment Plan'), detail from where and in what quantities the company sourced their supplies of logs or semi-processed wood.

Natural forest logs derived from land clearing in plantation timber or oil palm concessions are clearly marked in these RPBBI documents, listed separately from natural forest wood from selective logging, or timber harvested from mature plantations.

This enabled us to piece together a detailed picture of the companies buying, processing and selling deforestation wood in Indonesia. Paired with international trade data, this offers a rare and detailed snapshot of where this timber may be going, and who is profiting from clearance of some of the richest ecosystems on the planet. To our

COMPANY NAME	VOLUME OF DEFORESTATION WOOD IN 2024 SUPPLY	VOLUME OF WOOD PRODUCTS EXPORTED TO EU IN 2024
PT Korindo Ariabima Sari	14,497m ³	7,414m ³
PT Basirih Industrial	6,299m ³	3,173m ³
PT Wijaya Triutama Plywood Industri	4,278m ³	345m ³
PT Putra Buana Indonesia Wood Industry	3,594m ³	1,284m ³
PT Kayu Multiguna Indonesia	2,757m ³	11,056m ³

Indonesian companies which research by Earthsight and Auriga identified as having both bought deforestation wood and exported hardwood products to the EU in 2024. The first column lists total volumes of natural forest logs sourced from timber plantation and oil palm concessions where satellite imagery and field verification confirmed large-scale forest clearance taking place in 2024; these companies also sourced wood from selective logging concessions (see Appendix II for full details). The second column lists total volumes of wood products exported by that company to EU Member States in 2024, according to shipment records

Source: © Earthsight / Auriga

knowledge, this is the first time this analysis has been done by civil society groups.

We identified 65 Indonesian companies which in their 2024 RPBBI documents reported purchasing logs derived from land clearing or land preparation in timber plantations, or wood from oil palm or mining concessions.⁹ These ranged from a few logs to 100 per cent of their timber supply. (See Appendix I for the full list of these companies.)¹⁰

We then analysed satellite imagery of the concessions named as sources of this timber. In some cases, we identified only selective logging activity – possibly involving the cutting of the

**INVESTIGATORS
GAINED ACCESS TO
THOUSANDS OF
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THAT TIMBER
COMPANIES
SUBMITTED TO THE
INDONESIAN
GOVERNMENT**

WE WERE ABLE TO IDENTIFY RECENT CASES OF DEFORESTATION WOOD FROM BORNEO ENTERING EU SUPPLY CHAINS, CONFIRMED BY EUROPEAN IMPORTING COMPANIES THEMSELVES

largest or most valuable trees ahead of full clearance. We excluded these concessions for the purpose of this report, restricting our focus to those where large-scale deforestation could be confirmed, and the timber companies which bought wood from these concessions.

We followed this with field verification, to document recently deforested areas initially detected through analysis of satellite imagery. The field team interviewed members of local communities whose land adjoins or in some cases overlaps with the concession, to understand the impacts of the companies' activities.

We then analysed shipment records to pinpoint which of the companies identified in the first phase of research exported hardwood products to the EU in 2024, checking these records against an Indonesian government export database to verify the trade flows were genuine. We were thus able to narrow our focus to five Indonesian timber companies which in 2024 both purchased large quantities of deforestation wood from concessions where confirmed forest clearance had taken place, and which had that same year exported hardwood products to the EU.¹¹ (See Appendix II for full details of these companies' wood supplies and exports.)

These companies are far from insignificant players in Indonesia's timber industry. They include four of

the top five users of logs derived from forest clearance or land preparation across all Indonesia's timber processing companies in 2024, according to our analysis.¹² The fifth, PT Kayu Lapis Asli Murni, which bought 17,853m³ of deforestation wood in 2024, supplies plywood to the US recreational vehicle (RV) industry, as covered in our August 2025 report *Unhappy Campers*,¹³ which was featured on the front page of The New York Times.¹⁴ PT Kayu Lapis Asli Murni also exported plywood to Italy in 2025.¹⁵

Put another way, 43 per cent of all wood from forest clearance or land preparation in plantation concessions consumed by Indonesian timber mills in 2024 was used by just five companies, all of which sell their products to Western markets.¹⁶

Undercover investigators from Earthsight and Auriga, posing as potential buyers, visited the factories of two of these Indonesian timber companies, PT Kayu Multiguna Indonesia and PT Putra Buana Indonesia Wood Industry, seeking to obtain more information about their operations, and see what their salespeople may claim about their sources of timber.

We also visited timber merchants, building supply retailers and garden centres across Belgium and the Netherlands, looking for wood products made using timber from these Indonesian companies, and recording how these products are marketed.

The EU-based customers of the five Indonesian companies named above include Europe's biggest players in tropical wood. Among them are the largest recipient of Indonesian plywood shipped to the EU in 2024, Belgium-based Fepco International, and the second-largest, Germany's Impan GmbH. Together, these two companies accounted for a third of all plywood shipped from Indonesia to the EU in 2024.¹⁷

All five Indonesian companies named above also purchased wood from selective logging concessions, which does not involve the total clearance of



Recently cleared areas of peat forest in the concession of PT Mayawana Persada, West Kalimantan, 2024

Source: © Auriga Nusantara



These three images show 'Solid John' plywood for sale in Brussels, Belgium, January–April 2025. Produced using Indonesian meranti wood, a species of tree that grows only in natural forests, this product is manufactured by a company whose Indonesian suppliers in 2024 sourced wood from deforestation in Borneo

Source: © Auriga / Earthsight



THERE IS A HIGH RISK THAT ANY SHIPMENTS FROM COMPANIES HANDLING DEFORESTATION TIMBER MAY BE TAINTED WITH SUCH WOOD

forest. In theory, therefore, it is possible that this less damaging wood was used for their European exports, and that the deforestation wood they bought was diverted to other markets. However, we were able to identify recent cases of deforestation wood from Borneo entering EU supply chains, confirmed by European importing companies themselves.

In an emailed response to our findings, Dutch timber company Dekker Hout named the Indonesian concession PT Mayawana Persada among their recent sources of Indonesian timber. PT Mayawana Persada has cleared more than 33,000ha of natural forest in its concession since 2021, more than any other industrial plantation

concession in Indonesia, and any natural forest timber from there is certain to have come from deforestation.¹⁸ Extensive clearance of natural forest by PT Mayawana Persada has been well publicised in international media, which a simple Google search would have revealed.¹⁹

Another Dutch company, the plywood importer and wholesaler International Plywood BV, sent us a list of coordinates provided by its Indonesian supplier PT Kayu Multiguna Indonesia, showing where the timber they were buying in February 2025 had been harvested. These coordinates link to a recently deforested area within an oil palm concession, PT Bina Sarana Sawit Utama, proving that the

HARDWOOD PRODUCTS IMPORTED INTO THE EU FROM THE FIVE INDONESIAN COMPANIES NAMED IN THIS REPORT INCLUDE GARDEN DECKING, DOOR FRAMES AND PLYWOOD

company imported deforestation wood.

These are unlikely to be the only examples. In most cases, a lack of publicly accessible data means it is impossible for independent NGOs to pinpoint where wood in a given shipment came from, and so quantify exactly how much deforestation wood is entering the EU. But our investigation exposes Indonesian companies misleading their customers about the true nature of their wood supply, meaning promises that their timber comes from sustainable sources cannot be trusted (see Chapter 3). As such, there is a high risk that any shipments from companies handling deforestation timber may be tainted with such wood.

In this report, we focus on supply chains of timber entering the EU from Indonesian suppliers which in 2024 purchased logs derived from deforestation.

We exclude European companies which purchased timber from these suppliers if all this wood was independently certified as sustainable under the Forest Stewardship Council (FSC), the world's largest voluntary certification scheme for sustainable timber, in order to prioritise supply chains at highest risk of containing wood from deforestation.

The inclusion of a European company in this report does not necessarily mean they have been confirmed as using deforestation wood – rather that their timber supply is high risk and deserves scrutiny.]

Hardwood products imported into the EU from the five Indonesian companies named above include garden decking, door frames and plywood. Shipment records reveal Belgium, the Netherlands and Germany to be the main EU destinations of imports (see Appendix II for details of all relevant supply chains).

The Belgian company Seiton BV makes a plywood product branded as 'Solid John', using wood from a tree called meranti, which grows only in natural forests in Southeast Asia. Seiton sourced all of its Indonesian meranti in 2024 from PT Basirih Industrial, which that year used almost 6300m³ of logs from concessions where we confirmed large-scale deforestation taking place (see chart on page 11). Solid John can be found prominently marketed in building supply retailers across Belgium, including Apok, Defrancq and VC Wood, advertised for use in roofing and external cladding.

One customer of Indonesian timber company PT Putra Buana Indonesia Wood Industry is German firm Kurz KG, which in 2024 bought decking made from kapur, a hardwood tree that grows in Southeast Asian rainforests. Kurz KG sells garden wood under the Tiger Premium brand, including kapur decking.

EU-based buyers from PT Kayu Multiguna Indonesia included Dutch company Dekker Hout, which sells wood and composite products across Europe. In 2024, Dekker Hout imported



HOW DO WE DEFINE A HIGH-RISK SUPPLY CHAIN?

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The inclusion of a European company in this report does not necessarily mean they have been confirmed as using deforestation wood – rather that, in our view, their timber supply is high risk and deserves scrutiny.

door jambs made from rainforest tree species nyatoh, bintangur and gerunggang.

Meanwhile, the Belgian company Fepco International imported hardwood plywood made from meranti and other species from three of the companies named above: PT Kayu Multiguna Indonesia, PT Korindo Ariabima Sari and PT Basirih Industrial. The German company Impan GmbH is named in shipment records as the buyer of meranti plywood sent from PT Basirih Industrial to Belgium, Sweden, Netherlands and France, as well as shipments of hardwood plywood from PT Wijaya Triutama Plywood Industri to Germany and Italy. Meranti plywood is used in construction of roofs, walls, flooring and doors, among other applications.

