PEOPLE'S COMMITTEE OF BINH THUAN PROVINCE BINH THUAN FOREST COMPANY LIMITED

REPORT OF MINOR CARS CLOSING RESULTS (INTERNAL ASSESSMENT, JULY 2018)

Binh Thuan, October 2018

From July 25 to 28, 2018, Binh Thuan Forestry Company, under the guidance of the Technical Consultancy Unit, is the Sustainable Forest Management and Forest Certification Institute (SFMI) implemented the internal assessment for all forest management activities in the area of forest and forest land are managed by the company.

The results of the internal assessment finded there are 10 minor CARs and 2 observations. Implementing the content of the memorandum of understanding between the two sides at the meeting on October, 28 2018, the Company's leader board and FSC's Board and enterprises organized activities to overcome non-compliances. The following is the result of the CARs closing of the internal assessment.

MINOR CARs

CAR number	2018-01			
Short Title	The relevant legal documents are not full kept			
Grade	☐ Major			
Scope of CAR:	⊠ FM: Forest Management Enterprise, resp. 0	Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	1.1.1
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for 1.1, September 4, 2015). There is no evidence of violations of current na regulations.	ational and local laws	and administra	ative
Description of identified non-conformity	 The Company has not supplemented the Pla 27, 2008 (processing vegetation, afforestation whole company; The enterprises have not yet saved the Civi 01/01/2017; Decree No. 43/2015 / ND-CP of establishment of water resource protection coand awkward. 	, exploitation) for uni I Code No. 91/2015 the Government dat	iform applicatio / QH13, effecti ed 6 May 2015	in in the live from 5 on the
		assessment (Octobe	er 2018)	
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the	organization)		
Root Cause Analysis	The FSC board did not update and keep the do	ocuments as required	t	
Corrective Actions	The Company needs to supplement the dated 27 March 2008. The company must by the Criteria. At each hand bag of documents contain criteria, cr. Supplementation of Civil Law No. 91/201 the Government.	st update and save a uments must have a riteria.	all documents r catalog, specif	required y which
Preventive Actions	Companies should regularly remind units durin	g monthly briefings		
	Evaluation of Corrective Action (by	/ SFMI)		
Status	☑ CAR closed: Root Cause Analysis and Acti	ons are appropriate		
	☐ CAR not closed: Root Cause Analysis and	Actions are not appro	opriate	
Rationale and objective evidences revised	- Memorandum of understanding for technica (28/7/2018);	assistance to main	ntain forest cert	ification
	- Official Letter No. 554 / CTLN-B.FSC da additional technical process for planting and ha	ited 19/9/2018 on t arvesting;	he promulgation	on of a
	- Civil Law 91/2015 / QH13;			
	- Decree No. 43/2015 / ND-CP dated 06/5/201	5.		

CAR number	2018-02			
Short Title	Lack of professiona	I training courses		
Grade	☐ Major			
Scope of CAR:		Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	1.1.2
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for 1.1, September 4, 2015). Responsible officers must be aware of the ru standards of practice, guidelines or agreement	les governing their a	activities as wei	ll as the
Description of identified non-conformity	The company has a plans to train severally troverall plan. Plan No. 339 / DS-CTLN dated training. Harvesting technique is not right, cutt at the railway road station of Ham Thuan Nemployees of Ham Tan enterprise have limite certification, sometimes wrong answer, coccupational safety of plantating and harvesting.	17/7/2018, but in A ing the neck (plot No lam enterprise). The ed knowledge about understanding on	ugust 2018 to 11B, departme interview sho forest SFM an	conduct ent No 7 lows that d forest
	No later than the GFA mission's periodica	l assessment (Octob	er 2018)	
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the			
Root Cause Analysis	Not regularly training to improve the level, a company	awareness for empl	oyees, workers	s of the
Corrective Actions	The Company needs to have a comprehens enterprises and budget estimation at the employees to outside classes, open classes enterprise, training time, budget estimates, awareness, improve professional skills for employees.	beginning of the s in company office etc.). Training must	year. (Compar , open classes	ny sent s in the
Preventive Actions	Annual, there is a plan to provide addition sustainable forest management for staff and w			ge and
	Evaluation of Corrective Action (by	y SFMI)		
Status	CAR closed: Root Cause Analysis and Acti	ons are appropriate		
	☐ CAR not closed: Root Cause Analysis and	Actions are not appro	opriate	
Rationale and objective ev-idences revised	- Memorandum of Understanding for technica (28/7/2018); - Official Letter No. 26A / KH-CTLN dated J			
	training plan for 2018. - There is no evidence of additional training	·	-	
	- mere is no evidence of additional training			

