Supply Base Report:

PT Parawood Co., Ltd - Lampod
First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

For further information on the SBP Framework and to view the full set of documentation see **www.sbp-cert.org**

Document history

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1 Overview

Producer name:	PT Parawood Co., Ltd - Lampod
Producer address:	131 Moo.3 Thambon Klongsai,, 90160 Songkhla, Thailand
SBP Certificate Code:	SBP-13-62
Geographic position:	6.740773, 100.612175
Primary contact:	Buntharika Rojanaleekul, +66 819 639 939, fern@xpbiomass.com
Company website:	
Date report finalised:	25 Jul 2026
SBR reporting period from:	01 Oct 2025
SBR reporting period to:	30 Jun 2026
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	11 Oct 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 1A: SBP Requirements for Primary Feedstock from Trees Outside Forests (TOF) v1.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Feedstock origin (countries)	Thailand (Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Pellet producer made from 100% rubber wood from South of Thailand.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *62*

Annual maximum production capacity (metric tonnes): *160000*

Number of direct feedstock suppliers: *23*

Approximate number of feedstock sub-suppliers: *0*

Description of the chain-of-custody and upstream supply chain:

The rubber wood gets harvested and sent to sawmills, and the waste from sawmills (sawdust and offcuts) are sent to our factory to product wood pellets.

2.2 Detailed description of the Supply Base

Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

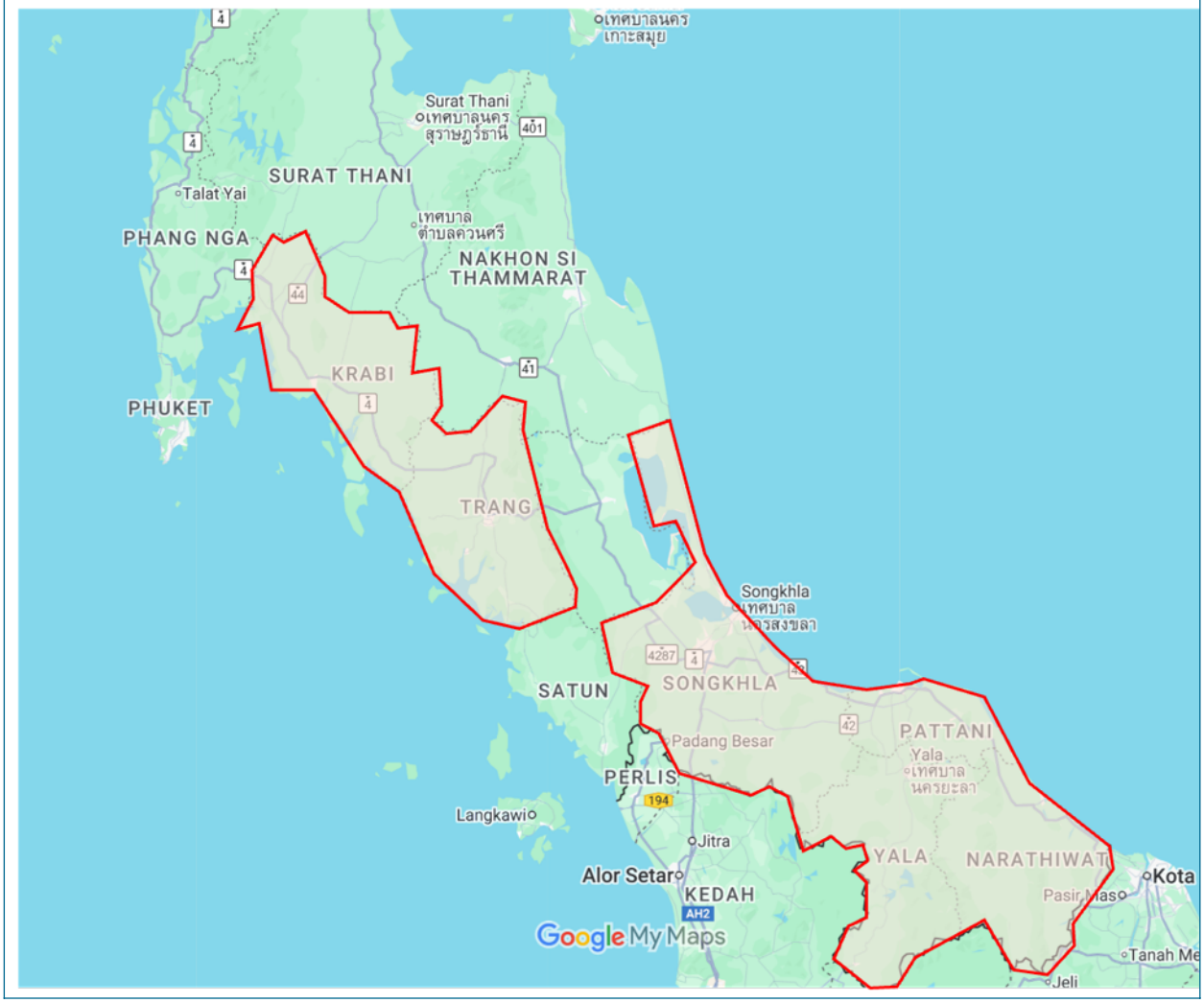
Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	Thailand
Area/Region	Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat
Exclusions	
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Trees outside forest (TOF) - Agricultural land feedstock (3A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	Yes – Biomass Producer's own risk assessment used (SBE)
Provide a concise summary of why a SBE was determined to be required or not required here:	
The feedstock is expected to also include residues from plantations which requires SBE. RRA is not available for Thailand.	

Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	1.4490
Map(s) of the Supply Base area:	

6 Provinces in South of Thailand: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat



2.3 Feedstock information

a. **Total volume of Feedstock:** 1-200,000 tonnes

b. **Volume of primary feedstock:** 0

c. **List of all the species in primary feedstock, including scientific name:**

Hevea brasiliensis	Rubberwood

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** No

Explanation:

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 100.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

j. **Select forest type(s) where the primary feedstock was sourced from:** Planted Forest

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting

l. **Volume of primary feedstock from primary forest:**

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Sawdust, Offcuts

n. **Share of SBP-recognised system claim for processing residues:**

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Sawdust, Offcuts

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 100 %

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 135264444.00 tonnes

Explanation: The supply area has a total of 6,441,164 square meters of planted feedstock that complies with EU RED, and there is 21 MT of feedstock per 1,600 square meter of plantation (excluding roundwoods/logs) that can be used for pellet production (arising from production residues and plantation residues).

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

We source exclusively from plantations located on private land with valid title deeds, specifically those documented under Nor Sor 3 (น.ส. 3) or Nor Sor 4 (น.ส. 4). In addition to privately titled land, there is a distinct category of state-allocated agricultural land, in which farmers may cultivate in accordance with specific qualifications. This land is typically documented under the Sor Por Kor series (ส.ป.ก.), which was introduced under the Agricultural Land Reform Act (Thailand) (B.E. 2518 / 1975) for redistribution of degraded forest or state land to landless agricultural households. Many of the Sor Por Kor plots were formerly degraded forest areas (prior to 2008) and were re-allocated for agricultural use. It is also important to clarify how "agricultural use" is defined under Thai practice. In Thailand, agriculture encompasses not only crop cultivation but also animal rearing, fishing and forestry / tree cultivation. Given this, rubber plantations may be legitimately established on both private titled land (Nor Sor 3 / Nor Sor 4) and on state-allocated agricultural land (Sor Por Kor), provided that the relevant rights, tenure documentation and use-class are in order. Finally, the national land law governing land rights and title in Thailand is the Act Promulgating the Land Code B.E. 2497 (1954) which lays down the classification of land titles and their legal effect.

Risk assessment for Thailand is conducted and identified risks are mitigated according to SBP Standard 2 requirements.

3.2 Conflicts with applicable national and sub-national legislation

There is no particular conflict with national and sub-national legislation.

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed

	☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.	
Description of the specific risk:	
The specific risk is highly associated to the internal management's best practices. A lack of clear regulation within the company or regular audit can result in the risk being realized.	
Mitigation measure:	
- Employee Training Record - Internal audits and safety briefings - Certificates from training institutions - Organizational Chart, with Sustainable Department - Procurement agreement The Company requires all employees to undergo training before employment, as well as annual trainings to promote knowledge and skills needed to perform jobs effectively and safely. Sustainability department is set up in the company to ensure all relevant department to SBP or other sustainability schemes have adequate training and resources to maintain compliancy.	
Monitoring and outcomes:	
Annual audits are conducted to ensure employees and suppliers are aware of and comply with SBP-aligned standards. In case of a non-compliant findings, corrective measures are to be drafted and implemented within a specified timeline as per the procurement policy agreement.	

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed

	☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.	
Description of the specific risk:	
Although there are several general Acts that protects indigenous people, there is no direct law to highlight the presence and the protection of this group. This is because historically, there has been no presence of such indigenous group within the SBE. Nevertheless, several mitigation measures are needed to ensure that all SBE areas are free of such risks.	
Mitigation measure:	
- Community Forest Act (2019) - Constitution (2017, Section 43) - Forest Act B.E. 2484 (1941) - Land Code of Thailand (1954) - UN Declaration on the Rights of Indigenous Peoples (UNDRIP) – Free, Prior, and Informed Consent (FPIC) - ONEP (Office of Natural Resources and Environmental Policy) - Environmental Impact Assessments (EIAs) - Site Visits - DSDW (Department of Social Development and Welfare) for ethnic group data Feedstock originates from rubberwood sawdust, slabs, and branches—which are processing residues from legally established sawmills in Southern Thailand, using wood sourced from privately owned rubber plantations. These plantations operate on titled land verified through the Rubber Authority of Thailand (RAOT). This ensures that there are no violations of tenure rights related to Indigenous Peoples or local communities. Thailand has clear legal procedures for land ownership and registration through Department of Lands (DoL), and Royal Forest Department (RFD). All plantations involved in our supply chain are registered with RAOT, which requires submission of land title deeds or official land use documents. No rubber plantation subsidies or harvest permits are issued without land ownership verification. While there may be ethnic or local communities, the types of Indigenous customary land rights that are a concern in northern Thailand (e.g., Karen, Hmong) are not known to exist or overlap with Supply Base in the south.	
Monitoring and outcomes:	
The Company establishes and requires suppliers to comply with respecting legal, customary, and traditional	

rights of Indigenous People and local communities. Groups of indigenous peoples in Supply Base are identified and referenced in the Procurement Agreement. Implementation and verification of compliance includes but not limited to:
- legal & policy framework check
- operational due diligence
- community engagement

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
1.1.2 Legal ownership of land and resource use rights shall be respected.	
Description of the specific risk:	
Thailand has established legislation governing land ownership, forest utilization, plantation management, and environmental protection, including the Forest Act B.E. 2484 (1941), Forest Plantation Act B.E. 2535 (1992), Land Code B.E. 2497 (1954), Rubber Authority of Thailand Act, and Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992). However, the indicator is assessed as specified risk because legislation and supplier declarations alone do not guarantee that every supplying plot has valid and undisputed ownership or resource-use rights. Feedstock could potentially originate from land with unclear ownership, invalid documentation, overlapping claims, unresolved disputes, or insufficient evidence of harvesting rights.	
Mitigation measure:	
- Forest Act B.E. 2484 (1941) - Forest Plantation Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954) - Rubber Authority of Thailand Act B.E. 2549 (2006) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)	

- Internal audit records and annual reviews
- On-site audit/interview
- Records of identified discrepancies, investigations, rejected plots, suspended suppliers, and corrective actions
- Internal Due Diligence System
- Department of Lands database
- Procurement agreement
- Land Title Deeds

The Company mitigates the specified risk at supplier and plot level before approving a source or accepting feedstock. Feedstock may only be accepted after the supplier, land documentation, and supplying plot have been satisfactorily verified.

- Require each supplier to sign a procurement agreement confirming legal ownership or lawful use rights, accuracy of submitted information, exclusion of protected or disputed land, and acceptance of document checks and site inspections.
- Collect applicable land ownership or land-use documents, including Chanote, Nor Sor 3 Kor, or other legally recognized evidence.
- Verify land title information against the Department of Lands database or other official government records.
- Record the location or polygon of each supplying plot and conduct spatial screening through the Company's Due Diligence System.
- Check for overlap with protected areas, reserved forests, conservation zones, public forest land, and other restricted areas.
- Suspend or reject plots where ownership cannot be verified, plot information is inconsistent, rights are disputed, restricted-area overlap is identified, or documents appear incomplete, altered, or invalid.
- Approve feedstock only after all discrepancies have been resolved and the supplier and plot have been formally approved.

Monitoring and outcomes:

The Procurement or Sustainability Department monitors implementation through document control, internal verification, field inspection, and periodic review. The intended outcome is that only feedstock from suppliers and plots with verified legal ownership or lawful resource-use rights is accepted.

- Maintain supplier files containing agreements, land documents, verification evidence, spatial-screening results, and approval status.
- Complete land-title and plot verification before the first delivery.
- Maintain and communicate approved supplier and plot lists to purchasing and receiving personnel.
- Cross-check incoming feedstock records against approved suppliers and plots.
- Reverify sampled documents and plots during internal audits.
- Conduct physical site inspections.
- Maintain records of rejected plots, suspended suppliers, investigations, discrepancies, and corrective actions.
- Review the effectiveness of controls at least annually and following complaints, non-conformities, legal changes, or suspected document fraud.
- Suspend or reject any source where legal ownership or resource-use rights cannot be satisfactorily

demonstrated.

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
Thailand has legislation and administrative frameworks supporting soil conservation and responsible land use, including the Land Development Act B.E. 2558 (2015), the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), applicable forest and land-use laws, and guidance issued by the Land Development Department and the Rubber Authority of Thailand. However, RAOT oversight may not cover plantations that do not participate in its subsidy or support programmes. Observations from the Company's plantation audits indicate that rubberwood harvesting and replanting do not normally cause permanent soil deterioration when appropriate practices are applied. Nevertheless, the indicator is assessed as specified risk because inadequate harvesting practices, including uncontrolled machinery movement, log dragging, operations during heavy rainfall, poor drainage management, and insufficient post-harvest restoration, may cause soil compaction, erosion, contamination, rutting, or loss of protective ground cover.	
Mitigation measure:	
- Land Development Act B.E. 2558 (2015) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - RAOT Regulations - Forest and Land Use Laws (e.g., Forest Act B.E. 2484, National Reserved Forest Act B.E. 2507) - Onsite interview - Plantation audit - Supplier's work instructions	

The Company mitigates the specified risk by requiring each supplier to implement documented harvesting instructions that address soil protection. Suppliers may adopt the Company's work instruction or use their own procedure, provided that it contains equivalent environmental controls. The supplier and site supervisor are responsible for assessing and controlling soil-related risks before, during, and after harvesting.