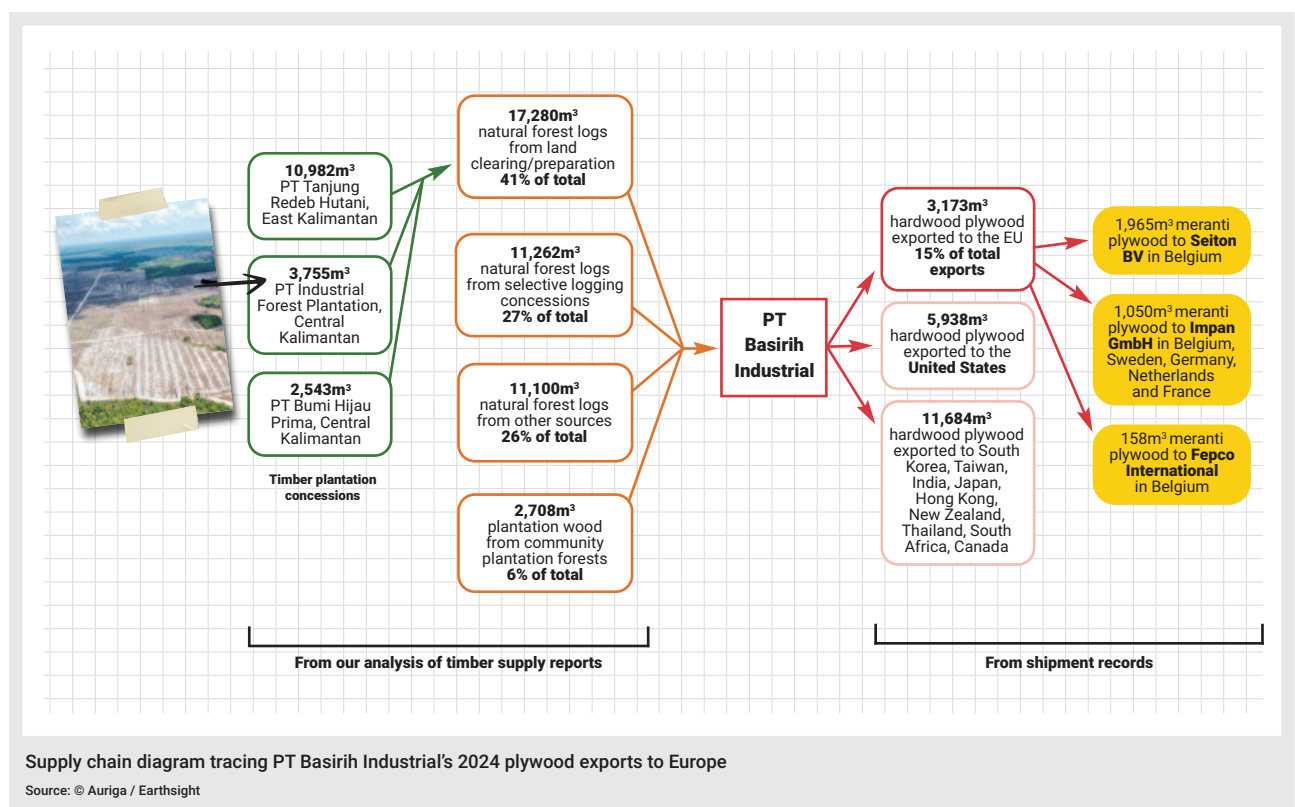
For EU companies, importing timber that is derived from deforestation should become illegal when a new law, the EU Deforestation Regulation (EUDR), comes into effect. But the EUDR is under attack from some policymakers and industry groups, who are pushing for repeated delays, loopholes and exemptions that would leave the law unfit for purpose.

This report demonstrates why the EUDR is urgently needed in Europe's timber sector: to ensure buyers can be confident in where their wood came from; to stop the flow of deforestation wood into Europe; and to end European complicity in the destruction of tropical forests.

Our research highlights why a sole focus on halting flows of illegal timber is not sufficient to stop European demand driving deforestation overseas: legally harvested but highly unsustainable timber must also be addressed.

It also serves as an urgent call to action for any company importing timber products from Indonesia to the EU: these firms must carefully examine their supply chains and eliminate risk that their imports may be tainted by deforestation wood. Our findings underline these EU companies should not do business with any supplier handling deforestation wood, and should ensure their suppliers use only timber selectively logged from sustainably-managed forests or obtained from mature timber plantations.

THE EUDR WILL ENSURE BUYERS CAN BE CONFIDENT IN WHERE THEIR WOOD CAME FROM; STOP THE FLOW OF DEFORESTATION WOOD INTO EUROPE; AND END EUROPEAN COMPLICITY IN THE DESTRUCTION OF TROPICAL FORESTS





1. TIMBER THAT COSTS THE EARTH

**VAST AREAS, UNTIL
VERY RECENTLY
BLANKETED IN
DIVERSE TROPICAL
FOREST, HAD BEEN
RAZED TO THE
GROUND**

Between November 2024 and January 2025, we travelled to four concessions in Indonesian Borneo from which timber mills that export to Europe had recently purchased deforestation wood. What we found was nothing short of devastating. Vast areas, until very recently blanketed in diverse tropical forest, had been razed to the ground. In some cases, fast-growing monoculture plantations had already been established on the recently cleared land.

The destruction of a natural forest to make way for an oil palm or timber plantation is among the most

damaging forms of deforestation possible. When this 'conversion' happens, the entire forest is destroyed, not just the trees with the most valuable or useful timber, as when a forest is selectively logged. And unlike with 'shifting cultivation' – where forest is cleared, the land cultivated, then left to grow back – the forest has no opportunity to recover: a plantation stands where forest once grew, now gone forever.

When we visited the oil palm concession of **PT Bina Sarana Sawit Utama** (PT BSSU) in Central Kalimantan province in November 2024, we recorded hundreds

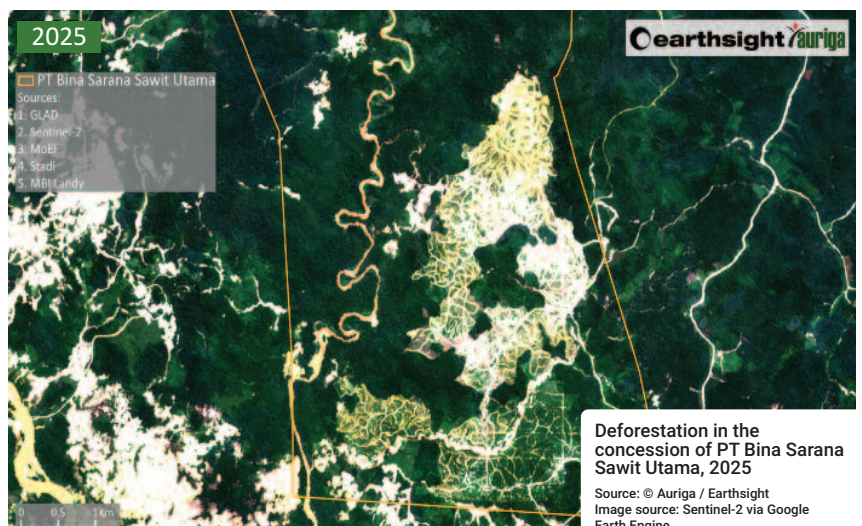


A recently deforested area in the oil palm concession of PT Bina Sarana Sawit Utama, November 2024

Source: © Auriga / Earthsight

of hectares of bare land where natural forest had stood one year prior. Wood from deforestation in PT BSSU represented almost 7 per cent of all natural forest logs bought by timber company PT Kayu Multiguna Indonesia (PT KMI) in 2024, and was the source of timber sent by PT KMI to Dutch company International Plywood BV in February 2025 (see page 29).

According to news reports, PT BSSU has destroyed sacred cultural sites of the Ngaju Dayak community, including ancestral gardens, sacred forest and holy stones, without consent or compensation.²⁰





Logs produced from the clearance of natural forest by PT Bina Sarana Sawit Utama, November 2024

Source: © Auriga / Earthsight

RESIDENTS SAID THEY HAVE RECEIVED NO COMPENSATION FOR ENCROACHMENT ONTO THEIR LAND

When we spoke with residents of Marapit village, which overlaps with the PT BSSU concession, they told us the company had not engaged with the local community about its concession boundaries and permit area. Residents said that when the company began land clearing, compensation was provided to only a few individuals in the local community, with many others yet to receive any funds. Marapit residents once blocked the access road to the concession in protest against the company's activities, and were threatened with arrest.

In January 2025, we visited **PT Indosubur Sukses Makmur** (PT ISM), a timber plantation concession covering 28,215 hectares (ha) on the far eastern edge of Borneo. More than 1100ha of natural forest have been destroyed in PT ISM since 2021, with over 430ha deforested in 2024 alone. Buyers of the resulting deforestation timber include PT Korindo Ariabima Sari and PT Putra Buana Indonesia Wood Industry, as well as PT Kayu Lapis Asli Murni, a major supplier of plywood to the US recreational vehicle (RV) industry.²¹

