

Sustainable Landscapes for Sustainable Livelihoods





PEFC – The World's Leading Forest Certification System

PEFC, the Programme for the Endorsement of Forest Certification, is a global alliance of national forest certification systems. Its standards seek to transform the way forests are managed so we can all enjoy the environmental, social and economic benefits they offer.

PEFC's forest certification system enables organizations along the forest products value chain to demonstrate responsible practices through delivering Forest Management and Chain of Custody certification. More than 267 million hectares of forests worldwide are certified to PEFC's internationally recognized Sustainability Benchmarks, supplying more than 16,300 Chain of Custody certified companies with responsibly sourced timber and wood-based products.

PEFC was founded by small- and family forest owners to demonstrate excellence in sustainable forest management. By 2016, nearly one million smallholders achieved certification through PEFC Group Certification. To further increase the number of smallholders able to benefit from certification, PEFC is leading a project to expand Group Certification globally. Working with local and international partners in various locations around the world, including Indonesia, Malaysia, Nepal, Thailand and Vietnam, PEFC is continuing to address the unique challenges facing smallholders and supporting the development of new and appropriate certification solutions.

For more information, please visit www.pefc.org

Sustainable Landscapes for Sustainable Livelihoods

Welcome to this special supplement on forest certification in Asia, authored by the Programme for the Endorsement of Forest Certification (PEFC) in collaboration with Asian Timber magazine.

The importance of forests resonated with world leaders at several negotiations throughout 2015. From the United Nations Sustainable Development Summit in New York City, to the United Nations Framework Convention on Climate Change in Paris (COP21), the role of forests in eradicating poverty, combating climate change and promoting green growth was underscored.

But this is not news. Especially for those 350 million of us who live in and around forests or the estimated 1.6 billion of us whose livelihoods are somehow linked and dependent upon forests as a renewable resource.

Rather, what is news is just how fast and radically the forest sector in Asia is evolving and striving towards sustainability. We are inspired to hear about upstream companies (pages 4 & 8) committed to sustainable sourcing not just because of their customers' demands but because they are dedicated to healthy forests. To make sure there is enough certified forest to supply a growing demand, it's exciting to acknowledge the national forest certification systems emerging in almost every Asian country (page 2). And consumers in Asia and beyond are adjusting their preference as well, recognizing that labels on products can provide them with solid assurance of the product's sustainable credentials (page 9).



Ben Gunneberg, PEFC International CEO

We offer this supplement to keep you abreast of these exciting movements under foot and to motivate and inspire you to get involved. We still need a colossal shift to mainstream sustainability in the forest sector and to make sure that sustainable landscapes can deliver the needs required for sustainable livelihoods. But the future is looking bright.

Cover photos (top to bottom, left to right): Gunnar van Eenige, Yoshi0511, PEFC, Fabio Lamanna, Huhtamaki Ltd (product & photography), MTK, Yatra, Ikunl, MTCC, Richard Laity.

Table of Contents

PEFC: Growing in Asia and Beyond	2
Beyond Market Access: Recognizing the Value of Sustainability	4
Architects and Designers: Appreciating the Importance of Wood	5
Time to Get PEFC Chain of Custody Certification?	6
Asian Markets calling for PEFC-Certified Wood	8
Certification - Securing Global Acceptance of Your Products	9

