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## AUDIT REPORT

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Certificate			
Certificate type	Single		
Issue date	11 July 2018	Expire date	10 July 2023
FSC FM/COC certificate number	GFA-FM/COC-002384		
FSC License Code	FSC-C109614		
FSC National Forest Stewardship Standard / Interim National Standard for	Country		Version
Generic GFA Standard, adapted for FM in	Country	Cambodia	Version 1.1
Further standards	Requirements for the use of FSC-Trademarks FSC-STD-50-001 V2.0		
Date, Audit Type, Auditor/s			
Audit type	Surveillance Audit n°2 by remote audit method due to COVID-19 pandemic		
Audit date	From 27/06/2020 to 01/07/2020		
Report date	14/08/2020		
Lead auditor	Nicolas PERTHUISOT Qualification: forest engineer - GFA FM/COC Lead Auditor since 2016		
Other auditors /experts	Nith CHHIN Qualification: translator/local expert		

		
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Disclaimer:

This report is confidential and will only be given to the respective audit team, to the contact person of the customer and the GFA office in Hamburg. According to FSC accreditation requirements, GFA is obliged to pass on reports upon requests to FSC Global Development GmbH and Accreditation Services International GmbH.

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# 1 SCOPE OF CERTIFICATION

<b>Geographic location:</b>	Latitude:	S 104 ° 08'		
	Longitude	E 11 ° 31'		
<b>Forest zone:</b>	boreal	temperate	subtropical	tropical
	X			
<b>Forest Type:</b>	Natural	Plantation	Semi-natural and mixed plantation & natural forest	
	X			
<b>Tenure management:</b>	Public/State	Community	Private	Concession
	X			
<b>Tenure ownership</b>	Public/State	Community	Private	
	X			
<b>Other characteristics of organization</b>	Indigenous	Community	Concession	
	X			
	Small producer (SLIMF)		Low intensity management of forests (SLIMF)	
	X			
<b>Certified forest area:</b>	Total area in ha:		Total number of FMUs:	
	7,896.11		1 FMU for 7,896.11ha	
<b>FMU numbers per size class:</b>	<100 ha	100-1000 ha	1000-10.000 ha	> 10.000 ha
	FMUs	FMUs	1 FMUs	FMUs
<b>Number of group members per size class:</b>	<100 ha	100-1000 ha	1000-10.000 ha	> 10.000 ha
	FMUs	FMUs	FMUs	FMUs
<b>AAF Class</b>	Natural forest - Boreal:	ha	Plantations:	6597,18 ha
	SLIMF Boreal:	ha	SLIMF Plantations:	ha
	Natural forest - Conservation:	1298,93 ha	Natural forest - Temperate:	ha
	SLIMF Conservation:	ha	SLIMF Temperate:	ha
	Natural forest - Community:	ha	Natural forest - Tropical:	ha
	SLIMF Community:	ha	SLIMF Tropical:	ha
<b>Scope of certification:</b>				
<b>Scope of certification:</b>		Forest management and trade of Roundwood (logs)		
<b>Nr.</b>	<b>Product type(s)</b>	<b>Level</b>	<b>Main output category</b>	<b>Species (Scientific names)</b>
1	Roundwood (logs)	W1.1	FSC 100%	<i>Tectona grandis</i> <i>Eucalyptus Europhylla &amp; camadulensis</i> <i>Acacia mangium &amp; auriculaformis</i> <i>Khaya senegalensis</i>

## 2 CHANGES SINCE LAST EVALUATION

### 2.1 Changes of scope

Description of changes since last audit in accordance to FSC-STD-20-007-a (Chapters “Scope of Certification”, “Description of the area under the scope of certification” and Forest operation in main evaluation audit report):

Not main change in the geographical scope.

- The rhythm of reforestation remains strong (70 ha of Teak and 23 ha of Eucalyptus).
- Total cultivated area represents 3783 ha in 2019

### 2.2 Accidents in forest work since the last audit

No serious/ fatal accidents occurred.

### 2.3 Use of pesticides since the last audit

Name of pesticide	Active ingredient	Reason for application	Applied quantity (in kg/ha or l/ha)	Frequency of use
Glyphosate	C <sub>3</sub> H <sub>8</sub> NO <sub>5</sub> P	herbicide treatment to limit herbaceous competition at the start of the plantation	788,87 ha (3.75L/ha)	occasional
Imidacloprid	C <sub>9</sub> H <sub>10</sub> ClN <sub>5</sub> O <sub>2</sub>	Insecticide against the Teak Skeletonizer, <i>Eutectona machaeralis</i>	516,84 ha (5.26L/ha)	occasional

NB : The iminacloprid is in the FSC® List of ‘highly hazardous’ pesticides FSC-STD-30-001a EN (last updated: 3 April 2017). However, it says in bold, italic and green that currently “do not require a valid derogation for their use”.

The company’s Master Plan describes pest management in detail as also the POLICY 9005 – “Integrated Weed, Pest & Disease Management V 1-4-2013” and SOP 3019 - Pest and Disease Attack (06-06-2017)

### 2.4 Changes of group structure (only groups)

Not applicable

### 3 EVALUATION PROCESS (SURVEILLANCE AUDITS)

#### 3.1 Standards used

See Chapter „Scope of Certification“.