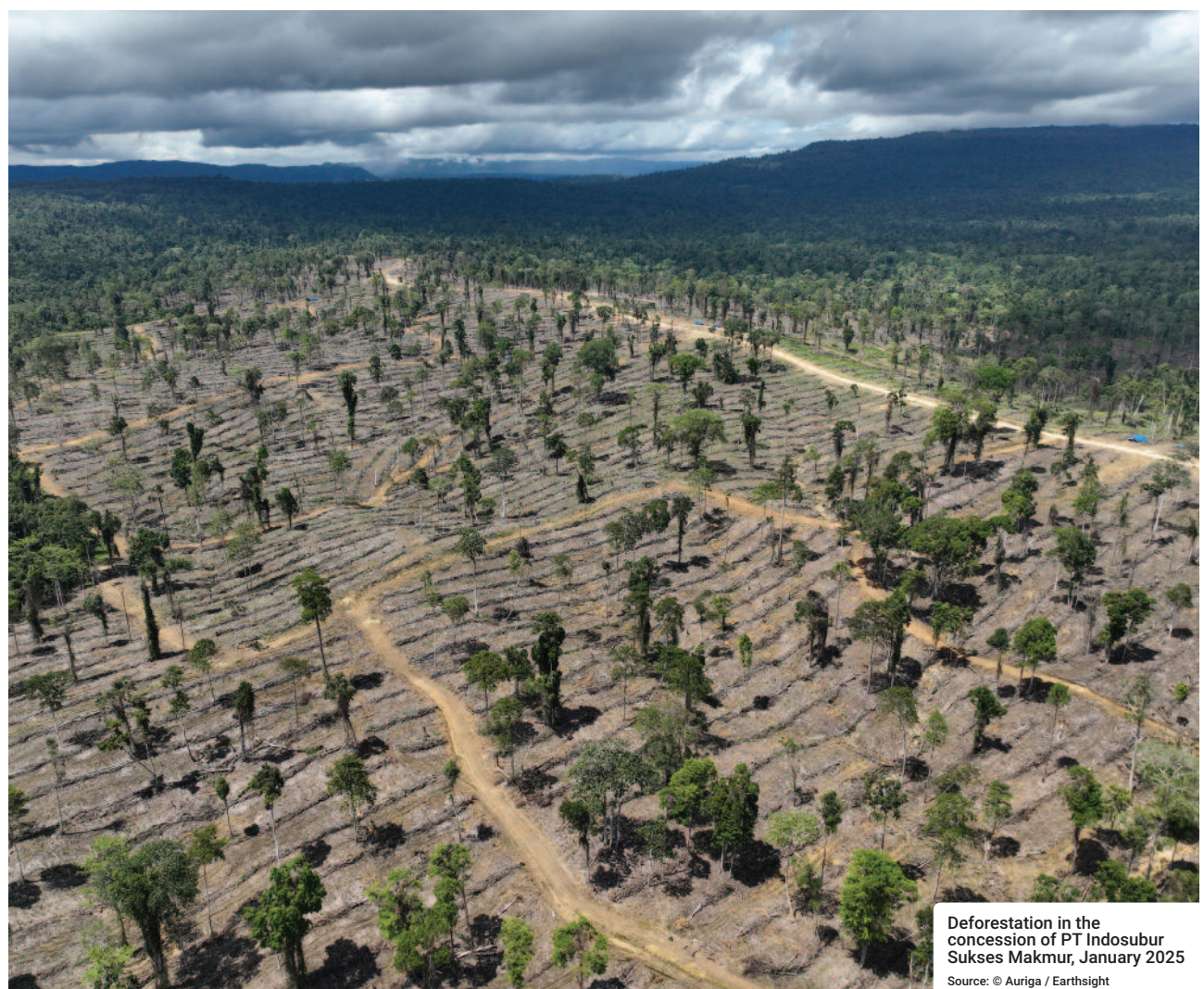
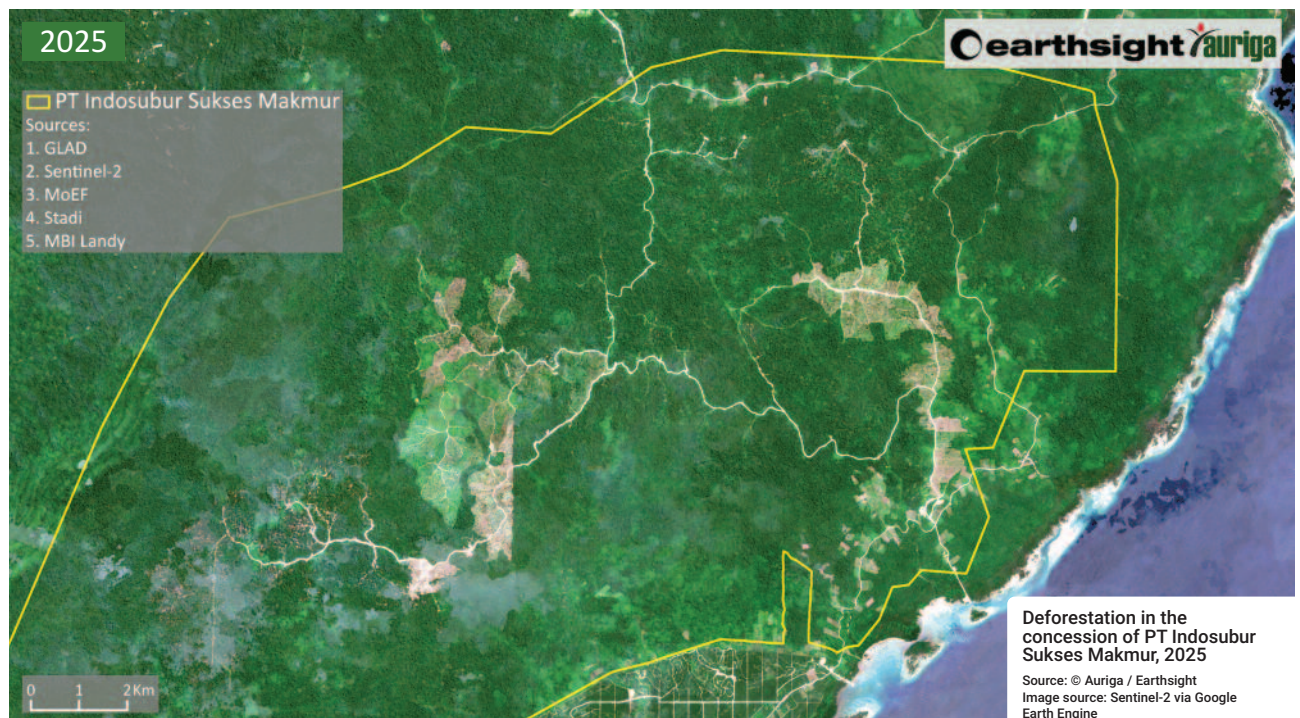
During our visit, we documented large expanses of newly bare land, as well as trucks transporting the logs produced when the forest was cleared.

The PT ISM concession overlaps with the boundaries of Teluk Sumbang village. Indigenous (Dayak) residents of Teluk Sumbang told our investigators that the company's forest clearing has made it increasingly difficult to access wild honey and rattan, their main sources of livelihood. Residents also said they have received no compensation for PT ISM's encroachment onto their land, which they said was done without prior consultation.

Neither PT Bina Sarana Sawit Utama nor PT Indosubur Sukses Makmur responded to our repeated requests for comment.

The forests of Borneo are among the most biodiverse places on the planet, home to wildlife, including the Bornean orangutan, proboscis monkey and 61 bird species, that exists nowhere else on Earth. All of these species depend on healthy natural forest ecosystems, and generally cannot survive in the monoculture plantations that are being established in the concessions we visited.

A few miles to the west of PT BSSU, an area located between the Kahayan and Kapuas rivers is home to one of the highest concentrations of orangutans in Indonesian Borneo, estimated at



1065–2300 individuals in 2016,²² as well as endangered gibbons, hornbills and sun bears.²³

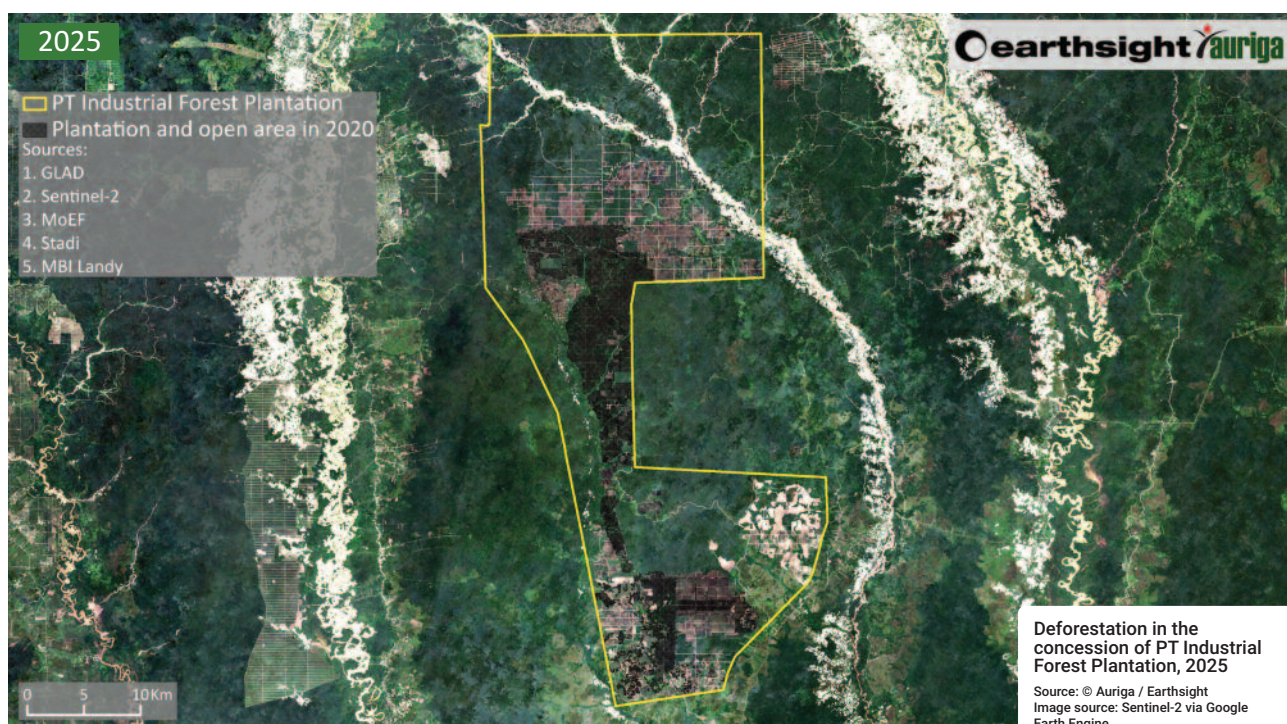
Yet much of this orangutan habitat is not protected forest, but rather survives precariously within concessions earmarked for conversion into plantations. A 2022 report estimated that 52,125ha of orangutan habitat remained within **PT Industrial Forest Plantation** (the second-most among all tree plantation concessions in Indonesia), and that 18,783ha

remained within **BT Bumi Hijau Prima**,²⁴ both located in this area. Much of this orangutan habitat has been lost in just the few years since this estimate.