- Assess soil condition, slope, drainage, erosion risk, and access routes before harvesting.
- Identify steep, unstable, waterlogged, saturated, or erosion-prone areas.
- Limit unnecessary machinery movement, soil disturbance, and the opening of new routes.
- Avoid harvesting, log dragging, and heavy machinery operations during heavy rainfall or when soil is saturated.
- Maintain ground vegetation, leaf litter, and sufficient harvesting residues to protect the soil.
- Place log-storage and machinery areas on stable ground away from steep slopes and watercourses.
- Prevent fuel, lubricant, and chemical leakage onto soil.
- Stop work where erosion, rutting, soil displacement, uncontrolled runoff, or other unacceptable impacts are observed.

Monitoring and outcomes:

The supplier monitors soil conditions throughout harvesting, while the Company verifies implementation through documented review and field inspections. The intended outcome is that harvesting does not cause unresolved soil erosion, compaction, contamination, loss of ground cover, or deterioration that would prevent vegetation recovery and subsequent replanting.

- Review the supplier's harvesting and soil-protection procedures.
- Conduct plantation audits before, during, or after harvesting, based on risk.
- Interview plantation owners, supervisors, contractors, and workers.
- Inspect slopes, extraction routes, log-storage areas, drainage conditions, ground vegetation, and exposed soil.
- Maintain photographic records before and after harvesting.
- Record identified findings, non-conformities, and required corrective actions.
- Conduct follow-up inspections to verify that corrective actions have been completed.
- Confirm that erosion, wheel ruts, temporary routes, and disturbed areas have been restored.
- Suspend harvesting or supplier approval where serious soil impacts are identified and remain unresolved.

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed

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Indicator with specified risk:	
2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.	
Description of the specific risk:	
Thailand has legal and regulatory controls intended to prevent ecological degradation from the removal of trees, roots, stumps, and below-ground biomass. Relevant instruments include the Forest Act B.E. 2484 (1941), the National Reserved Forest Act B.E. 2507 (1964), the Land Development Act B.E. 2558 (2015), and guidance issued by the Rubber Authority of Thailand. In rubber plantations on private agricultural land, stump and root removal may be carried out as part of land preparation for the next planting cycle. The Company's plantation observations indicate that properly controlled removal, followed by land restoration and replanting, generally allows the area to remain suitable for vegetation growth and continued agricultural use. Nevertheless, the indicator is assessed as specified risk because uncontrolled removal of the spreading root system, stumps, ground vegetation, and harvesting residues may destabilize soil, increase erosion and surface runoff, alter drainage, reduce soil organic matter, and negatively affect ecosystem functions.	
Mitigation measure:	
- Forest Act B.E. 2484 (1941) and National Reserved Forest Act B.E. 2507 (1964) - Land Development Act B.E. 2558 (2015) - RAOT (Rubber Authority of Thailand) - Onsite interview - Plantation audit - Supplier's work instructions The Company mitigates the specified risk by requiring suppliers to control stump, root, and harvesting-residue removal through documented harvesting instructions. Suppliers may adopt PT Parawood's work instruction or use their own procedure, provided that it contains equivalent environmental controls. The supplier and responsible site supervisor must identify environmentally sensitive areas and ensure that removal activities are limited to what is necessary for plantation re-establishment or safe land preparation. • Remove stumps and roots only where necessary for replanting or safe land preparation. • Prohibit stump and root removal on stream banks, wetlands, waterlogged areas, steep slopes, or erosion-prone locations unless approved protective measures are implemented. • Minimize unnecessary excavation, soil displacement, and disturbance of drainage systems. • Retain sufficient leaves, branches, and organic residues to provide soil cover and return organic	

matter.

- Avoid removing all ground vegetation or residues where this would leave soil exposed.
- Prevent roots, residues, soil, and other materials from entering waterways or drainage channels.
- Prohibit open burning of stumps, roots, and harvesting residues.
- Restore disturbed areas, wheel ruts, drainage routes, and exposed soil after removal activities.
- Maintain or re-establish ground cover while awaiting replanting.
- Ensure that the harvested plantation is replanted or restored to continued agricultural use.

Monitoring and outcomes:

Suppliers monitor stump and root removal during harvesting and land preparation, while the Company verifies implementation through field inspections and document review. The intended outcome is that removal activities do not cause unresolved erosion, drainage disruption, excessive loss of organic matter, or deterioration that prevents vegetation recovery and subsequent replanting.

- Review the supplier's harvesting and stump-removal procedures.
- Conduct plantation audits before, during, or after harvesting, based on risk.
- Identify and inspect slopes, waterways, wetlands, drainage routes, and erosion-prone areas.
- Examine areas where stumps and roots have been removed.
- Verify that sufficient ground vegetation and organic residues remain.
- Review photographic records taken before and after harvesting.
- Confirm the landowner's replanting or land-restoration plan.
- Record environmental damage, non-conformities, and required corrective actions.
- Conduct follow-up inspections to verify completion of corrective actions.
- Suspend harvesting or supplier approval where excessive removal or unresolved environmental damage is identified.

Country: Thailand

Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim

	☒ Biomass Producer's own risk assessment

Indicator with specified risk:

2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.

Description of the specific risk:

Thailand has legislation and institutional controls intended to protect surface water, groundwater, wetlands, and natural drainage systems. Relevant instruments include the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), the Groundwater Act B.E. 2520 (1977), and soil and water conservation guidance issued by the Land Development Department. Feedstock originates from rubberwood plantations and associated processing activities, and harvesting does not normally require irrigation, groundwater abstraction, drainage alteration, or significant water consumption. Nevertheless, the indicator is assessed as specified risk because poorly controlled harvesting activities may cause soil or harvesting residues to enter waterways, increase turbidity, obstruct or divert natural drainage, contaminate water through fuel or chemical leakage, or damage stream banks, wetlands, springs, and riparian areas.

Mitigation measure:

- Rubber Act of Thailand B.E. 2558
- Rubber Authority of Thailand regulations
- Rubber Control Act B.E. 2542
- Onsite interview
- Plantation audit
- Supplier's work instructions

The Company mitigates the specified risk by requiring suppliers to identify and protect all water-related and hydrologically sensitive features before harvesting. Suppliers may adopt PT Parawood's work instruction or use their own documented procedure, provided that it contains equivalent water-protection controls. The supplier and responsible site supervisor must ensure that harvesting, machinery use, material storage, and maintenance activities do not adversely affect water quality, water flow, or sensitive aquatic areas.

- Identify and mark rivers, streams, canals, wetlands, springs, natural drainage routes, waterlogged areas, and other sensitive locations before operations begin.
- Maintain vegetation and protective ground cover along watercourses and drainage routes.
- Plan tree-felling directions, extraction routes, and log-storage areas away from water bodies.
- Prohibit tree felling, log storage, vehicle parking, refuelling, machinery repair, and chemical storage near water bodies.
- Prohibit machinery from entering streams, wetlands, springs, or natural drainage channels.
- Prevent soil, branches, harvesting residues, waste, oil, fuel, chemicals, and wastewater from entering waterways.
- Avoid harvesting, log dragging, and heavy machinery operations during heavy rainfall or when soil is saturated.
- Use designated water crossings only where necessary and minimize disturbance to stream banks and water flow.
- Maintain spill-response materials and immediately contain any fuel, oil, or chemical leakage.
- Stop work immediately where abnormal turbidity, blocked flow, erosion, leakage, or other water-related impacts are identified.
- Restore drainage routes, stream crossings, and disturbed areas after harvesting.
- Remove soil, residues, waste, or other obstructions from waterways without causing further

damage.

Monitoring and outcomes:

Suppliers inspect water-related conditions before, during, and after harvesting, while the Company verifies implementation through field inspections, document review, and stakeholder interviews where relevant. The intended outcome is that harvesting does not cause unresolved water pollution, increased turbidity, drainage obstruction, contamination, or damage to riparian, wetland, and groundwater-related features.

- Review pre-harvest maps, coordinates, plot boundaries, and identified sensitive areas.
- Review the supplier's harvesting and water-protection procedures.
- Conduct plantation audits and field inspections before, during, or after harvesting, based on risk.
- Interview plantation owners, supervisors, contractors, workers, and nearby stakeholders where relevant.
- Inspect watercourses, wetlands, springs, riparian vegetation, drainage routes, crossings, and refuelling or maintenance locations.
- Observe water clarity, flow direction, erosion, stream-bank condition, and drainage obstruction.
- Maintain photographic evidence before and after harvesting.
- Verify that no soil, residues, oil, chemicals, wastewater, or waste remain in waterways.
- Record incidents, findings, non-conformities, and required corrective actions.
- Conduct follow-up inspections to confirm that drainage restoration, pollution removal, and other corrective actions have been completed.
- Suspend harvesting or supplier approval where serious or unresolved impacts on water quality or hydrological functions are identified.

Country: Thailand

Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

Risk Assessment used:

	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment

Indicator with specified risk:
2.2.8 Waste shall be disposed of in an environmentally appropriate manner.
Description of the specific risk:
Thailand has legislation governing hazardous and non-hazardous waste from agricultural, forestry, and industrial activities. Relevant instruments include the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), the Factory Act B.E. 2535 (1992), the Public Health Act B.E. 2535 (1992), and the Hazardous Substance Act B.E. 2535 (1992). These laws establish general requirements for waste handling, storage, transportation, pollution prevention, and disposal. However, legislation and government oversight do not ensure that all plantation contractors, harvesting crews, transporters, and suppliers consistently follow environmentally responsible waste-management practices. The indicator is therefore assessed as specified risk because harvesting may generate general rubbish, food packaging, used oil, lubricants, machinery parts, chemical containers, contaminated materials, and harvesting residues that could be dumped, burned, buried, mixed incorrectly, left at the plantation, or released onto soil or into water.
Mitigation measure:
- Occupational Safety, Health and Environment Act, 2011 Sections 8, 9, 11 - Ministry of Public Health Regulations on General Waste Management B.E. 2017 - Onsite interview - Plantation audit - Supplier's work instructions The Company mitigates the specified risk by requiring suppliers to implement documented waste-management controls. Suppliers may adopt PT Parawood's work instruction or use their own procedure, provided that it contains equivalent requirements for waste segregation, storage, removal, disposal, spill prevention, and site restoration. The supplier and responsible site supervisor must ensure that all waste generated during harvesting is managed safely and removed from the plantation. • Provide suitable bags, bins, or containers at the worksite. • Remove general rubbish from the plantation regularly. • Prohibit dumping, burying, or uncontrolled burning of waste. • Store used oil, batteries, filters, oily materials, chemical containers, and contaminated absorbents separately. • Use closed, labelled, stable, and leak-resistant containers for hazardous waste. • Prevent oil, chemicals, contaminated materials, and liquid waste from contacting soil or entering waterways. • Remove machinery parts, containers, rubbish, maintenance waste, and unused materials after harvesting. • Clean and restore the plantation before harvesting activities are formally closed.
Monitoring and outcomes:
The supplier's site supervisor regularly inspects the worksite to verify that waste is collected, segregated, securely stored, and removed. The Company verifies implementation through supplier audits, plantation inspections, interviews, and post-harvest checks. The intended outcome is that no general or hazardous waste is dumped, burned, buried, abandoned, or allowed to contaminate soil or water. • Review the supplier's waste-management instructions and procedures.

- Conduct supplier and plantation audits before, during, or after harvesting.
- Inspect waste bins, storage areas, maintenance locations, and spill-response equipment.
- Check for evidence of dumping, burning, burial, oil stains, leakage, or abandoned waste.
- Interview plantation owners, supervisors, contractors, and workers.
- Review disposal or transfer records where hazardous waste is generated.
- Record incidents, findings, non-conformities, and required corrective actions.
- Conduct follow-up inspections to verify that corrective actions have been completed.
- Suspend harvesting or supplier approval where serious or repeated waste-management violations remain unresolved.

Country: Thailand	
Area/sub-scope: Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.	
Description of the specific risk:	
Thailand has established occupational health and safety legislation applicable to employers and workplaces, including the Occupational Safety, Health and Working Environment Act B.E. 2554 (2011) and relevant ministerial regulations. These requirements address safe working conditions, hazard communication, worker training, personal protective equipment, risk assessment, safety supervision, incident reporting, employee participation, and continual improvement. However, the indicator is assessed as specified risk at plantation and harvesting-contractor level because rubberwood harvesting involves significant occupational hazards and may be performed by small contractors, temporary workers, or informal work crews with varying levels of safety knowledge, training, supervision, and documented safety management. Potential risks include chainsaw injuries, uncontrolled tree-felling, falling trees or branches, machinery accidents, log dragging and loading, unstable ground, noise, dust, heat, vibration, fuel or	

chemical exposure, fire, insufficient first-aid arrangements, failure to use PPE, and work performed under the influence of alcohol or drugs.

Mitigation measure:

- Internal Audit
- Employee Training Record
- Occupational Health, Safety and Working Environment Act B.E. 2554
- Internal safety management system
- Risk assessment reports
- Onsite interview
- Plantation audit
- Supplier's work instructions

The Company mitigates the specified risk by requiring suppliers and harvesting contractors to implement documented occupational health and safety controls. Suppliers may adopt PT Parawood's work instruction or use their own procedure, provided that it contains equivalent requirements for hazard assessment, worker instruction, supervision, equipment safety, PPE, emergency preparedness, incident management, and stop-work authority. Responsibility for daily safety control is assigned to the supplier, contractor, and competent plantation site supervisor.

- Assign a competent person to supervise harvesting operations.
- Provide workers and contractors with safety instructions before work begins.
- Identify site-specific hazards and assess occupational risks.
- Plan tree-felling directions, escape routes, extraction routes, restricted zones, and safe working distances.
- Maintain safe distances between workers, machinery, logs, and falling trees.
- Inspect chainsaws, vehicles, ropes, lifting equipment, tools, and machinery before use.
- Provide suitable PPE.
- Ensure that workers correctly use the required PPE.
- Stop work during unsafe weather, saturated or unstable soil conditions, machinery defects, fire risks, or other unsafe site conditions.
- Prohibit child labour, forced labour, intoxication, and work without appropriate PPE.
- Record accidents, near misses, unsafe conditions, investigations, and corrective actions.
- Allow workers, supervisors, and auditors to stop work immediately where an imminent or serious safety risk is identified.

Monitoring and outcomes:

The supplier is responsible for daily safety supervision and monitoring of worker behaviour, PPE use, machinery condition, felling zones, weather, site access, and emergency preparedness. The Company verifies implementation through document review, worker interviews, field observation, plantation audits, and corrective-action follow-up. The intended outcome is that harvesting activities are conducted by instructed and properly equipped workers under effective supervision, with occupational hazards identified and controlled before accidents or injuries occur.

- Review the supplier's occupational health and safety procedures and work instructions.
- Verify that a competent supervisor has been assigned to the harvesting operation.
- Confirm that workers and contractors have received safety instructions or training.
- Interview plantation owners, supervisors, contractors, and workers.

