

Public Notification Duc Hai Co., Ltd.

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

Name of Supplier : **Duc Hai Co., Ltd.**
Business Type : *Chip Mill*
Business Location : Vietnam
Supply Scheme : Continuous Supply

Duc Hai Co., Ltd. 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 **Duc Hai Co., Ltd.** into APP's suppliers list.

The stakeholder notification will be opened on: **21 November - 04 December 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 Duc Hai

Additional Notes:

1. Suppliers certification

- a. Certificate Number : SGSHK-COC/CW-010646
- b. Certificate Scope : FSC COC/CW
- c. Expiry Date : 11 October 2022

2. Agent/Broker

A. Broker 1:

- a. Name of Agent/Broker : Tel-Vision International Inc.
- b. Certificate Number : RA-COC/CW-007878
- c. Expiry Date : 24 June 2023

B. Broker 2:

- a. Name of Agent/Broker : EFAT Group Limited
- b. Certificate Number : SGSHK-COC/CW-300033
- c. Expiry Date : 04 August 2021

Summary of SERA result:

| No | Indicator | Information | Remark |
|----|-----------|--|--|
| 1 | Country | <ul style="list-style-type: none">• Vietnam• CPI = 35• Duc Hai Co., Ltd has been certified by FSC CoC/CW Scheme: No: SGSHK-COC/CW-010646 | <ul style="list-style-type: none">▪ www.transparency.org▪ https://info.fsc.org/details.php?id=a024000000FYxvQAAT&type=certificate |

| No | Indicator | Information | Remark |
|----|---|---|--|
| | | Issued by: SGS Hong Kong Limited System & Services Certification. Validity: 12 October 2017 - 11 October 2022 | |
| 2 | Tree Species | <i>Acacia hybrid, A. mangium, and Eucalyptus camaldulensis.</i> | |
| 3 | Third Party Certificate | No. Certificate: SGSHK-COC/CW-010646 Validity: 12 October 2017 - 11 October 2022 Issued by: SGS Hong Kong Limited System & Services Certification. | https://info.fsc.org/details.php?id=a024000000BPAHzAAP&type=certificate |
| 4 | CoC System | Covered in FSC CoC/CW Certificate. No. Certificate: SGSHK-COC/CW-010646 Validity: 12 October 2017 - 11 October 2022 Issued by: SGS Hong Kong Limited System & Services Certification. | https://info.fsc.org/details.php?id=a024000000BPAHzAAP&type=certificate |
| 5 | Legality compliance on forest management and forest product harvesting. | APP purchase wood chip from chip mill that sources logs from smallholder plantation/household/ integrated plantation. Log suppliers of Duc Hai Co. Ltd. is household/smallholder. The sample documents of legality are: (1) Land Use Right Certificate, (2) Inspection of forest product, (3) Registration table. | Duc Hai Co., Ltd is certified mill (FSC), because of that the chip mill require legal wood. https://info.fsc.org/details.php?id=a024000000BPAHzAAP&type=certificate |
| 6 | HCV/HCS Protection | <ul style="list-style-type: none"> ▪ Duc Hai log supplier is household/smallholder2 ▪ Smallholder's management activities are generally low impact; site preparation, planting, weed control, harvesting and transport to the roadside are predominantly by manual labor with simple tools and usually plantations are weeded manually. ▪ Most plantation owners follow the manual for Low Impact harvesting' and 'thus the threat to water flow and sedimentation linked to local community use is mitigated'. ▪ There is no evidence to suggest that material from Acacia plantations is originating from any of these HCV areas. ▪ The main threats to HCVs in natural forests are from illegal activities. | |
| 7 | Protected species | <ul style="list-style-type: none"> ▪ Duc Hai log supplier is household/smallholder. ▪ 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 issues of violence on civil rights are usually appear against forest company. | Based on FSC-CNRA-VN-V1-0 EN 2017-07-25 |
| 9 | ILO Convention | Covered in FSC CoC/CW Certificate. No. Certificate: SGSHK-COC/CW-010646 Validity: 12 October 2017 - 11 October 2022 Issued by: SGS Hong Kong Limited System & Services Certification. | https://info.fsc.org/details.php?id=a024000000BPAHzAAP&type=certificate |

| No | Indicator | Information | Remark |
|----|--|--|--|
| 10 | Work Health and Safety (OHS) | Covered in FSC CoC/CW Certificate. No. Certificate: SGSHK-COC/CW-010646 Validity: 12 October 2017 - 11 October 2022 Issued by: SGS Hong Kong Limited System & Services Certification. | https://info.fsc.org/details.php?id=a024000000BPAHzAAP&type=certificate |
| 11 | GMO | There are no known cases of commercial use of Genetically Modified (GM) Acacia globally. There has been very little research into the biotechnology of <i>Acacia mangium</i> , <i>Acacia auriculiformis</i> and <i>Acacia hybrids</i> . | Covered in FSC CoC/CW Certificate. No. Certificate: SGSHK-COC/CW-010646 Validity: 12 October 2017 - 11 October 2022 Issued by: SGS Hong Kong Limited System & Services Certification. |
| 12 | Natural forest conversion into other use since February 1, 2013. | APP purchase chipwood from the chip mill that the pulpwood harvested from smallholder plantation/household/integrated plantation. The smallholder plantation/ household/ integrated plantation is not established in forest areas. The location is in owned-land area or non forest area. | |