PT Industrial Forest Plantation has consistently ranked among the top deforesters in Indonesia's plantation wood sector in recent years, ranking second after only PT Mayawana Persada in 2022,²⁵ 2023²⁶ and 2024.²⁷ When we visited in November 2024, we filmed huge monoculture timber plantations in areas which would have been home to orangutans just a few years ago, as well as large piles of logs.

Directly to the north, in the neighbouring concession of PT Bumi Hijau Prima, we documented hundreds of hectares that had been recently cleared of forest, as well as new roads cut into standing forest – a telltale sign that this critical orangutan habitat faces imminent destruction.

In 2024, deforestation wood from PT Bumi Hijau Prima was purchased by PT Basirih Industrial and PT Wijaya Triutama Plywood Industri, while PT Basirih Industrial and PT Kayu Multiguna Indonesia sourced deforestation wood from PT Industrial Forest Plantation.





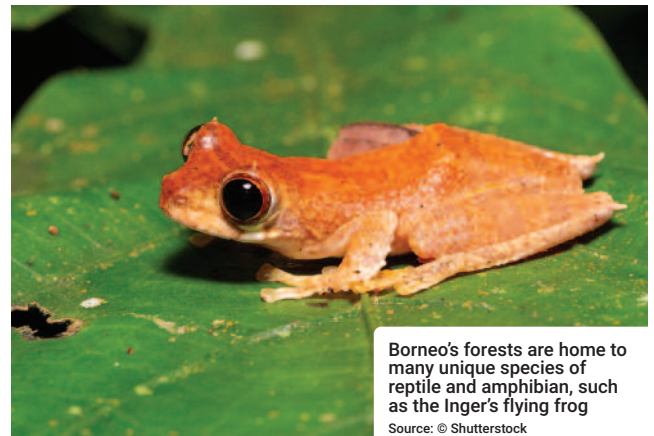
The endangered proboscis monkey is found only in lowland forests on the island of Borneo

Source: © Shutterstock



The Bornean banded pitta is one of 61 bird species which are endemic to Borneo, occurring nowhere else on Earth

Source: © Shutterstock



Borneo's forests are home to many unique species of reptile and amphibian, such as the Inger's flying frog

Source: © Shutterstock



The seldom-seen Bornean ground cuckoo lives only in the surviving lowland forests of Borneo

Source: © Shutterstock

THE FORESTS OF BORNEO ARE AMONG THE MOST BIODIVERSE PLACES ON THE PLANET, HOME TO WILDLIFE, INCLUDING THE BORNEAN ORANGUTAN, PROBOSCIS MONKEY AND 61 BIRD SPECIES, THAT EXISTS NOWHERE ELSE ON EARTH



A large area of young plantation forest in the concession of PT Industrial Forest Plantation, November 2024. Until recently, this area would have been natural forest, home to an important population of orangutans

Source: © Auriga / Earthsight

The Bornean orangutan is classified as Critically Endangered by the International Union for Conservation of Nature (IUCN), meaning it faces an “extremely high risk of extinction in the wild.”²⁸ The IUCN points to the conversion of forests for agriculture or other uses as a major threat to the species, estimating that more than half of its current range will be lost if current development plans are followed.²⁹

The deforestation we documented in this area of Borneo, which is being at least partly funded by the sale of deforestation timber, is therefore the biggest threat to the survival of one of the planet’s most iconic and endangered species – and one of humanity’s closest relatives.

In response to our findings, PT Bumi Hijau Prima confirmed that the company is clearing natural forest and replacing it with planted forest. PT Industrial Forest Plantation stated that all operational activities related to



Recently cleared areas within the concession of PT Bumi Hijau Prima, November 2024

Source: © Auriga / Earthsight

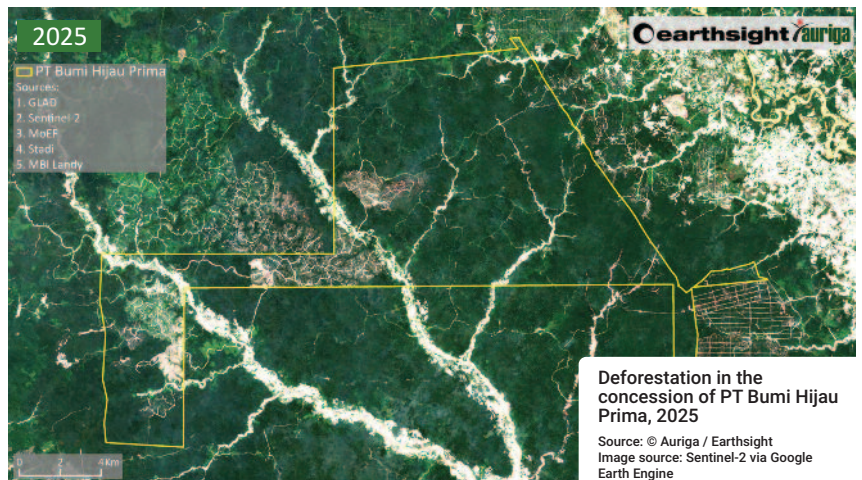
land clearing and planting are in line with work plans approved by Indonesia's Ministry of Environment and Forestry, and claimed to have ceased logging of natural timber at the end of 2023 (though forest monitoring groups detected more than 1000ha of deforestation in the concession in 2024).³⁰

The forest destruction we witnessed is part of a wider, alarming trend. Total deforestation in Indonesia rose in 2024 to more than 261,000ha, an area bigger than Luxembourg, marking the third consecutive year of increase. Borneo was the epicentre of this loss, representing almost half the total. The single biggest driver was clearance of forests for timber plantations, followed by mining and oil palm – together, these drivers accounted for 59 per cent of all deforestation in Indonesian Borneo in 2024.³¹

Beyond the impacts on local communities and biodiversity, the loss of Indonesia's forest comes at an immense cost to our climate. When natural forest is destroyed, vast quantities of carbon are released into the atmosphere, while the future carbon sequestration potential of the forest is lost. According to Global Forest Watch, Indonesia's natural forest loss in 2024 was equivalent to 194 million tonnes of CO₂,³² more than the entire estimated greenhouse gas emissions of the Netherlands.³³

The climate impacts of deforestation are especially severe when forest is cleared on peatland, where the ground is made up of partially decomposed and waterlogged vegetation. Indonesia is home to more peatland than any other tropical country, and its peat is estimated to sequester more than 55 billion tonnes of carbon.³⁴

Among the concessions we visited, the southern part of PT Industrial Forest Plantation is mapped as peatland. Fifteen per cent of forest clearance by the company since 2022 is estimated to have occurred on peat,³⁵ despite clearance on peatland being tightly controlled by Indonesian regulations, and banned in areas of deep peat. The consequences of the forest destruction detailed in this report are therefore truly global in scale.



THE DEFORESTATION WE DOCUMENTED IN THIS AREA OF BORNEO IS THE BIGGEST THREAT TO THE SURVIVAL OF ONE OF THE PLANET'S MOST ICONIC AND ENDANGERED SPECIES – AND ONE OF HUMANITY'S CLOSEST RELATIVES



2. THE EU'S IMPERILLED LAW TO COMBAT DEFORESTATION

ALTHOUGH THE EUDR STANDS TO BE ONE OF THE WORLD'S MOST IMPACTFUL SUPPLY CHAIN LAWS, IT HAS REPEATEDLY COME UNDER THREAT

Adopted in June 2023 and currently set to come into effect on 30 December 2025 for large enterprises and 30 June 2026 for small and medium enterprises, the EU Deforestation Regulation (EUDR) will prohibit the import into the EU of certain commodities – timber (including pulp and paper), palm oil, soy, coffee, cocoa, rubber, beef and leather – unless they are:

- a) deforestation free, meaning not produced on land subject to deforestation or forest degradation after 31 December 2020;³⁶
- b) produced in accordance with the laws of the country of production; and
- c) covered by a due diligence statement that shows there is 'negligible risk' that the products in question are not compliant with the requirements above.

In order to produce a valid due diligence statement, any company importing these commodities or products made from them – known as an 'operator' in the regulation – must

collect certain information about the product, including geolocation data on all plots of land where the commodity was produced. Downstream companies that trade these products after they have been imported into the EU – referred to as a 'trader' in the regulation – are also required to ensure they are compliant with EUDR requirements, although these companies can largely rely on information from their suppliers.³⁷

The EUDR is a regulation with teeth. A company that violates it could face a range of penalties, including a fine of up to 4 per cent of its annual EU-wide turnover; confiscation of relevant products and associated revenue; and a temporary ban on importing or exporting relevant commodities to or from the EU. The European Commission will also publish a list of final judgments – a 'name and shame list' of companies found to have violated the EUDR.

Although the EUDR stands to be one of the world's most impactful supply chain laws, it has repeatedly come under threat. In 2024, pressure from right-wing European political parties led to the law's start date being



Remaining natural forest in the concession of PT Bumi Hijau Prima, Central Kalimantan, November 2024

Source: © Auriga / Earthsight

delayed from 30 December 2024 to 30 December 2025.³⁸ In May 2025, several EU agriculture ministers, responding to industry lobbying, tabled a proposal that would exempt European producers from some of the EUDR's requirements – a major loophole.³⁹ This proposal was supported by a parliamentary resolution.⁴⁰

The EU Commission has since announced an intention to reconsider several European environmental laws with the aim of reducing the costs of regulatory compliance for businesses; it remains to be seen whether the EUDR will be included in this process.⁴¹ Most recently, on 23 September 2025, the EU Environment Commissioner Jessica Roswall announced her intention to delay the law's implementation once again, by another year, and hinted that she may also propose amendments to 'simplify' the law.⁴²

The EUDR will replace the EU Timber Regulation (EUTR), in effect since 2013, which prohibits the import of illegally produced timber products, and requires operators to conduct due diligence to ensure they are not importing illegal timber. The EUTR



Planks made from meranti, a tree species that only grows in natural forests in Southeast Asia, for sale in a hardware store in Brussels, Belgium, April 2025

Source: © Auriga / Earthsight

A FLEGT LICENCE DOES NOT PROVE COMPLIANCE WITH THE EUDR'S DEFORESTATION-FREE REQUIREMENT, NOR DOES IT CLAIM TO

outlines special provisions for timber products covered by documents called FLEGT licences, which verify the products have been legally produced under a timber legality system developed in partnership between the EU and source countries.⁴³ But some European companies appear to be ignorant of the limitations of these licences.