- Observe harvesting activities during plantation audits.
- Inspect tree-felling zones, escape routes, restricted areas, extraction routes, and public-access controls.
- Check the condition of chainsaws, machinery, vehicles, ropes, lifting equipment, and other tools.
- Verify the availability and proper use of required PPE.
- Review accident, near-miss, unsafe-condition, and corrective-action records.
- Record identified non-conformities and required corrective actions.
- Conduct follow-up monitoring to confirm that corrective actions have been completed.
- Stop harvesting immediately where an imminent or serious safety risk is identified.
- Suspend supplier or contractor approval where serious or repeated health and safety violations remain unresolved.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 01 Oct 2025

Biomass Producer's stakeholder engagement end date: 30 Jun 2026

Total number of stakeholders contacted: 5

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

1. Suppliers: They are affected by our sustainability requirements as we request additional documents and proof that their raw material follows SBP and other sustainability standards. We directly visit each of our suppliers every 6 months to check that all components of the standards are being upheld. In addition, we cross-check documents to ensure that the fundamental risks are being managed actively. All suppliers have a renewed signed statement of our sustainability requirements annually to ensure that all relevant personnels are aware and can follow through.

2. The RAOT **(**government**):** The Rubber Authority of Thailand was identified as a governmental stakeholder because of its statutory responsibilities for rubber plantation registration, sector oversight, replanting support, and maintenance of information relating to rubber growers and plantation areas.

3. Buyers: The buyers are affected by increasing requirements that must be met by the producer, which may result in additional documents, audits and more. This also increases costs for the buyers.

4. Local Community: The local community is affected by the overall environment of the area. We ensure that we communicate to the local community about what we do and how it is bettering the community by adding value to the existing industry. We also ensure that the company does not negatively affect the community regarding health and safety requirements as well as environmental impacts.

1) The stakeholders can contact the producer via several contact channels:
- Tel: +66 631182601
- Electronic form (QR Code)
- Company's social media (i.e. Line, Facebook)
- Official compliant form at the branches and HQ
- Internal suggestion box within the company (for internal complaint)

2) The CSR personnel receive the complaint and record the details of stakeholders via document FM-CSR-03 and the agenda of complaint via FM CSR-02, including date of receipt and person receiving

3) CSR personnel will determine the relevant department to the complaint and arrange an internal meeting to discuss the resolution method of the complaint. In cases where additional meeting is required with external stakeholders, an official meeting will be arranged with records of meeting minutes

4) After concluding on the resolution, the resolution is recorded via FM-CSR 02 with specified period of amendments and dates that the issue has been resolved and reported back to the relevant stakeholder

5) A satisfactory survey is done with the stakeholder to indicate the efficiency and effectiveness of the solution.

4.2 Response to stakeholder comments

Stakeholder description: Suppliers of raw material

Stakeholder comment: No comment

Response to the stakeholder: The Company is in active contact and has a department that provides assistance upon request in addition to bi-annual audit.

Stakeholder description: RAOT (government)

Stakeholder comment: No comment

Response to the stakeholder: The Company is in active contact to update legal and sustainability requirements.

Stakeholder description: Local Community

Stakeholder comment: Some have inquiries about the environmental impact.

Response to the stakeholder: We held a local community meeting to better clarify what we do and also provide environmental impact tests to the community so they are aware that the company is actively managing the surroundings to ensure there is no negative impact.

Stakeholder description: Buyer

Stakeholder comment: Wording revision. As there are constant changes in sustainability requirements from the buyers too, the buyers require regular update on the progress of having third-party certifiers.

Response to the stakeholder: Wordings have been revised for neutrality.

Stakeholder description: Non-profit Organizations, NGO

Stakeholder comment: There is no direct comment from non-profit organizations regarding the activity of the company in relation to SBP as they are not directly affected by the company. However, the company lists NGOs and other non-profits as a stakeholder because the company reviews and actively updates the ongoing situation and adovacy that NGOs make that may impact the company.

Response to the stakeholder: N/A

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

The categorization of primary feedstock from rubber plantation has been updated from Forest feedstock (1A) to Trees Outside Forest - Agricultural land feedstock (3A).

Adjustments have been made to the company's internal due diligence system in regards to verification of plantations whereby the application of RAOT certification has been replaced by the a new due diligence process.

Improvements have also been made to the wordings used in explanation of risk rating justification following feedback from stakeholder to facilitate neutrality.

Name	Buntharika Rojanaleekul
Title	Management representative
Date of report approval	25 Jul 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	Indicator
1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Supply Base Verifiers	- Land Code B.E. 2497 (1954) - Forest Act B.E. 2484 (1941) - National Reserved Forest Act B.E. 2507 (1964) - National Park Act B.E. 2504 (1961) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - Labour Protection Act B.E. 2541 (1998) - Labor Court Establishment and Procedure Act B.E. 2522 (1979) - Social Security Act B.E. 2533 (1990) & Workmen's Compensation Act B.E. 2537 (1994) - Occupational Safety, Health and Environment Act B.E. 2554 (2011) - On-site audit - Worker interviews - Lor Ngor 4 (factory permit) - SSO filing for labor law compliancy
Risk Rating justification	The feedstock for our biomass (sawdust, slabs, and branches) is sourced from sawmills in Southern Thailand, where multiple laws ensure legal and sustainable operations: • **Land Code B.E. 2497 (1954)** mandates proper land ownership documentation (e.g., Chanote or *Sor Por Kor 4-01* titles). Our suppliers provide land title deeds verified by the Rubber Authority of Thailand (RAOT), ensuring plantations are legally established and not encroaching on protected forests. • **Forest Act B.E. 2484 (1941)** prohibits illegal logging in reserved forests. RAOT.(a government body) which controls the replantation and harvesting permits to ensure there is no illegal harvesting. The government also carries an on-site audit annually be region. Additionally, Forest lands in Thailand—especially HCV, protected, or conservation zones—are legally classified as State-owned public land. **National Reserved Forest Act B.E. 2507 (1964)** allows the government to officially declare areas as National Reserved Forests, with protections enforced through regulations and publicly notified maps. Forested areas within this category require permits to utilize any forest products. **National Park Act B.E. 2504 (1961)**, amended 2019 enables the State, via Royal Decree, to designate National Parks—zones set aside for conservation, biodiversity preservation, and public enjoyment. • **Factory Act B.E. 2535 (1992)** and **Enhancement and Conservation**

	of National Environmental Quality Act B.E. 2535 (1992) regulate industrial emissions and waste. Our company is licensed and subjected to inspections, ensuring compliance with environmental standards. The Company also requires license documentation during the process of supplier evaluation and surveillance audit to ensure that our suppliers meet all legal compliances. • **Labour Protection Act B.E. 2541 (1998)** Sets minimum standards for employment: wages, working hours, rest days, overtime, leave entitlements, termination, and severance. This law empowers labor inspectors to enforce compliance. They can issue corrective orders, halt dangerous working conditions, and impose fines or require compensation if violated. **Labor Court Establishment and Procedure Act B.E. 2522 (1979)** establishes **specialized Labor Courts** to adjudicate individual and collective labor disputes swiftly and effectively. In case of grievances, employees may file complaints with the Ministry of Labour. Inspectors attempt mediation to resolve issues. **I**f mediation fails, disputes escalate to specialized Labor Courts, which handle wrongful termination, wage claims, collective bargaining conflicts, and discrimination cases. Employers breaching the Act can face fines or imprisonment (up to 1 year). Labor Courts can order reinstatement, wage resumption, or compensation (e.g., for unfair dismissal or whistle-blowing retaliation). **Social Security Act B.E. 2533 (1990)** & **Workmen's Compensation Act B.E. 2537 (1994)** provide state-administered benefits for health, unemployment, pensions, and work-related injuries. The Company maintains records of employee SSO filings. **Occupational Safety, Health and Environment Act B.E. 2554 (2011)** mandates safe working conditions. **OSH Act B.E. 2554 (2011) Sections 18–19** and **Labour Protection Act — Section 139** allows trained inspectors from Department of Labour Protection and Welfare (DLPW) DLPW to make unannounced or scheduled site audits. They are able to issue improvement or suspension orders, recommend criminal or administrative penalties, and file violations for court enforcement if not corrected. Existing laws are implemented throughout operational processes. The Company concludes a ‘low risk’ rating for this indicator.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
1.1.2	Legal ownership of land and resource use rights shall be respected.
Supply Base Verifiers	- Forest Act B.E. 2484 (1941) - Forest Plantation Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954)

	- Rubber Authority of Thailand Act B.E. 2549 (2006) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - Land Title Deeds - Procurement agreement - Department of Lands database - Internal Due Diligence System - Records of identified discrepancies, investigations, rejected plots, suspended suppliers, and corrective actions - On-site audit/interview - Internal audit records and annual reviews
Risk Rating justification	Thailand has several national laws and administrative systems in place that ensure legal ownership of land and resource use rights are respected. For rubber wood and forest-related activities, the most relevant laws include: • **Forest Act B.E. 2484 (1941)**: Prohibits illegal logging in reserved forests and regulates forest utilization. • **Forest Plantation Act B.E. 2535 (1992)**: Governs the registration and use of planted trees (e.g., rubber plantations) and ensures that harvesting is only permitted for registered plantations. • **Land Code B.E. 2497 (1954)**: Establishes the legal framework for land ownership, including the issuance of land title deeds. • **Rubber Authority of Thailand Act B.E. 2549 (2006)**: Establishes the Rubber Authority of Thailand (RAOT), which manages regulations related to rubber plantations, including legality verification of plantation origins and support to rubber farmers. • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**: Contains provisions to ensure that land use does not violate environmental protections, especially in forest zones. These laws together form a comprehensive legislative structure to ensure that only legally owned land with legitimate resource use rights can be utilized for commercial harvesting, including biomass feedstock production. However, a specified risk is identified because the existence of national legislation alone does not ensure that all feedstock suppliers consistently maintain valid land ownership or land-use documentation. There remains a possibility that feedstock may originate from land with unclear ownership, disputed rights, invalid documentation, overlapping claims, or areas where harvesting rights cannot be adequately demonstrated. Reliance solely on supplier declarations or copies of land documents is therefore considered insufficient to reduce the risk without additional verification. The Company applies the following mitigation measures before approving a supplier or accepting feedstock: **Procurement agreement** Each supplier is required to sign a procurement agreement confirming that:

	• the feedstock originates from land for which legal ownership or lawful use rights can be demonstrated; • the material does not originate from protected forests, reserved forests, conservation areas, or land subject to unresolved ownership disputes; • all information and documents submitted to the Company are accurate and valid; and • the Company and its authorized representatives may conduct document checks and site inspections. **Collection of land ownership documents** Suppliers are required to submit copies of applicable land documents, such as Chanote (Nor Sor 3 Kor) or other legally recognized documents demonstrating ownership or lawful land-use rights. The documents must identify the landholder and provide sufficient information to locate the supplying plot. **Verification against the Department of Lands database** The Company verifies the submitted land title information against the available Department of Lands database or other official government records. **Plot location and spatial screening** The location or polygon of the supplying plot is recorded and screened through the Company's Due Diligence System. Spatial information is reviewed to determine whether the plot overlaps with protected areas, reserved forests, conservation zones, public forest land, or other restricted land categories. **Resolution of discrepancies** Feedstock is not approved where: • the land title cannot be verified; • the plot location does not correspond with the submitted land document; • ownership or use rights are disputed; • the plot overlaps with restricted or protected land; or • submitted information is incomplete, inconsistent, altered, or suspected to be invalid. Such suppliers or plots are suspended or rejected until satisfactory evidence is obtained and the discrepancy has been formally resolved. The effectiveness of the mitigation measures is monitored through the following activities: • The Procurement or Sustainability Department maintains a supplier file containing the signed procurement agreement, land documents,

	verification evidence, spatial assessment results, and approval status. • Land title verification is completed before the first delivery from each plot. • Supplier and plot approval lists are maintained and communicated to relevant purchasing and receiving personnel. • Incoming feedstock records are periodically cross-checked against the approved supplier and plot list. • A sample of approved land documents and plots is reverified during internal audits. • Physical site inspections are conducted. • Records of rejected plots, suspended suppliers, discrepancies, investigations, and corrective actions are maintained. • The Company reviews the implementation and effectiveness of these controls at least annually and following any identified non-conformity, complaint, legal change, or evidence of document fraud. The initial risk for this indicator is assessed as specified risk because legal ownership and resource-use rights cannot be confirmed solely through the existence of national legislation or supplier declarations. The specified risk is mitigated at supplier and plot level through mandatory procurement agreements, collection of land ownership documentation, verification against Department of Lands records, spatial screening, and rejection or suspension of any source for which legal ownership or resource use rights cannot be satisfactorily demonstrated. Feedstock may only be accepted after all required verification measures have been completed and the supplier and supplying plot have been formally approved.
Risk Rating	Specified Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
1.1.3	Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Supply Base Verifiers	- Forest Act B.E. 2484 (1941) - Forest Plantation Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954) - Rubber Authority of Thailand Act B.E. 2549 (2006) - Land Title Deeds - On-site audit/interview - Internal Due Diligence System (DDS) - Supplier declaration
Risk Rating justification	Thailand has several legal instruments and regulatory bodies ensuring that all harvested timber, including rubberwood, is legally sourced, produced, and traded. The following are the most relevant:

National Legislation:

- **Forest Act B.E. 2484 (1941):** Prohibits illegal logging in protected areas and regulates commercial wood use.
- **Forest Plantation Act B.E. 2535 (1992):** Regulates tree plantations and permits for harvest; only registered plantations are allowed to harvest and trade wood.
- **Rubber Authority of Thailand Act B.E. 2549 (2006):** Provides regulatory oversight of rubber plantations, ensuring only legally registered plantations are used for wood or latex production.
- **Customs Act B.E. 2560 (2017):** Addresses import/export controls, including documentation of origin for timber exports.

International Agreements and Trade Laws:

- **CITES (Convention on International Trade in Endangered Species):** Thailand is a signatory and regulates trade in any CITES-listed species. Rubberwood (*Hevea brasiliensis*) is not a listed species, so it is not subject to CITES restrictions.
- **EUTR (EU Timber Regulation):** While Thailand is not directly subject to EU legislation in the same manner as an EU operator or trader. However, information supplied by Thai producers may be required by customers placing relevant products on the EU market to support compliance with applicable EU due-diligence obligations.

Where the EUTR remains relevant to a transaction or historical assessment, the required information concerns the legality of harvest and trade. For products and transactions falling within the scope and application of the EUDR, customers may additionally require geolocation, legality, deforestation-free evidence and due-diligence information. The Company maintains procedures for providing relevant supply-chain and legality information in accordance with applicable contractual and regulatory requirements.

- **APEC and ASEAN Timber Legality Guidelines:** Thailand has aligned with ASEAN's *Timber Legality Assurance System (TLAS)* principles, which emphasize legal sourcing.

