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	WOOD TRACKING PROGRAM

Chain of Custody Checklist & Assessment Report

Organization	Plywood Duc Thinh, SJC (0108491314)	Reference #	GFSUSA 010-002
Contact Person	Mr. Tung Pham	Proposal #	GFS P20-214
Office Address	So nha 12 to 4 Thi Tran Dong Anh, Huyen Dong Anh, Thanh pho Ha Noi, Vietnam.	Assessment #	01
Mill Address	So nha 12 to 4 Thi Tran Dong Anh, Huyen Dong Anh, Thanh pho Ha Noi, Vietnam.	Assessment Date	06-07 Jan 2020
Telephone	+84 97 617 4032	Date of Report	08 Jan 2020
Fax	-	Date of close out	-
Email	info@ducthinhplywood.com tungpham16@gmail.com	Lead Assessor	Kevin Grace
		Assessor	-
		Approved By	Anne Gimbir

Statement of Participation	
GFS WTP #	GFS 243 WTP
Issuance Date	08 January 2020
Expiration Date	07 January 2023

Scope of Assessment	
Company Type	Veneer & Plywood Processing / Export
Scope of Assessment	Plywood Duc Thinh plywood mill & Xuong Go Khanh Van veneer mill
Product Group	Veneer & Plywood
Source of Material	Verified Legal - Small holder Acacia plantations
Species	<i>Acacia spp.</i>

Limitations of Assessment
<p>The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. GFS reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of GFS.</p>

Document Control			
GFS-FORM-006-WTP.3	Title: WTP Report & Checklist	Issue: 14	Date: 1 Dec 2019
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Background Information:

Plywood Duc Thinh., SJC is registered in Hanoi, Vietnam with registration # 0108491314. The company intended to obtain Verified Legal (VL) for the products produced and exported. This exercise involves assessment of the implementation of the COC system for the office and factory base near Hanoi, Vietnam.

Associated Organizations & Subcontractors:

Xuong Go Khanh Van is associated to Plywood Duc Thinh, for the purchasing of logs from smallholder Acacia plantations and the production of veneer in accordance with signed subcontractor agreement and procedures.

Description of the Supply Chain:

Plywood Duc Thinh purchases Acacia logs from smallholder plantation owners mostly in northern Vietnam near Thai Nguyen and Pho Tho districts located near to the veneer mill. The logs are purchased using a Purchase Contract with each smallholder plantation owner then sent to Xuong Go Khanh Van for peeling into veneer and drying using heated pressing. The dried veneer is sent to Plywood Duc Thinh for processing into plywood.

Sales markets include Thailand and USA.

Highlights of Assessment	
<p>1.0 Legal Requirements</p>	<p>Plywood Duc Thinh has land permit for the factory dated 06 February 2018 for 8.8 ha under Lot # 9065 within an industrial complex located at So nha 12 to 4 Thi Tran Dong Anh, Huyen Dong Anh, Thanh pho Ha Noi, Vietnam.</p> <p>Gap 001/2020 (Minor) – Checklist 1.2.3</p> <p>No fire extinguishers were observed in the veneer mill for fire safety.</p> <p>There are no annual licensing fees are payable for the plywood mill or veneer mill to the local government.</p> <p>There was no evidence of non-Compliance to legal requirements.</p>
<p>2.0 Documented Policy & Procedures</p>	<p>Plywood Duc Thinh has established a policy statement dated 21 September 2019 that includes compliance to legal requirements and traceability of material to verified legal origin that is deemed Low Risk. The policy statement also references compliance to FSC requirements.</p> <p>Plywood Duc Thinh has established a Chain of Custody (CoC) manual dated 21 September 2019.</p> <p>The CoC manual consists of a Policy Statement, Organization Structure, and procedures for Administration, Purchasing, Receiving Raw Material, Production Planning and Control; Warehousing Sales & Export of Finished Goods.</p>
<p>Observation 001-2020 – Checklist 2.1.1</p>	<p>Plywood Duc Thinh has yet to make the policy publicly available as through a website to post the company's policy statement.</p> <p>The CoC manual includes subcontracting veneer production by Xuong Go Khanh Van under section 6.5 (Subcontracting of Core Veneer – Verified Legal) along with a Subcontractor Chain of Custody Manual (FM ADM 002).</p>

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3.0 Organisation & Training

Plywood Duc Thinh has a defined Organization Structure as listed in the CoC Manual dated 21 September 2019.

Staff is adequately implementing the CoC system in both the Veneer Mill and Plywood Duc Thinh.