Indonesia began issuing FLEGT licences for timber exports in 2016, after its timber legality verification system, known as SVLK, was formally judged to meet EUTR requirements. Since then, EU timber importers have not had to do additional due diligence on such imports from Indonesia – the FLEGT licence is taken as proof of legal origin and thus compliance with the EUTR, creating a 'green lane' for Indonesian timber.

The EUDR continues to recognise a role for FLEGT licences, stating that wood products covered by them are compliant with the requirement that products be legally produced. However, a FLEGT licence does not prove compliance with the EUDR's deforestation-free requirement, nor does it claim to. Indeed, FLEGT licences are frequently issued for Indonesian wood products originating from industrial-scale deforestation projects.

Indonesian legislation does not prohibit clearance of natural forest to make way for plantations. All of the concession-holding companies covered in this report have licences to clear natural forest and to sell the resulting timber within Indonesia's SVLK system, which may in turn be exported with a FLEGT licence. This continues to be the case after a 2022 revision of the SVLK, which incorporated additional sustainability elements and rebranded the system as 'Sustainability and Legality Verification System'.⁴⁴

As well as the basic legality certification under SVLK, the Indonesian Ministry of Forestry also uses the system to issue 'sustainable management of production forest' (PHPL) certification to companies with timber plantation concessions. However, a company can still gain

and maintain PHPL certification while clearing natural forest, partly due to less stringent sustainability standards compared to voluntary certification schemes like FSC.

The PHPL system permits conversion of extensive tracts of forest as long as certain requirements are followed, such as completion of environmental impact assessments and setting aside of some protected areas (including wooded areas along rivers). A weighted scoring system is also used for PHPL certificates that allows a company to pass overall even if it scores poorly against sustainability criteria.⁴⁵ Deforestation wood harvested by a PHPL-holder can therefore still be sold within the SVLK system and exported with a FLEGT licence.⁴⁶

This situation could be simplified if the Indonesian government were to issue a regulation protecting all remaining natural forest cover in the country, including within concessions. This would mean any deforestation in Indonesia would be illegal, and wood from deforestation would be excluded from SVLK certifications. But until this happens, a FLEGT licence does not by any means guarantee that Indonesian wood is deforestation-free, even if the concession it came from is certified 'sustainable' through the SVLK.

Understanding of this key point appears to be limited among parts of the European timber industry. Our interactions with several EU timber companies indicate that they have to date been looking no further than a FLEGT licence, and assuming this document ensures their Indonesian timber was sustainably as well as legally produced.

In response to our findings, a Dutch timber company which purchased FSC-certified timber from PT Putra Buana Indonesia Wood Industry wrote: "If the existing FLEGT licensing scheme, in combination with Indonesia's current timber legality verification system (SVLK), is found not to guarantee that timber is deforestation-free, and therefore does not meet the standards set by the EU



An SVLK label attached to a tree in a natural forest within the concession of PT Industrial Forest Plantation, November 2024. This label confirms that the tree may be felled and the wood sold legally under Indonesia's SVLK system. The label also clearly denotes the concession's PHPL certification for 'sustainable management of production forest'

Source: © Auriga / Earthsight

Deforestation Regulation (EUDR), this would be a matter of critical concern for us."

Conducting due diligence to establish that the wood they are buying does not come from deforestation or forest degradation should not be a difficult task for an EU-based importer. Indonesia's authorities already require that timber processors and exporters record and report to the government where all their timber came from. All logs must be labelled with their concession of origin; all movement of those logs requires individual transport permits; and compliance with these requirements is checked by SVLK auditors annually. We were able to identify companies handling deforestation wood by using such information held within Indonesia's timber management systems. EU importers can request this same information from their current or potential suppliers in Indonesia, to identify any risk they may be buying deforestation wood.

New regulations issued in 2024 also require users of Indonesia's SVLK system to collect geolocation data on the origin of wood products along each node of the supply chain, in line with the requirements of the EUDR.⁴⁷ This should streamline the collection of geolocation data for EU importers, who can then conduct necessary checks on these locations to ensure there is no risk the products are tainted by deforestation.

Knowing where their wood comes from, and ensuring that it was sustainably produced, is the bare minimum of what any responsible European importer of tropical timber should have been doing for years. Our findings show that often, this has not been the case. This report clearly underlines why the EUDR is urgently needed to compel the European timber industry to step up their due diligence and ensure that some of the most unsustainable wood on the planet is excluded from their supply chains.

THE EUDR IS URGENTLY NEEDED TO COMPEL THE EUROPEAN TIMBER INDUSTRY TO STEP UP THEIR DUE DILIGENCE AND ENSURE THAT UNSUSTAINABLE WOOD IS EXCLUDED FROM THEIR SUPPLY CHAINS



3. A PICTURE OF RISK AND DISHONESTY

OUR INVESTIGATION FOUND A PATTERN OF DISHONESTY AND INACCURATE CLAIMS FROM INDONESIAN TIMBER EXPORTERS

Our investigation found a pattern of dishonesty and inaccurate claims from Indonesian timber exporters that suggest establishing genuinely negligible risk that a given shipment is linked to deforestation may be very challenging if sourcing from a timber supplier that uses any deforestation wood.

In November 2024, we visited the factories of PT Kayu Multiguna Indonesia and PT Putra Buana Indonesia Wood Industry, the two companies on our list of five for which the EU represents the greatest proportion of their total exports: 74 per cent and 88 per cent respectively in 2024. RPBBi documents reveal that in 2024, these two companies both purchased thousands of cubic metres of deforestation wood. But on our visit, we recorded representatives at both companies falsely claiming to our investigators, posing as potential buyers, that they do not buy any wood from deforestation.

In response to a letter outlining our findings, Belgian company Fepco International, one of PT Kayu Multiguna Indonesia's EU customers and the biggest importer of Indonesian plywood into the EU in 2024,⁴⁸ said the Indonesian company had claimed our visit in November 2024 could not have happened, because of a recent factory fire. In fact, the fire was a point of discussion during our visit, which was documented on film.

In an emailed response, PT Putra Buana Indonesia Wood Industry claimed: "We have a strict policy to block or terminate cooperation with suppliers identified as engaging in unsustainable practices, including deforestation, forest degradation, or violations of forestry laws." This is despite also confirming in that same letter that they had in 2024 purchased wood from PT Indosubur Sukses Makmur, a concession in East Kalimantan that has cleared more than 1200ha of natural forest since 2021, and more than 430ha in 2024 alone.



Deforestation in the oil palm concession of PT Bina Sarana Sawit Utama, Central Kalimantan, November 2024

Source: © Auriga / Earthsight

WE RECORDED REPRESENTATIVES AT BOTH COMPANIES FALSELY CLAIMING TO OUR INVESTIGATORS, WHO POSED AS POTENTIAL BUYERS, THAT THEY DO NOT BUY ANY WOOD FROM DEFORESTATION

PT Kayu Multiguna Indonesia November 2024



And so you don't buy deforestation logs? *No.*

Footage from Earthsight and Auriga's undercover visit to PT Kayu Multiguna Indonesia, November 2024

Source: © Auriga / Earthsight

OUR INVESTIGATION ALSO FOUND EVIDENCE OF MAJOR TIMBER SUPPLIERS VIOLATING THEIR OWN SUSTAINABILITY POLICIES

Our investigation also found evidence of major timber suppliers violating their own sustainability policies. PT Korindo Ariabima Sari (PT KAS) is an Indonesian plywood manufacturer that in 2024 exported more than 7400m³ of plywood to the EU, including to Fepeco International and Seiton BV. PT KAS is owned by the Korindo Group, whose Timber Sourcing Policy lists eight commitments, including: “Reducing and eliminating the use of timber from natural forest conversion by September 30, 2020, unless the conversion is justified by net social and environmental benefits within the surrounding landscape.”⁴⁹

Yet PT KAS has since 2022 purchased 27,863m³ of logs derived from clearance of natural forest in PT Indosubur Sukses Makmur (PT ISM), where deforestation has devastated the natural environment and harmed the livelihoods of local communities – a clear contradiction of the Korindo Group’s supposed sustainability policy.⁵⁰ A European customer cannot therefore rely on the word of such policies as evidence that wood is deforestation-free.

The Forest Stewardship Council (FSC) cut ties with the Korindo Group in July 2021 after its Complaints Panel found the company had been responsible for the destruction of over 30,000 hectares of forests in Papua in the previous five years, and had violated the traditional and human rights of Indigenous peoples.⁵¹ This raises serious questions as to how PT KAS could be deemed a suitable supplier for any European company that values sustainability and respect for human rights.

In an emailed response to our findings, Fepeco International wrote: “We recognize that Korindo unknowingly received logs from a trader sourcing from PT ISM. Korindo has initiated a grievance investigation and has committed to transparency and corrective action if non-compliance is confirmed.”

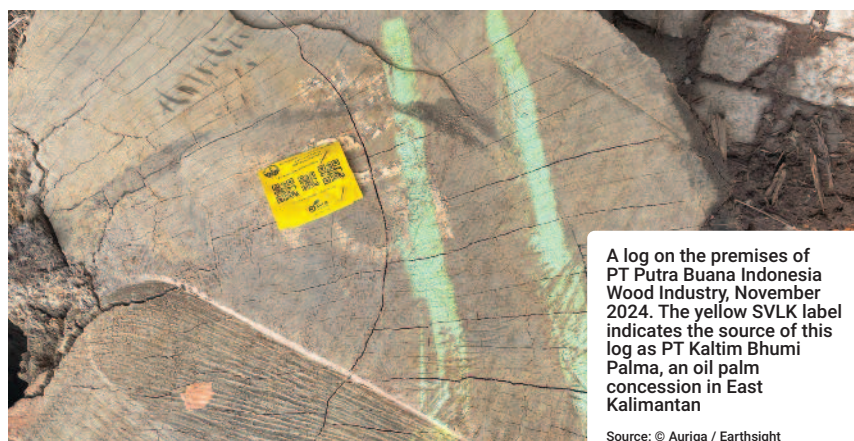
PT KAS claimed likewise in an emailed response to Earthsight and Auriga. But PT KAS’s claim to have ‘unknowingly’ received logs from PT ISM is contradicted by the documents we gained access to in our investigation. The RPBB timber sourcing reports that PT KAS submitted to the Indonesian government in 2022, 2023 and 2024 clearly list PT ISM as a supplier, with the timber specifically categorised as being derived from land clearing.