Explanation of any relevant modifications of the FSC Standard used in previous evaluations:

No changes since the last audit

#### 3.2 Sampling and Field Audit

Surveillance audit No 2 was initially planned on site from 07 to 10 April 2020. Because of the context of the international COVID 19 pandemic, a first decision to postpone the audit for a few weeks was taken in agreement with GFA and the client (decision of 3/16/2020) following the decisions of the Royal Government of Cambodia which bans entries from Europe including France.

In absence of favorable developments and international border reopening, the decision is made on 05/29/2020 to carry out a remote audit on the following methodological bases:

- GFA Procedure for Desk Audits (SSP\_PRO\_Desk\_Audits\_1.7\_e )
- GFA Procedure for special measures to reduce infection risks during on-site auditing (SSP\_PRO\_OnSite\_Auditing\_COVID19\_1.0\_e)
- GFA Procedure for Risk Identification to grant permission to replace onsite audits by desk audits (SSP\_PRO\_Risk\_Identification\_Desk\_Audit\_1.3\_e)
- ASI-PRO-20-125- Remote Assessments -V2.0 08 May 2020
- Principles on Remote Assessment (IAF Informative Document -12/2015)

A remote audit is possible because none of the following criteria are met:

- Main audits (initial and recertification audits)
- High risk certification areas.
- Current integrity investigations conducted by FSC International involving the client
- High risk situations related to the country / manufacturing sector / type of client
- Outsourcing of certified activities in response to the coronavirus outbreak or the new high-risk outsourcing
- Ongoing complaints

In the meantime, the lead auditor was able to benefit from:

- ASI short training session for FSC CABs on good practices when conducting assessments remotely, on 2020 May 15th
- Annual calibration training provided by GFA from 17 to 18/06/2020

##### 3.2.1 List of FMUs selected for evaluation

According to the procedures for sampling as stated in the GFA Auditors Handbook and according to FSC-STD-20-007 the following FMUs were selected for field visits:

List of selected FMUs: Not applicable, single FMU

##### 3.2.2 Overall schedule with dates (for each FMU)

Date	Location	Thematic priorities of on-site audits	Remarks/Participants
27/06/2020	NP office	Audit preparation : <ul style="list-style-type: none"> <li>• very detail schedule sent to client</li> <li>• Identification of criteria that will be audited regrading previous CAR/Observation 2019, compulsory</li> </ul>	<ul style="list-style-type: none"> <li>• N. Perthuisot : Lead Auditor</li> </ul>

Date	Location	Thematic priorities of on-site audits	Remarks/Participants
		<p>indicators, 20 to 25 % additional indicators depending on the technical feasibility linked to remote auditing</p> <ul style="list-style-type: none"> <li>• Validation of point and task that local auditor will have to check/see on field and during meeting with stakeholder.</li> <li>• Redaction of a “to do list” for local auditor, list of stakeholders to be contacted and the questions to be asked.</li> <li>• Methodological / technical briefing with local auditor (presentation of goals and methodology of remote audit)</li> <li>• Construction of a prior list of document request addressed to GT</li> </ul>	
29 /06/ 2020	Phnom Penh GT office	<p>Technical preparation meeting : computer connection test and conference call tools /software</p> <p>Opening meeting / skype</p> <ul style="list-style-type: none"> <li>• Presentation of remote audit method and specific objectives of this surveillance audit n° 2</li> <li>• Rules to respect in COVID19 context according GT procedure (ex: social distancing but not compulsory mask)</li> <li>• Audit schedule, detail field visit and logistic organization</li> <li>• Analysis of GT response for Closing of CARs 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Lina Hong : Op.manager</li> <li>• Eugene Kraam Winkel : ex : CEO Grandis Timber</li> <li>• Nith Chhin : Local Auditor</li> <li>• N. Perthuisot : Lead Auditor</li> </ul>
	NP office	<ul style="list-style-type: none"> <li>• Document review and Observation 2019 evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• N. Perthuisot : Lead Auditor</li> </ul>
30/06/ 2020		Travel from Phnom Penh to Grandis Timber field office	<ul style="list-style-type: none"> <li>• Lina Hong : Op.manager</li> <li>• Nith Chhin : Local Auditor</li> </ul>
	GT forest concession South part	<ul style="list-style-type: none"> <li>• 2 Check point visit and interview: controlling access and discussion with safety guards working and living conditions, rules of engagement...(CAR 2019-01)</li> </ul>	<ul style="list-style-type: none"> <li>• Security guard staff</li> <li>• Nith Chhin : Local Auditor</li> </ul>
		<ul style="list-style-type: none"> <li>• Meeting with farmers living nearby concession (ploit “villager’s land 4.78 ha</li> <li>• Control of boundaries and discussion with villagers on site about relationship with GT and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• 2 farmers (F&amp;M)</li> <li>• Nith Chhin : Local Auditor</li> </ul>
	Site office	<ul style="list-style-type: none"> <li>• Working meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Lina Hong : Op. manager</li> <li>• GT Staff on site</li> <li>• Nith Chhin : Local Auditor</li> </ul>
	Site mechanical workshop	<ul style="list-style-type: none"> <li>• Mechanical workshop, fuel station and tanks, Storage of spare parts and small equipment. Oil separator</li> <li>• Safety equipment storage and management</li> <li>• Environmental management and pollution control, waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Motorbike fixer</li> <li>• Vehicle/tractor fixer</li> <li>• Nith Chhin : Local Auditor</li> </ul>
	Site Infirmary	<ul style="list-style-type: none"> <li>• operation of the infirmary,</li> <li>• workers' health, statistic</li> <li>• drugs and environment of the GT infirmary</li> <li>• health treatments for the villagers</li> </ul>	<ul style="list-style-type: none"> <li>• GT doctor</li> <li>• Nith Chhin : Local Auditor</li> </ul>
	Field visit North part	<ul style="list-style-type: none"> <li>• 2019 teak plantation</li> <li>• Road construction, bridge and water crossing building</li> <li>• Pruning activity and manual grass cleaning, worker’s interview</li> <li>• Grass removing site</li> <li>• (Plot 2018)</li> </ul>	<ul style="list-style-type: none"> <li>• Worker coordinator</li> <li>• Grass remover team (2 people separately)</li> <li>• Nith Chhin : Local Auditor</li> </ul>

