

**PEOPLE'S COMMITTEE OF BINH THUAN PROVINCE  
BINH THUAN FOREST ONE – MEMBER COMPANY LTD.**

**THE REPORT  
OF MINOR CARs CLOSING  
(OF MAIN AUDITING ON OCTOBER 11<sup>th</sup> 2017)**

**BINH THUAN, AUGUST 2018**

## MINOR CARs

<b>CAR #</b>	2017-04		
<b>Short Title</b>	Non-compliance some requirements ILO convention.		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM	<b>Clause:</b>	4.2.4
	<input checked="" type="checkbox"/> National FSC FM Standard		
	<input type="checkbox"/> FSC-STD-30-005, V.1.1		
	<input type="checkbox"/> Other		
<b>Requirement acc. standard</b>	Workers, including subcontractors, are provided with safety equipment, relevant to the tasks of workers, the equipment used and consistent with ILO Code of Practice on Safety and Health in Forestry. (SLIMF: All work done in the forest must comply with health and safety laws and regulations. The forest manager shall		
<b>Description of identified non-conformity</b>	In the visit to the field and the nursery (Ham Thuan Nam) has been detected workers who do not comply some requirements of ILO convention:		
	<p>Chainsaw operator (K285 SK2 Plot 11) identified lacked 3 types of PPE:</p> <ul style="list-style-type: none"> <li>• Gloves.</li> <li>• Face protection.</li> <li>• Ear protection is not adequate to the helmet used. The combination of both PPE's does not permit that the ear protection can be used adequately.</li> </ul> <p>The worker of the nursery lacked 2 types of PPE:</p> <ul style="list-style-type: none"> <li>• Goggles.</li> <li>• One-piece suit or trousers and a jacket with hood made from chemical- resistant (331 ILO).</li> </ul>		
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		
	<input type="checkbox"/> Before certificate issue		
	<input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	The procurement staff of the company did not understand the requirements and regulations of labor safety clothing for sawmill workers, so after the previous audit has ordered missing and not FSC standards		
<b>Corrective Actions</b>	- The company has contacted and ordered the supplier of protective clothing for the sawmill workers to ensure the quality required by the FSC.		
<b>Preventive Actions</b>	<p>- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);</p> <p>- The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)</p>		
<b>Evaluation of Corrective Action (by GFA Certification)</b>			
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate		
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate		
<b>Rationale and objective evidences revised</b>	<ul style="list-style-type: none"> <li>- The purchase contract of Labor safety equipments;</li> <li>- Standard Labor safety equipment for the activities: Harvesting, nursery.</li> <li>- The minutes of handover labor protection</li> </ul>		

	-
--	---

<b>CAR #</b>	<b>2017-05</b>		
<b>Short Title</b>	Specific environmental impact assessment		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM	<b>Clause:</b>	6.1.1
	<input checked="" type="checkbox"/> National FSC FM Standard		
	<input type="checkbox"/> FSC-STD-30-005, V.1.1		
	<input type="checkbox"/> Other		
<b>Requirement acc. standard</b>	A system assessing environmental impacts appropriate to the scale and intensity of forest management, and the uniqueness of the affected resources is being implemented and documented prior to the start of any operation (SLIMF: Before starting any operation, the possible negative impacts are identified, and the operations are designed to minimize them. Assessments do not need to be documented unless legally required).		
<b>Description of identified non-conformity</b>	The implementation of the system of environmental impact assessment has secured that general impacts are identified but has not established a system to identify specific impacts and measures to avoid them prior to the start some operations (principally plantation, harvesting and construction-maintenance of new roads) in the situations where important and significant environmental values exist		
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		
	<input type="checkbox"/> Before certificate issue		
	<input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	The Company does not fully address the environmental impact reduced measures.		
<b>Corrective Actions</b>	- The Company has added Appendix 23 on 30/10/2017 to analyze affected specific groups by environmental impacts together with the Report on Environmental and Social Impact Assessment; Specify: Road construction, values to be protected, HCVF area, corridors along streams, vulnerable areas etc. Prevention measures, potential hazards.		
<b>Preventive Actions</b>	- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017); - The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)		
<b>Evaluation of Corrective Action (by GFA Certification)</b>			
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate		
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate		
<b>Rationale and objective evidences revised</b>	- Minutes of meeting to overcome errors on 12/10/2017 - Annex 23 dated 30/10/2017.		