To ensure legal harvesting and supply of feedstock, the following enforcement and monitoring mechanisms exist:

- **RAOT System:** RAOT oversees plantation legality, harvest rights, and compliance with government regulations through its official registry.
- **Government Monitoring and Enforcement:** The Royal Forest Department, Customs Department, and RAOT conduct inspections and have authority to seize illegally harvested timber or shut down non-compliant mills.
- **Export and Phytosanitary Certification:** The Department of

	Agriculture issues phytosanitary certificates, and the Customs Department verifies export legality, ensuring no illegal wood leaves the country. The Company considers these legal requirements and implementation as adequate for a 'low risk' rating for this indicator. As best management practices, the Company and our suppliers are currently implementing the following practices:: • **Land Title and Harvest Verification:** The Company collect land title deeds from upstream plantation owners and suppliers and verify them through DDS to confirm the legality of both the land and deforestation risks. • **Residue Origin Declarations from Supplier:** The suppliers provide documentation confirming that all residues originate from legally harvested, registered plantations. • **Supplier Due Diligence System:** Your company has implemented a supplier screening process that includes checking origin documentation and periodically reviewing feedstock legality.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
1.1.4	Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date.
Supply Base Verifiers	- Forest Plantation Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954) - RAOT and Ministry of Agriculture Inspections - Land Title Deeds
Risk Rating justification	Thailand has a clear legal and regulatory structure for the collection of government revenues related to timber harvesting, plantation operations, and land use. The relevant laws and policies include: **Relevant National Legislation:** • **Revenue Code B.E. 2481 (1938)**: Governs corporate income tax, value-added tax (VAT), and specific business taxes applicable to all legal entities, including sawmills and plantation operators. • **Forest Plantation Act B.E. 2535 (1992)**: While plantations are exempt from traditional royalties applied to natural forest harvests, they must still register harvests and comply with reporting and tracking requirements. The act ensures that plantation activities are declared and monitored. • **Land Code B.E. 2497 (1954)**: Defines tax obligations for land use and ownership.

	• **Rubber Authority of Thailand Act B.E. 2549 (2006)**: RAOT may collect fees and manage systems ensuring proper registration and oversight of rubber plantations. • **Business Licensing and Tax Registration (Ministry of Commerce):** All legal sawmills and wood-processing companies must register their business and declare taxable revenues. The following mechanisms and controls are in place: • **RAOT and Ministry of Agriculture Inspections:** These bodies periodically check whether plantations and processors are registered and operating legally. Harvest declarations and plantation registrations are cross-verified against tax compliance records. • **Revenue Department Oversight:** Businesses are required to submit annual tax filings, and VAT is audited. Companies that fail to comply risk penalties or business suspension. • **Customs and Export Controls:** In the case of export, any unpaid duties or undeclared biomass volumes are flagged during customs inspection. Customs maintains a direct link with the Revenue Department to verify a company's VAT registration and tax compliance status and collaborate with RAOT for verifying legality. In Thailand, there are no specific taxes or royalties on harvesting rubberwood from registered private plantations — including those used for biomass or lumber. However, certain general business and trade taxes still apply, depending on the stage in the supply chain. This is because rubber plantations are agricultural crops, not natural forest timber. Unlike logging from natural forest reserves (which requires permits and royalties under the Forest Act), rubberwood harvest from private land is exempt from such forest resource payments.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
1.1.5	There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.
Supply Base Verifiers	- Forest Act B.E. 2484 (1941) - National Reserved Forest Act B.E. 2507 (1964) - Forest Plantation Act B.E. 2535 (1992) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954) - Rubber Authority of Thailand Act B.E. 2549 (2006) - Internal Due Diligence System (DDS) - Land Title Deeds
Risk Rating justification	Thailand has a robust legal framework and institutional oversight to protect

	land from unauthorized activities, particularly illegal logging, land encroachment, and other forms of resource exploitation. These include:
	
	Relevant Legislation:
	
	• **Forest Act B.E. 2484 (1941)**: Prohibits unauthorized logging and trespass in reserved forests.
	• **National Reserved Forest Act B.E. 2507 (1964)**: Protects national forest land and criminalizes encroachment, illegal settlement, and unlicensed timber extraction.
	• **Forest Plantation Act B.E. 2535 (1992)**: Governs plantation registration and protection, allowing landowners to grow and harvest timber legally and establishing registration as a mechanism to prevent unauthorized use. Even if a plot is privately claimed, if it falls within designated **National Reserved Forest zones**, harvesting timber without permission is illegal.
	• **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**: Requires environmental protection and monitoring, especially in areas close to forests or protected zones.
	• **Land Code B.E. 2497 (1954)**: Defines land ownership and sets penalties for unauthorized occupation or use.
	• **Rubber Authority of Thailand Act B.E. 2549 (2006)**: Establishes rules for registering rubber plantations and verifying land use to ensure compliance.
	• **City Planning Act B.E. 2518 (1975):** Governs land use planning and zoning across Thailand. It enforces zoning through the **Land Use Master Plans** at the national and provincial levels. Land is categorized into zones such as:
	  • **Green zones**: Agricultural and conservation use
	  • **Yellow zones**: Residential areas
	  • **Red zones**: Commercial and industrial
	  • **Purple zones**: Industrial development
	  • **White with green stripes**: Forest conservation
	
	Activities on land must comply with the zone's permitted uses. Plantations (e.g. rubberwood) are typically allowed in green zones (for agriculture/plantation use), but prohibited or restricted in conservation or forest zones. The Department of Public Works and Town & Country Planning (DPT) issues and maintains zoning maps and master plans. RAOT will not approve plantation registration for land located in non-agricultural zones or forest reserves.
	
	These laws define legal land ownership, permissible land use, and the consequences of unauthorized activity, including fines, confiscation, or imprisonment.
	In practice, the following mechanisms and government bodies enforce these laws:

	• **Royal Forest Department (RFD)** and **Ministry of Natural Resources and Environment (MNRE)** conduct inspections, satellite monitoring, and enforcement operations against illegal logging or encroachment in forest zones. • **Rubber Authority of Thailand (RAOT)** verifies the legality of rubberwood plantations before issuing registration. Registered plantations are monitored for compliance. • **Land Department** under the Ministry of Interior issues and maintains land title deeds, and any discrepancies or overlapping claims are flagged. • **Law enforcement agencies** (e.g. forestry police, local rangers) conduct on-ground patrols in forest risk zones and respond to reports of illegal activity. The **Satellite Imaging System and GIS Mapping** used by the RFD and RAOT helps detect land cover changes that may indicate illegal clearing or encroachment. Public complaints and hotlines also support enforcement efforts. The Company considers existing laws and regulations, legal enforcements, and legal implementation adequate for a 'low risk' rating for this indicator. Furthermore, to ensure that the Company operates on best management practices, there are internal systems in-place: • **Land Title Verification**: All suppliers must present land title deeds, which are verified against official government records (e.g. Chanote, Nor Sor 4) to confirm ownership and permitted land use. • **DDS assessment**: Plantations must pass the deforestation risk assessment of the Company's Due Diligence System. • **No sourcing from high-risk areas**: Your company sources only from low-risk private land and avoids sourcing from national forest reserves or areas near contested zones. • **Traceability through documentation**: The chain of custody is well documented with land titles, delivery notes, and sawmill records. This makes it difficult for illegal feedstock to enter the system unnoticed. • **Training and Compliance Awareness**: Suppliers are educated on legal compliance, and checks are built into your procurement process. These practices ensure that all feedstock is obtained from legally recognized lands and help prevent your supply base from being affected by illegal encroachment or unauthorized activities.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**

2.1.1	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Supply Base Verifiers	- FSC Centralized National Risk Assessment for Thailand - Internal Due Diligence System (DDS) - National Biodiversity Strategy and Action Plan (NBSAP) - DNP Wildlife Corridors and Protected Area Maps - Wild Animal Reservation and Protection Act B.E. 2562 (2019) - National Parks Act B.E. 2562 (2019) - Plant Variety Protection Act B.E. 2542 (1999) - Forest Plantation Act B.E. 2535 (1992) - Land Development Act B.E. 2558 (2015) - Land Title Deeds
Risk Rating justification	Rubberwood plantations are monoculture areas with no forest or areas of High Conservation Values. The FSC Centralized National Risk Assessment for Thailand also verifies that a true HCV definition does not exist in Thailand, nor is it used. Thailand is protecting and managing areas of abundant biodiversity and ecosystems by designating them as protected areas. Many nationally designated conservation areas, including national parks, wildlife sanctuaries and national reserved forests, are administered and protected by government authorities and cannot be traded. While Thailand does not have a national HCV mapping system as seen in FSC or PEFC-certified countries, the following proxy systems are in use: • **National Biodiversity Strategy and Action Plan (NBSAP)** – Thailand's national policy to conserve and sustainably use biodiversity. • **DNP Wildlife Corridors and Protected Area Maps** – Available at provincial forestry offices and online through DNP's GIS platform. • **Global Forest Watch and WWF HCV Maps** – Useful for overlay analysis. Nevertheless, Thailand has a comprehensive legal and regulatory system for the identification and protection of biodiversity and high conservation value (HCV) areas. These include: **Key Legislation and Policies** • **Wild Animal Reservation and Protection Act B.E. 2562 (2019)** Prohibits hunting, possession, or disturbance of protected and reserved wildlife species. Designates protected species lists and conservation zones. • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)** Provides a framework for environmental conservation, including biodiversity and critical ecosystems. • **National Parks Act B.E. 2562 (2019)** Establishes national parks and wildlife sanctuaries where any form of forest product harvesting or encroachment is strictly prohibited. • **Plant Variety Protection Act B.E. 2542 (1999)** Protects native and

	endangered plant species, including forest flora, and regulates their propagation and commercial use. • **Forest Plantation Act B.E. 2535 (1992)** Requires plantation registration and management that avoids encroachment into natural forests or conservation areas. • **Land Development Act B.E. 2558 (2015)** Regulates sustainable land development practices, including soil and water conservation, especially near sensitive ecosystems. Enforcement and biodiversity protection within the supply base is supported by the following mechanisms: • **Royal Forest Department (RFD)** and **Department of National Parks, Wildlife and Plant Conservation (DNP)** oversee protected species, habitats, and ecosystems. • Government GIS-based **land classification and zoning systems** identify and map conservation zones and habitats (e.g., wildlife corridors, wetlands). • Protected species lists (updated by DNP) and **CITES** listings are enforced at checkpoints, customs, and trade verification points. • **DDS** cross-check that rubber plantations are not established within HCV or ecologically sensitive areas. The Company considers existing laws and regulations, legal enforcements, and legal implementation adequate for a 'low risk' rating for this indicator. Additionally, to ensure that the Company operates on best management practices, suppliers are required to submit land title deeds, which the Company verifies with satellite data and cross-checks to ensure feedstock does not originate from national parks, wildlife corridors, or forest reserves. Our Supply Base is restricted to southern Thailand, a region where rubber plantations are common and typically do not overlap with protected HCV zones when legally established and verified.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
2.1.2	Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.
Supply Base Verifiers	- FSC Centralized National Risk Assessment for Thailand - Internal Due Diligence System (DDS) - National Biodiversity Strategy and Action Plan (NBSAP) - DNP Wildlife Corridors and Protected Area Maps - Wild Animal Reservation and Protection Act B.E. 2562 (2019) - National Parks Act B.E. 2562 (2019)

	- Plant Variety Protection Act B.E. 2542 (1999) - Forest Plantation Act B.E. 2535 (1992) - Land Development Act B.E. 2558 (2015) - Land Title Deeds

Risk Rating justification	Thailand has implemented a legal and institutional framework specifically aimed at protecting biodiversity and minimizing threats to key species, ecosystems, and HCVs. This includes both preventive and corrective measures through national laws and monitoring systems.
	Key Relevant Legislation:
	• **Wild Animal Reservation and Protection Act B.E. 2562 (2019)**
	  • Protects ecologically sensitive areas and prevents encroachment, commercial activity, and deforestation in parks and reserves.
	  • Includes measures for habitat conservation and anti-poaching enforcement.
	• **National Parks Act B.E. 2562 (2019)**
	  • Protects ecologically sensitive areas and prevents encroachment, commercial activity, and deforestation in parks and reserves.
	• **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**
	  • Requires environmental impact assessments (EIAs) for land-use changes near protected zones.
	  • Guides biodiversity management policy at a national level.
	• **Rubber Plantation Oversight via RAOT**
	  • RAOT only permits plantations on legally approved agricultural land/private land, which is verified not to overlap with HCV areas.
	  • This acts as a regulatory buffer against threats to biodiversity.
	Rubber plantations in Southern Thailand are typically located in long established agricultural zones, not within or adjacent to protected ecosystems such as national parks or wildlife corridors. Rubberwood is sourced from trees at the end of their economic life (~20–25 years), a practice that does not increase harvesting pressure or fragmentation of habitats.
	The Company considers existing laws and regulations, legal enforcements, and legal implementation adequate for a ‘low risk’ rating for this indicator.
	Additionally, to ensure that the Company operates on best management

	practices, several procedures are in place: • Suppliers operate only on land with confirmed title deeds (Chanote), which are cross-checked to ensure they are not in HCV-designated areas. • DDS: Only plantations passing the EUDR risk assessment of DDS are accepted. Registration excludes plantations established on illegally cleared or ecologically sensitive land. • Avoidance of Primary Forests: There is no sourcing from primary or natural forests — all material is plantation-based, with no conversion of natural ecosystems.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.1.3	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	- FSC Centralized National Risk Assessment for Thailand - National Biodiversity Strategy and Action Plan (NBSAP) - Wild Animal Reservation and Protection Act B.E. 2562 (2019) - National Parks Act B.E. 2562 (2019) - Plant Variety Protection Act B.E. 2542 (1999) - Forest Plantation Act B.E. 2535 (1992) - Land Development Act B.E. 2558 (2015) - Land Title Deeds - Procurement Agreement - Satellite Imagery and GIS Mapping (via DNP or Global Forest Watch)
Risk Rating justification	Rubberwood plantations are monoculture areas with no forest or areas of High Conservation Values. The FSC Centralized National Risk Assessment for Thailand also verifies that a true HCV definition does not exist in Thailand, nor is it used. Thailand is protecting and managing areas of abundant biodiversity and ecosystems by designating them as protected areas. Many nationally designated conservation areas, including national parks, wildlife sanctuaries and national reserved forests, are administered and protected by government authorities and cannot be traded. Thailand has a well-established legal and institutional framework for maintaining and enhancing biodiversity, which applies both within and adjacent to supply bases involved in forestry and plantation activity. **Key Legal Instruments** • **Wild Animal Reservation and Protection Act B.E. 2562 (2019)** • Enforces the protection of designated wildlife species and their

	habitats. • Prohibits activities that may lead to degradation of biodiversity or HCV areas. • **National Parks Act B.E. 2562 (2019)** • Maintains protected areas (e.g., national parks, wildlife sanctuaries) and strictly prohibits any logging, harvesting, or plantation establishment within these zones. • Supports biodiversity conservation and ecological resilience. • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)** • Mandates Environmental Impact Assessments (EIAs) for developments near sensitive ecological zones. • Facilitates conservation planning and habitat protection. • **Forest Plantation Act B.E. 2535 (1992)** • Encourages private plantations (like rubber wood) while mandating compliance with land use and biodiversity conservation regulations. • Supports reforestation and sustainable land-use in degraded or previously converted land. The Company considers existing laws and regulations, legal enforcements, and legal implementation adequate for a 'low risk' rating for this indicator. Per the Company's best management practices, all feedstock is derived from registered plantations — verified through: • Land title deeds cross-checked to confirm legal land use • Exclusion of forest reserves and conservation areas by legal and geographic filtering The company does not engage in or source from land-conversion activities. Plantations are long-established and not expanding into new ecosystems.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.1	Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.
Supply Base Verifiers	- Company's supplier audit