PEFC: growing in Asia and beyond

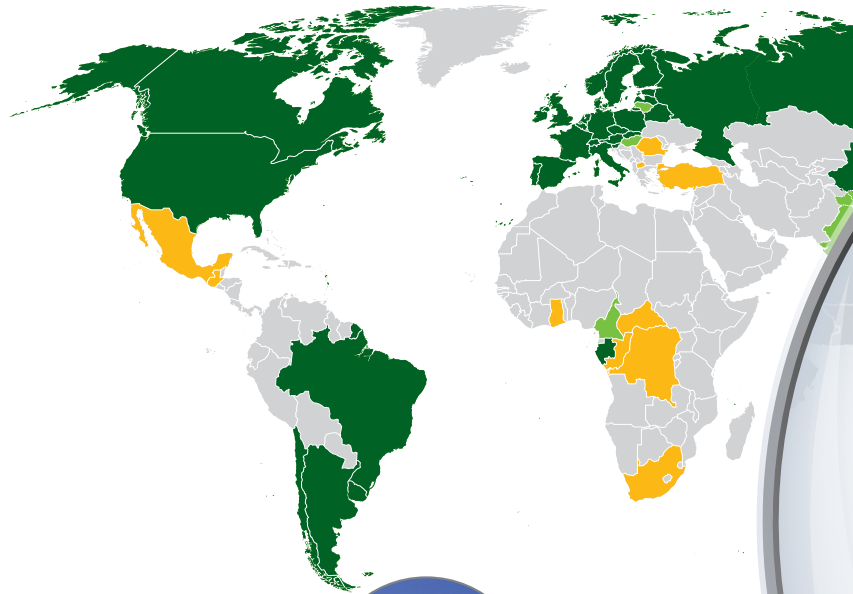
PEFC members with
endorsed systems



PEFC members progressing
towards endorsement



Countries actively
developing systems



THAILAND

In late 2015, the Thailand Forest Certification Council was born! Now with the institutional backing provided by the team at TFCC we are in a strong position to finalize our national system in early 2016 and get our certification system into operation for the benefit of the forest sector in Thailand. It is really unprecedented to have so many forest sector stakeholders working together under our initiative."

Nikhom Laemsak, Faculty of Forestry,
Kasetsart University



INDONESIA

2015 was a landmark year for PEFC in Indonesia, as 727,078 hectares of forest achieved PEFC Certification.

From here, we will focus on further expansion, further integration into supply chains, and advancing our initiative to establish group certification for small landholdings and community forests."

Dradjad Wibowo, Indonesian Forestry
Certification Cooperative (IFCC)



PHILIPPINES

We've made great progress in developing and testing our Forest Management standard in the Philippines, and will now progress towards establishing a PEFC-recognized certification system.

We need such a tool to encourage sustainable management in our forests and to support green growth in our economy."

Ricardo Calderon, Department of Environment and
Natural Resources (DENR), Philippines



