

Public Notification Van Ly Trade Produce Company Limited

Asia Pulp & Paper (APP) is open for cooperation opportunities to purchase pulpwood (chip) from:

Name of Supplier : **Van Ly Trade Produce Company Limited**
Business Type : Primary and Secondary Processor
Business Location : Vietnam
Supply Scheme : Open Purchase

Van Ly Trade Produce Company Limited has passed APP’s risk assessment process, known as the Supplier Evaluation and Risk Assessment (SERA). Prior to the submission to the Joint Steering Committee (JSC) for final approval and inclusion of their entry into APP’s Approved Suppliers List, APP conducts a Stakeholder Notification process to address any concerns stakeholders might have regarding the addition of **Van Ly Trade Produce Company Limited** into APP’s suppliers list.

The stakeholder notification will be opened on: **03 – 17 June 2024**

Those who would like to raise any concerns are invited to send their messages to:

Email : sustainability@app.co.id
Subject : Stakeholder Notification – Feedback on VLC

Additional Notes:

1. Supplier’s certification

- a. Certificate Number : SGSHK-COC-010750/ SGSHK-CW-010750
- b. Certificate Scope : FSC CoC/CW
- c. Expiry Date : June 05, 2022 – June 04, 2027

2. Summary of SERA result:

No	Indicators	Evidence	Risk Categories
1	Company, or any of its associated company ¹ , convert natural forest to other land use (plantation forest, agriculture, etc) after February 1 st , 2013.	Van Ly Trade Produce Company Limited (Van Ly) had FSC Certification, it means that relationship of Van Ly with other companies has been disclosed to FSC. Based on their Public Certification Summary for Evaluation of Controlled Wood according to FSC-STD-40-005 V3-1 updated on 9 June 2023, Van Ly sourcing area is not from converted natural forest to plantations or non-forest use. Van Ly has only bought the logs from householders. Most stakeholders found that the forests in the supply areas did not have information which violated the requirements of the law, as well as no issues of conflicts or disputes occurred in the areas.	LOW
2	Country/Region	<ul style="list-style-type: none">• Based on SERA Questionnaire 2024, office address of Van Ly at Pho Phong Ward, Duc Pho Town, Quang Ngai Province, Vietnam	LOW

		<ul style="list-style-type: none"> • CPI Vietnam in 2023 based on transparency.org is 41 (https://www.transparency.org/en/countries/vietnam) • WJP Index Score for Vietnam in 2023 is 0.49 (https://worldjusticeproject.org/rule-of-law-index/country/2023/Vietnam) • Although the number of corruption index of Vietnam is less than 50, Van Ly has certificate of FSC, that scheme is concerning about corruption practice within company. Therefore, on the scale of the company, the number of corruptions is low because, there are no cases of corruption and Van succeed to deserve FSC certificate. • There is no ban applied for timber from Vietnam 	
3	Tree Species	Based on FSC website, Van Ly produce woodchip of <i>Acacia auriculiformis</i> , <i>Acacia Hybrid</i> , <i>Acacia mangium</i> . Based on Decree No. 32/2006/ND-CP March 30, 2006 of the Government Vietnam, these species are not listed as strictly prohibited from exploitation and use for commercial purposes.	LOW
4	Third party certification/verification	<p>FSC Certificate: SGSHK-COC-010750 SGSHK-CW-010750 Issued by SGS Validity: June 05, 2022 – June 4, 2027</p> <p>The validity of the FSC Certificate has been confirmed on the FSC website (https://search.fsc.org/en/certificate/a024000000CQFizAAP/)</p>	LOW
5	CoC System	<p>Van Ly has been certified by FSC CoC Certification, where FSC requires the organization to make procedures related to CoC system, and all its implementation in every part involved will be assessed in the audit process. That means Van Ly has a CoC System and already implements it in daily operation. For example, Van Ly has FSC-COC Policy that contains a commitment to ensure all operational activities are aligned with FSC Standards, and they have a Standard Operational Procedure for CoC.</p> <p>Covered on Van Ly FSC Certificate No. SGSHK-COC-010750/SGSHK-CW-010750. The validity of the FSC Certificate has been confirmed on the FSC website. (https://search.fsc.org/en/certificate/a024000000CQFizAAP/)</p>	LOW
	a. Identification of Supplier	<ul style="list-style-type: none"> • Based on the summary of the FSC DDS audit, the suppliers (sources) of chip wood are from Plantation Forest in Quang Ngai Province with the exact number of suppliers are 65 suppliers. • FSC DDS audit was conducted and the Summary can be accessed on: https://fscglobal.my.salesforce-sites.com/servlet/servlet.FileDownload?file=00PDo00000KzLA4MAN 	