<b>CAR #</b>	<b>2017-06</b>	
<b>Short Title</b>	Incomplete fauna and flora information	
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor

<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	6.2.1
<b>Requirement acc. standard</b>	Rare, endangered or threatened species and their habitats (e.g. nesting and feeding areas) present or likely to be present are identified and mapped (SLIMF: Where known, rare and endangered species and their habitats are protected).		
<b>Description of identified non-conformity</b>	<p>The company has identified rare, endangered and threatened species of flora and fauna in the reports of Flora, Fauna and High Conservation Value Forest but these reports are not complete yet:</p> <p>EVIDENCE:</p> <ul style="list-style-type: none"> <li>• The report has not identified their habitats and their level of conservation with the objective the define if specific measures are necessary to improve the populations of fauna and flora.</li> <li>• The report has not analyzed in some cases the species of flora and fauna that exist in the buffer zones.</li> </ul>		
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		
	<input type="checkbox"/> Before certificate issue		
	<input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	The company does not fully understood on the importance of the habitats for precious and rare animals and plants species to preserve and develop them.		
<b>Corrective Actions</b>	<ul style="list-style-type: none"> <li>- Company technicians and SFMI consultants conducted a survey of rare and precious plant species in HCVF and buffer zones.</li> <li>- SFMI experts have instructed the company's forest guards to fully document the findings of rare and endangered species and habitat present in the HCVF and buffer zones ( Performed from December 2017 to July 2018)</li> <li>- SFMI and the Company have developed a report on the additional survey of rare and precious plant and animal species including their habitats and the development of a detailed conservation plan.</li> </ul>		
<b>Preventive Actions</b>	Observation strengthening and developing of plan to protect of the precious and rare animals and plants and their habitats.		
<b>Evaluation of Corrective Action (by GFA Certification)</b>			
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate		
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate		
<b>Rationale and objective evidences revised</b>	Report on additional surveys of precious and rare fauna and flora species in HCVF and Buffer zone (Sept. 2010)		

<b>CAR #</b>	2017-07		
<b>Short Title</b>	Incomplete maps		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	6.2.3

<b>Requirement acc. standard</b>	Conservation zones, protection areas and wildlife corridors are established and demarcated on maps, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources (not applicable to single SLIMF operations)
<b>Description of identified non-conformity</b>	The company has mapped conservation zones, protected areas and wildlife corridors but this work is not completed.  <b>Evidence:</b> <ul style="list-style-type: none"> <li>• Some buffer zones identified in the field have not been mapped. Bac Binh Enterprise (Area between (7-B and 6a-B) and Ham Thuan Nam (SK3 Plot 28).</li> <li>• The company has identified as “Bare Land” areas where has been detected in the field different vegetation formations that can have different management systems. For example, Buffer zone, natural forest, areas where exist a considerable presence of native species...etc. (Ham Thuan Nam: Plantation – K287A SK3 Plot 1B – Harvesting K286 – SK2)</li> <li>• The company has not mapped determinate environmental aspects values (e.g. buffer zone, natural forest,) that exist in the border of the property of the company</li> </ul>
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)
	<input type="checkbox"/> Before certificate issue
	<input type="checkbox"/> XX.XX.20XX
<b>Analysis and Actions (to be filled by the organization)</b>	
<b>Root Cause Analysis</b>	- The map editors of the company office and the enterprises have not set up of completed buffer zones on the map;
<b>Corrective Actions</b>	- The Company issued Document No. 12 / CTLN-B.FSC dated 11/6/2018 on the implementation plan to overcome major errors after 2017, including the developing, editing, update of the status map to 31-12-2017. - The company has re-developing and updated the map as of 31/12/2017 to define the details of the environmental entities (eg buffer zone, natural forest), existing in the of management area of the company, in the North of Binh Thuan and Ham Thuan Nam enterprises.
<b>Preventive Actions</b>	- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);  - The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	- Minutes of meeting to overcome errors on 12/10/2017 - Document No. 12 / CTLN-B.FSC dated 11/6/2018; - The map is completed, edited, printed and hung publicly at the Company office and its affiliated enterprises.