CAR number	2018-03				
Short Title	Update the land area with red book of the company				
Grade	☐ Major				
Scope of CAR:		Group Entity			
	☐ FM: Group member(s):				
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	2.1.1 2.2.3	
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for 1.1, September 4, 2015). Documents describing the legal status of exist	ting land and forest u	se		
Description of identified non-conformity	The company has statistics but not yet statis area company, the area has not got a red b updated data must show the logic of the company: 17,675.8 ha. Have no statistics of land area is encroachin.	ook but has decided area currently mana	to allocate lan	d The	
	No later than the GFA mission's periodical assessment (October 2018)				
Timeframe	☐ Before certificate issue				
	□ XX.XX.20XX				
Analysis and Actions (to be filled by the organization)					
Root Cause Analysis	The company's FSC board has not yet updated the data related to land management				
Corrective Actions	- The Company has stastistic of red book area for each enterprise and company. The area has not got a land use certificate but has land allocation decision.				
	- The company is calculating the area of encre	•			
Preventive Actions	Company should regularly remind, or at enterprises update the land data. Evaluation of Corrective Action (b		that FSC box	ard and	
Status	CAR closed: Root Cause Analysis and Act				
Otalus	☐ CAR not closed: Root Cause Analysis and		opriate		
Rationale and	- The minutes of the Internal assessment (28	July 2018);			
objective ev- idences revised	- The statistical table on red book area have n	o red book of the cor	npany.		
	- There is no the statistical table on encroache	ed area of enterprises	3		
CAR number	2018	-04			
Short Title	Not published o	on the website			
Grade	☐ Major				
Scope of CAR:		Group Entity			
	☐ FM: Group member(s):				
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other	,	Clause:	1.6.1 6.3.4	
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for	Forest Assessment	in Vietnam (Ve	rsion	

Г				
Description of identified non-conformity	1.1, September 4, 2015). Forest managers or forest agencies have a formal written commitment, including statements that will comply with the FSC standards in the forest areas being assessed for certification. For large stands (> 10,000 ha), the FME Manager's policy will be public. The company has not summarized and not publicly summarized the forest management plan of 2018-2023 on the website (organizational structure model, planting plan, harvesting plan of 2018).			
	☑ No later than the GFA mission's periodical assessment (October 2018)			
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
Analysis and Actions (to be filled by the organization)				
Root Cause Analysis	There is no written assignment of responsibility for the unit or individual to administer the Webside			
Corrective Actions	The company must have a summary and publicly summarize the SUF of 2018-2023 on the website (organizational model, plantation plan, harvesting plan 2018).			
Preventive Actions	Assigning specific responsibilities to units and individuals regularly updating information on the Webside			
	Evaluation of Corrective Action (by SFMI)			
Status	☐ CAR closed: Root Cause Analysis and Actions are appropriate			
	CAR not closed: Root Cause Analysis and Actions are not appropriate			
Rationale and	- The minutes of the Internal assessment (28 July 2018);			
objective evidences revised	- The company has publicly address: http://lamnghiepbinhthuan.com/en/news/Bao-cao/Tom-tat-dieu-chinh-ke-hoach-Quan-ly-rung-ben-vung-giai- doan-2018-2023-112.html			