Gap 002/2020 (Minor) – Checklist 3.3.1

Training was conducted informally as worker briefings, however there were lack of training records for both the veneer and plywood mill.

4.0 Purchasing, Importing & Receiving

Plywood Duc Thinh only obtains logs from local smallholder plantation owners that plant Acacia trees. The process to approve a plantation owner as a supplier of Low Risk material is based on a *Confirmation of Plantation Log Origin* (FM PUR 001) to document registration of plantation and permit for harvesting Acacia trees issued by Vietnam Administration of Forestry (VNFOREST) in order to develop a Purchase Contract.

Purchase contract DT 09-2019-1 was observed with farmer Nguyen Huu Luc for 3700 planted Acacia trees and 270 m3 of logs. The plantation is located in Phu Tho district Land Use certificate # 417.

Gap 003/2020 (Minor) – Checklist 4.5.1

Identification of logs for Plywood Duc Thinh in the veneer mill was based on area without clear signage of the logs to the Purchase Contract # and VL status.

5.0 Process Controls

Production of veneer is based on Purchase Contract Agreement # for each plantation owner. Observed production of Purchase Contract # DT 09-2019-1 that produced 136,800 pieces of veneer.

Production of core plywood by Plywood Duc Thinh is based on buyer order that is traceable to the input from the veneer produced under the Purchase Contract Agreement # for each plantation owner. Observed Work Order DT PTK-12 that used 125 m3 of veneer from Purchase Contract # DT 09-2019-1.

6.0 Sales, Exports & Customs

The Chain of Custody Manual references that the Sales Supervisor / appointed staff shall ensure that Finished Products produced under a Work Order conform to the Buyer's Purchase Order/ Sales Order for VL / FSC / PEFC products.

Not Applicable - Currently, no sales of GFS VL products. All VL production is currently in the Plywood Duc Thinh warehouse.

7.0 Records & Data

Records of log input and production of veneer are maintained for each Purchase Contract from each plantation owner.

Records of veneer input and plywood core output is based on Work Order from buyer purchase order using veneer process under a Purchase Contract.

Based on the CoC Manual section 3.12 All key records (purchasing / production / sales & summary records) shall be maintained for minimum of 5 years.

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Summary results:

(Major Gap = 0 / Minor Gap = 3 / Observation = 1)

GAPs: Issued during current assessment

GAP #	Type	Checklist #	Description
001/2020	Minor	1.2.3	No fire extinguishers were observed in the veneer mill for fire safety
002/2020	Minor	3.3.1	Training was conducted informally as briefings, thus there was a lack of training records for both the veneer and plywood mill
003/2020	Minor	4.5.1	Identification of logs for Plywood Duc Thinh in the veneer mill was based on area without clear signage of the logs to the Purchase Contract # and VL status

**Note: Major Gap = Non-Compliance / Minor Gap = Minor Gap raised can be upgraded to a Major Gap if not adequately addressed by the date of the next surveillance visit.*

Status of Outstanding GAPs:

GAP #	Type	Checklist	Status	Description

Observations

Obs #	Checklist	Description
001-2020	2.1.1	Plywood Duc Thinh has yet to make the policy publicly available as through a website to post the company's policy statement.

**Note: Observation raised can be upgraded to a Minor Gap if not adequately addressed by the date of the next surveillance visit.*

Highlights of Close out visit (if applicable)

Date:

Not applicable

SUSPENDED

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Recommendations

Plywood Duc Thinh has demonstrated compliance with the Wood Tracking Program requirements (GFS-WI 006 WTP.3 - Dec 2019) and is recommended to receive a GFS Statement of Participation.

Gap(s)/Observation(s) identified in this assessment need to be addressed before the next surveillance visit. Actions required to close the gap(s)/observation(s) include:

Gap 001/2020 (Minor) - Checklist 1.2.3: Ensure there are adequate number of fire extinguishers available in the veneer mill and that staff are trained in fire safety.

Gap 002/2020 (Minor) - Checklist 3.3.1: Ensure training is formally recorded for both the veneer and plywood mill that includes the Chain of Custody System, health, safety and fire prevention and suppression.

Gap 003/2020 (Minor) - Checklist 4.5.1: VL logs under Purchase Contract from plantation owners for Plywood Duc Thinh needs to be clearly identified to the Purchase Contract # and VL status using signs and/or other methods.

Observation 001-2020 - Checklist 2.1.1: Plywood Duc Thinh's Policy Statement needs to be made publicly available as through a website and in the factory premise.

The next surveillance visit is scheduled for July 2020.

End of Summary Report

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