Date	Location	Thematic priorities of on-site audits	Remarks/Participants
	NP office	<ul style="list-style-type: none"> <li>Debriefing skype call with local auditor</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
	Grandis Timber field office	<ul style="list-style-type: none"> <li>Debriefing skype call with GT staff</li> </ul>	<ul style="list-style-type: none"> <li>Lina Hong : Op. manager</li> <li>GT Staff on site</li> <li>Nith Chhin : Local Auditor</li> <li>N. Perthuisot : Lead Auditor</li> </ul>
	Worker permanent camp	<ul style="list-style-type: none"> <li>Life conditions</li> <li>Water supply, electrification, health, leisure ...</li> </ul> <p>1 night passed in worker camp to have an "open heart" discussion</p>	<ul style="list-style-type: none"> <li>Site cook</li> <li>Nith Chhin : Local Auditor</li> </ul>
01/07 /2020	Nursery	<ul style="list-style-type: none"> <li>Nursery management and monitoring</li> <li>Chemical product use and water supply</li> </ul>	<ul style="list-style-type: none"> <li>Nursery supervisor</li> <li>Nith Chhin : Local Auditor</li> </ul>
	Kiosk of GT	<p>Meeting with Commune Representative of Reaksmei Samaki; and Village chief of Kraing Kor</p> <ul style="list-style-type: none"> <li>commune committee group functioning</li> <li>relationship with GT-conflicts and complaints</li> <li>benefits the local people in terms of job opportunities;</li> <li>Permit system put in place by the organization in 2019</li> </ul>	<ul style="list-style-type: none"> <li>2 representatives</li> <li>Nith Chhin : Local Auditor</li> </ul>
	Site warehouse	<ul style="list-style-type: none"> <li>Management of stock (observation)</li> <li>Chemical grass killers and worm pesticides management (containers and waste)</li> </ul>	<ul style="list-style-type: none"> <li>Warehouse controller</li> <li>Nith Chhin : Local Auditor</li> </ul>
	Environmental Department of Kampong Speu office	<ul style="list-style-type: none"> <li>Relationship and cooperation with GT and the Provincial Dept.</li> <li>Compliance with environmental law and regulations</li> <li>No complaints about GT have been received by the Provincial Dept.</li> <li>2019 EIA management and support</li> </ul>	<ul style="list-style-type: none"> <li>Director of Provincial Department of Kampong Speu</li> <li>Nith Chhin : Local Auditor</li> </ul>
	Provincial Department of Agriculture, Forestry and Fisheries office	<ul style="list-style-type: none"> <li>All laws and regulations have be obeyed</li> <li>Monthly and annual reports based on the agreement</li> <li>2020 Master Plan support</li> </ul>	<ul style="list-style-type: none"> <li>Provincial Dept of AFF (DAFF)</li> <li>Nith Chhin : Local Auditor</li> </ul>
		<ul style="list-style-type: none"> <li>Travel from Grandis Timber field office to Phnom Penh</li> </ul>	<ul style="list-style-type: none"> <li>Lina Hong : Op.manager</li> <li>Nith Chhin : Local Auditor</li> </ul>
	NP office	<ul style="list-style-type: none"> <li>Debriefing skype call with local auditor</li> </ul>	<ul style="list-style-type: none"> <li>Nith Chhin : Local Auditor</li> <li>N. Perthuisot : Lead Auditor</li> </ul>
	Phnom Penh GT office	<ul style="list-style-type: none"> <li>Closing meeting</li> </ul>	<ul style="list-style-type: none"> <li>Lina Hong : Op.manager</li> <li>Eugene Kraam Winkel : ex : CEO Grandis Timber</li> <li>Nith Chhin : Local Auditor</li> <li>N. Perthuisot : Lead Auditor</li> </ul>

### 3.2.3 Total of man-days required for the audit (delete for PS)

	Pre-evaluation	Main audit	Surveillance audit
Stakeholder consultation		0.75	0.40
Document review		0.75	0.50
Field Audit		9	9
Report preparation		1.75	1.25
TOTAL (in working days)		12.25	11.15



### 3.2.4 Surveillance audit plan for the Forest Management Enterprise (delete for PS)

Audit type	Date of evaluation	Audit duration in days	Sites/member FMU	Main focus
Main audit	2018 / 04	12.25	1/1	Detailed document and field check of compliance of forest management operations with applicable FSC standards
Surveillance 1	2019 / 04	11.15	1/1	P4, P6 and P10
Surveillance 2	2020 / 07	11.15	1/1	Desk audit P1, P2, P4 (CAR and observation closure), P6, P7
Surveillance 3	20 / Month			
Surveillance 4	20 / Month			

### 3.3 Consultation with stakeholders / comments / complaints

There were neither comments nor complaints from stakeholders since the last audit.