	b. Supplier Risk Assessment	<ul style="list-style-type: none"> Based on the summary of the FSC DDS audit, the suppliers (sources) of chip wood are from Plantation Forest of households in Quang Ngai Province with the exact number of suppliers are 65 suppliers. 	
6	Legality Compliance	<p>Business License based on the documents: Certificate of Business Registration Enterprise Code: 4300588598</p> <p>It's covered with Van Ly FSC CoC Certification because, the legality compliance is one of FSC CoC requirements (FSC Standard FSC-STD-40-004 is compliance with timber legality legislation). The compliance has been assessed during audit process.</p>	LOW
7	Protection of High Conservation Value	<p>As the FSC Certificate holder, Van Ly shall support HCV conservation by using wood harvested from non-HCV area. FSC-STD-40-005 – Requirements for sourcing FSC Controlled Wood has indicators for risk assessment related to the Protection of HCV areas, they are:</p> <p><i>3.1 Forest management activities at the relevant level (ecoregion, sub-ecoregion, local) do not threaten eco-regionally significant HCVs</i></p> <p><i>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</i></p>	LOW
8	Species protection as listed within the IUCN red list of Critical Endangered Species and Convention on International Trade in Endangered Species (CITES)	Van Ly has a FSC CoC/CW certification, concern regarding to protection of species that listed on IUCN and CITES also being considered in the FSC Standard (FSC-STD-40-005 – Requirements for sourcing FSC Controlled Wood)	LOW
9	Company's respect to traditional civil or human rights?	Based on the DDS on Van Ly supply area that the forests in the supply areas did not have information which violated the requirements of the law, as well as no issues of conflicts or disputes occurred in the areas.	LOW
10	Compliance to ILO Core Conventions (Child Labor, Freedom of Association, Forced Labor, and Discrimination)	Covered on Van Ly FSC Certificate No. SGSHK-COC-010750/SGSHK-CW-010750. FSC CW audit report stated that certificate holder implemented additional Control measure to assure the implantation of ILO requirements.	LOW
11	Company's respect to Safety and Health for forest worker	<p>Covered on Van Ly FSC Certificate No. SGSHK-COC-010750/SGSHK-CW-010750, because one of the requirements on FSC-STD-40-004 – Chain of Custody Certification is:</p> <p><i>1.4 The organization shall commit to occupational health and safety (OHAS). At a minimum, the organization shall appoint an OHAS representative, establish and implement procedures adequate to its size and complexity, and train its staff on OHAS.</i></p>	LOW

12	No introduction of genetically modified organism	There are currently no reports of any trials of GM trees in Vietnam. There are several legal instruments in place in Vietnam regulating the use GMO (Decision No. 11/2006/QD-TTg, Decree No. 69/2010/ND-CP, Circular 69/2009/TT-BNNPTNT, Circular 72/2009/TT-BNNPTNT, Circular 21/2012/TT-BKHCH, Circular 8/2013/TT-BTNMT and Circular 2/2014/TT-BNNPTNT. The legislation does not include a ban for the commercial use of GMO (trees).	LOW
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