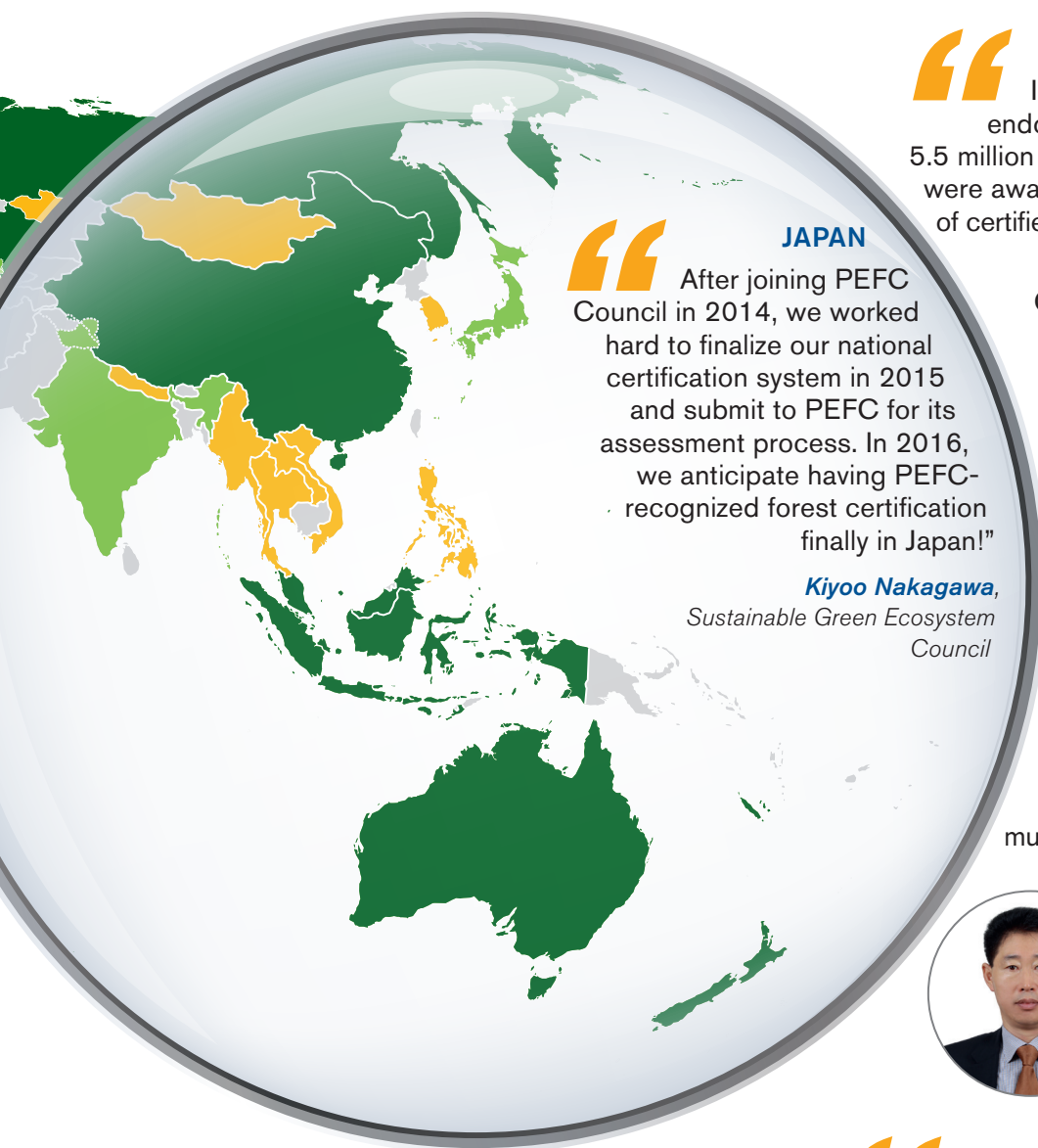
INDIA

PEFC offers us the opportunity to have a standard more relevant for India.

With the official acceptance of NCCF into the PEFC Council in 2015, we are now making good progress with stakeholders to develop our national system and working to actively promote PEFC Chain of Custody throughout the country."

Sachin Raj Jain, Network for Certification
and Conservation of Forests (NCCF)





CHINA



In 2015, our first year with PEFC endorsement, we certified more than 5.5 million hectares of forests in China and were awarded the prize for largest growth of certified area amongst the PEFC family.

Now with China's new Forest Certification Regulation in effect, we anticipate even further acceleration of growth in both forest and chain of custody certification."

Wang Wei, China Forest Certification Council (CFCC)



JAPAN

After joining PEFC Council in 2014, we worked hard to finalize our national certification system in 2015 and submit to PEFC for its assessment process. In 2016, we anticipate having PEFC-recognized forest certification finally in Japan!"

Kiyoo Nakagawa, Sustainable Green Ecosystem Council



KOREA

We have nearly finalized our national certification system and will apply for PEFC membership in 2016. We have been learning so much from PEFC members globally, and look forward to introducing PEFC in Korea."

Seoggu Son, Korea Forestry Promotion Institute (Kofpi)



MALAYSIA

MTCC celebrated its 14th anniversary of operating the MTCS in 2015 by bringing together over 100 stakeholders for an open forum combined with an appreciation event. We're proud that certified products from our 4.66 million hectares of MTCS-certified forest are currently exported to 45 countries, and will continue striving to promote Malaysia's forest sector."