CAR number	2018-05			
Short Title	Labor protection equ	ipment for workers.		
Grade	☐ Major			
Scope of CAR:		. Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	4.2.1
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for Forest Assessment in Vietnam (Version 1.1, September 4, 2015). Forest owners must be aware of the relevant safety and health guidelines and regulations. Large forest management organizations (> 10,000 ha) should establish the health and safety policies and have a management system.			
Description of identified non-conformity	The company has not provided adequate protection for workers in all 3 factories, leading to no allocation list of labor protection, lack of labor protection equipment, The labor protection equipment is not in compliance with regulations.			
	☑ No later than the GFA mission's periodical assessment (October 2018)			
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the	organization)		
Root Cause Analysis	The procurement department of the comp activities of labor protection equipment	any did not timely	carry out proc	urement
Corrective Actions	The company bought labor protection equivorkers. Delivered to the enterprises.	uipments for gasolir	ne saw and n	urseries
Preventive Actions	The company should be regularly reminded a	at monthly briefings		

	Evaluation of Corrective Action (by SFMI)			
Status	☐ CAR closed: Root Cause Analysis and Actions are appropriate			
	CAR not closed: Root Cause Analysis and Actions are not appropriate			
Rationale and objective ev-idences revised	- The minutes of the Internal assessment (28 July 2018); - Labor protection buying contract;			
	- Pictures: The standard labor protection equipments that company purchased for the activities harvesting, nursery.			
	- Minutes of handover labor protection equipments to enterprises			

CAR number	2018	-06		
Short Title	Camps for workers are not regulated			
Grade	☐ Major			
Scope of CAR:	☑ FM: Forest Management Enterprise, resp.	Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	4.2.5
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for 1.1, September 4, 2015). If a worker lives in a camp, conditions of accostandards for safety and health practices in the	ommodation and life e forest sector.	must at least m	neet ILO
Description of identified non-conformity	- Observating at Plot No 21 of department No Sat station of Ham Thuan Nam enterprise ar who carry out planting and harvesting activi workers. (low pitch, no stalls, no lying, no batt camp of workers; There is no sack of sand or	nd Ham Tan enterpristies, do not meet the nroom, toilet). Also, th	se: Camps for e life condition: nere are gasolir	workers s to the
	No later than the GFA mission's periodical No later than the GFA mission is periodical to the GFA mission is p	al assessment (Octob	er 2018)	
Timeframe	Before certificate issue			
	Anglysia and Actions (to be filled by the	organization)		
Root Cause Analysis	Analysis and Actions (to be filled by the Workers' camps are usually self-contained		they are not	oroperly
	regulated			
Corrective Actions	- Initially, the company bought the camp for ensure the living conditions in the field.			
Preventive Actions	The company should regularly dispatch insper of camps for planting and harvesting workers.		ontractors on th	ne issue
<u> </u>	Evaluation of Corrective Action (b			
Status	☐ CAR closed: Root Cause Analysis and Act	ions are appropriate		

	CAR not closed: Root Cause Analysis and Actions are not appropriate
Rationale and objective evidences revised	- The minutes of the Internal assessment (28 July 2018); - The Contract for Making of 02 prefabricated houses (workers' camps). - The hand-over Mmnutes of delivery of prefabricated houses to enterprises.