	- Internal Due Diligence System (DDS) - Supplier's Statement - Company's Handbook and Sourcing Policies - Forest Act B.E. 2484 (1941) and its amendments - National Reserved Forest Act B.E. 2507 (1964) - Land Code B.E. 2497 (1954)
Risk Rating justification	Thailand has strong land-use governance mechanisms and legal protections in place to prevent illegal or unsanctioned conversion of forests, wetlands, and other ecologically sensitive land types. Relevant laws include: **Applicable Legislation:** • **Forest Act B.E. 2484 (1941) and its amendments** Prohibits unauthorized logging and conversion of natural forest land. • **National Reserved Forest Act B.E. 2507 (1964)** Declares and protects reserved forest areas; prohibits land-use change unless authorized by the Royal Forest Department (RFD). • **Land Code B.E. 2497 (1954)** Classifies land types (e.g., agricultural, forest, wetland), and regulates land titling. Conversion from forest to agriculture requires formal reclassification and approval. • **Wetlands Conservation Policy (Cabinet Resolution, 2000)** Lists nationally significant wetlands and restricts any alteration of their ecological status. • **Peatland Regulation** Although Thailand has limited peatland, wetland zones (including seasonally flooded peat) fall under protection by the **Office of Natural Resources and Environmental Policy and Planning (ONEP)**. • **Land Title Issuance Controls via RAOT** RAOT requires all rubber plantations to be registered on land with proper, verifiable titles. This process excludes forest reserves, wetlands, peatlands, and ecologically sensitive areas. Rubberwood plantations are harvested at the end-of-life stage (20-25 years). This indicator is determined 'low risk'. The risk designation reflects the conditions identified at the time of this assessment. The indicator will be reviewed during subsequent Supply Base Evaluation updates where there are material changes in the Supply Base, sourcing patterns, applicable legislation, and available evidence. Separately from the low-risk determination, the Company applies its procurement and due-diligence procedures as additional verification measures. These include collection and verification of land-title information and satellite-based screening against the January 2008 reference date. Feedstock connected to land conversion after the applicable cut-off date is not accepted. These procedures are applied as operational controls and best-management practices.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	Indicator
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	- Rubber Act of Thailand B.E. 2558 - Rubber Authority of Thailand regulations - Rubber Control Act B.E. 2542 - Forest Act B.E. 2484 (1941) and National Reserved Forest Act B.E. 2507 (1964) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - Land Code B.E. 2497 (1954) and RAOT Regulation for Plantation Registration - Land Title Deeds

Risk Rating justification	Thailand's environmental and forestry laws, combined with its plantation regulation framework, provide robust protection to ensure that ecosystems and their vital functions are not degraded by commercial activity—particularly within the agricultural sector, including rubber plantations.
	
	Relevant Laws and Regulations:
	
	• **Forest Act B.E. 2484 (1941) and National Reserved Forest Act B.E. 2507 (1964)**
	  • Protect forests and prohibit unauthorized clearing or land-use conversion.
	  • Helps maintain forest ecosystems, watershed functions, and biodiversity services.
	• **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**
	  • Requires Environmental Impact Assessments (EIA) for certain developments.
	  • Provides legal basis for ecosystem protection in infrastructure and land-use planning.
	• **Wild Animal Reservation and Protection Act B.E. 2562 (2019)**
	  • Protects biodiversity and ecosystem services that support wildlife and ecological balance.
	• **Land Code B.E. 2497 (1954)** and **RAOT Regulation for Plantation Registration**

	• Controls land classification, disallows plantation activity on forest or ecologically sensitive land, and ensures lawful plantation establishment. The Company exclusively sources rubber wood residues (sawdust, slabs, branches) from sawmills in Southern Thailand that process logs from long-established plantations. These plantations are typically located in designated agricultural zones, on titled land with decades of established use. As such, the supply base does not involve any land-clearing or conversion of natural ecosystems. All feedstock is a byproduct of trees already grown and harvested, not the result of new ecosystem disruption. Most plantation areas were established prior to 2008, on land already converted for agricultural use. No sourcing occurs in or near protected areas, natural forests, or wetlands. The Company currently uses 100% processing residues obtained from sawmills as feedstock. These processing residues have no impact on the environment prior to disposal or conversion into higher value products. The cultivation and harvests of timber downstream are monitored by RAOT for compliance with applicable Thai laws and best practices. Future uses of plantation residues (branches) will not have impact on HCV as well as the plantation area is a dedicated area with previously surveyed low HCV and are not protected.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced
Supply Base Verifiers	- Land Development Act B.E. 2558 (2015) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - RAOT Regulations - Forest and Land Use Laws (e.g., Forest Act B.E. 2484, National Reserved Forest Act B.E. 2507) - Onsite interview - Plantation audit - Supplier's work instructions
Risk Rating justification	Thailand has implemented strong land and forest governance frameworks that indirectly support soil conservation and responsible land use, particularly for agricultural plantations such as rubber. Though there is no single soil protection law, a combination of forestry, environmental, and agricultural regulations ensures that soil degradation—especially due to plantation activities—is minimized. **Applicable Legislation & Policy Instruments:**

- **Land Development Act B.E. 2558 (2015)** Overseen by the **Land Development Department (LDD)**, this law promotes soil conservation, sustainable agriculture, and responsible land use. The LDD also provides guidelines for soil improvement and erosion prevention.
- **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)** Mandates protection against environmental degradation, including soil erosion and contamination in agricultural zones.
- **RAOT Regulations for Plantation Registration** Require plantations to be on suitable agricultural land, not on fragile soils, steep slopes, or conservation land prone to erosion.
- **Forest and Land Use Laws** (e.g., Forest Act B.E. 2484, National Reserved Forest Act B.E. 2507) Prevent inappropriate land conversion and require maintenance of vegetative cover in certain zones, thereby limiting erosion and soil degradation.

The RAOT collects data and provides advice on soil characteristics suitable for rubber planting to ensure efficient planting and reduce the risk of soil degradation. Farmers are encouraged to practice soil and water conservation, such as planting cover crops, supporting the use of organic fertilizers, and managing soil that is environmentally friendly. However, this oversight from RAOT do cover activities of plantations not under its subsidy program.

Information obtained through consultation with the Rubber Authority of Thailand and observations from PT Parawood's plantation audits indicate that rubberwood harvesting and replanting do not normally result in permanent deterioration of soil condition when appropriate harvesting and land-preparation practices are applied. Previously harvested areas have generally remained capable of supporting weeds, ground vegetation, cover crops, and subsequent rubber replanting.

However, the root characteristics of rubber trees do not eliminate the risk of soil disturbance. Soil impacts may still occur from machinery movement, log dragging, heavy rainfall, inadequate drainage, and poorly planned harvesting activities.

As mitigation measure, the Company requires each supplier to implement documented harvesting instructions covering soil protection. Suppliers may apply PT Parawood's work instruction or their own documented procedure, provided that it addresses equivalent requirements. The supplier is responsible for monitoring soil conditions before, during, and after harvesting. The site supervisor must stop work where rainfall, saturated soil, erosion, rutting, or other conditions present an unacceptable risk.

The Company's monitoring are implemented through plantation audits, review of supplier's harvesting procedures, interviews with plantation

	owners/supervisors/workers, photographic records before and after harvesting, records of findings and corrective actions, and follow-up inspections where non-conformities are identified. The indicator is assessed as specified risk because inadequate harvesting practices could cause soil compaction, erosion, contamination, or loss of ground cover. The risk is mitigated through mandatory supplier harvesting controls, protection of soil and ground vegetation, restrictions on machinery use during unsuitable conditions, post-harvest restoration, and the Company's plantation audit and follow-up process.
Risk Rating	Specified Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.4	Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.
Supply Base Verifiers	- Forest Act B.E. 2484 (1941) and National Reserved Forest Act B.E. 2507 (1964) - Land Development Act B.E. 2558 (2015) - RAOT (Rubber Authority of Thailand) - Onsite interview - Plantation audit - Supplier's work instructions
Risk Rating justification	In Thailand, the removal of trees, roots, and stumps from forest land is highly regulated to prevent ecological degradation, particularly soil erosion and habitat loss. However, in rubber plantations on private agricultural land, the following conditions apply: **Relevant Legal and Regulatory Protections:** • **Forest Act B.E. 2484 (1941)** and **National Reserved Forest Act B.E. 2507 (1964)** Prevent unauthorized extraction from natural forests, including stumps or below-ground biomass, which could destabilize the ecosystem. • **Land Development Act B.E. 2558 (2015)** Guides sustainable land use and prevents soil erosion through promotion of good agricultural practices. • **RAOT (Rubber Authority of Thailand)** Registers plantations and discourages or limits destructive harvesting methods, including stump removal, unless part of regulated replanting. Removal of rubberwood stumps and roots may be undertaken as part of land preparation for the next rubber planting cycle. The Company's plantation observations indicate that, where stump and root removal is properly controlled and followed by appropriate land restoration and replanting, the

	area generally remains suitable for vegetation growth and continued agricultural use. Nevertheless, rubber trees do not have a taproot that can be relied upon as evidence that harvesting or root removal will not affect soil conditions. Uncontrolled removal of the spreading root system, stumps, ground vegetation, and harvesting residues may expose or destabilize soil, increase erosion and surface runoff, alter drainage, and reduce soil organic matter. As mitigation measures, suppliers are required to control the removal of stumps, roots, and harvesting residues through documented harvesting instructions. The controls include: • removing stumps or roots only where necessary for plantation re establishment or safe land preparation • prohibiting stump and root removal on stream banks, wetlands, waterlogged areas, or erosion-prone locations unless specific protective measures have been approved • retaining sufficient leaves, branches, and organic residues on the plantation to provide soil cover and return organic matter • preventing residues, roots, soil, or other materials from being pushed into waterways or drainage channels • avoiding open burning of stumps, roots, or harvesting residues Suppliers must monitor stump and root removal activities during harvesting and land preparation. The responsible site supervisor must identify areas where removal is prohibited or requires additional controls. The Company monitors the risk through plantation audits, inspection of slopes/waterways/drainage routes/exposed soil, review of photographs taken before and after harvesting, confirmation of the landowner's replanting or land-restoration plan, and corrective-action follow-up where excessive removal or environmental damage is identified. The indicator is assessed as specified risk because uncontrolled removal of stumps, roots, and residues may negatively affect soil stability, drainage, organic matter, and ecosystem functions. The risk is mitigated through restrictions on stump and root removal, retention of soil-protective residues, prohibition of removal in environmentally sensitive areas, post-harvest restoration, and the Company's plantation audit and monitoring process.
Risk Rating	Specified Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.

Supply Base Verifiers	- Rubber Act of Thailand B.E. 2558 - Rubber Authority of Thailand regulations - Rubber Control Act B.E. 2542 - Onsite interview - Plantation audit - Supplier's work instructions

Risk Rating justification	Thailand has implemented comprehensive legislation and institutional controls to protect water resources, including both **surface and groundwater**. These frameworks are especially relevant in agricultural regions like Southern Thailand, where rubber plantations are widespread.
	
	Key Laws and Policies:
	
	• **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**
	  • Requires environmental protection in agricultural and industrial operations, including water pollution control, and mandates EIAs for high-impact developments. It is enforced by the Pollution Control Department (PCD) and Office of Natural Resources and Environmental Policy and Planning (ONEP).
	• **Groundwater Act B.E. 2520 (1977)**
	  • Regulates groundwater extraction and protects aquifer systems from overuse and contamination.
	• **Land Development Department (LDD)**
	  • Promotes water retention practices and erosion control in agricultural areas, helping to maintain water quality and quantity in surrounding ecosystems.
	
	Feedstock is sourced exclusively from rubberwood processing residues—sawdust, slabs, and branches—originating from long-established rubber plantations on private titled lands in Southern Thailand. No water is used or extracted for biomass collection or processing by the Company. The biomass is a byproduct of existing plantation and sawmill activity—not linked to new land development or disturbance near water bodies.
	
	There are no activities involving water abstraction, drainage alteration, or chemical application are introduced by our operations. Furthermore. legislation such as the Environmental Quality Act and Groundwater Act, along with enforcement by PCD, RID, and DWR, provide strong governance over water protection. Additionally, RAOT's plantation registration ensures rubber cultivation does not occur in water-restricted or conservation zones. Observed best practices (canopy cover, minimal erosion, limited runoff) also support water quality and hydrological balance in the region.
	
	Harvesting does not normally require irrigation, drainage alteration, or significant water consumption. However, a specified risk is assigned because harvesting activities may still affect water quality or hydrological functions where controls are inadequate. Potential impacts include:

	• soil or harvesting residues entering streams and drainage channels • increased turbidity caused by erosion or machinery movement • blockage or diversion of natural water flow • fuel, oil, chemical, or wastewater leakage • damage to stream banks, wetlands, springs, or natural drainage routes As mitigation, suppliers are required to identify and protect all water-related features before harvesting, including rivers, streams, canals, wetlands, springs, natural drainage routes, and waterlogged areas. Mandatory controls include but not limited to: • marking water bodies and sensitive areas before operations begin • maintaining vegetation along watercourses and drainage routes • prohibiting tree felling, log storage, vehicle parking, refuelling, machinery repair, and chemical storage near water bodies • immediately stopping work where abnormal turbidity, oil leakage, blocked flow, or other water impacts are identified • restoring drainage routes and removing obstructions after harvesting. Suppliers must inspect water-related conditions before, during, and after harvesting. Monitoring includes observation of water clarity, flow direction, stream-bank condition, drainage obstruction, erosion, fuel leakage, and machinery activities. The Company monitors compliance through plantation audits and field inspections, review of pre-harvest maps/coordinates/identified sensitive areas, interviews with plantation owners/contractors/workers,/nearby stakeholders where relevant, inspection of watercourses/wetlands/riparian vegetation/drainage routes/crossings/refuelling locations, photographic evidence before and after harvesting, verification that no residues / soil/ oil/ chemicals or waste remain in waterways. The indicator is assessed as specified risk because poorly controlled harvesting activities could cause erosion, turbidity, obstruction of drainage, chemical contamination, or damage to riparian and wetland areas. The risk is mitigated through mandatory water-protection controls in supplier harvesting procedures, protection of sensitive areas, prohibition of pollution causing activities near water, incident response requirements, and the Company's plantation inspection and monitoring process.
Risk Rating	Specified Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.6	Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.

