



O'MELVENY & MYERS LLP

美国美迈斯律师事务所

INTERNATIONAL LAWYERS

9 Raffles Place  
#22-01/02 Republic Plaza 1  
Singapore 048619

TELEPHONE 电话 (65) 6593-1800  
FACSIMILE 传真 (65) 6593-1801  
www.omm.com

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OUR FILE NUMBER

November 21, 2011

Gemma Boetekees & Board of Trustees  
FERN  
Mundo B 26 Rue d'Edimbourg  
B-1050 Brussels  
Belgium

WRITER'S DIRECT DIAL  
(65) 6593-1875

WRITER'S E-MAIL ADDRESS  
abell@omm.com

Dear Ms Boetekees,

**Re: *European Commission Report into P.T. Pindo Deli Pulp & Paper Mills***

We represent the production facilities and affiliated companies which operate under the Asia Pulp & Paper Group ("APP") brands, including P.T. Pindo Deli Pulp & Paper Mills ("PT Pindo").

Our client has asked that we bring to your attention the official report of the European Commission regarding the awarding of the EU *Ecolabel* to copying and graphic paper produced by PT Pindo ("EC Report"). The report was based upon an independent audit of PT Pindo by the French EU *Ecolabel* Competent Body, French audit firm AFNOR.

As you would be aware, the EC Report was commissioned following statements made by FERN in your Annual Report of 2010 (p14) highlighting that one of your 'most high profile publications' had 'investigated' the awarding of the EU *Ecolabel* to two brands of photocopy paper, Golden Plus and Lucky Boss, produced by PT Pindo and concluded:

*"The case of Pindo Deli" concluded that the lack of transparency in the process of awarding the EU Ecolabel and the EU Ecolabel criteria for sustainable forest management for copy and graphic paper cannot exclude the most egregious examples of forest destruction."*

You may also be aware that the Commission has now published the following clear verdict:

*"The Audit clearly proves that there was a full compliance with the criteria of the EU Ecolabel for copying and graphic paper valid at that time, especially on criterion 3 - sustainable forest management."*

If you choose to examine the detail of the EC Report and the audit prepared by AFNOR, you will see that responsible investigation has shown Pindo Deli was (and is) in no way responsible for 'forest

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destruction'. It has very clearly been established that almost 88% of the fibre for these products comes from APP's own non-controversial and/or Sustainable Forest Management (SFM) certified plantations, while the remainder is from PEFC SFM certified sources. The audit demonstrates that APP has sufficient Chain of Custody processes and policies in place to ensure that no illegal wood enters its supply chain, and that it meets international standards for the production of SFM certified materials.

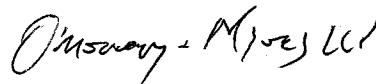
It is also very clear from the verdict of the EC that your 'investigations' fell far short of the standards which are acceptable for professional auditors, and should be discarded by anyone who is interested in the sustainability of products from the pulp & paper industry.

In those circumstances, APP calls on you, the Board of Trustees, to conduct an investigation into how and why FERN's time and resources have been wasted in this manner, and why a clearly discredited report was published and promoted by your organisation, applauded in your Annual Report, and remains on your website until this day. Further, we trust that you will remove all references to the unsubstantiated claims made by FERN against PT Pindo and APP from your website and other materials, failing which APP will take all reasonable steps to protect its rights.

APP welcomes the opportunity to work with responsible NGOs in the development of our Sustainable Forest Management Roadmap. APP hopes to work with FERN in the future, once it has taken the actions requested in this letter – to disown this poorly researched report which may damage FERN's reputation far more than APP's.

I enclose a copy of APP's recent press release on this subject for your information.

Yours faithfully,



O'Melveny & Myers LLP

cc  
Ms Veerle Dossche  
European Commission