CAR number	2018	-07		
Short Title	Statistical table volume of us	sed plant protection d	Irugs	
Grade	☐ Major			
Scope of CAR:		Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	6.6.1 6.6.2 6.7.1
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for 1.1, September 4, 2015). There are strategic documents on pest and dis	sease and weed conti	rol.	
Description of identified non-conformity	At the Ham Thuan Nam factory's nursery, the volume of plant protection drugs. At Ham enterprises have not yet saved the process of No. 08 in Official Letter No. 689 / CTLN-FSC using chemicals within 10m around the river, 3	Thuan Nam and of control of added cl C dated 8 March 201	Northern Binh hemical use: A 7, item II.7 add	Thuan ppendix
	No later than the GFA mission's periodical assessment (October 2018)			
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the	organization)		
Root Cause Analysis	Technical staff of nurseries have no knowled protection drug kind.	edge about the moni	itoring of use	of plant
Corrective Actions	The company has statistic the quantity of us type.	sed plant protection of	drugs in 2018	by each
Preventive Actions	The Company's leaders FSC board, leader regularly checking and monitoring to updating	activities for this infor		
	Evaluation of Corrective Action (b)	y SFMI)		
Status	☐ CAR closed: Root Cause Analysis and Acti	ions are appropriate		
	☐ CAR not closed: Root Cause Analysis and	Actions are not appro	opriate	
Rationale and	The minutes of the lateral account of 100	Luly 2049).		
objective evidences revised	 The minutes of the Internal assessment (28 seconds) Statistical table of the quantity of used plant plant	• ,	118	
	oranged table of the quality of used plant	protoction drugs in 20	, 10.	

CAR number	2018-08			
Short Title	Waste and sanitation on the field of harvesting and planting			
Grade	☐ Major			
Scope of CAR:		Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard		Clause:	6.7.5

	FSC-STD-30-005, V.1.1			
Dec leases to the second	Other			
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for Forest Assessment	in Vietnam (Ver	sion	
Stariuaru	1.1, September 4, 2015).	•	0.0	
	Implementing on Proper disposal of waste materials and equipmen	nt		
Description of identified non-conformity	There is a lot of waste and poor sanitation at the plantation site, t No 21, department No 1; plot No 11B, department No 7, Railway Nam enterprise.	he harvesting s	ite. Plot Thuan	
	No later than the GFA mission's periodical assessment (Octob	er 2018)		
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the organization)			
Root Cause Analysis	The workers in the field did not comply with the regulations of company's staffs at all levels have not done well monitoring.	on field sanitat	ion, the	
Corrective Actions	The company has the official letter no 21 / CTLN-B.FSC date implementation results report on the plan of FSC to enterprises (I			
	requirements to strengthen the protection of the environment, garb	age collection, .).	
Preventive Actions	The company should send an official letter to the enterprises, requ	esting regular of	cleaning	
	of the site and forest plantation.			
	Strengthening to monitoring activities Evaluation of Corrective Action (by SFMI)			
Status	CAR closed: Root Cause Analysis and Actions are appropriate			
	☐ CAR not closed: Root Cause Analysis and Actions are not appre	opriate		
Rationale and	The minutes of the Internal accessment (29 July 2019)			
objective evidences	- The minutes of the Internal assessment (28 July 2018);			
revised	- Official Letter No. 21 / CTLN-B.FSC dated 01/10/2018 Missing image showing waste collection			

CAR number	2018	3-09		
Short Title	There is no the map of upded forest state	us 2018 in the compa	ny and enter	prises
Grade	☐ Major			
Scope of CAR:		Group Entity		
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	7.1.8 10.2.1 10.3.1
Requirement acc. standard	STANDARDS OF GFA Certification GmbH fo 1.1, September 4, 2015). Maps describing forest resources, including p		,	

	land ownership.	
Description of identified non-conformity	- The company has updated the forest status map until 31/12/2017 but not yet printed and sent to the enterprises.	
	No later than the GFA mission's periodical assessment (October 2018)	
Timeframe	☐ Before certificate issue	
	☐ XX.XX.20XX	
Analysis and Actions (to be filled by the organization)		
Root Cause Analysis	The company has not printed the map of updated forest status and timely distribution to the units	
Corrective Actions	- The company has printed the updated map of forest status up to 31 December 2017 and sent it to the enterprises.	
Preventive Actions	The company should request the technical department, FSC board, responsible individuals to update the information and print the forest status map when there is any change in the status of forest in the management.	
Evaluation of Corrective Action (by SFMI)		
Status	☐ CAR closed: Root Cause Analysis and Actions are appropriate	
	CAR not closed: Root Cause Analysis and Actions are not appropriate	
Rationale and objective evidences revised	- The minutes of the Internal assessment (28 July 2018);	
	- The map has been completely edited, printed and hung publicly at the company's office and enterprises.	