Fepeco International stated that all the plywood they bought from PT KAS was produced with logs from PEFC-certified concessions in South Papua, with none from PT ISM. Similarly, in an emailed response to our findings, Seiton BV referenced a guarantee from PT KAS that logs from PT ISM were not used in products sent to Europe.

A statement published on the Korindo Group website in response to communication from Earthsight and Auriga states that the group has now stopped all transactions from PT ISM.⁵²

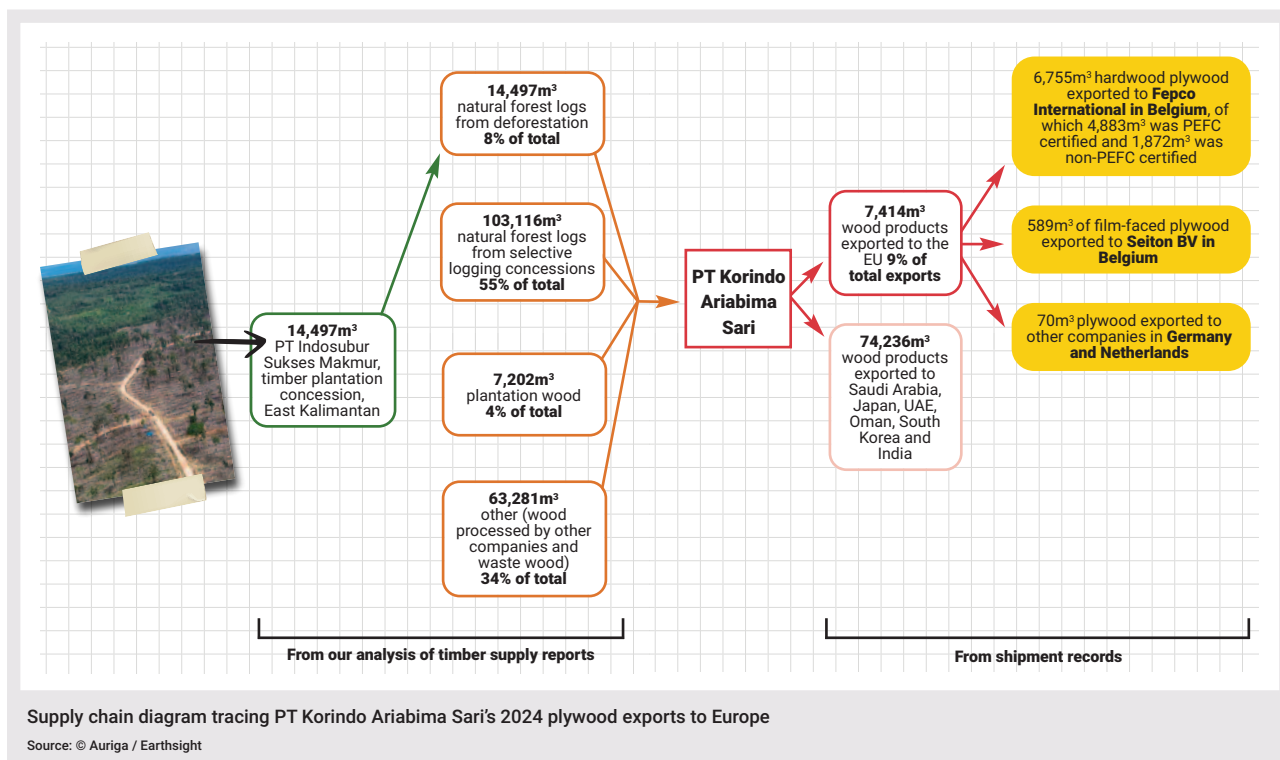
In another example of flouted corporate sustainability claims, the website of the NSS Group, an Indonesian stock exchange-listed palm oil producer, states: “we constantly embrace our policies of Zero-deforestation and Zero-exploitations across our plantations and plasma areas.”⁵³ This is entirely contradicted by the extensive deforestation underway in the concession of PT Bina Sarana Sawit Utama, a palm oil company 99.99 per cent owned by the NSS Group which cleared more than 500ha of natural forest in 2024, and supplied more than 1400m³ of natural forest timber to PT Kayu Multiguna Indonesia (PT KMI) that year.

European importers must not simply take their suppliers’ word that products



A log on the premises of PT Putra Buana Indonesia Wood Industry, November 2024. The yellow SVLK label indicates the source of this log as PT Kaltim Bhumi Palma, an oil palm concession in East Kalimantan

Source: © Auriga / Earthsight



are deforestation-free. When we wrote to Dutch timber importer International Plywood BV about the use of deforestation wood by their supplier, PT KMI, they shared a document apparently provided by another Dutch company, Timber Trade Connection BV, which acts as the agent for PT KMI in the Netherlands.

This document provides details relating to a February 2025 shipment of plywood made from keruing, a trade name for trees of the genus *Dipterocarpus* which grow naturally in Southeast Asia's tropical forests, many species of which are endangered.

The document states that the shipment is compliant with the EUDR, and provides a list of GPS coordinates for where the timber was harvested, alongside satellite images showing obvious land clearing.

A simple search using an online tool which maps Indonesian concessions, such as Nusantara Atlas, clearly locates these GPS coordinates within the recently deforested area of PT Bina Sarana Sawit Utama.

While this shipment occurred before the EUDR's coming into effect, and there is no indication of violation of the

EUTR, the wood in question is anything but deforestation-free, and therefore would not be EUDR-compliant once the regulation is in effect.

In an emailed response to our findings, International Plywood BV stated: "We will follow our Moral Compass [sic] and do our utmost to avoid importing plywood from deforested concessions," and referred to a goal of importing only sustainable plywood. The letter also stated: "We will continue in doing business with companies that we know for a long time."

Timber Trade Connection BV is also listed in shipment records from 2024 as the buyer of 1371m³ of wood products made of meranti from PT Kayu Multiguna Indonesia. In an emailed response to our findings, Timber Trade Connection BV stated that the company acts as an agent, rather than the physical importer of Indonesian timber. They did not respond to a follow-up request to share the names of importing companies.

Responsibility for compliance with the EUDR, and any penalties for its violation, rests squarely with the EU importer. It is therefore of critical

EUROPEAN IMPORTERS MUST NOT SIMPLY TAKE THEIR SUPPLIERS' WORD THAT PRODUCTS ARE DEFORESTATION-FREE



Chain of Custody - Shipment Verification **Contract Nr: TT-WWI/2111**

We hereby confirm that the timber products in this shipment, details of which are set out below, comply to EUDR-Regulation:

Supplier Information:

Supplier / Exporter:	PT KAYU MULTIGUNA INDONESIA	Company Reg. Nr. (EIN):	0025295973612000
Supplier address:	JL. SEGOROMADU I NO. 26 KEL. SEGOROMADU, KEC. KEBOMAS GRESIK 61101 INDONESIA	Forest Management Cert. Nr.:	VLK 00015

Shipment Details:

Invoice Nr.:	040/II/KMGI/EXP/INV/2025	Container Nr.:	TLLU4922536 / R5432576 TLLU4386644 / R5432577
Invoice Date:	FEBRUARY 18, 2025	Bill of Lading Nr.:	DJA1338695
HS-Code:	44123100	Date of Shipment:	FEBRUARY 24, 2025

Supply Chain 1:

Tree Species (Botanical name):	DIPTEROCARPUS SP.	Volume to be shipped:	67.5000 M3
Description of Goods:	24 PALLETS = 1,620 PCS = 67.5000 M3 OF INDONESIAN HARDWOOD PLYWOOD FILM FACED KERUING (DIPTEROCARPUS SP.) BUYER REF :	Quantity:	24 PALLETS = 1,620 PCS
Supply Chain Entity Name 1: KERUING (DIPTEROCARPUS SP.)			
Country of Harvest:	INDONESIA	Geographical coordinates 1:	-1,24936004849285 , 114,375216909313
Region of Harvest:	KAPUAS, KALIMANTAN TENGAH	Geographical coordinates 2:	-1,24957341267426 , 114,375650408379
Certification code:	320/BWI/S-LEGALITAS	Geographical coordinates 3:	-1,24961675227149 , 114,375923846252
Date of Harvest:	FEBRUARY 22, 2025 FEBRUARY 28, 2025 FEBRUARY 29, 2025 MARCH 1, 2025	Geographical coordinates 4:	-1,25017016552271 , 114,376570760244
Satellite images:		Geographical coordinates 5:	-1,25052104947362 , 114,376342339582
		Geographical coordinates 6:	-1,25074108118813 , 114,375962194246
		Geographical coordinates 7:	-1,25174455892486 , 114,375758783146
		Geographical coordinates 8:	-1,25222874325593 , 114,375140010756
		Geographical coordinates 9:	-1,25306808212984 , 114,374044794529
		Geographical coordinates 10:	-1,25303807783285 , 114,373383708453
		Geographical coordinates 11:	-1,25195208874111 , 114,37343956314
		Geographical coordinates 12:	-1,25167538231579 , 114,373682989539
		Geographical coordinates 13:	-1,2512978280197 , 114,373549605212
		Geographical coordinates 14:	-1,25098194921808 , 114,373602958942
		Geographical coordinates 15:	-1,25051188148511 , 114,373989773494
		Geographical coordinates 16:	-1,25036686057178 , 114,374254874846
		Geographical coordinates 17:	-1,25002347768757 , 114,374611677924

Document shared with Auriga and Earthsight by Dutch timber importer International Plywood BV, including coordinates for the place of harvest of its February 2025 shipment of keruing plywood

Source: © Auriga / Earthsight

In some cases, this approach would seemingly align with the importer's own sustainability policies. For example, in response to our findings, Fepco International referred to their deforestation-free sourcing policy, which "prohibits sourcing from any supplier involved in deforestation or forest conversion, irrespective of illegality." Arguably, a timber supplier that sources a proportion of its logs from deforestation is very much 'involved in' deforestation, and should be excluded on this basis. In response to Earthsight's question to clarify how they define this, Fepco responded: "In our definition, "involved in" refers to direct responsibility for such activities through ownership or active management of concessions where deforestation is taking place. We note your broader interpretation of the term and will take this into account in our ongoing policy reviews."