Yong Teng Koon, Malaysian Timber Certification Council (MTCC)



VIETNAM

PEFC is the best way to enable millions of small-forest owners in Vietnam to access certification.

From early 2016, the Vietnam Administration of Forestry and the Vietnamese Academy of Forest Sciences (VAFS) will further develop and run the Vietnamese Forest Certification System. With this national approach, we can finally advance forest certification in our country."

Bach Le Van, Ministry of Agriculture and Rural Development (MARD)



Beyond Market Access: Recognizing the Value of Sustainability

Market access and customer demand is often the trigger to obtain certification, but many companies move beyond the basic business case as they understand the importance of sustainably managed forests as a resource base and provider of many other services beyond timber.

"While the initial driver for PEFC certification was to continue to do business with European customers following the implementation of the EU Timber Regulation, PEFC has become much more than that for us," says Mr Chua Song Fong, Director at True Acclaim Sdn Bhd.

True Acclaim Sdn Bhd, based in Kuala Lumpur, is an established exporter and purchases PEFC-certified sawn timber, but outsources kiln-drying, manufacturing and warehousing for sales of PEFC-certified sawn timber, moulding products, solid, laminated and finger-jointed material.

"Through the exposure to PEFC's work, we gained a much better understanding of our own responsibility in promoting sustainable forest management."

-Mr Chua Song Fong

"We take pride in the fact that Malaysia was the first country in Asia to have a PEFC-endorsed national forest certification system, this will help us to continue to protect our forests now and for future generations."

-Ms Olivia Aw Yeong

"The initial driving factor for the company was market demand. We have however moved beyond that as we have recognized that sustainable forest management is a prerequisite for building a sustainable business for any company along the timber value chain," emphasized Mr Chua Song Fong.

For **Yee Poh Timber Sdn Bhd**, an exporter of rough sawn and machined timber based in Kuala Lumpur with markets predominantly in Europe, it was important to become PEFC-certified in order to demonstrate their commitment to sustainable forest management. Exporting species such as Dark Red Meranti, Gerutu, Red Meranti, Mengkulang, Merbau, Keruing, White Meranti, Melunak and Jelutong, the company initially wanted to be different from other competitors who were not certified. "However, buyers quickly demanded only certified timber, so no certified timber meant no sales," said Olivia Aw

Yeong, Marketing Manager of Yee Poh Timber.

Both companies obtained PEFC certification through the Malaysian Timber Certification Scheme (MTCS), which was the first forest certification system to be endorsed by PEFC in Asia. PEFC/MTCS enables Malaysian companies to source local and imported wood material from certified forests and meet regulatory requirements in the United States, the European Union, and Australia through PEFC Chain of Custody certification and its integrated Due Diligence System.

While PEFC certification may not have provided True Acclaim with advantages over competitors, the main business benefit has certainly been market access. "Our customers ask for, and appreciate MTCS/PEFC certification, as it also contributes positively to the overall corporate image and brand, which is an added value," said Mr Chua Song Fong.

Ms Olivia Aw Yeong agrees. "PEFC certification not only enables Yee Poh Timber to continue to supply our customers who demand certified timber, but through it we have also gained access to new markets, new customers with more sales and better market penetration."

When asked if the company sees benefits in large areas of Malaysian forests being managed in compliance and certified to MTCS, Mr Chua emphasized the importance of getting local forests certified. "MTCS/PEFC certification goes way beyond providing us with market access, it also ensures that we as a society continue to benefit from all the other environmental and social benefits that forests provide. I believe that many other countries will follow suit and hope that all stakeholders strengthen collaboration to conserve our limited resources in a sustainable way."



Architects and Designers: Appreciating The Importance of Wood

We live in a rapidly growing, urbanising world that requires ingenious and innovative solutions to create sustainable societies and sustainable cities. That's where wood comes in. Timber is renewable and recyclable, with the lowest embodied CO₂ of any building material.

