

## **Public Notification Cat Phu Quang Ngai Joint Stock Company**

Asia Pulp & Paper (APP) is planning to accept:

Name of Supplier : **CAT PHU QUANG NGAI JOINT STOCK COMPANY**  
Business Type : *Chip Mill*  
Business Location : Vietnam  
Supply Scheme : One Time Supply

**CAT PHU QUANG NGAI JOINT STOCK COMPANY** has completed the risk assessment process under Asia Pulp & Paper (APP) Supplier Evaluation and Risk Assessment (SERA). Prior to the submission to the Joint Steering Committee (JSC) for final approval and inclusion into APP's Approved Suppliers List, APP is conducting a Stakeholder Notification process to address any concerns that stakeholders might have on the inclusion of **CAT PHU QUANG NGAI JOINT STOCK COMPANY** into APP's suppliers list.

The stakeholder notification will be opened on: 19 October - 01 November 2018

Stakeholders who would like to raise any concern are invited to send their concern to:

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

Additional Notes:

1. Suppliers certification : FSC COC/CW
  - a. Certificate Number : SGSHK-COC/CW-010918
  - b. Certificate Scope : (COC/CW)
  - c. Expiry Date : 11 March 2023
  
2. Agent/Broker
  - a. Name of Agent/Broker : MIHAUD TRADING PTE LTD
  - b. Certificate Number : SGSHK-COC/CW-006440
  - c. Expiry Date : 08 July 2019

2. Summary of SERA result:

No	Indicator	Information	Remark
1	Country	<ul style="list-style-type: none"><li>• Vietnam</li><li>• CPI = 35</li><li>▪ Quang Ngai has been certified by FSC.</li><li>▪ Vietnam Government enforces forest law, including logging ban for natural forest, protected forest, and special-use forest.</li></ul>	<a href="http://www.transparency.org">www.transparency.org</a> .  <a href="https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate">https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate</a>
2	Tree Species	Quang Ngai is selling the chipwood with following species: <i>Acacia Hybrid; Acacia mangium, Acacia spp.</i>	<a href="https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate">https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate</a>
3	Third Party Certificate	FSC COC/CW Certified Certificate Number: SGSHK-COC/CW-010918 Issued by: SGS Hongkong Limited Validity: 12 March 2018 - 11	<a href="https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate">https://info.fsc.org/details.php?id=a02400000E6C64AAF&amp;type=certificate</a>

No	Indicator	Information	Remark
		March 2023	
4	CoC System	Covered by Quang Ngai FSC CoC/CW Certificate: <ul style="list-style-type: none"> <li>▪ Certificate Number: SGSHK-COC/CW-010918</li> <li>▪ Issued by: SGS Hongkong Limited</li> <li>▪ Validity: 12 March 2018 - 11 March 2023</li> </ul>	<a href="https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate">https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate</a>
5	Legality compliance on forest management and forest product harvesting.	Log suppliers of Quang Ngai are community forest (household). Household supplier document has been completed (Land use right certificate, and inspection of forest product.	
6	HCV/HCS Protection	The logging ban has been in place in 1997 covering natural forest in most Vietnamese Province and ending all the natural forest harvesting by Prime Minister in 2012 including collection of NTFP, except for FSC certified company. The main threat of HCV is illegal activity in natural forest and potentially threatened by management activity in plantation forest (FSC-CNRA-VN-V1-0 EN 2017-07-25).  Quang Ngai log suppliers are farmer/community forest.	Based on FSC-CNRA-VN-V1-0 EN 2017-07-25
7	Protected species	Most of the production plantations in Vietnam are only planted with commercial species such as acacia, eucalyptus, or pine; these commercial species are not listed as protected species under Decree No. 32 of Government.	Based on FSC-CNRA-VN-V1-0 EN 2017-07-25
8	Traditional and Civil Rights.	There is no violence on traditional and civil rights because the log suppliers are farmer and included in FSC CW Risk assessment.	Based on FSC-CNRA-VN-V1-0 EN 2017-07-25
9	ILO Convention	Covered by Quang Ngai FSC CoC/CW Certificate: <ul style="list-style-type: none"> <li>▪ Certificate Number: SGSHK-COC/CW-010918</li> <li>▪ Issued by: SGS Hongkong Limited</li> <li>▪ Validity: 12 March 2018 - 11 March 2023</li> </ul>	<a href="https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate">https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate</a>
10	Work Health and Safety (OHS)	Covered by Quang Ngai FSC CoC/CW Certificate: <ul style="list-style-type: none"> <li>▪ Certificate Number: SGSHK-COC/CW-010918</li> <li>▪ Issued by: SGS Hongkong Limited</li> <li>▪ Validity: 12 March 2018 - 11 March 2023</li> </ul>	<a href="https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate">https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate</a>
11	GMO	Based on FSC-CNRA for Vietnam (FSC-CNRA-VN V1-0 EN 2017-07-25 approved at 25 July 2017: <ul style="list-style-type: none"> <li>▪ There are a number of legal instruments in place in Vietnam regulating the use GMO (Decision No. 11/2006/QD-TTg, Decree No. 69/2010/ND-CP, Circular69/2009/TT-BNNPTNT, Circular72/2009/TT-BNNPTNT, Circular21/2012/TT-BKHCHN, Circular 8/2013/TT-BTNMT and Circular 2/2014/TT-BNNPTNT. The legislation does not include a ban for commercial use of GMO (trees). Research has not revealed any evidence of unauthorized use of GM trees, or any commercial use of GM trees. There are currently no reports of any trials of GM trees in Vietnam. The legislation requires licenses for commercial use of GM trees, but no licenses have been issued to date for GM trees</li> </ul>	<a href="https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate">https://info.fsc.org/details.php?id=a024000000E6C64AAF&amp;ty pe=certificate</a>

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12	Natural forest conversion into other use since February 1, 2013.	<p>Covered by Quang Ngai FSC CoC/CW Certificate:</p> <ul style="list-style-type: none"> <li>▪ Certificate Number: SGSHK-COC/CW-010918</li> <li>▪ Issued by: SGS Hongkong Limited</li> <li>▪ Validity: 12 March 2018 - 11 March 2023</li> </ul> <p>Regarding to Self Declaration (FSC-POL-01-004) Policy for association of organizations with FSC, MIHAUD , as the FSC certificate should be not directly or indirectly involved in the following unacceptable activities:</p> <ol style="list-style-type: none"> <li>a) Illegal logging or the trade in illegal wood or forest products;</li> <li>b) Violation of traditional and human rights in forestry operations;</li> <li>c) Destruction of high conservation values in forestry operations;</li> <li>d) Significant conversion of forests to plantations or non-forest use;</li> <li>e) Introduction of genetically modified organisms in forestry operations</li> </ol> <p>Logging ban has been in place since 1997, covering natural forests in most Vietnamese provinces. In 2012, the Prime Minister closed all natural forests to harvesting, apart from two companies managing FSC-certified natural forests (note: in the future forest management in natural forests under PEFC certification may be allowed as these areas would also be exempted from the ban).</p>	Information from FSC-CNRA-VN V1-0 EN 2017-07-25 that until 2015 conversion of natural forests in Viet Nam was still below the spatial thresholds (0.02%) of this indicator. But, there are significant economic drivers for conversion. Data yield evidence that conversion is occurring on a widespread or systematic basis.