During the audit, stakeholders may also be contacted and interviewed by the audit team. The auditors interviewed the following stakeholders:

- Commune Representative of Reaksmey Samaki;
- Village chief of Kraing Kor
- Director of Environmental Provincial Department of Kampong Speu
- Director of Provincial Department of Agriculture, Forestry and Fisheries
- MPA International Ltd Security Guard company's members

The interviewed stakeholders did not submit comments requiring a formal reply within the framework of this audit report.

Principles & Criteria	Stakeholder Comments	Answers
Principle 1	No comments	/
Principle 2	No comments	/
Principle 3	No comments	/
Principle 4	No comments	/
Principle 5	No comments	/
Principle 6	No comments	/
Principle 7	No comments	/
Principle 8	No comments	/
Principle 9	No comments	/
Principle 10	No comments	/

## 4 RESULTS OF THE AUDIT

### 4.1 Findings based on the Principles and Criteria of FSC

The evaluation of forest management enterprises is based on indicators. Each identified non-compliance results in a Corrective Action Request (See also chapter “Corrective Action Requests (CARs)”). The table below presents the summarized findings by FSC Criteria and an indication whether or not the observed level of performance on the level of criteria is considered to comply with the requirements of the standards.

In case of group certification, the findings refer to all evaluated FMUs unless specified otherwise.

A detailed listing of the findings of the audit and field visits on indicator level can be found in the checklist(s) associated to the report (not part of the publicly available summary of the audit report available at [www.info.fsc.org](http://www.info.fsc.org)).

#### Version 4.0 of FSC Principles and Criteria

<b>Principle #1: Compliance with Laws</b>		<b>Result / CARs</b>
<b>1.1</b>	Forest management shall respect all national and local laws and administrative requirements.	Pass
<b>1.2</b>	All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.	Pass
<b>1.3</b>	The provisions of all binding international agreements such as CITES and Convention on Biological Diversity, shall be respected.	Not evaluated in 2020
<b>1.4</b>	Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.	Not evaluated in 2020
<b>1.5</b>	Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.	Pass
<b>1.6</b>	Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.	Pass
<b>Principle #2: Tenure and use rights and responsibilities</b>		
<b>2.1</b>	Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.	Pass
<b>2.2</b>	Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.	Pass
<b>2.3</b>	Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights.	Pass
<b>Principle #3: Indigenous peoples' rights</b>		
<b>3.1</b>	Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.	Not evaluated in 2020

3.2	Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.	Not evaluated in 2020
3.3	Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.	Not evaluated in 2020
3.4	Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations.	Not evaluated in 2020
<b>Principle #4: Community relations and worker's rights</b>		
4.1	The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.	Not evaluated in 2020
4.2	Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.	Pass
4.3	The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).	Not evaluated in 2020
4.4	Management planning and operations shall incorporate the results of evaluations of social impact.	Not evaluated in 2020
4.5	Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples.	Pass
<b>Principle #5: Benefits from the forest</b>		
5.1	Forest management (FM) should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.	Not evaluated in 2020
5.2	FM and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.	Not evaluated in 2020
5.3	FM should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.	Not evaluated in 2020
5.4	FM should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.	Not evaluated in 2020
5.5	FM operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.	Not evaluated in 2020

5.6	The rate of harvest of forest products shall not exceed levels which can be permanently sustained.	Not evaluated in 2020
<b>Principle #6: Environmental impact</b>		
6.1	Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of FM and the uniqueness of the affected resources -- and adequately integrated into management systems.	Not evaluated in 2020
6.2	Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established.	Not evaluated in 2020
6.3	Ecological functions and values shall be maintained intact, enhanced, or restored, including Forest regeneration and succession, Genetic, species, and ecosystem diversity, Natural cycles that affect the productivity of the forest ecosystem.	Not evaluated in 2020
6.4	Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps.	Not evaluated in 2020
6.5	Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction; and protect water resources.	Pass
6.6	Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides.	Pass
6.7	Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner.	Pass
6.8	Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.	Not evaluated in 2020
6.9	The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.	Not evaluated in 2020
6.10	Forest conversion to plantations or non-forest land uses shall not occur, except if it entails a very limited portion of the forest management unit; and does not occur on high conservation value forest areas; and will enable clear, substantial, additional, secure, long term conservation benefits across the forest management unit.	Not evaluated in 2020
<b>Principle #7: Management plan</b>		
7.1	<p>The management plan and supporting documents shall provide</p> <ul style="list-style-type: none"> <li>a) Management objectives.</li> <li>b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.</li> <li>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.</li> <li>d) Rationale for rate of annual harvest and species selection.</li> <li>e) Provisions for monitoring of forest growth and dynamics.</li> <li>f) Environmental safeguards based on environmental assessments.</li> </ul>	Pass