"Steel and concrete are the materials of the last century, but wood is the only building material grown by the power of the sun. The Earth should grow our homes," stressed Vancouver-based architect Michael Green in a recent TED Talk.

"Here is a material that is grown rather than made, that is infinitely replaceable that treads lightly on the earth," said respected UK architectural critic Hugh Pearman (Sunday Times and RIBA Journal), after the recent Wood Awards in UK.

Today, some architects in Asia are reviving wood as a more sustainable alternative to steel and concrete. Timberize, a non-profit organisation founded by architects in Japan, is proposing a new stadium made of wood ahead of the Tokyo Olympics.

One of the most exciting developments across the construction landscape is the growth of building solutions such as cross laminated timber (CLT) and glulam. These are recognized as an efficient way to build strong, sustainable and stable structures while bringing a striking architectural dimension to modern building design.

Mann Young, Business Development Director at Lendlease, believes that CLT represents the next leap in construction productivity in Asia. "Given that Asia is urbanising very quickly and becoming more eco-conscious, CLT's low environmental impact will be a major pull factor for developers and land owners," he says.

Andrew Lawrence, leading global timber specialist at Arup, says "Wood is a very good material to work with. It is strong and CLT panels are easy to connect together. CLT panels arrive on site and are put together really quickly and easily. In the UK we are writing a handbook on CLT to explain the material to professionals who have not worked with it before."

Talking about the Woodtek 5-storey wood building in Taiwan, Product Manager Stan Chiao said "our intention was to introduce an environmentally-friendly, low-carbon alternative to the building and construction scene in Taiwan." He had been curious about using wood to build skywards since 2009 and

calls CLT the 'concrete of the 21st century'. The following year, he began a feasibility study in partnership with KLH, the Austrian CLT manufacturer, and the National Cheng Kung University Research Foundation in Taiwan.

Mr. Chiao is not alone. Around the world, architects and engineers have been taking wood to greater heights, literally. These projects include the 9-storey Stadthaus in the UK, Melbourne's 10-storey Forte apartments, and Treet, currently the world's tallest wooden building in Norway at 14 storeys high. Michael Green has pushed the boundaries further by proposing a 35-storey skyscraper made of wood for the Baobab, a development of six-towers in Paris.

As Hugh Pearman puts it, "Wood brings out the best, not only in buildings and furniture, but also – and this is cause and effect – in people."



'BSkyB – Believe in Better Building' designed and engineered by Arup, a Wood Award winner "in recognition of the scale and speed achieved and the client's determination to use timber for its environmental and aesthetic properties." (photo credit: Simon Kennedy)

Time to get PEFC Chain of Custody certification?

Chain of Custody (CoC) certification is a tool to support your company in demonstrating legal and sustainable sourcing of forest products. Chain of Custody provides a mechanism for tracking forest-based material throughout the entire value chain. It enables your company to deliver accurate and verifiable information on the content of material originating from PEFC-certified forests, recycled materials and other controlled sources.

The acquisition of Chain of Custody certification reinforces the sustainability commitments of businesses. It provides companies with a commercial advantage as it allows them to use the PEFC logo on products, making them the preferred choice, especially for responsible consumers. Over 16,300 companies had already secured PEFC CoC certificates by early 2016.

The PEFC Standard *"Chain of Custody of Forest Based Products - Requirements (PEFC ST 2002:2013), Second Edition"* is available to download at treee.es/2002-2013

STEP 1. COMMUNICATE INTERNALLY

Explain to your staff what PEFC is and appoint a member of management to drive the process, supported by the PEFC standard, guidelines and additional materials.