<b>CAR #</b>	2017-08	
<b>Short Title</b>	Inadequate waste management	
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity	

	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	6.7.1
<b>Requirement standard</b> acc.	Guidelines describing the use and disposal of chemicals, containers, liquid and solid non-organic wastes, exist and are implemented.		
<b>Description of identified non-conformity</b>	In the visit to the nursery of the FMU Ham Thuan Nam has been detected solid non-organic wastes in the border with the river without adequate management.		
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		
	<input type="checkbox"/> Before certificate issue		
	<input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	Due to poor awareness on environmental protection, some the nursery workers of Ham Thuan Nam enterprise have dumped waste into the eroded stream.		
<b>Corrective Actions</b>	- Ham Thuan Nam enterprise organized waste collection in the area near the stream at nursery and finished before March 2018.		
<b>Preventive Actions</b>	- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017); - The company organized the meeting to draw experience at Ham Thuan Nam enterprise (with the minutes of the meeting dated 15/1/2018); - The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)		
<b>Evaluation of Corrective Action (by GFA Certification)</b>			
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate		
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate		
<b>Rationale and objective evidences revised</b>	- Photos of along streams have cleared waste, bags, bottles; - Minutes of the meeting of 15 January 2018; - Document No. 735 / CTLN-KTQLR on the adjustment of the use of plant protection drugs in production and business activities.		

<b>CAR #</b>	2017-09		
<b>Short Title</b>	Definition of responsibilities		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	7.3.2
<b>Requirement standard</b> acc.	Forest workers are thoroughly introduced to their tasks.		

<b>Description of identified non-conformity</b>	The company has not defined, with an adequate level of detail, the tasks and responsibilities to apply, coordinate and feedback some thematic. E.g. Activities to do and supervise the activities of monitoring or some procedures do not include the tasks and responsibility to apply them. Some procedures have not identified
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)
	<input type="checkbox"/> Before certificate issue
	<input type="checkbox"/> XX.XX.20XX
<b>Analysis and Actions (to be filled by the organization)</b>	
<b>Root Cause Analysis</b>	The company has a monitoring system for management activities, but it has not clearly defined on the responsibilities of the unit and the individual when operating the monitoring system.
<b>Corrective Actions</b>	<p>- The Company has added Decision No. 1006 / QĐ-CTLN dated October 31st, 2017 on the establishment of the implementation and maintenance Board FM / CoC Forest Certification and the appendix No. 24 dated 30/10/2017 on assigne task of carrying out activities related to FSC. Including a plan for monitoring activities and assigne responsibilities to each of the Company's relevant staff.</p> <p>- Issue Decision No 02A / QD-CTLN dated 02/01/2018 on the establishment of steering, implementation and maintenance Committee for FM / CoC Forest Certification.</p>
<b>Preventive Actions</b>	<p>- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);</p> <p>- The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)</p>
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	<p>- Decision No. 1006 / QĐ-CTLN dated 31/10/2017 of the Company;</p> <p>- Appendix No. 24 dated 30/10/2017 added to SFMP (No. 995. Plan and assign the Company's supervisory responsibilities for 2017-2022).</p> <p>- Decision 02A / QD-CTLN dated 02/01/2018.</p> <p>- Appendix 26 dated 11 June 2018 of the Company.</p> <p>- Official documents: 88 - North Binh Thuan Forestry Enterprise, 112 Ham Thuan Nam Forest Enterprise, 113 Ham Tan Forest Enterprise, assigned to participate in monitoring activities in each unit.</p>

<b>CAR #</b>	<b>2017-10</b>		
<b>Short Title</b>	Duplicated planning of monitoring		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM	<b>Clause:</b>	<b>8.1.2</b>
	<input checked="" type="checkbox"/> National FSC FM Standard		
	<input type="checkbox"/> FSC-STD-30-005, V.1.1		
	<input type="checkbox"/> Other		
<b>Requirement standard acc.</b>	A plan and design, based upon consistent and replicable procedures exists and is implemented for periodic monitoring and reporting.		