	<ul style="list-style-type: none"> <li>g) Plans for the identification and protection of rare, threatened and endangered species.</li> <li>h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.</li> <li>i) Description and justification of harvesting techniques and equipment to be used.</li> </ul>	
7.2	The management plan shall be periodically revised to incorporate the results of monitoring or new scientific information.	Not evaluated in 2020
7.3	Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.	Not evaluated in 2020
7.4	While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1	MINOR CAR 2020-01
<b>Principle #8: Monitoring and assessment</b>		
8.1	The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment.	Not evaluated in 2020
8.2	<p>FM should include the research and data collection needed to monitor, at a minimum, the following indicators:</p> <ul style="list-style-type: none"> <li>a) Yield of all forest products harvested.</li> <li>b) Growth rates, regeneration and condition of the forest.</li> <li>c) Composition and observed changes in the flora and fauna.</li> <li>d) Environmental and social impacts of harvesting and other operations.</li> <li>e) Costs, productivity, and efficiency of forest management.</li> </ul>	Not evaluated in 2020
8.3	Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."	Pass
8.4	The results of monitoring shall be incorporated into the implementation and revision of the management plan.	Not evaluated in 2020
8.5	While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators.	Not evaluated in 2020
<b>Principle #9: Maintenance of high conservation value forests (HCV)</b>		
9.1	Assessment to determine the presence of the attributes consistent with HCV will be completed.	Not evaluated in 2020
9.2	The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.	Not evaluated in 2020
9.3	The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach.	Not evaluated in 2020

9.4	Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.	Not evaluated in 2020
<b>Principle #10: Plantations</b>		
10.1	The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan.	Pass
10.2	The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests.	Not evaluated in 2020
10.3	Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability.	Not evaluated in 2020
10.4	The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives.	Not evaluated in 2020
10.5	A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.	Pass
10.6	Measures shall be taken to maintain or improve soil structure, fertility, and biological activity.	Not evaluated in 2020
10.7	Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers.	Pass
10.8	Monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems.	Not evaluated in 2020
10.9	Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification.	Not evaluated in 2020

#### 4.2 Occurred difficulties during assessment

Description of issues that were hard to assess, for example, because of contradictory evidence or difficulty in interpreting the standard(s) in the field, and explanation of the conclusion reached:

No issues identified

## 4.3 Chain of Custody

### 4.3.1 Integrated processing or trading activities

Integrated processing or trading associated with the forest management enterprise must be inspected for compliance with the appropriate COC standard with a separate report required.

Integrated processing facilities or trading activities of wood from other sources are included in the scope:  
NO

### 4.3.2 Tracking, tracing and identification of certified products

A description of the internal chain-of-custody (COC) is necessary, since timber is sold from specific landings and/ or transported over longer distances, where a mix with products from non-certified sources might be possible. This applies especially in cases, where not all the forest areas in which the certificate holder is involved are included in the scope of certification (see Chapter "Description of the area included in the scope of certification").

No harvesting activity, no sale of FSC certified wood

### 4.3.3 Balance of sold FSC products

Products sold with FSC Claim (only recertification and surveillance audits: NO

An annual volume balance of sold products specifying product type, species and quantity has been provided by the forest management enterprise. In case of group certification the volumes are specified for each member: Yes / No, see "Corrective Action Requests".

### 4.3.4 Invoicing for FSC certified products

The following elements are included in all trading documents having to do with FSC certified material sold as FSC certified and thus in compliance with the applicable FSC COC requirements:

Certificate registration code (GFA-FM/COC-xxxxxx): Yes / No, see "Corrective Action Requests".

FSC 100% claim: Yes / No, see "Corrective Action Requests".

## 4.4 FSC trademark use

The company shall submit any planned FSC trademark use to GFA via the GFA Customer Service Portal available at [www.gfa-cert.com](http://www.gfa-cert.com) for approval prior to publishing, printing and distribution. The FSC trademarks are used for

	Segregation
	Invoices, delivery documents
	Stationary
	Business cards
X	Web page
	Others:
	Segregation

All FSC trademark use complies with FSC trademark standards and all GFA trademark approvals are obtained and documented: YES

## 4.5 Forest enterprise strength

As main strength points for the forest enterprise are recognized:

- Good capacity to dominate the core activity (management of plantation).
- Very good technical capacity of staff (young, motivation and good will, competency, solidarity...)
- Very good relationships with forest administration
- Good relationships with local communities based (1) on the organization of a harvesting permit system (firewood and bamboo collect) and (2) on checkpoint and mobile patrol network controlling access inside forest concession
- Very good end detailed monitoring system and quality control process.
- Very professional and rigorous attitude for treatment of previous CAR and Observation



## 5 CORRECTIVE ACTION REQUESTS (CARS)

According to the importance of the non-compliances with respect to scale and intensity of the forest operation, the corrective action requests are classified as Minor or Major.

„**Major Corrective Action Requests**“ (**Major CARs**) result from fundamental failures to achieve the objective of the relevant FSC requirements. Adequate corrective action needs to be implemented by the organization before a certificate can be issued or re-issued. If Major CARs are not complied with within the timeframe existing certificates shall be suspended according to the accredited FSC system.

„**Minor Corrective Action Requests**“ (**Minor CARs**) result from failures to achieve the objective of the relevant FSC requirements which are not considered to be fundamental. They do not inhibit the issuing or re-issuing of the certificate but adequate corrective actions needs to be implemented until the next surveillance audit. Otherwise Minor CARs are upgraded to Major CARs automatically. Repeated disregard leads to a suspension of the certificate

“**Observations**” do not influence the status of the certificate but identify the early stages of a problem which does not of itself constitute a non-compliance, but which may lead to a future non-compliance if not addressed by the client.

In the case of Major CARs the organization has to send evidence of both corrective and preventive actions to the GFA certification department within the given timeframe. In addition the organization shall keep the evidence available on site for the next audit. In the case of Minor CARs the organization has to keep evidence of corrective actions available on site for the next audit.