Supply Base Verifiers	- Clean Air Regulations and National Ambient Air Quality Standards (NAAQS) - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) - Factories Act B.E. 2535 (1992) - Public Health Act B.E. 2535 (1992) - Industrial license - Procurement Policy - On-site audit / Supplier evaluation
Risk Rating justification	There are a significant number of requirements and regulations that are related to environmental impacts and safety e.g. limits on emissions of noise, smoke, particulates and waste. **Relevant National Legislation:** • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)** Enforced by the **Pollution Control Department (PCD)**, this is the core legislation for controlling air pollution and emissions from both industrial and agricultural sources. • **Factories Act B.E. 2535 (1992)** and **Ministerial Regulations** under this Act applied to sawmills and wood-processing facilities. Requires emission limits for particulates, dust, smoke, and combustion gases. Licensing and regular inspections are required for operations emitting air pollutants. • **Public Health Act B.E. 2535 (1992)** Enables local authorities to monitor and act against emissions that cause a public nuisance, including smoke or dust from wood processing and combustion. • **Clean Air Regulations and National Ambient Air Quality Standards (NAAQS)** These specify threshold levels for key pollutants (PM2.5, PM10, CO, SO2, NOx, etc.) that facilities must comply with to avoid adverse impacts on public health and the environment. Most sawmills in Thailand operate at a small-to-medium industrial scale and must comply with dust control, particulate management, and fire prevention measures as part of their local permits. Specific practices include: • **Dust extraction and filtration systems** Installed in larger sawmills to prevent buildup of airborne particles during processing. • **Ban on Open Burning** Open burning of biomass waste is restricted under local ordinances and national anti-pollution laws. Sawdust is either sold (e.g., for biomass) or processed further (e.g., into particleboard or pellets). • **Operational permits** Issued by local administrative organizations or the Department of Industrial Works (DIW), requiring environmental compliance, including for air quality. • **No chemical treatment** Rubberwood residues used as biomass are untreated—thus there are **no hazardous volatile organic compounds (VOCs)** emitted from processing.

	• **Department of Land Transport (DLT)**: Conducts on-the-ground enforcement; inspecting truck and bus exhaust emissions, issuing bans, and overseeing repairs and re-inspections. PCD and Traffic Police operate checkpoints specifically targeting black smoke emissions. Owners must rectify non-compliance within 15 days (shortened from 30 days). These powers stem from the **Traffic Act** and the **Environmental Protection Act of 1992** • **Chain Saws Act B.E. 2545 (2002)**: prohibits the possession, manufacturing, or importation of chainsaws without a license from the Chain Saw Registrar This indicator is implemented on all levels and is therefore a 'low risk' rating as no further proof of compliance is required. However, as part of the Company's best management practices, the Company requires industrial license from our suppliers as part of the supplier evaluation/on-site audit.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.7	Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.
Supply Base Verifiers	- RAOT registration - Hazardous Substance Act B.E. 2535 (1992) - Agricultural Standards Act B.E. 2551 (2008) Plantation Act B.E.2535 (1992) and Amendment B.E.2558 (2015), and amended sections 11, 12 and 13
Risk Rating justification	Thailand's national controls over the use, distribution, and monitoring of pesticides, are aligned with international standards. These controls ensure pesticide use remains safe and regulated. **Key Legislation and Regulations:** • **Hazardous Substance Act B.E. 2535 (1992)** Governs the registration, control, import, production, use, and prohibition of hazardous substances, including pesticides. It is enforced by the Department of Agriculture (DOA) under the Ministry of Agriculture and Cooperatives. • Categorizes chemicals into 4 types, with Class 4 substances (such as Paraquat and Chlorpyrifos) strictly banned. • **Notification of the Hazardous Substances Committee (2020)** Bans high-risk chemicals including Paraquat, Chlorpyrifos, and Glyphosate due to their harmful health and environmental effects. • **Agricultural Standards Act B.E. 2551 (2008)** Promotes Good Agricultural Practices (GAP), including the implementation of IPM systems and restricted pesticide use. Compliance with GAP is

	monitored and certified by the Department of Agriculture. • **Labelling and SDS Requirements** All pesticides must be sold with Thai-language safety data sheets (SDS) and labeling that complies with the Globally Harmonized System (GHS). Rubber plantations in Thailand are perennial systems with low-intensity chemical input over most of their lifecycle. IPM is commonly used in rubber plantations. Pest issues are usually managed through: • Manual or mechanical control (e.g., weeding, pruning) • Use of natural predators or cultural practices • Targeted, minimal use of registered pesticides only when thresholds are exceeded Since 2020, the use of Paraquat, Chlorpyrifos, and Glyphosate has been prohibited. These chemicals were previously common in rubber plantations, but their use has now been fully phased out and illegally importing or using them is criminally punishable. Rubber Authority of Thailand (RAOT) does provide guidance and promote best practices for pesticide use in rubber plantations, particularly within the framework of Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). RAOT supports the DOA's regulations and plays a key role in disseminating guidelines, ensuring compliance at the plantation level, and promoting sustainable practices.Workers in plantations registered with RAOT are required to receive training on best management practices of rubber wood cultivation, pesticide use, and waste disposal. Pesticide usage training certification are required when purchasing chemicals/pesticides.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
Supply Base Verifiers	- Occupational Safety, Health and Environment Act, 2011 Sections 8, 9, 11 - Ministry of Public Health Regulations on General Waste Management B.E. 2017 - Onsite interview - Plantation audit - Supplier's work instructions
Risk Rating justification	Thailand's regulatory framework to govern waste management, including hazardous and non-hazardous waste from agricultural, forestry, and industrial operations consists of the following: **Key Legislation and Regulatory Framework:** • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)**

	• Provides the overarching legal basis for waste and pollution control. • Requires that industrial and agricultural waste be disposed of in an environmentally sound manner. • Authorizes local authorities and the Pollution Control Department (PCD) to enforce waste standards. • **Factory Act B.E. 2535 (1992)** • Requires sawmills and wood-processing factories to manage and dispose of industrial byproducts and waste appropriately. • Mandates record-keeping and periodic inspections for waste handling and disposal. • **Public Health Act B.E. 2535 (1992)** • Governs general waste disposal practices for businesses and communities. • Prohibits dumping, open burning, or unsafe handling of solid or liquid waste. • **Hazardous Substance Act B.E. 2535 (1992)** • Applies if any agrochemicals, lubricants, or other controlled substances are used. • Mandates proper storage, labeling, transport, and disposal in line with safety protocols. Local Environmental Authorities and Provincial Agricultural Offices inspect operations for improper disposal. Sawmills are classified as “controlled factories” under the Factory Act, meaning they must pass regular inspection and use licensed disposal companies. Plantations registered under RAOT are educated and supported to follow good agricultural practices (GAP) which include proper pesticide container handling and composting or reusing organic matter. These laws provide a general framework for waste handling, storage transportation, and disposal. However, the existence of legislation does not ensure that all plantation contractors, harvesting crews, transporters, and suppliers consistently manage waste in an environmentally responsible manner. A specified risk is therefore assigned because harvesting activities may generate food packaging and general rubbish, used oil and lubricants, harvesting residues etc. Potential non-conforming practices include dumping, burying, uncontrolled burning, leaving waste in the plantation, mixing hazardous and general waste, or releasing oil and chemicals onto soil or into water. As mitigation, suppliers are required to implement waste-management controls through documented work instructions. The minimum requirements include but not limited to: • providing suitable bags, bins, or containers at the worksite

	• removing general waste from the plantation regularly • storing used oil, batteries, filters, oily materials, chemical containers, and contaminated absorbents separately • using closed, labelled, and leak-resistant containers • removing all machinery parts, containers, rubbish, and maintenance waste after harvesting • restoring and cleaning the plantation before work is closed The work instruction requires waste segregation, daily removal of rubbish, prohibition of dumping, burning or burying, and appropriate handling of used oil, batteries, chemical containers, and contaminated materials. To monitor compliance, supplier's site supervisor must inspect the work area regularly and verify that waste is collected, segregated, stored, and removed. The Company also monitors implementation through supplier and plantation audits, review of the supplier's waste-management instructions, inspection for evidence of dumping, burning, burial, oil stains, or abandoned waste, interviews with supervisors/contractors/workers, post harvest inspection to confirm that all waste has been removed. The indicator is assessed as specified risk because waste generated during harvesting and machinery operation may be improperly stored, burned, buried, dumped, or left at the plantation. The risk is mitigated through supplier waste-management procedures, segregation and removal requirements, hazardous-waste controls, post-harvest cleanliness inspections, and the Company's supplier audit and corrective-action process.
Risk Rating	Specified Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
2.2.9	Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.
Supply Base Verifiers	- RAOT registration - Rubber Authority of Thailand (RAOT) Act B.E. 2558 (2015) - National Forest Policy and Plantation Promotion Programs - Rubber Replanting Aid Fund (ORRAF) of Rubber Replanting Aid Fund Act of 1960
Risk Rating justification	In Thailand, the **harvesting of rubberwood** from plantations is **regulated under a set of national laws** and overseen by government authorities to ensure sustainable forest management and long-term productivity. **Key Laws and Regulations:** • **Forest Act B.E. 2484 (1941), amended** • Regulates timber harvesting and prohibits unauthorized

	logging in reserved forest areas.
	• **Timber and Forest Product Trade Control Act B.E. 2484**
	  • Requires documentation of origin and legality for timber movement and trade.
	• **Rubber Authority of Thailand (RAOT) Act B.E. 2558 (2015)**
	  • Empowers RAOT to register rubber plantations, verify land legality, and support sustainable cultivation practices.
	• **National Forest Policy and Plantation Promotion Programs**
	  • Encourage rubberwood plantations on degraded or private lands to reduce pressure on natural forests.
	
	As of March 2024, more than 1.6 million smallholder rubber producers have been registered with RAOT. RAOT has mapped over 3.1 million hectares of rubber plantations, capturing geolocation data for approximately 1.98 million individual rubber plots. The southern region of Thailand is an important rubber growing area. Southern Thailand hosts around 2–2.2 million ha of rubber plantations, with consistent planting and replanting cycles. Of these registered plantations, around 3,000 rai exist within 30 km of the Company site.
	
	Rubber Replanting Aid Fund (ORRAF) established by the Rubber Replanting Aid Fund Act of 1960, supported by state budget, aims to aid in replacing old low-yield clones with high-yielding varieties, subsidize smallholders (70%) and provide technical support (equipment/fertilizer), targeting approximately 50,000 ha per year for replanting. RAOT also collaborated with partners like WWF and Earthworm Foundation to promote rubber-agroforestry systems, especially during replanting, blending timber, crops, and biodiversity enhancement.
	
	Rubber trees are harvested after 20-25 years, whereby reaching its end-of-life cycle. Farmers must report to RAOT for record keeping, site audit, and replantation planning prior to tree harvesting.

Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
2.2.10	Harvested areas shall be regenerated
Supply Base Verifiers	- RAOT registration - Rubber Authority of Thailand (RAOT) Act B.E. 2558 (2015) - Rubber Replanting Aid Fund (ORRAF)
Risk Rating justification	Rubber trees are harvested after 20-25 years, whereby reaching its end-of-life cycle., not deforestation. Farmers must report to RAOT for record keeping, site audit, and replantation planning prior to tree harvesting. Replanting is incentivized by latex value and subsidies (ORRAF).

	Rubber Authority of Thailand (RAOT) Act B.E. 2558 (2015) established RAOT's role in registering, monitoring, and promoting sustainable rubber plantations. They verify legality and support replanting cycles after harvest. Rubber Replanting Aid Fund (ORRAF) – Established under B.E. 2503 (1960) provides financial subsidies, technical assistance, and high yield clones to smallholders who replant after harvesting. Voluntary sustainability programs such as the agroforestry initiatives supported by RAOT and Earthworm Foundation also integrate regeneration as a baseline requirement. As farmers are required to notify RAOT prior to and after harvest, the RAOT maintains records of planned replantation and field audits.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.
Supply Base Verifiers	- RAOT registration - IPM guideline - Good Agricultural Practices
Risk Rating justification	Thailand prevents and manages the impacts of natural disturbances such as fires, pests, and disease through a combination of national legislation, government-led programs, and plantation-level best practices. **Disaster Prevention and Mitigation Act B.E. 2550 (2007)** • Establishes national fire prevention and response mechanisms. • Empowers provincial authorities to create fire control zones and mandates preparedness among landowners. **Rubber Authority of Thailand (RAOT)** • Provides Integrated Pest Management (IPM) training and support to rubber growers. • Issues alerts and guidance for pest outbreaks, such as *Pestalotiopsis* fungal disease. • Advises on disease-resistant clones and proper tapping methods to prevent infections. **Department of Agriculture (DOA)** • Conducts research on pest and disease resistance. • Registers and regulates pesticide use (including bans) aligned with national and international safety guidelines. RAOT and local agricultural offices monitor outbreaks and advise farmers seasonally. IPM approach is widely promoted by RAOT, including cultural

	practices, biological controls, and minimal reliance on chemical pesticides. Smallholders are advised on clone selection, tapping systems, and sanitation. Replanting programs also include pest-resistant clones and training. Rubber plantations have a very low risk of wildfire due to moist tropical conditions and evergreen canopy and minimal use of burning as a land-clearing method (mechanical clearing preferred). Furthermore, Rubber plantations in the Supply Base actively manage pest and disease risks due to long production cycles.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
2.2.12	Genetically modified trees shall not be used.
Supply Base Verifiers	- Plant Quarantine Act B.E. 2507 (1964) - Plant Act B.E. 2518 (1975) - Plant Varieties Protection Act B.E. 2542 (1999) - FSC Centralized National Risk Assessment for Thailand - National Biosafety Framework (NBF) - RAOT registration

Risk Rating justification	Thailand maintains strict national regulations that prohibit the use of genetically modified (GM) **trees** in commercial forestry and agricultural plantations, including rubber plantations.
	
	Key Policies and Laws:
	
	• **Biosafety Guidelines on Genetically Modified Organisms (GMOs)** – Ministry of Natural Resources and Environment (MONRE), Ministry of Agriculture and Cooperatives (MOAC)
	  • Thailand enforces a **precautionary approach** to GMOs.
	  • The commercial planting of genetically modified perennial crops, including trees like *Hevea brasiliensis* (rubber), is not allowed.
	• **National Biosafety Framework (NBF)** – Under Thailand's obligations to the **Cartagena Protocol on Biosafety**
	  • Prohibits release of GM organisms into the environment without full national approval.
	  • No GM rubber trees have been approved or field-tested for commercial release in Thailand.
	• **Department of Agriculture (DOA)**
	  • Oversees all field testing and approvals for genetically modified crops.
	  • No trials or field permits exist for GM rubber clones in Thailand.