Fepco International further stated in October 2025 that they are now buying only FSC-certified wood from PT Kayu Multiguna Indonesia and PEFC-certified wood from PT Korindo Ariabima Sari.

In response to our findings, Dutch importer Dekker Hout wrote: "We do not want to be affiliated with the (possible) use of clearcut timber in Indonesia." They further stated: "we have immediately suspended all pending contracts related to tropical hardwoods until this matter is fully resolved."

In order to assess their risk of exposure to deforestation wood, current or potential importers of Indonesian wood products should seek information on all their suppliers' timber sources. This should not need anything like the extensive research we conducted for this report, given Indonesia's timber management systems require all timber processing companies to collect extensive data on their sources of logs and semi-processed wood.

While much of this data is not easily accessible for civil society groups, any current or potential customer in Europe can request it directly from the Indonesian supplier. Physical inspections at supplier mills can also be used to check sources of timber,

importance for any company importing Indonesian timber to look beyond assurances of sustainability from their suppliers, and conduct meaningful due diligence and risk assessment of their own.

It is clear that these Indonesian timber exporters see a benefit in assuring their buyers that their goods are deforestation-free, and in several cases are willing to misrepresent their actual activities to maintain this image. Given this, it would be prudent for EU importers to purchase only from Indonesian companies that have no deforestation wood in their supply, therefore eliminating the risk of importing timber that is not deforestation-free.

since SVLK regulations require tags to be placed on all logs, giving the name of the concession where they were harvested.

Any natural forest timber (as opposed to harvested plantation timber) coming from a timber plantation concession or oil palm plantation should serve as a red flag to the EU importer as very likely coming from deforestation.⁵⁴ The names, categories and boundaries of such concessions are readily available on public resources such as Nusantara Atlas, Global Forest Watch and MapBiomas Indonesia.⁵⁵

As well as buying directly from concessions, some Indonesian wood processing companies also buy raw logs or processed wood from other timber companies. These middlemen firms are clearly named in the RPBB timber sourcing documents we obtained. Current or potential customers of those exporters should also seek information on the timber sources used by these middlemen companies as another potential source of deforestation wood.

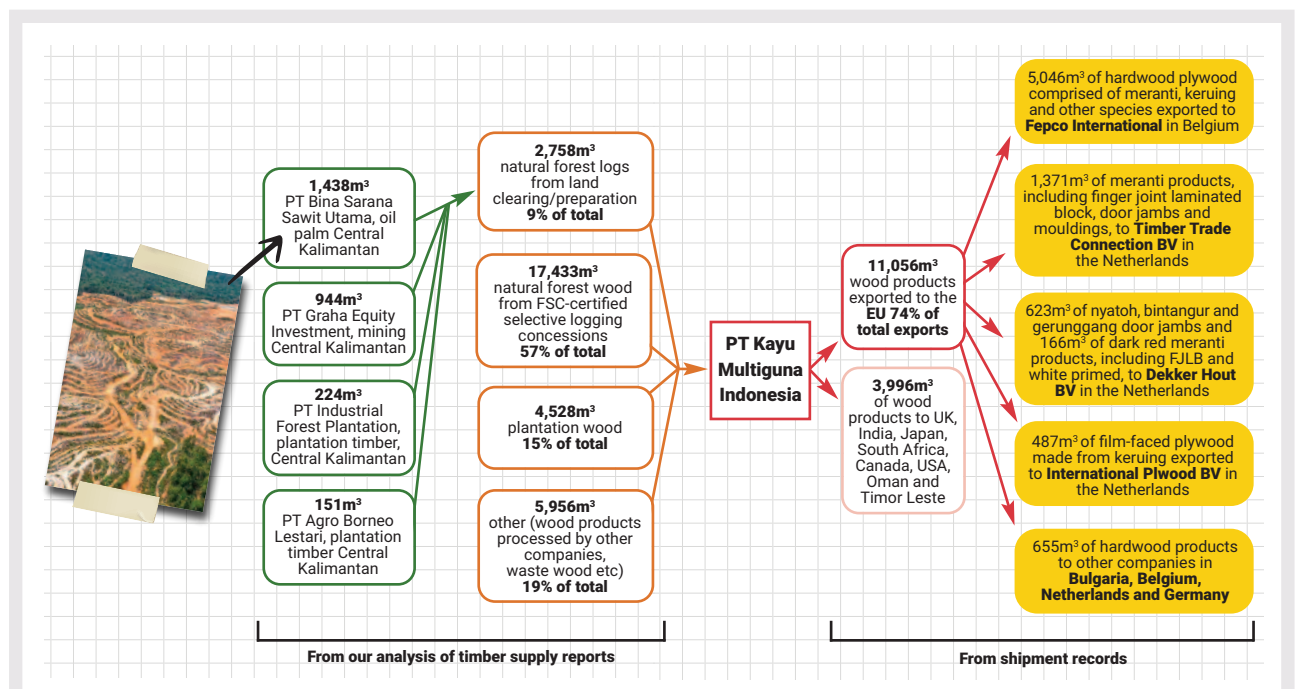
Our investigation bears out this risk to importers. PT Wijaya Triutama Plywood Industri, an Indonesian company which exported hardwood

plywood to Germany and Italy in 2024, sourced 3393m³ of natural forest logs from plywood producer PT Basirih Industrial, in addition to logs sourced directly from deforesting concessions. PT Basirih Industrial in turn sourced 6399m³ from deforestation in the concessions of PT Industrial Forest Plantation and PT Bumi Hijau Prima.

Switching to a supplier that deals only in deforestation-free wood, from selective logging or mature timber plantations, should not be difficult. Our research shows that there are numerous companies in Indonesia producing plywood, decking, door frames and other hardwood products which do not buy any deforestation timber or wood from middlemen companies.

Adopting policies that exclude any supplier dealing in deforestation wood would ensure that European timber companies are not providing financial support to firms that are complicit in the destruction of tropical forests. Should this be replicated across all companies importing Indonesian timber, it would bolster the reputation of the European timber industry as a whole and reassure customers that their euros are not helping to fund the destruction of tropical forests.

ADOPTING POLICIES THAT EXCLUDE ANY SUPPLIER DEALING IN DEFORESTATION WOOD WOULD ENSURE THAT EUROPEAN TIMBER COMPANIES ARE NOT PROVIDING FINANCIAL SUPPORT TO FIRMS THAT ARE COMPLICIT IN THE DESTRUCTION OF TROPICAL FORESTS



Supply chain diagram tracing PT Kayu Multiguna Indonesia's 2024 plywood exports to Europe

Source: © Auriga / Earthsight



4. HOW REGULATION CAN TACKLE GREENWASHING OF TIMBER

A VISITOR BROWSING THE WEBSITE OF AN EU COMPANY THAT SELLS INDONESIAN HARDWOOD IS LIKELY TO ENCOUNTER VARIOUS CLAIMS OF SUSTAINABLE AND RESPONSIBLE SOURCING, BACKED UP BY A SUITE OF CERTIFICATIONS AND LOGOS

A visitor browsing the website of an EU company that sells Indonesian hardwood is likely to encounter various claims of sustainable and responsible sourcing, backed up by a suite of certifications and logos. They may therefore assume that all the wood the company deals in comes from sustainable sources, verified by reliable certification schemes. In many cases, they would be wrong.

Three of the five Indonesian companies profiled in this report that export to the EU hold 'Chain of Custody' (CoC) certification from the Forest Stewardship Council (FSC). Four of the companies also hold CoC certification with the Programme for the Endorsement of Forest Certification (PEFC), a weaker standard based on national-level sustainability certification systems.

But a CoC certification simply confirms that the company has processes in place that can segregate timber from forests certified as sustainable by FSC or PEFC from other timber, and then sell on that wood as certified. It does not guarantee that any of the wood they handle is certified, and indeed in most cases (with the exception of PT Kayu Multiguna Indonesia), the majority of the wood these companies bought in 2024 was from non-certified sources. PT Basirih Industrial, which is FSC CoC-certified, did not source any FSC-certified wood at all in 2024. Nor does CoC certification require a company to ensure all its wood supply is deforestation-free.

Though only wood genuinely sourced from certified forests can be labelled as such, both FSC and PEFC allow companies to obtain CoC certificates and use the scheme logo in their promotional materials, regardless of



EU Parliament, Brussels, Belgium, September 2025
Source: © Auriga / Earthsight



Contact Us



As part of our commitment to sustainability, we are proud to announce that our wood products hold the prestigious Forest Stewardship Council (FSC) Certification. The FSC Certification serves as a testament to our dedication to responsible forest management and the preservation of biodiversity. By choosing PT KMG's FSC-certified products, our customers can have confidence in the environmentally friendly and socially responsible origin of their wood products.

'The market always evolves. We will never stop evolving with them.'

For more information about our FSC-certified products and our range of wood solutions, please contact us.

Screenshot from the website of PT Kayu Multiguna Indonesia, referencing the company's FSC certification
Source: © PT Kayu Multiguna Indonesia website

SCANDALOUSLY, PT INDUSTRIAL FOREST PLANTATION, THE SECOND-WORST DEFORESTER IN RECENT YEARS ACROSS INDONESIA'S PLANTATION INDUSTRY, WAS GRANTED SUSTAINABLE FOREST MANAGEMENT CERTIFICATION BY PEFC IN NOVEMBER 2024

whether they are actually handling any certified wood. This major flaw in the certification bodies' approach has led to timber manufacturers and traders routinely misrepresenting their CoC certification as evidence of sustainability across their operations.