### 5.1 CARs from previous audits

<b>CAR #</b>	2019-01			
<b>Short Title</b>	Legal requirement of contractors.			
<b>Type</b>	Minor CAR			
<b>Scope of CAR</b>	X	Forest Management Enterprise, resp. Group Entity		
		Group member(s):		
<b>Normative reference</b>		Nationaler Forest Stewardship Standard (NFSS) / Interim National Standard (INS)		<b>Indicator:</b> 4.2.9
	X	GFA Interim Standard		
		FSC-STD-30-005, V.1.1.1		
		Other:		
<b>Requirement. standard</b>	Contractors not complying with all above mentioned indicators are excluded from forest operations.			
<b>Description of identified non-conformity</b>	<p>During field visit, at “cattle area check point” talking with the security guard of the KWON company, the following observations were made :</p> <ul style="list-style-type: none"> <li>The worker was in post since 12 hours and it was not foreseen to replace him before day after. This situation doesn't comply with labor law requirement.</li> <li>2 child of him were present at the guard post. This situation goes against the obligation contained in the service contract between the GRANDIS TIMBER LTD and K-WON security Guard Cambodia Co.LTD dated 31/10/20180</li> <li>The worker does not have drinkable water</li> </ul> <p>Justification for grading:</p> <ul style="list-style-type: none"> <li>There is a specific contract with K-WON Security Guard which clearly explains the mission, the duration of presence (maximum 8 hours and at least 3 shifts per day) and the obligation for the contractor to respect the Grandis Timber Ltd's internal regulations (§ 6.1)</li> <li>Grandis Timber LTD's had yet informed several time KWON Security Company of numerous non-compliance with contract conditions (see Email).</li> <li>Only one observation was made. The situation is in conformity with the other guard posts – (no systemic situation- one time occurrence and limited temporal or spatial scale.)</li> </ul>			
<b>Timeframe</b>	X	Within 12 months, latest till 12.04.2020 / till next audit (whatever applies first)		

	Before certificate issue
	XX.XX.20XX
<b>Analysis and Actions (to be filled by the organization)</b>	
<b>Root Cause Analysis</b>	Contractor security company (K-Won security) clearly understand extend of the contract and signed it but poorly implemented and managed.
<b>Corrective Actions</b>	<ul style="list-style-type: none"> <li>After GFA audit, on April 29th 2019, a letter has been drawn up and attended to contractor. The letter has been clearly stated the misconduct of security company and his acknowledgment of the payment deduction to pressure him for the compliance (see letter from GT general manager corporate services).</li> <li>K-Won Security Company has been terminated due to failure of compliance (see Termination letter from Grandis Timber to K-Won from 10/06/2019 explaining reason (security guards sleeping, no use of passbook...))</li> </ul> <p>A New Security Company; MPA International Ltd has been recruited to provide the services to Grandis Timber Ltd (see Agreement for the provision service between Grandis Timber Ltd and MPA International Ltd)</p>
<b>Preventive Actions</b>	<ul style="list-style-type: none"> <li>Monitoring indicators of security guard have been incorporated in internal FSC inspection form (see FSC internal inspection form V2020)</li> <li>The inspection will be done by Site Manager and Sustainability Manager at regular basis but not limited to visualized check.</li> </ul>
<b>Evaluation of Corrective Action (by GFA Certification)</b>	
<b>Status</b>	<input checked="" 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>The organization has implemented strong actions involving organizational changes and replacement of a service provider.</p> <ul style="list-style-type: none"> <li>The check point are better prepared.</li> <li>Drinkable water available,</li> <li>Solar panel installed</li> <li>Information panel installed explaining what is allowed or prohibited in the concession.</li> <li>Noticeboard about passbook is implemented (see document and passbook during field visit)</li> <li>swifts are arranges for 24 hours / 3 people</li> </ul> <p>Conformation by field observations and interviews with MPA International guard in checkpoint south (main entry of concession) and North</p>

## 5.2 CARs identified during the evaluation

### 5.2.1 Major CARs

Not applicable, no major CARs identified during the audit.

### 5.2.2 Minor CARs

<b>CAR #</b>	2020-01		
<b>Short Title</b>	Summary of management plan not publicly available		
<b>Type</b>	Minor CAR		
<b>Scope of CAR</b>	X	Forest Management Enterprise, resp. Group Entity	
		Group member(s):	
<b>Normative reference</b>		Nationaler Forest Stewardship Standard (NFSS) / Interim National Standard (INS)	<b>Indicator:</b> 7.4.1
	X	GFA Interim Standard	

	FSC-STD-30-005, V.1.1		
	Other:		
<b>Requirement acc. standard</b>	Regular summaries of the primary elements of the management plan, including those listed in Criterion 7.1 are available to the public		
<b>Description of identified non-conformity</b>	<p>During the audit period, the company was unable to produce a synthetic and updated document easily understandable to the public, containing the main elements and contents of the management plan (possibly excluding information considered confidential). There is no information on the company's web page (<a href="http://www.grandistimber.com/">http://www.grandistimber.com/</a>) allowing the public or stakeholder to download the document or even to be able to simply request it from the company</p> <p>Justification for grading:</p> <ul style="list-style-type: none"> <li>• An executive summary of master plan 2018 (v7.3) is existing as first part of management plan but not publicly available.</li> <li>• The latest version of the management plan has recently been validated by the administration and the time required to produce a relevant and effective summary (in terms of communication to the public) can be quite long.</li> <li>• There is some elements and documentation (even if not totally updated) in section <a href="http://www.grandistimber.com/policies-report/">http://www.grandistimber.com/policies-report/</a> including FSC annual report</li> <li>• Global management objectives are very briefly listed in section <a href="http://www.grandistimber.com/vision-objectives/">http://www.grandistimber.com/vision-objectives/</a></li> </ul>		
<b>Timeframe</b>	X	Within 12 months, latest till 01.07.2021 / till next audit (whatever applies first)	
		Before certificate issue	
		XX.XX.20XX	
<b>Analysis and Actions (to be filled by the organization)</b>			
<b>Root Cause Analysis</b>			
<b>Corrective Actions</b>			
<b>Preventive Actions</b>			
<b>Evaluation of Corrective Action (by GFA Certification)</b>			
<b>Status</b>		CAR closed: Root Cause Analysis and Actions are appropriate.	
		CAR not closed: Root Cause Analysis and Actions are not appropriate.	
<b>Rationale and objective evidences revised</b>			