<b>Description of identified non-conformity</b>	The company have two documents where the activities of monitoring are identified but exist contradictions between both.  EVIDENCE: • Exist two documents (“Handbook for monitoring to management activities – Annex 01” and “Planning sustainable forest management plan under FSC Standard – Table 24”) but the activities to monitoring between them are different The documents should clearly define the system and avoid the general sentences not specific
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)
	<input type="checkbox"/> Before certificate issue
	<input type="checkbox"/> XX.XX.20XX
<b>Analysis and Actions (to be filled by the organization)</b>	
<b>Root Cause Analysis</b>	The company has not envisioned of the whole monitoring system from the Company to its subsidiaries under the FSC standards.
<b>Corrective Actions</b>	- The company has reviewed the synchronization of monitoring contents, monitoring frequency, supervisors. - The Company issued Appendix 25 dated 30 October 2017 on supplementary synchronization of monitoring contents, frequency of monitoring, supervisors and Annex 26 dated 11 June 2018 on the monitoring frequency adjustment for the management activities of the Company.
<b>Preventive Actions</b>	- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);  - The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	- Minutes of meeting to overcome errors on 12/10/2017 - Appendix 25 dated 30 October 2017 of the General Director of the Company. - Appendix 26 dated 11 June 2018 of the General Director of the Company.

<b>CAR #</b>	<b>2017-11</b>		
<b>Short Title</b>	Lack of records of the consult done to the stakeholders		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	<b>9.1.2</b>
<b>Requirement acc. standard</b>	The assessment procedure is documented, and records of the consultation and sources of information are maintained.		
<b>Description of identified non-conformity</b>	The company could not show to the auditor team records of the consultation done in relation to the indicators 9.1.1, 9.2.1 and 9.4.1.		
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		



	<input type="checkbox"/> Before certificate issue
	<input type="checkbox"/> XX.XX.20XX
<b>Analysis and Actions (to be filled by the organization)</b>	
<b>Root Cause Analysis</b>	The company has organization of the consultaion stakeholders on HCVF and SFMP, however the by consultation experience is limited. Thus, consultation results and consultation documentation is not complete
<b>Corrective Actions</b>	- The Company has conducted additional consultations with stakeholders and keep the adequacy documentation. (stakeholder consultations on HCVF and SFMP).
<b>Preventive Actions</b>	- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017); - Annually, the Company will carry out consultations with stakeholders on HCVF and forest management activities, at least once during the internal review period.
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate
	<input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective ev- idences revised</b>	- List and signatures and contents, documents that have been consulted by stakeholders on indicators 9.1.1, 9.2.1 and 9.4.1 and keep full documentation. - Vietnam WWF's the consultation responding letter sent to the Company on 28/4/2018; - the consultation responding letter sent to the Company of Binh Thuan Provincial FPD. - Consultation results of HCVF and SFMP by stakeholders during implemented the internal assessemet on July 2018; - Photographs of some the stakeholder consultations at locations.

<b>CAR #</b>	2017-12		
<b>Short Title</b>	General measures to manage R/E/T species in HCVF.		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM	<b>Clause:</b>	9.2.1
	<input checked="" type="checkbox"/> National FSC FM Standard		
	<input type="checkbox"/> FSC-STD-30-005, V.1.1		
	<input type="checkbox"/> Other		
<b>Requirement standard</b>	<b>acc.</b>	The owner/manager has determined appropriate management prescriptions for the HCVF in consultation with relevant organizations, e.g. conservation organizations, regulatory authorities and other local and national stakeholders.	
<b>Description identified conformity</b>	<b>of non-</b>	The company has defined general but not specific measures to manage the rare, endangered, threatened and endemic species and their habitats present in the High Conservation Value Forest, has not established an adequate planning to implement these measures and assigned a budget to assure their implementation.	
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day)		
	<input type="checkbox"/> Before certificate issue		
	<input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	- The company has not full submit of HCVF forest protection plan for the GFA mission; - The company does not have specific budget for monitoring HCVF.		