The website of Indonesian plywood producer PT Kayu Multiguna Indonesia, which in 2024 sourced more than 1600 cubic metres of timber from deforestation in palm oil and industrial timber plantations, states: "As part of our commitment to sustainability, we are proud to announce that our wood products hold the prestigious Forest Stewardship Council (FSC) Certification."⁵⁶ The clear implication here is that all the products they offer are FSC-certified, despite this being far from true.⁵⁷

We see the same happening in Europe, with many EU timber companies prominently displaying the FSC and PEFC logos across their websites with no accompanying clarification that only a proportion of their products are certified. For example, the website for

the 'Tiger Premium' brand of decking, owned by German timber company Kurz KG, states: "As a PEFC and FSC® certified company, we attach great importance to the origin of our materials. We only purchase wood from sustainably managed forests."⁵⁸ A reader may assume this means all these wood products are PEFC and/or FSC-certified, but a close inspection reveals its decking made of Indonesian bangkirai, a hardwood species that grows in natural forests, is available both FSC-certified and not.

One of Kurz KG's Indonesian suppliers, PT Putra Buana Indonesia Wood Industry, bought 3594m³ of deforestation wood from PT Indosubur Sukses Makmur in 2024. In an emailed response to our findings, Kurz KG listed a set of guidelines their suppliers must follow, including compliance with Indonesian regulations and "compliance with the principle of zero deforestation and no involvement in human rights violations." They stated that PT Putra Buana Indonesia Wood Industry was judged to have fulfilled all these requirements.

What's more, weaknesses in certification schemes' standards and decision-making mean that companies deeply complicit in forest destruction and rights abuses may still succeed in gaining 'sustainable' certification. Scandalously, PT Industrial Forest Plantation (PT IFP), the second-worst deforester in recent years across Indonesia's plantation industry, was granted sustainable forest management certification by PEFC in November 2024. This means timber harvested in PT IFP's concession area may be sold and marketed as PEFC-certified.

When a wood product is sold as PEFC-certified, this is supposed to indicate the timber was harvested from a certified, sustainably-managed forest, and not on land deforested after 2010. When contacted about this decision, PEFC International told us that only 81,533.75 hectares of PT IFP's 100,989.4-ha concession was certified in 2024, while the remaining 19,453.65ha were excluded from certification due to natural forest having been cleared there since 2010, including large areas cleared in 2023.



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WHAT WE DOWHAT YOU CAN DOFOR BUSINESSSTANDARDS & IMPLEMENTATION

PT Industrial Forest Plantation

Jl. MT Haryono Komplek Balikpapan Baru, Ruko Sentra 1 Blok AA-1B
No. 7-9 RT. 9, Kelurahan Damai Baru, Kecamatan Balikpapan Selatan
76115 Balikpapan
Indonesia
VAT n°:
Phone:
Email:
Website:

Certificate

Type of certification	Forest Management (FM) - Individual
Certificate number	LSSF-M-001/MUTU/IFCC-016
Old certificate number	
Sub certificate number	
Certification standard	Indonesian Forest Certification System, 2021
Number of active members/sites	1
Certificate status	Valid

Screenshot from the website of certification scheme PEFC, showing that PT Industrial Forest Plantation now holds 'Forest Management' certification

Source: © PEFC website



The scheme therefore appears to offer little incentive for a plantation company to preserve natural forest in its concession. By failing to apply the 2010 deforestation cut-off date across the whole concession, PEFC effectively allows a plantation company to divide its land into 'sustainably managed' forest, likely mature plantations grown on land deforested before 2010, and areas where forest clearance continued well beyond that date. Once it has finished clearing natural forest and selling the deforestation timber, the company can then apply for certification for its mature plantations, with no requirement to redress the environmental or social harms resulting from the post-2010 clearance, or to restore destroyed forest.

The fact that the PEFC could in 2024 certify the second-worst deforester in Indonesia's plantation sector that year⁵⁹ as a source of sustainable timber shows that the scheme is incapable of ensuring a timber product comes from a source that even approaches sustainability.

The fundamental weaknesses in these voluntary certification schemes and their implementation, particularly the lack of action to prevent companies misleadingly representing their Chain of Custody certification, has allowed large segments of the industry to present an unrealistic image of sustainability. Companies can enjoy the reputational and material benefits of appearing eco-friendly without ensuring genuine sustainability across their supply – therefore disincanting more meaningful change.

If implemented effectively, however, the EUDR has the potential to overcome some of these basic weaknesses in voluntary certification, and ensure that a customer buying wood products in the EU can be confident they are doing so from a company dealing only in legal and deforestation-free wood. Only regulatory action like the EUDR can compel all wood importers and sellers to exclude deforestation wood from their supply, thereby addressing the greenwashing that mars the industry today.

ONLY REGULATORY ACTION LIKE THE EUDR CAN COMPEL ALL WOOD IMPORTERS AND SELLERS TO EXCLUDE DEFORESTATION WOOD FROM THEIR SUPPLY, THEREBY ADDRESSING THE GREENWASHING THAT MARS THE INDUSTRY TODAY



RECOMMENDATIONS

EU timber importers should:

- Demand that Indonesian companies seeking to supply tropical wood to the EU market do not purchase any wood from deforestation
- Conduct immediate checks to establish where their timber was harvested, to the specific concession; what other concessions their suppliers sourced timber from, including via middlemen companies; and whether any deforestation has taken place in these concessions since December 2020
- Cancel contracts with Indonesian timber suppliers found to have deforestation timber in their supply. Recognise that FLEGT licences do not guarantee that Indonesian timber is deforestation-free and therefore EUDR-compliant
- As a starting point, commit to only purchasing wood that is independently certified as legal, sustainable and deforestation-free by FSC under its new, stricter EUDR-compliance standard. However, due to known flaws in FSC systems,⁶⁰ they must avoid relying on FSC or other voluntary certification schemes alone as evidence of compliance with the EUDR, and

conduct thorough due diligence of their own

- Demand full traceability from their timber suppliers, including middlemen companies, using tools such as audits, scientific testing and un-announced on-site inspections to verify claims

The European Commission, Parliament and Council should:

- Reject any attempts to delay or weaken the EUDR
- Oppose the inclusion of the EUDR in any initiative to combine and amend environmental regulations (or Omnibus package)
- Push for the full implementation of the EUDR at the end of 2025. EUDR enforcement authorities, especially those in Belgium, the Netherlands and Germany, should:
- Alert operators to the risks identified in this report
- Once the law comes into effect, prioritise checks on Indonesian timber imports entering Europe, given substantial risk of non-compliant deforestation timber entering supply chains



The endangered proboscis monkey is found only in lowland forests on the island of Borneo

Source: © Shutterstock

- Incorporate information from this report into their systems, noting especially the concessions where deforestation has occurred since 2020, to ensure that any due diligence statements which list these areas as the point of origin for imports are flagged for further checks
- Take into account findings in this report to ascertain what checks can genuinely ensure negligible risk regarding tropical wood imported from Indonesia, beyond simple assurances from suppliers

Indonesian timber companies should:

- Stop buying any wood derived from conversion of natural forest, whether for plantation forest, oil palm or other agriculture, mining, or infrastructure projects
- Publicly state their rejection of deforestation wood
- Share timely and accurate information on all their sources of timber with current or potential European customers in order to facilitate due diligence required under the EUDR and enable EU companies to identify suppliers that do not use any deforestation wood

The Indonesian government should:

- Issue a regulation that provides legal protection for all remaining natural forest in the country, including in concessions and on private land, which would mean any deforestation in Indonesia would be categorised as illegal
- Improve Indonesia's SVLK timber legality assurance system in order to
 - 1) ensure SVLK does not certify as legal or sustainable any timber from deforestation;
 - 2) improve transparency, including ensuring civil society access to key documents and systems such as timber sourcing and selling reports (RPBBIs), reports on government revenue from the timber industry (SI-PNBP v2), and the SIPUHH timber trade administration system; and
 - 3) provide safe and adequate space for independent forest monitors within SVLK processes



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7. Combined total for all mills in West, Central, East and South Kalimantan is 199,849.19m³, 79 per cent of nationwide total of 252,490.5m³
8. All percentages in this report are rounded to the closest whole number
9. We obtained almost 10,000 RPBBi documents in total from 2024, each of which lays out in detail a company's timber use for a given month. Most reporting mills were small furniture operations consuming only plantation-grown timber, while many other reporting companies were inoperative and reported no wood used at all. Eliminating these, our analysis identified 306 large mills in



Logs produced from the clearance of natural forest in PT Industrial Forest Plantation's concession, November 2024

Source: © Auriga / Earthsight

Indonesia which consumed natural forest logs during 2024. Many sourced these logs from middlemen companies; in such cases it was impossible to trace whether this included deforestation wood. For 65 of those companies, however, their purchases included logs coming directly from concessions licensed to clear of natural forest.

We also obtained RPBBi documents from previous years, but for this analysis we restricted our focus to timber companies which purchased natural forest wood from land clearing or land preparation in timber plantations, or wood from oil palm or mining concessions, in 2024; several others bought such wood in previous years, but appear to have changed their sourcing policies, perhaps in response to the EUDR

10. Appendix I includes all companies which reported in their 2024 RPBBi timber sourcing documents any natural forest wood from land clearing or land preparation in timber plantation concessions, or natural forest timber from oil palm or mining concessions listed under 'Other valid permits (ILS)' or 'IPK'. Not all of this wood will have derived from activity that meets the EUDR definition of deforestation or forest degradation; some appears to come from selective logging activity, which may be a precursor to full clearance. Some may also have been harvested from wooded land that does not meet the EUDR definition of forest. For the purposes of this report, we focused only on supply chains involving wood from concessions where clearance activity meets the definition of deforestation or forest degradation under the EUDR

11. In order to exclude supply chains of plantation timber, which could not have come from recently deforested areas, we looked for information on the species and type of product in each shipment. In many cases, shipments were clearly labelled as natural forest species such as meranti, bangkirai or keruing – species which grow only in natural forest in Southeast Asia and could not have been harvested from established plantations

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52. Korindo Group website, <https://www.korindo.co.id/use-of-timber-from-deforestation/?lang=id>
53. NSS Group website, 'Conservation and Biodiversity', <https://nssgroup.id/en/berkelanjutan/konservasi-dan-keanekaragaman-hayati/>
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