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Ben Gunneberg
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7th July 2010

Dear Ben,

PEFC provides 'green cover' for Indonesia's most notorious rainforest destroyer

You will have now seen our new report '*How Sinar Mas is Pulping the Planet,*' containing evidence of how Asia Pulp and Paper (APP) continues to destroy rainforests in Indonesia. As there are no PEFC certified forests or plantations in Indonesia, APP imports PEFC certified pulp from elsewhere and mixes this with non-certified Indonesian fibre, to manufacture a number of PEFC paper products. Our report shows that:

- APP is misusing its association with PEFC in communications to its customers and stakeholders in order to imply that its PEFC chain of custody system and the connected verifications can provide assurance of legal and non controversial origins for all fibre entering various APP mills.
- APP fibre from extremely controversial sources is being used in PEFC certified products and is being verified as 'non controversial'.

I note that PEFC has lodged a complaint with SGS in relation to APP. Whilst this is one step forward it is an inadequate response to this serious issue, not least given SGS's track record when it comes to considering complaints against APP. Greenpeace believes that PEFC should immediately a) suspend all APP Chain of custody certificates, b) immediately suspend the use of 'non controversial' fibre from APP plantations in Indonesia for any PEFC products and c) launch a complete review of PEFC procedures in relation to the use of uncertified material from 'non controversial' sources.

APP claims that the implementation of PEFC procedures for non-controversial materials provides evidence of legality and non controversial origin for all fibre used in a number of its mills.

In a letter to Greenpeace earlier this year you stated that a '*certification system's mechanisms for controlling uncertified material... cannot claim, and should not give the impression, that they promote sustainable forest management or are equivalent to forest certification.*'

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Yet this is exactly what APP does. In a 'stakeholder update' from May 2008 the company claimed that "PEFC procedures for avoidance of raw material from controversial sources have also been implemented by both APP's pulp mills in Sumatra, operating under Indah Kiat Pulp and Paper (Perawang Mill) and Lontar Papyrus Pulp and Paper Industry, and verified by an independent third party certification body in order to provide confidence that no illegal or controversial wood enters the mills' fiber supply chain." [my emphasis]

Responding to a complaint made against APP on this very point, the auditor concerned (SGS) failed to point out that at the time of this statement neither of these mills even had PEFC chain of custody certificates. It would therefore have been technically impossible for PEFC procedures to be verified in the way that APP implied in this statement. Even if such systems had been in place, this claim would still have been misleading, given that PEFC chain of custody verification would only cover fibre being used in the manufacture of PEFC products, not ALL fibre being used at the mills.

More recently, in a December 2009 letter to customers, APP China stated that 'major mills' had achieved 'chain of custody certification' from PEFC 'thus ensuring the legality and credibility of the raw materials used during the manufacturing process'.

These statements and others like them are clearly designed to create the impression that a PEFC chain of custody system, used for some fibre verified under PEFC 'non controversial' rules, provides assurance of the provenance for all fibre entering these APP mills. Could you please confirm what action PEFC will take to ensure that APP stops making misleading claims on the basis of its use of uncertified material verified under PEFC rules?

'Non controversial' fibre for APP products, verified under PEFC rules, is being supplied from areas of deep peat, the conversion of which is illegal under Indonesian law.

Greenpeace mapping of data provided by SGS confirms that among the APP plantation areas 'verified' under PEFC rules for 'non controversial' fibre are in areas of peat deeper than three metres, the conversion of which is illegal under Indonesian law. Fibre from these areas cannot, under any sensible definition, be considered as non controversial, as I am sure you will agree.

Flaws in PEFC definitions of non controversial sources

This example also exposes a broader fundamental flaw in the definition of 'non controversial' sources by PEFC. By not placing restrictions on the conversion of rainforests to pulp plantations PEFC is actually allowing APP to destroy rainforests and peatlands, convert them to plantations and then have those plantations verified as 'non controversial' for use in PEFC certified products. This is hardly consistent with claims on your website that PEFC's 'credible standards seek to transform the way forests are managed globally - and locally'.

In a recent letter to Greenpeace you said that 'I can assure you that we have the same objectives in ensuring that the wood based material is correctly sourced to the benefit of the world's forests'. With that statement in mind, and with the future of Indonesia's remaining rainforests at stake, Greenpeace urges you to immediately suspend APP's chain of custody certificates. The use of any uncertified fibre from APP should also be immediately halted by PEFC. It is our belief that these measures should remain in place until APP commits to ending all clearance of natural forests for use in its pulp and paper products.

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PEFC should explain to its stakeholders just how these areas in Indonesia, the products from which can be used in any PEFC mixed source product, could ever have been considered as 'non controversial'. The organisation should launch an immediate review of its rules around the use of uncertified 'non controversial' fibre.

I look forward to hearing from you again as a matter of urgency.

Yours sincerely,



Andy Tait
Senior Campaign Advisor
Greenpeace UK

Cc PEFC stakeholders