### 5.2.3 Observations

Observations	Description
<b>Observation 2020-01</b>	The land situation of a very small and isolated plot of 4.78 ha called and mapped as "villager's land" is not clearly recognized by villagers who are doing agriculture without any control or authority from the company. This situation could be a factor of risk of conflict or undesirables (ex: pesticide for agriculture)
<b>Observation 2020-02</b>	The company has not provided all the evidence demonstrating that the quantities of wasted oil collected in the decanters (oil separator) or in case of small pollution (with saw dust) remain minimal and can therefore justify they can be burned on site
<b>Observation 2020-03</b>	The company uses pesticides (classified as restricted HHPs). It has not yet established an Environmental and Social Risk Assessment (ESRA) in compliance with new FSC-POL-30-001 V3-0, which is currently in its extended transition phase until end of 2020.
<b>Observation 2020-04</b>	Additionally to these specific observation, the audit team draws the company's attention to specific points of vigilance that will have to be taken into account for the next monitoring audit n° 3 implemented against new FSC-STD-KHM-01-2020.

Observations	Description
	<ul style="list-style-type: none"><li data-bbox="651 286 1508 376">• Costs and benefits related to social and environmental impacts of management activity are insufficiently documented and quantified in management plan (indicator 531/532)</li><li data-bbox="651 383 1508 472">• Even if not threatened, the different ecosystem services existing into management unit are not properly and formally identified and qualified (criteria 5.1)</li></ul>

## 6 CERTIFICATION DECISION

### 6.1 Summary of audit

In the context of the audit one (1) Minor CARs was identified and four (4) Observations were issued.

### 6.2 Certification recommendation by the auditor(s)

The certificate holder's system of management, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation:

<b>X</b>	A certificate can be issued/reissued/maintained under the condition that the "Corrective Action Requests" mentioned above will be completely fulfilled in the indicated timeframe.
	A certificate can only be issued when all identified Major CARs mentioned above are closed due to implemented corrective actions.
	The FM system of the evaluated enterprise does not comply with the provisions and standards of FSC and those of GFA Certification GmbH. Due to the number of identified major non-conformities the auditors recommend the immediate suspension of the certificate after finalization of the report.

The next surveillance audit is preliminarily planned for summer 2021.

## 7 AGREEMENTS

Between GFA and the client it is hereby agreed, that the report will be sent to the client for review and comments. If the client does not send a comment within 21 days (date of post stamp), GFA will assume, that no comments will be made and that the client agrees to the report.

If any non-conformity (CAR) has been noticed during the audit, the identified root cause(s) and selected corrective and preventive action as well as objective evidences for their implementation for each CAR shall be documented by utilization of the separate GFA CAR response form. The form shall only be submitted as digital file via email to GFA ([info@gfa-cert.com](mailto:info@gfa-cert.com)) if the next audit is not carried out within the timeframe of the CAR (applicable to all Major CARs and due Minor CARs). Objective evidence for each of the implemented actions shall be submitted as attachment.

If the audit is carried out within the timeframe of the CARs, the CAR response form and all attachments can be submitted directly to the assigned GFA lead auditor in the preparation phase of the audit.

## 8 ANNEX

Stakeholder List (obligatory as integral part of this file).

Clients Comments and GFA reply

Digital map of the FMUs

GFA dispute resolution procedure

NFSS/INS Checklist (obligatory as separate part of this report. The checklist shall be sent in as separate document in word and as pdf file).

Audit plan – to be sent as separate file with the report (all audits – mandatory)

## List of contacted stakeholders during recertification audit 2018

### Administrations and institutions

- Ministry of Agriculture, Forestry and Fisheries (MAFF)
  - ELC review committee at MAFF
  - Dept of Agr planning & statistic
  - Provincial Dept. Agriculture Forestry and Fisheries
  - Forest Administration Cantonment
  - Forest Administration Division
  - Forest Administration Triage
- Ministry of Environment (MoE)
  - EIA Dept
  - KPS\_Pro Dept of Envir
- Land Administration
- Deputy Provincial Governor
- District Governor
- Deputy District Governor
- District Police Chief

### NGOs

- Conservation International
- WWF
- Wildlife Alliance
- Recoftc
- GIZ
- Save Cambodian Wildlife
- Cambodian Red Cross
- Flora and Fauna International