STEP 2. SET UP THE SYSTEM

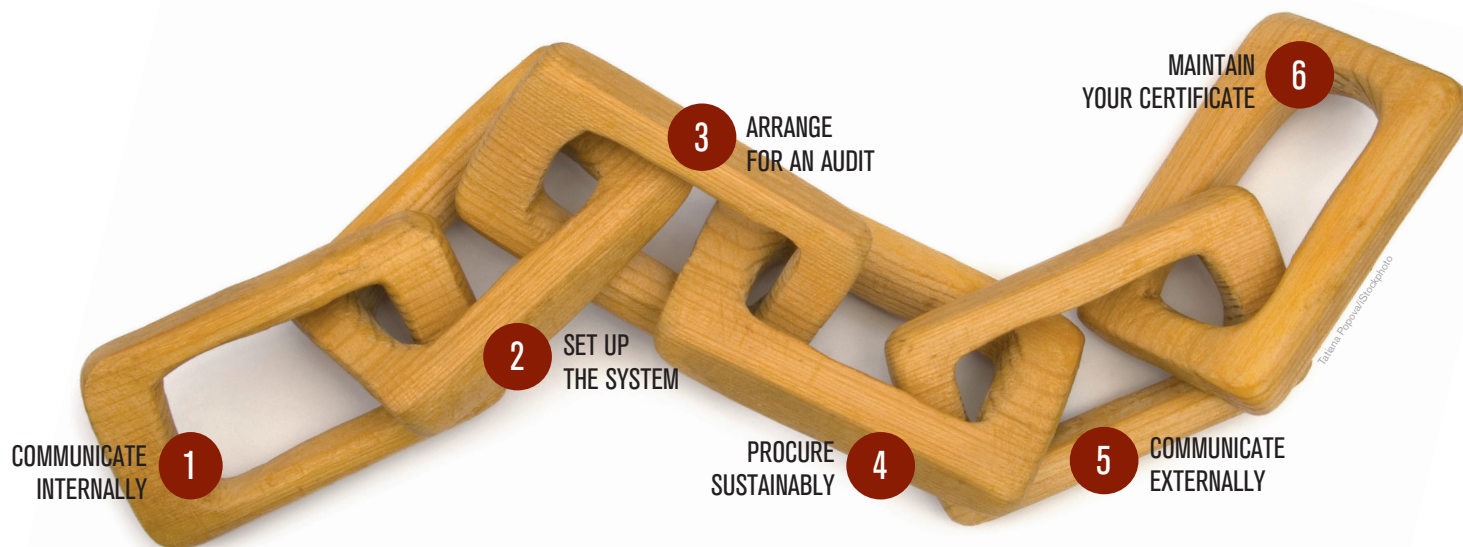
Align your management systems, sourcing procedures and social, health and safety guidelines for implementation and maintenance of PEFC Chain of Custody. Fulfilling the requirements will likely call for new internal procedures to be developed; new responsibilities to be assigned to trained staff; and records maintained as evidence of implementation. One of the specific procedures will include establishing a Due Diligence System, to ensure that no illegal, unknown or controversial sources enter the Chain of Custody. Ultimately, the system you put in place will enable you to separate and/or identify PEFC-certified material at all stages from purchasing to processing and finally sales.

STEP 3. ARRANGE FOR AN AUDIT

Contact a PEFC-notified certification body to carry out an on-site audit of your company. During the audit, the certification body will check that you correctly implement the requirements. If the audit is successful, they will issue the certificate.

STEP 4. PROCURE SUSTAINABLY

Put in place a policy to give preference to suppliers that can provide products from sustainably managed forests.



STEP 5. COMMUNICATE EXTERNALLY

Once you have obtained your PEFC Chain of Custody certificate, you can apply to use the PEFC logo and label.

STEP 6. MAINTAIN YOUR CERTIFICATE

PEFC Chain of Custody certificates are only valid for 5 years and an annual internal audit must be carried out for compliance.

CERTIFICATION TYPES:

Whether your business operations are simple or complex, PEFC offers several Chain of Custody options which can meet your company's needs:

- **Single-site Certification:**
For companies that operate one facility.
- **Multi-site Certification:**
For companies that operate several facilities.
- **Group Certification:**
For small, independent businesses forming a "group" for the purpose of certification to reduce costs.
- **Project Certification:**
For short-term projects involving different, uncertified contractors, such as construction and building projects, or the one-off production of a specific product.