	According to the FSC Centralized National Risk Assessment, there are currently no crops or tree species approved for cultivation nor are there any field trials untaken. Thailand's laws and regulations in regard to GM trees incorporate IPPC standards and Agriculture Commodity Standard Act 2008. All rubber trees planted in Thailand are conventionally bred clones, developed through traditional breeding for yield, disease resistance, and latex quality. RAOT promotes only approved, non-GM clones via its planting subsidy programs (e.g., RRIM 600, PB 260). Clone certification is required to access subsidies and replanting aid through RAOT and ORRAF. Plantation owners in the supply chain must register with RAOT to ensure compliance.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
3.1.1	LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.
Supply Base Verifiers	- National Reserved Forest Act (1964, amended) - National Forest Policy (1985, updated 2019) - Climate Change Master Plan (2015-2050) - Forest Act (1941, amended 2019) - Thailand's GHG emissions – UNFCCC - Thailand's NDCs to UNFCCC 2022 - Thailand's Long-term Low Greenhouse Gas Emission Development Strategy(https://unfccc.int/sites/default/files/resource/Thailand_LTS1.pdf) - Thailand's Third Biennial Update Report
Risk Rating justification	Thailand satisfies both Route A and Route B requirements regarding Land Use, Land-Use Change, and Forestry (LULUCF) emissions. Thailand is a signatory and active participant in the Paris Agreement, having ratified it on 21 September 2016. Thailand submitted updated NDCs to the UNFCCC in 2022, which explicitly include commitments to reduce emissions

	from the Agriculture, Forestry, and Other Land Use (AFOLU) sector. Thailand reported carbon emissions and removals from LULUCF in its Biennial Update Reports (BURs) and National Communications (NCs) to the UNFCCC, with the latest BUR confirming net carbon sink status in forestry. Thailand's 2023 Technical Analysis Report reiterates that the LULUCF sector contributes significantly to national carbon removals. The country has committed to enhancing forest cover to 55% by 2037 under its Climate Change Master Plan. Thailand's National Forest Policy (Ministry of Natural Resources and Environment) commits to forest expansion and reforestation. Meanwhile, Forest Act B.E. 2484 (1941) and National Reserved Forest Act regulate land use and prevent deforestation. In addition, Rubber Plantation Subsidy Programs (RAOT, ORRAF) promote continuous replanting, maintaining forest/agroforestry land cover. All together promoting enhancement of forest carbon stocks.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
3.2.1	All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration.
Supply Base Verifiers	- Global Forest Watch (GFW) – Interactive tree cover loss data: GFW Thailand - Forest Reference Emission Level – UNFCCC - Thailand's GHG emissions – UNFCCC - Climate Change Master Plan (2015-2050) - Thailand's REDD+ Strategy - National Reserved Forest Act (B.E. 2507/1964) - Plantation Act (B.E. 2518/1975)
Risk Rating justification	The Company sources feedstock from regions in the Supply Base that are not areas found to have declining carbon stocks. According to Thailand's Third Biennial Update Report (BUR-3, 2020) to the UNFCCC, the LULUCF sector acts as a net carbon sink. Thailand has set a national policy to increase forest cover to 55% by 2037 under the 20-Year National Strategy and Climate Change Master Plan. According to Climate Action Tracker, Thailand's "forestry sector has been a net carbon sink since 2000," and observed a 47% increase in the carbon sink between 2000 and 2016.

	Thailand's Forest Reference Emission Level, submitted to the UNFCCC in 2021, shows increasing forest biomass stock over the 2006–2016 period, with above-ground biomass increasing by 5.45 t/ha in evergreen forest, and 10.65 t/ha in deciduous forest. Southern Thailand does not present evidence of long-term forest carbon stock decline. While localized incidents (peatland clearing or fires) have occurred, they are confined to specific ecosystems and do not affect rubberwood plantation areas. Replanting programs, legal land tenure, and national forest carbon policy together support stable/increasing forest carbon stocks within the Supply Base.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
3.2.2	Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Supply Base Verifiers	- Land Allocation Act (B.E. 2528) - Forest Act (B.E. 2484, amended 2019) - Rubber Authority of Thailand (RAOT) Sustainable Rubber Policy - Replanting records & clone certifications

Risk Rating justification	The Company sources processing residues from sawmills using rubberwood harvested from established plantations in Southern Thailand. These plantations are not located in areas classified as low-productive or difficult to regenerate, either legally or ecologically. Moreover, Thailand's plantation productivity standards, government regulations, and continuous replanting systems mitigate this risk effectively.
	
	Thailand, through government institutions such as the Rubber Authority of Thailand (RAOT) and Office of the Rubber Replanting Aid Fund (ORRAF), maintains clear standards and criteria for plantation establishment and site productivity. Key features include:
	
	• **Rubber clone selection and replanting support** is only granted to land plots deemed suitable (based on soil quality, elevation, and rainfall).
	• **RAOT guidelines** set minimum productivity expectations per hectare. Land deemed unfit for rubber cultivation (e.g., poor water retention, highly degraded soils) is excluded from replanting subsidies.
	• **Regulatory tools** include:
	  • Plantation registration records with geolocation and clone data.
	  • Official land classification/zoning under the Land Development

	Department (LDD). Southern Thailand is the most productive region for rubberwood in Thailand, due to high rainfall, fertile soils, and long-established plantation practices. Feedstock are processing secondary processing residues (rubberwood sawdust) obtain from sawmills. Thailand has legislation, policies, and guidelines to regulate rubber plantation management and promote sustainable practices. The Thai Rubber Authority issues guidelines promoting Good Agricultural Practices (GAP) to ensure the cultivated plantations are of high productivity, with specified guidelines on plantation procedures. Therefore, plantations controlled by the RAOT have high productivity.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
3.2.3	feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).
Supply Base Verifiers	- FSC Centralized National Risk Assessment for Thailand - Internal Due Diligence System (DDS) - Internal Audit
Risk Rating justification	As indicated in 3.2.1, the Supply Base areas are not from regions with low or declining carbon stocks as determined in the Supply Base Map. In addition, the company also tracks the land title deeds to ensure additional verification under 3.2.3. All areas categorized as rubber plantations under the RAOT are low HCV area according to FSC Centralized National Risk Assessment for Thailand as there is no privately owned HCV area, and the existing high HCV areas are protected lands managed by the Royal Forest Department of Thailand. The Company's feedstock is rubberwood processing residues from sawmills in Southern Thailand, sourced from long-established private rubber plantations. These areas are not classified as High Carbon Stock (HCS) or High Conservation Value (HCV) under Thai national frameworks or international norms. HCV areas in Thailand are typically protected forests, national parks, mangrove ecosystems, peat swamps, and critical wildlife corridors—none of which overlap with rubber plantation zones in our Supply Base. Rubber plantations in Southern Thailand are classified as agricultural land (Nor Sor 3 or Chanote) and are managed for production, not conservation or carbon storage. Plantations are monoculture, privately managed, and rotated every 20–25 years, disqualifying them from HCS-HCV status.

Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
3.3.1	Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
Supply Base Verifiers	- Statistics of rubber production by country, Thailand ranked 1st worldwide with accounting for 36% (4,850,000 MT) of global rubber supply in 2024. - Invoice - Site visits and visual inspections
Risk Rating justification	The main product of rubber trees is latex, which is considered a long-lived product. Wood from rubber trees is harvested when the latex lifecycle is completed. Therefore, wood is secondary product and not a substantial demand. The secondary demand of rubber trees are furniture (processed woods) which utilizes logs. Plantation residues (stems, trunks and branches), as well as processing residues (offcuts and sawdust) have historically been used as fuel with no added value and are non-marketable by-products. The conversion of residue to alternative energy replacement for coal contributes a higher value to feedstock that would otherwise be disposed. Rubberwood is in high demand in Thailand's furniture and panel industries and are exported widely as furniture parts. Hence, there is no economic or operational incentive for suppliers to divert quality wood to biomass, which is less profitable.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
Supply Base Verifiers	- Employment contract - SSO filing for labor law compliancy - Labor Protection Act B.E. 2541 and amendments - Labour Relations Act B.E. 2518 (1975) - Constitution of Thailand (Section 42 & 44) - ILO Conventions Ratified by Thailand - Labor inspection reports - Site inspections/interviews
Risk Rating justification	Freedom of association and collective bargaining are protected under Thai national law. The Labour Protection Act B.E. 2541 (1998) and related labor

	regulations such as Labour Relations Act B.E. 2518 (1975), Constitution of Thailand (Section 42 & 44), ensure that workers have the legal right to organize, join trade unions, and bargain collectively. Your company sources from legal, RAOT-registered rubber plantations and sawmills, which are subject to these national labor laws. There is no evidence of systemic restriction of union rights in the rubber sector in Southern Thailand. Rubber plantations and sawmills employ both permanent and seasonal labor, often local Thai citizens or registered migrant workers (mainly from Myanmar and Laos). Larger sawmills typically comply with Department of Labour Protection and Welfare (DLPW) audits, especially those involved in export or certification schemes. Thailand's legal framework robustly protects freedom of association and collective bargaining, and there is no systemic evidence of suppression of these rights within the rubberwood Supply Base. Supplier due diligence, labor inspections, and legal employment practices provide credible assurance that workers are not restricted from union activity or collective negotiations.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.1.2	Forced or compulsory labour shall not be used.
Supply Base Verifiers	- Employment contract - SSO filing for labor law compliancy - Labor Protection Act B.E. 2541 and amendments - Anti-Trafficking in Persons Act B.E. 2551 (2008) - Penal Code of Thailand (Section 312) - ILO Convention No. 29 & 105 - Migrant Worker Protection Act B.E. 2551 (2008) - Site inspections/interviews - Procurement Agreement - Migrant worker registration documents
Risk Rating justification	Thailand has strong national legislation prohibiting forced and compulsory labour, and your company sources from registered sawmills and plantations in Southern Thailand that are subject to regular labor inspections. In addition, sourcing is limited to processing residues, not from informal or remote forest operations. While concerns exist nationally regarding forced labor in some sectors (like fisheries), there is no documented systemic risk in the formal rubberwood supply chain used by the Company. Robust enforcement mechanisms and third-party verification practices help demonstrate legal compliance. Labor inspectors from Ministry of Labour (DLPW) conduct both routine and complaint-based inspections, especially for export-oriented suppliers. Civil society and NGOs also play a role in identifying violations.

Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.1.3	Child labour shall not be used.
Supply Base Verifiers	- Employment contract - Labor Protection Act B.E. 2541 and amendments - Ministerial Regulations on Prohibited Work for Youths - Child Protection Act B.E. 2546 (2003) - ILO Convention No. 138 & 182 - United Nations Convention on the Rights of the Child - Site inspections/interviews - CSR report
Risk Rating justification	Thailand has a strict legal framework prohibiting child labour, particularly in hazardous sectors such as forestry, agriculture, and wood processing. Labour Protection Act B.E. 2541 (1998) prohibits employment of children under 15 and restricts work for those under 18. Ministerial Regulations on Prohibited Work for Youths bans child labor in hazardous work such as logging, sawmilling, machine operation. Thailand is also a signatory of United Nations Convention on the Rights of the Child and integrates this into national policy The Company sources processing residues from legal sawmills and RAOT-verified plantations in Southern Thailand — sectors subject to regular government oversight by Ministry of Labour (DLPW), Provincial Labour Offices, and RAOT. There is no evidence of systemic child labor in the formal rubberwood supply chain. Operating on a best management practice, the Company conducts site audits and interviews on our supplier. The Company's procurement agreement also includes commitment to comply with all national laws. There are also mechanisms to report grievances in place.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Supply Base Verifiers	- Employment contract with standardized wage rates - Training and promotion records indicate equal opportunity for advancement - Internal grievance mechanism - Labor Protection Act B.E. 2541 and amendments

	- Constitution of the Kingdom of Thailand (2017) - Civil and Commercial Code (Section 143) - Gender Equality Act B.E. 2558 (2015) - ILO Conventions 100 & 111 (Equal Remuneration & Discrimination) - Site inspections/interviews - CSR report - Employees KPI
Risk Rating justification	Thailand has well-established national labor laws that prohibit workplace discrimination, and these laws are applicable across all industries, including forestry and wood processing. In the Company's case, sourcing feedstock from registered rubberwood sawmills and plantations in Southern Thailand, which are subject to legal employment standards and inspections, presents low risk of discrimination. Suppliers operate formally (with industrial license) and must comply with labor protection laws. There is no evidence of systemic discrimination in the Thai rubberwood sector, and oversight mechanisms by the government and private certification bodies (FSC, PEFC, GGL) provide assurance of compliance. As part of best management practices, regular KPI for employees are used to assess worker's renumeration, promotion and other benefits, with a double assessment to ensure there is no bias assessment (by the direct supervisor and by higher management). The Company also established channels through which employees may report grievances directly to management level. All reports are documented and reviewed. Additionally, employees can file discrimination lawsuits under Thai labour law, wherein the Ministry of Labour (DLPW) conducts workplace audits and handles complaints of discrimination. The Company's welfare system offers support in pursuing higher education, jobs for disabilities, etc
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.1.5	Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded
Supply Base Verifiers	- Employment contract - Labor Protection Act B.E. 2541 and amendments - Minimum Wage Committee Act B.E. 2547 (2004) - Ministerial Regulations on Wage Payments - ILO Convention No. 131 - Site inspections/interviews - SSO filing

	- Wage and salary records
Risk Rating justification	Minimum wages in Thailand are determined by province and occupation through tripartite committees that involve government, labor, and employer representatives. Provincial minimum wages are enforced by the Ministry of Labour and typically range from ฿328 to ฿354 per day (as of 2024, may vary slightly depending on the province). The Company and our suppliers are formal businesses that are required to register our workers and pay contributions to social security, which also requires compliance with minimum wage rules. Businesses are required to submit wage records for audit or inspection when required by labor/revenue officials.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.1.6	Working hours shall comply with legal requirements.
Supply Base Verifiers	- Employment contract - Labor Protection Act B.E. 2541 and amendments - Ministerial Regulation on Working Hours (2006) - Social Security Act B.E. 2533 (1990) - ILO Convention No. 1 (Hours of Work - Industry) - Site inspections/interviews - SSO filing - Employee logging time sheet
Risk Rating justification	Thailand has clearly defined legal limits on working hours and rest periods under the Labour Protection Act, and these are actively enforced through labor inspections and social security monitoring. The Social Security Act B.E. 2533 (1990) requires employer to report work hours and wages, ensuring compliance. The Department of Labour Protection and Welfare (DLPW) conducts surprise inspections and audits of payroll and work logs and Social Security Office (SSO) reviews employer contributions, indirectly verifying declared work hours. Complaints from employees about excessive or unpaid working hours can be handled via Labour Relations Committee / Labour Courts. The Company keeps documented records of daily work hours, play slips, social security filings, and incorporates a biometrics attendance system.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi,**	**Indicator**

Pattani, Narathiwat	
4.1.7	Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation
Supply Base Verifiers	- Employment contract - Labor Protection Act B.E. 2541 and amendments - Social Security Act B.E. 2533 (1990) - Workmen's Compensation Act B.E. 2537 (1994) - National Health Security Act B.E. 2545 (2002) - Site inspections/interviews - Social Security registration record (SSO filing) - CSR report
Risk Rating justification	Thailand has a well-established Social Security system and labor protection laws that provide comprehensive health, welfare, and compensation benefits to workers in the formal employment sector. All employers in Thailand with one or more employees are legally required to register them with the Social Security Office (SSO) and make monthly contributions (5% of wages from both employer and employee). Employers face fines or criminal charges if they fail to register employees or contribute to SSO. **SSO Benefits Include:** • **Healthcare**: Free access to SSO-affiliated hospitals for outpatient/inpatient care • **Sick leave compensation**: 50% of wages for up to 90 days • **Maternity leave**: 90 days leave (45 days paid by employer, 45 days by SSO) • **Work injury**: 60–100% wage compensation for duration of treatment, disability, or death • **Retirement benefits**: Available after age 55 and at least 180 months of contribution • **Unemployment**: Monthly benefits for job loss (up to 50% of wages for 6 months) The Company registers employees for social security, supports access to health care providers, and health care benefits.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	Indicator
4.1.8	Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.
Supply Base Verifiers	- Employee Training Record - Internal audits and safety briefings - Certificates from training institutions - Organizational Chart, with Sustainable Department