### Subcontractor and partners

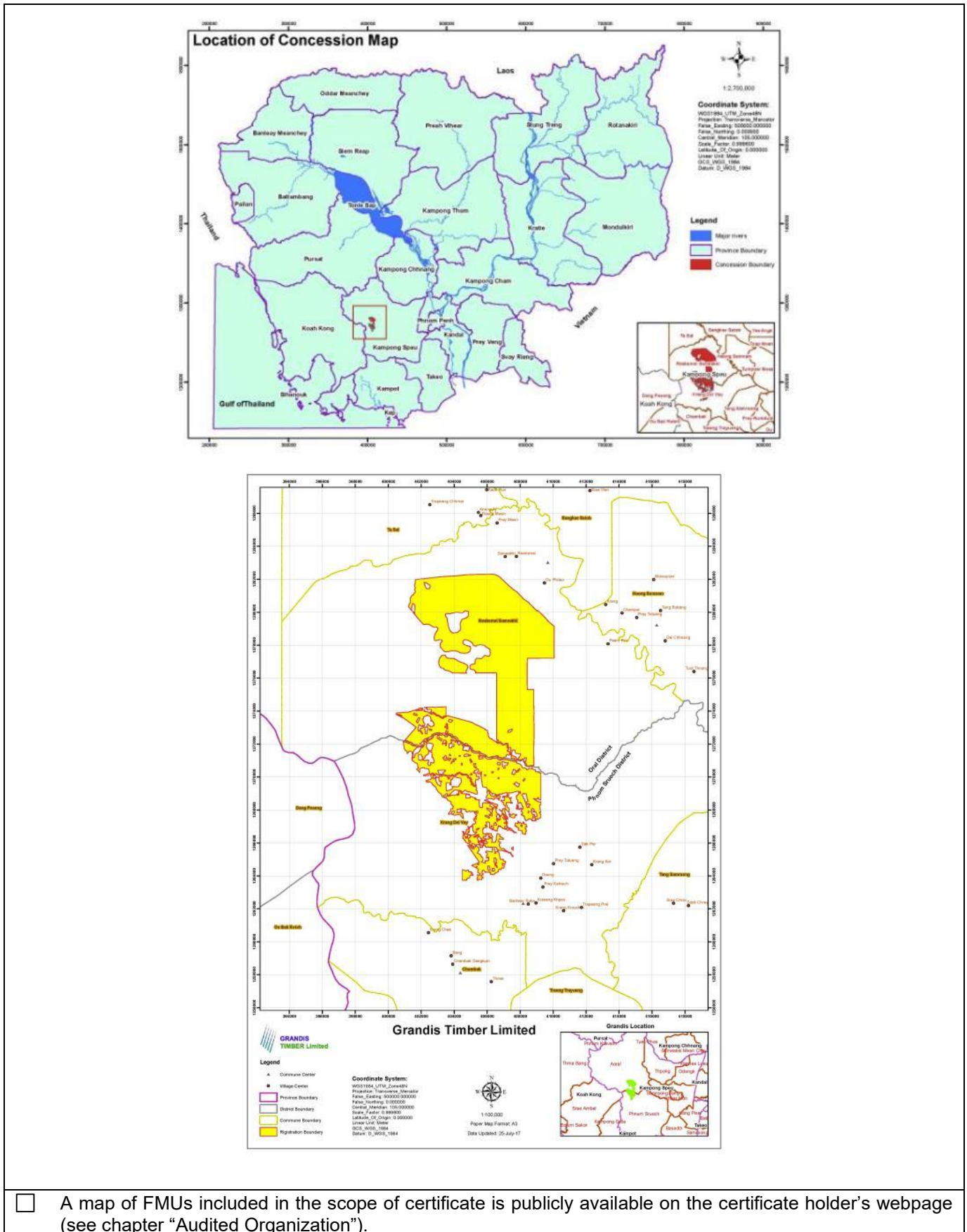
- Phnom Penh Sugar Cane
- RDI (Lab for water testing))
- Institut Pasteur du Cambodge
- Scaroni and Assoc (Legal advisors))
- ATA
- Price Waterhouse Coopers (Finanical Auditor)
- BUN & Associate (lawyer)
- Sambath Contractor (Contractor government relations)

### Commune/Village (*Krang Dey Way, Chambock, Ramsey Samaki*)

- Village Chief
- Dep Village chief
- Commune Chief
- Commune Deputy



**Location of the FMUs include in the scope of certification**



A map of FMUs included in the scope of certificate is publicly available on the certificate holder's webpage (see chapter "Audited Organization").

### **GFA Dispute Resolution Procedure**

In order to increase the public accountability of the certification process stakeholders and certificate holders have access to GFA's dispute resolution procedure (DRP).

All concerns related to GFA's certification decision can be addressed to the GFA headquarter. Concerns NOT addressed to GFA headquarters, GFA staff or GFA affiliates are not accepted. Anonymous disputes, complaints and appeals will be rejected. Further mass mailings and mass emailing to GFA addressing the same or similar issues will be rejected.

The DRP provides procedures that allow the aggrieved party the opportunity to present his/her case to GFA staff. GFA provides an initial response, including an outline of GFA proposed course of action to follow up on the complaint or appeal, within two (2) weeks of receiving a complaint or appeal. GFA keeps the complainant(s) informed of progress in evaluating the complaint/appeal, and has investigated the allegations and specified all its proposed actions in response to the complaint or appeal within three (3) months of receiving the complaint or appeal, extendable to twelve (12) months. Full implementation of actions and confirmation of implementation (e.g. correction and closing out of non-compliances that may have been identified as a result of the complaint or appeal) are completed in compliance with FSC requirements and standards.

Please note: Disputes, complaints and appeals can only be considered valid if related to issues under the authority of GFA and related to Forest Stewardship Council standards.