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- **PEFC Japan Office**
Tel: +81 3 3513 0291
info@pefcasia.org – www.pefcasia.org

PEFC National Members & contacts throughout the Region:

- **Australian Forestry Standard**
info@forestrystandard.org.au
- **China Forest Certification Council**
cfcc@cfcs.org.cn
- **Green Foundation Nepal**
greenfoundationnepal@yahoo.com
- **Indonesian Forestry Certification Cooperation**
sekretariat@ifcc-ksk.org
- **Kofpi (Korea Forestry Promotion Institute)**
kfcc@kofpi.or.kr
- **Malaysian Timber Certification Council**
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- **Network for Certification and Conservation of Forests (India)**
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- **New Zealand Forest Certification Association**
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- **Sustainable Green Ecosystem Council (Japan)**
info@sgec-eco.org
- **Thailand Forest Certification Council**
tfccthai@gmail.com
- **Vietnam Forest Certification Office**
vkhl@vafs.gov.vn



MORE INFORMATION:

Locate a PEFC-notified certification body operating in your country: treee.es/PEFC-CBs

Access all PEFC standards, guidelines and publications related to Chain of Custody certification at: treee.es/CoC-info

Asian Markets Calling for PEFC-Certified Wood



Co-owner of Square Roots, Edward Stoddart (L) and Justin Wheatcroft (R)

Vast quantities of PEFC certified timber from all over the world enter Asian markets each year. Asian-based manufacturers are now starting to take full advantage of these readily available sources by acquiring PEFC Chain of Custody certification. Doing so means they can benefit immediately in communicating the PEFC claim and using on-product labels. It also puts them in a front runner position, ready to profit as more forest sources in Asia achieve certification and deliver increased certified volumes to the local markets.

The Cintac Timber Group specialises in sourcing and trading sustainable timber, particularly Pine and Eucalyptus logs and lumber into Asia. With yard operations in Australia and Brazil of 45,000 m² and sales offices in Vietnam, China and Hong Kong, Cintac Timber traded over 150,000 m³ globally in 2015. Most of their timber is sourced from PEFC-certified forests, and they are now ramping up efforts to tell the story behind the world's largest certification system to their downstream partners in Asia.

"The Cintac Timber Group is excited about securing PEFC certification this year for its entire group," says Benjamin Redman when asked about the future. "Partnering with PEFC and their national members in Asia, helps fulfil some of our strategic goals while supplying the certified timber that our customers demand. Both Cintac Timber and our customers want to be sure that our materials and products are from sustainable sources. PEFC is an excellent certification program that is well-recognized and a programme that Cintac Timber is proud to be associated with," he stressed.

For **Square Roots Ltd**, a furniture manufacturer based in Vietnam, it is PEFC-certified sources of oak that underpin the ethos of the company. "We take great pride in understanding oak in all its complexity. By selecting the best quality and most environmentally responsible suppliers we can produce an exceptional quality product," explained co-owner, Edward Stoddart.

"We are proud to be able to sell 100% PEFC-certified products this year. The certification enables us to know that this beautiful natural product is from sustainably managed forests in France and Germany. We are buying over 40 containers a year and by being able to use the form of the tree, our design keeps the natural edges and features and we don't waste this precious resource."

Recognizing the Vietnam Government's recent decision to invest seriously and advance its national forest certification system and align with PEFC, both Square Roots Ltd and Cintac Timber see big potential for upscaling sustainability within the forestry sector.

"We're excited that our choice to partner with PEFC and to increase awareness about certification amongst our customers in Asia aligns with Vietnam's strategy and the country's vision for local industry development," said Mr. Redman of Cintac Timber.