<b>Corrective Actions</b>	<ul style="list-style-type: none"> <li>- The Company issued the HCVF' monitoring process in Official letter No. 587 / CTLN-FSC dated June 26, 2017, clearly apportion of the annual budget for HCVF' monitoring;</li> <li>- The Company issued Document No. 13 / CTLN-B.FSC dated June 11, 2018, clearly assigning to the unit, the person who monitoring to the HCVF forest.</li> <li>- The company implemented the additional surveys of precious and rare fauna and flora species in HCVF and Buffer zone (September 2018) and developed a detailed conservation plan.</li> </ul>
<b>Preventive Actions</b>	<ul style="list-style-type: none"> <li>- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);</li> <li>- The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)</li> </ul>
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate <input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	<ul style="list-style-type: none"> <li>- Official Letter No. 587 / CTLN-FSC dated June 26, 2017, clearly apportion of the annual budget for HCVF monitoring;</li> <li>- Document No. 13 / CTLN-B.FSC dated June 11, 2018 clearly assigning to units, person who to monitor to the HCVF forest.</li> </ul>

<b>CAR #</b>	<b>2017-13</b>		
<b>Short Title</b>	The public summary is not up to date		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity		
	<input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	<b>9.3.3</b>
<b>Requirement standard</b>	<b>acc.</b>	The public summary of the management plan is available as under 7.5. and contains the prescribed measures to enhance the identified HCV attributes.	
<b>Description identified conformity</b>	<b>of non-</b>	The public summary included in the website ( <a href="http://www.lamnghepbinhthuan.com/vi/news/Bao-cao/Tom-tat-ke-hoach-quan-ly-rung-giai-doan-2017-2022-87.html">http://www.lamnghepbinhthuan.com/vi/news/Bao-cao/Tom-tat-ke-hoach-quan-ly-rung-giai-doan-2017-2022-87.html</a> ) does not contain the prescribed measures to enhance the identified HCVF attributes and is not up to date (The area of HCVF is 255,22 hectares and	
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day) <input type="checkbox"/> Before certificate issue <input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	The company has not updated the full information on the website		
<b>Corrective Actions</b>	- The company has updated information on the website, including the area of HCVF is 314.67 ha, page 29-KHQLR 2017-2022.		

<b>Preventive Actions</b>	<p>- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);</p> <p>- The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)</p>
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate <input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	<p>- Minutes of meeting to overcome errors on 12/10/2017</p> <p>- Post publicly on website: <a href="http://www.lamnghiepbinhthuan.com/en/news/Bao-cao/Ke-hoach-dieu-chinh-Quan-ly-rung-ben-vung-theo-tieu-chuan-FSC-giaidoan-2017-2022-106.html">http://www.lamnghiepbinhthuan.com/en/news/Bao-cao/Ke-hoach-dieu-chinh-Quan-ly-rung-ben-vung-theo-tieu-chuan-FSC-giaidoan-2017-2022-106.html</a></p>

<b>CAR #</b>	2017-14		
<b>Short Title</b>	System to use of fire		
<b>Grade</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Scope of CAR:</b>	<input checked="" type="checkbox"/> FM: Forest Management Enterprise, resp. Group Entity <input type="checkbox"/> FM: Group member(s):		
<b>Normative Reference</b>	<input type="checkbox"/> GFA Interim Standard for FM <input checked="" type="checkbox"/> National FSC FM Standard <input type="checkbox"/> FSC-STD-30-005, V.1.1 <input type="checkbox"/> Other	<b>Clause:</b>	<b>10.7.3</b>
<b>Requirement standard</b>	<b>acc.</b>	The need for fire management and control has been evaluated and, if necessary, a procedure and adequate equipment for the prevention and fight of forest fires is being implemented.	
<b>Description identified conformity</b>	<b>of non-</b>	<p>The company has not adequately defined and implemented a procedure for the use of fire where is defined special aspects to limit negative effects. e.g.:</p> <ul style="list-style-type: none"> <li>• The distance of environmental value to protect (Buffer zone, natural forest, streamside, standing trees of native species, etc.....).</li> <li>• Affection to property of the local people</li> <li>• Tools and equipment that should be used to avoid forestry fire.</li> <li>• Minimize the use of fire used (e.g. concentration in small areas, minimize the use of fire especially in high slopes with risks of erosion, etc.).</li> </ul>	
<b>Timeframe</b>	<input checked="" type="checkbox"/> Until next audit, not later than 08.10.2018 (12 months after the last audit day) <input type="checkbox"/> Before certificate issue <input type="checkbox"/> XX.XX.20XX		
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>	To monitor of the vegetation by controlled combustion measure at some on the sites of the enterprises was failed to meet FSC regulations.		
<b>Corrective Actions</b>	<p>- The Company issued Official Letter No. 1002 / CTLN-KTQLR dated 30/10/2017 on the requirement of strict implementation of controlled combustion processing in forestry production.</p> <p>- The Company has issued Official Letter No. 998 / CTLN-FSC dated 30/10/2017 on adding some contents to the process of controlled vegetation combustion in forest production. (Tools, person for forest fire prevention and fighting; and strengthening of monitoring when performing controlled burning).</p>		