CAR number	2018-	-10		
Short Title	How to write a monitoring handbook			
Grade	☐ Major			
Scope of CAR:	☐ FM: Forest Management Enterprise, resp. Group Entity			
	☐ FM: Group member(s):			
Normative Reference	☐ GFA Interim Standard for FM ☐ National FSC FM Standard ☐ FSC-STD-30-005, V.1.1 ☐ Other		Clause:	8.1.3
Requirement acc. standard	STANDARDS OF GFA Certification GmbH for Forest Assessment in Vietnam (Version 1.1, September 4, 2015). The frequency and cost of monitoring should be appropriate to the implementation scale and intensity of forest management as well as the complexity of the affected environment.			
Description of identified non-conformity	- The writing way to the monitoring handbooks on the plantating, harvesting, patrol and forest protection activities in many cases is not correct, not meet requirements.			
	☑ No later than the GFA mission's periodical assessment (October 2018)			
Timeframe	☐ Before certificate issue			
	☐ XX.XX.20XX			
	Analysis and Actions (to be filled by the	organization)		
Root Cause Analysis	The skill of recording the monitoring activities of the company's staff is still many limited			mited
Corrective Actions	Reorganized at a meeting with SFMI July 28.2	2018 (After the international	al assessment)	

Preventive Actions	Strengthening training skills for the company's staff.	
Evaluation of Corrective Action (by SFMI)		
Status	☐ CAR closed: Root Cause Analysis and Actions are appropriate	
	☐ CAR not closed: Root Cause Analysis and Actions are not appropriate	
Rationale and objective evidences revised	 The minutes of the Internal assessment (28 July 2018); Official Letter No. 21 / CTLN-B.FSC dated 01/10/2018 on the results report on the plan implementation of FSC in enterprises (including the content of requirements for monitoring writing). 	

Observations

Observation	Clause: 4.1.3			
01-2018	Requirement acc. Standard:			
	Support for infrastructure and training facilities at levels consistent with the			
	management forest resources scale (not applicable to SLIMF operations).			
Description of obser	vation:			
- The company has not provided sufficient support for staffs and people in the area.				
Corrective Actions				
	- The company has provided of the sufficient support statistic for staffs and people in the area.			
Timeframe: No later t	Timeframe: No later than the GFA mission's periodical assessment (October 2018)			
Rationale and	- The minutes of the Internal assessment (28 July 2018);			
objective	- The sufficient support statistical table for the first 6 months of 2018.			
evidences revised	The camera capport stational table for the mot of months of 2016.			
Observation	Clause: 6.2.5			
02/2018	Requirement acc. Standard:			
	Maintaining forest corridors at riverside banks, to encourage the removal of key			
	species and fauna from the area being harvested to the nature reserve; these			
	corridors connect slopes and cross the forest cover and unharvesting forest areas			
	(not applicable to individual SLIMF operations).			
Description of observation:				
•	- Checking to a map of Ham Tan enterprise that constructed in 2018, shows that the corridor along the			
stream when connection is not continuous in a stream.				
Corrective Actions:				
	connected the corridor along the stream on one branch at Ham Tan enterprise as			
required.				
	Timeframe: No later than the GFA mission's periodical assessment (October 2018)			
Rationale and	- The minutes of the Internal assessment (28 July 2018);			
objective	- The forest status map has been edited, printed and hung at enterprises (in which			
evidences revised	the river, streams corridor has been connected).			