"It's great to build our cooperation with PEFC International and the Vietnamese Academy of Forest Science. We hope to be a showcase and support the Vietnamese Forest Certification Scheme, so that our friends will follow," says Justin Wheatcroft co-owner of Square Roots.

Certification - Securing Global Acceptance of Your Products

With topics such as deforestation and climate change high on the agenda of governments, business and consumers around the world, PEFC certification offers companies an easy and straightforward tool to demonstrate that your products are sustainably-sourced and environmentally-sound.

From small and medium-sized enterprises to global brands, more and more companies along the timber value chain are looking to demonstrate that the forest-based materials they are using come from legal and sustainable sources. Some are doing so in response to legislation and regulatory requirements, others realize the benefits of delivering sustainability assurances on products to address environmental, social and ethical concerns.

Regardless of the motivation, the preferred tool for companies to demonstrate legal and sustainable sourcing of forest products is PEFC Chain of Custody certification.

Legislation: Governments around the world are putting in place legislation designed to support the trade of legal timber and to deny the entry of illegally-produced wood products into the marketplace. This includes the EU Timber Regulation (EUTR), the U.S. Lacey Act, and the Australian Illegal Logging Prohibition Regulation. PEFC Chain of Custody certification is designed to allow you to demonstrate compliance with such legislative requirements.

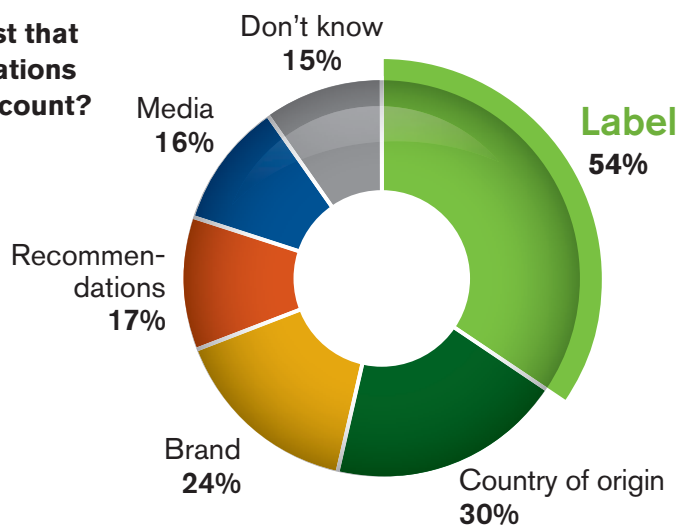
Customers: Demonstrating commitment to curb deforestation, conserve biodiversity and act socially responsible, public and private buyers often go beyond meeting legal requirements and demand assurance of forest sustainability. For example, nearly 30 national governments have already put in place sustainable timber procurement policies. Most recently, the UK government found PEFC to be most aligned with its sustainability requirements for timber.

Similarly, a growing number of companies demand proof of sustainability from their suppliers, with influential business associations like the Consumer Goods Forum (CGF) encouraging companies to insist on certification such as PEFC.

Consumers: Ethical consumption is on the rise, as market research has repeatedly shown over the past years. Certification allows you to use the PEFC label, and an overwhelming majority of consumers globally - more than 80% - want companies to use labels on products, according to the first PEFC/GfK Global Consumer Survey. 30% of all consumers said that they actively look for forest certification labels, with the PEFC label being the most trusted global forest certification label.

What reassures you most that environmental considerations have been taken into account?
(% of consumers)

Base: 1,000 men and women aged 16+ years per country.
Question: When purchasing a product or a service, which of the following criteria reassure you the most that environmental considerations and sustainable development have been taken into account?
PEFC/GfK Global Consumer Survey – October 2014





PEFC: YOUR SOURCE

FOR CERTIFIED TIMBER

Your customers require proof of legality and sustainability. PEFC, the world's largest forest certification system, offers you the largest supply.

**Get PEFC Chain of Custody to source
and sell certified, sustainable materials.**

www.pefc.org/getcertified info@pefc.org