<b>Preventive Actions</b>	<p>- The Board of Directors, FSC members of the Company, the Directors and the FSC's permanent employees met on October 12, 2017 to hear SFMI's advice on correcting the CAR 2017. (Minute on October 12, 2017);</p> <p>- The Company assigns the FSC Board of the company and the FSC groups of the enterprises to regularly inspect and supervise this compliance; (Decision 1006 / CTLN-T.FSC dated 31/10/2017 of the General Director)</p>
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input type="checkbox"/> CAR closed: Root Cause Analysis and Actions are appropriate <input type="checkbox"/> CAR not closed: Root Cause Analysis and Actions are not appropriate
<b>Rationale and objective evidences revised</b>	<p>- Official Letter No. 1002 / CTLN-KTQLR dated 30/10/2017</p> <p>- Official Letter No. 998 / CTLN-FSC dated 30/10/2017</p> <p>- Photo-processing of controlled vegetation combustion on the field</p>

### Observations

Observation	Description	Corrective Action
<b>Observation 2017-1</b>	The company has not clearly specified in its documents and procedures that "the contractors not complying all indicators (4.2.1-4.2.8) are excluded from forest operations". <u>A general sentence exists but a specific sentence does not exist.</u>	The company has added the contents of contracts with contractors and commenced operations from 2018
<b>Observation 2017-2</b>	The system to encourage by retaining corridors of uncut forest based on streamside has been based in the document "The corridor along streams, biodiversity protection plan (Appendix 04 No.687 / CTLN.FSC dated March 8, 2017)" whose implementation could not be checked in this main audit.	The GFA assessment mission will check in October 2018
<b>Observation 2017-3</b>	The number and type of marks of buffer zones in the field are not clear in all cases.	Based on the approved working and budget plan, the Company continues to complete this activity according to the annual plan.
<b>Observation 2017-4</b>	The procedure of control and use of pesticides, appendix 08 No. 689 / CTLN-FSC dated 8 March 2017, section II.7: Absolutely prohibited use of pesticides at the following sites: corridors along streams, biodiversity corridors, HCVF, near lakes, natural dams, resi-dential areas, etc., but do not indicate clearly the is prohibited apply chemicals within 10 meters of watercourses and 30 meters around reservoirs and lakes and that the application if heavy rain is expected, during wet weather, on frozen snow–covered ground or ground that has baked dry during a drought is prohibited. In the interviews with the staff of the company transmitted knowledge in relation to these prohibitions.	The company added and stated: "It is prohibited to use chemicals 10m from water sources and 30m from water tanks and it is best to use when heavy rain, wet weather, snow cover land or on land, ban use when dry weather "in appendix 08 in Decision No. 555 / CTLN-B.FSC dated 19 September 2018.

Observation	Description	Corrective Action
<b>Observation 2017-5</b>	The justification for use of eucalyptus that is explained in the forest management plan is simple. <u>The justification does not analyze the possible affection to the soil.</u>	The company has added to the Forest Management Plan 2018-2022 "Reasons for selection of Eucalyptus for afforestation" on plantation forest managed by the company.
<b>Observation 2017-6</b>	Maps have been developed where the company has included the specific localization of endangered, rare and threatened species but is necessary improve these map with the information obtain of the close of CAR (indicator 6.2.1).	Company carried out the additional survey of rare and endangered species and their habitats in June 2018  (Evidence of indicator 6.2.1)
<b>Observation 2017-7</b>	The relation between the excluded area of production and excluded area of natural forest show that the criterion to take this decision is principally economic and has not in consideration the principles of the FSC.	Will have a directly explanations with the GFA assessment mission in October, 2018

**Binh Thuan, October 9<sup>th</sup> 2018**

**BINH THUAN FORESTRY ONE-MEMBER COMPANY Ltd.**