	- Procurement agreement
Risk Rating justification	Although Thailand does not have legislation or legal enforcement system in place in terms of providing training to workers, the Company requires all employees to undergo training before employment, as well as annual trainings to promote knowledge and skills needed to perform jobs effectively and safely. Sustainability department is set up in the company to ensure all relevant department to SBP or other sustainability schemes have adequate training and resources to maintain compliancy. For risk mitigation, annual training plan is used to monitor, and annual audits are conducted to ensure employees and suppliers receive appropriate trainings and are aware of and comply with SBP-aligned standards. In case of a non-compliant findings, corrective measures are to be drafted and implemented within a specified timeline as per the procurement policy agreement.
Risk Rating	Specified Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.
Supply Base Verifiers	- Feedback/Comments/Complaints procedure - Grievance report - Management review report - Labour Protection Act B.E. 2541 (1998)
Risk Rating justification	The Labour Protection Act B.E. 2541 (1998) requires employers to provide fair treatment, prevent harassment, and allow workers to raise complaints while the ministerial regulations under Labour Ministry require employers to establish procedures for handling employee complaints. The Company established channels, procedures, and mechanisms through which employees may report their grievances and disputes. All reports and outcomes are documented and reviewed annually for continuous improvement. Department of Labour Protection and Welfare (DLPW) offers a hotline (1506), online reporting, and in-person complaint handling across all provinces. If disputes failed to be mediated, cases can escalate to the Labour Court of Thailand.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi,	**Indicator**

Pattani, Narathiwat	
4.1.10	Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Supply Base Verifiers	- Internal Audit - Employee Training Record - Occupational Health, Safety and Working Environment Act B.E. 2554 - Internal safety management system - Risk assessment reports - Onsite interview - Plantation audit - Supplier's work instructions
Risk Rating justification	Thailand's Occupational Safety, Health & Environment Act (B.E. 2554 / 2011) mandates employers to ensure a safe and hygienic environment, protecting staff from risks to their physical and mental well-being (section 6), inform workers of hazards and distribute work manuals when tasks, workplaces, or equipment change (section 14), provide safety training—both initially and whenever roles or conditions change (section 16), provide and enforce personal protective equipment (PPE) (section 22). A 2022 Ministerial Regulation (effective June 2022) requires enterprises with ≥50 employees (incl. sawmills/plants) to implement a documented Safety Management System, encompassing: • Written safety and environmental policies, • Risk assessment and hazard controls, • Regular reviews and continual improvement, • A formal grievance channel for safety suggestions • Employers must appoint and register Safety Officers to oversee workplace safety The Company must also conduct annual evaluations of safety systems and report accidents to labor inspectors and is required by law to: • Develop and communicate written safety policies accessible to all staff • Conduct hazard identification and risk assessments, periodically reviewed every 3 years or after incidents • Ensure employee participation in safety matters and provide channels for feedback and grievances • Clearly define roles and responsibilities for safety management, including appointing Safety Officers The Company has established health and safety procedures addressing occupational health and safety (OH&S) principles. Procedures are aligned with the legal framework's requirements in the Occupational Health, Safety and Working Environment Act B.E. 2554. The Company requires all employees to be knowledgeable about OH&S and to undergo annual health and safety trainings.

However, a specified risk is assigned at plantation and harvesting contractor level because harvesting work involves significant occupational hazards and may be performed by small contractors or temporary workers with varying levels of formal safety management. Potential hazards include:

- chainsaw and cutting injuries
- uncontrolled tree-felling direction
- falling trees and branches
- workers entering hazardous felling zones
- vehicle and machinery movement
- log dragging and loading
- steep, unstable, wet, or uneven ground
- excessive noise, dust, heat, and vibration
- fuel and chemical exposure
- fire
- lack of first-aid arrangements
- inadequate training or supervision
- failure to use personal protective equipment
- work conducted under the influence of alcohol or drugs

The Company delegates responsibility for day-to-day occupational health and safety control to the supplier, contractor, and plantation site supervisor. Each supplier must maintain documented health and safety instructions that are equivalent to the Company's requirements. The minimum controls include:

- assigning a competent person to supervise harvesting
- providing workers with instructions before work begins
- identifying hazards and planning felling directions, escape routes, extraction routes, and restricted zones
- maintaining safe distances between workers, machinery, and falling trees
- inspecting chainsaws, vehicles, ropes, lifting equipment, and machinery before use
- providing suitable personal protective equipment
- ensuring workers use the required PPE
- stopping work during unsafe weather, soil, machinery, fire, or site conditions
- prohibiting child labour, forced labour, intoxication, and work without suitable PPE
- recording accidents, near misses, unsafe conditions, and corrective actions
- allowing workers and supervisors to stop unsafe work

The work instruction requires pre-work planning, safe felling direction, control of workers and contractors, use of suitable PPE, and immediate work stoppage when unsafe conditions or serious violations are identified.

The supplier is responsible for daily safety supervision and must monitor

	worker behaviour, PPE use, machinery condition, felling zones, weather, site access, and emergency preparedness. PT Parawood monitors the effectiveness of these controls through review of the supplier's health and safety work instructions, worker and supervisor interviews, observation of harvesting operations during plantation audits, follow-up monitoring to confirm that corrective actions have been completed. The indicator is assessed as specified risk because rubberwood harvesting presents significant occupational hazards and the level of formal health and safety implementation may vary among suppliers and contractors. The risk is mitigated through mandatory supplier health and safety procedures, worker instruction, hazard assessment, supervision, PPE requirements, equipment checks, stop-work authority, incident management, and the Company's plantation audit and follow-up process.
Risk Rating	Specified Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.2.1	Negative social and community impacts shall be identified and avoided.
Supply Base Verifiers	- CSR report - Local interview - Stakeholder consultations - Complaints records
Risk Rating justification	Under the National Environmental Quality Promotion and Conservation Act (Amendment No. 2, B.E. 2561 / 2018), projects that pose potential harm to communities or the environment must conduct an Environmental Impact Assessment (EIA), which includes: • **Stakeholder engagement and public hearings**, including opportunities for affected communities to express concerns • **Health and social impact assessments** covering community well-being and local livelihoods • **Complaint and redress mechanisms** mandated as part of the EIA process As part of the Company's best management practices, the Company promotes sustainable and responsible practices that benefit individual, communities, and society through the CSR activities. Engagement with locals through interviews/communications, proactive aid provisions, and internal reviews provide assurance that the Company avoids negative impact on community and society. Mechanisms for complaints are implemented and feedback documented. The company also provides donation to the location community to commit in

	bettering the community in which the company operates, and employees reside. These include education-related donations and hospital donations.
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.
Supply Base Verifiers	- CSR report - Employment records - Value chain traceability -Local interviews
Risk Rating justification	A 2022 socio-economic analysis found rubber farming in Southern Thailand supports 5 million jobs, primarily through smallholder holdings that rely on family and hired labor. In a study across Rayong and Songkhla provinces, rubber production was shown to provide stable incomes to rural families despite price volatility. Thailand ranks as the world leader in natural rubber production, with market value at ~ 400 billion baht/year, much of which arises from processing and export activity. The rubberwood industry is expanding: even with prior contraction, factories have rebounded, contributing jobs and export earnings—e.g., over 20 billion baht/year in export value The Company contributes to the local economy through several ways: - provide and prioritize employment opportunities to local communities - provide funding for community infrastructure and services via CSR - create value-added products from local resources The feedstock is essential to providing value within the local economy as previously these feedstocks (residues)are often sold at low prices due to oversupply as there is limited usage of residues within local businesses. Thus, since the start of the company, we were able to provide higher added value to previously neglected residues and create additional jobs (both employees and suppliers) as well as value to local farmers and others within the supply chain
Risk Rating	Low Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.2.3	Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced

Supply Base Verifiers	- Internal audits - Lor Ngor 4 (factory permit) - Water Resources Act (B.E. 2561, 2018) - Public Health Act (B.E. 2535, 1992) - Environmental Quality Act (B.E. 2535, 1992) - Factory Act (B.E. 2535, 1992) - Procurement agreement - Grievances report/local interviews
Risk Rating justification	The Company's sourcing of rubberwood by-products (sawdust, slabs, and branches) from existing sawmills in Southern Thailand, and the verification of feedstock legality through RAOT, ensures no direct or indirect negative impact on community access to essential resources like food and water or HCVs. Feedstock comes from plantation-grown rubberwood (Hevea brasiliensis), which is not converted from natural forest, HCV lands, or community-use zones, as rubber plantations are established, private/agricultural lands, not on communal resource lands. Furthermore, feedstock is limited to processing residues, which have no direct impact on land use or resource access. Rubber plantations in Southern Thailand operate in areas where individual land titles exist and water use is typically rain-fed or regulated through private systems. Land used for rubber plantations has been zoned and cultivated for decades—there is no evidence of conversion from traditional farmland or food-producing land. In fact, many smallholders integrate agroforestry with food crops under rubber plantations (e.g., banana, pineapple, durian), enhancing food availability rather than reducing it. The Company's operation does not compete with food and water supply, or basic needs of the community.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.2.4	Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.
Supply Base Verifiers	- Community Forest Act (2019) - Constitution (2017, Section 43) - Forest Act B.E. 2484 (1941) - Land Code of Thailand (1954) - UN Declaration on the Rights of Indigenous Peoples (UNDRIP) – Free, Prior, and Informed Consent (FPIC) - ONEP (Office of Natural Resources and Environmental Policy) - Environmental Impact Assessments (EIAs) - Site Visits - DSDW (Department of Social Development and Welfare) for ethnic group

	data -Procurement Agreement
Risk Rating justification	Feedstock originates from rubberwood sawdust, slabs, and branches—which are processing residues from legally established sawmills in Southern Thailand, using wood sourced from privately owned rubber plantations. These plantations operate on titled land verified through the Rubber Authority of Thailand (RAOT). This ensures that there are no violations of tenure rights related to Indigenous Peoples or local communities. Thailand has clear legal procedures for land ownership and registration through Department of Lands (DoL), and Royal Forest Department (RFD). All plantations involved in your supply chain are registered with RAOT, which requires submission of land title deeds or official land use documents. No rubber plantation subsidies or harvest permits are issued without land ownership verification. While there may be ethnic or local communities, the types of Indigenous customary land rights that are a concern in northern Thailand (e.g., Karen, Hmong) are not known to exist or overlap with Supply Base in the south. As for foreign workers, they are employed under an MOU between Thailand and specified country. All foreign workers are subjected to and protected under Thailand's national laws and regulations. As there exists a specified risk for Thailand, the Company established a risk mitigation by requiring suppliers to comply with respecting legal, customary, and traditional rights of Indigenous People and local communities as per the Procurement agreement. Groups of indigenous peoples in Supply Base are identified and referenced in the Procurement Agreement. Implementation and verification of compliance include but not limited to: • legal & policy framework check • operational due diligence • community engagement
Risk Rating	Specified Risk

Thailand Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat	**Indicator**
4.2.5	Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.
Supply Base Verifiers	- Chanod (Land title deeds) - Supplier Statement and Supplier Annual Audit
Risk Rating justification	Thailand's land administration system, governed primarily by the Department of Lands (DoL), provides clear, formal procedures for registering land titles and use rights, and resolving land disputes through administrative review and

	court processes. Meanwhile, the Rubber Authority of Thailand (RAOT) requires land title deeds for plantation registration and harvest permits, ensuring farmers/suppliers must prove clear land tenure before participating in the supply chain. In case of disputes, Landowners can file complaints with local land offices, courts, or mediating bodies such as the Office of the Ombudsman. The Company sources feedstock from plantations on private land and requires land title deeds as part of best management practices further ensuring that the tenure and use rights of land are respected. The Company also conducts an annual audit to our suppliers to ensure that their management of plantation is within standard practice. The company also does not do a direct forest management practice but purchase from processing plants.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.2.6	Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.
Supply Base Verifiers	- UN Declaration on the Rights of Indigenous Peoples (UNDRIP) – Free, Prior, and Informed Consent (FPIC) - Meeting/Consultation records - Land title deeds (Chanote) - National Human Rights Commission of Thailand (NHRCT) - Forest Peoples Programme and RECOFTC reports
Risk Rating justification	Thailand is a signatory to the UNDRIP (United Nations Declaration on the Rights of Indigenous Peoples) but has not enacted comprehensive domestic legislation specifically recognizing Indigenous land tenure or requiring FPIC. • For rubber plantations, RAOT requires landowners to provide land title documents, ensuring the land is not under customary or communal claim. • The land is either Chanote (freehold title) or Nor Sor 3 Khor (confirmed usage rights) — both provide full legal rights for land use and management. Forest Peoples Programme and RECOFTC reports — note that southern Thailand has no recognized Indigenous Peoples in plantation zones. Because FPIC only applies where Indigenous Peoples have customary land rights or recognized presence, no FPIC procedures are required for plantations with verified legal ownership in Supply Base. National Human Rights Commission of Thailand (NHRCT) also has no documented Indigenous FPIC disputes from rubber plantation areas.

	Free, Prior, and Informed Consent (FPIC) is part of the Company's operation standard. Engagement and consultation with Indigenous Peoples and local communities prior to development/activities are upheld and documented. However, there is no indigenous people within the supply base or local community. The company is in direct contact with the village representative to address any concerns or improvement works that requires the company's support.
Risk Rating	Low Risk

Thailand **Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat**	**Indicator**
4.2.7	Designated cultural heritage sites shall be preserved.
Supply Base Verifiers	- Factory Act (B.E. 2535, 1992) & Amendments - EIA/EHIA Regulations (ONEP, B.E. 2563, 2020) - Ancient Monuments, Antiques, and National Museums Act (B.E. 2504, 1961) - Lor Ngor 4 (factory permit) - Fine Arts Department (FAD), Ministry of Culture - Local interviews - RAOT registration
Risk Rating justification	Thailand's factory permit process evaluates impacts on cultural heritage sites. Factory Act (B.E. 2535, 1992) & Amendments requires an Environmental Impact Assessment (EIA) or Environmental Health Impact Assessment (EHIA) for factories posing significant environmental/health risks. Ancient Monuments, Antiques, and National Museums Act (B.E. 2504, 1961) prohibits construction or modification that damages heritage sites without approval from the Fine Arts Department (FAD). Fine Arts Department reviews are mandatory for projects adjacent to registered sites. Company's feedstock is not harvested from natural forests or undeveloped land, but is residue from rubber sawmills using logs from private, legally titled plantations. RAOT, as part of plantation registration, ensures the land is already classified for agricultural use and is not under conservation or heritage status. Furthermore, there are no FAD-registered cultural heritage sites reported in rubber-producing regions of Southern Thailand where your sourcing occurs.
Risk Rating	Low Risk

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Thailand
Area	Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Thailand ratified the Paris Agreement on 21 September 2016 and has since submitted updated Nationally Determined Contributions (NDCs) to the UNFCCC in 2022, explicitly covering the Agriculture, Forestry and Other Land Use (AFOLU) sector. Thailand reports carbon emissions and removals from LULUCF in its Biennial Update Reports (BURs) and National Communications (NCs) to the UNFCCC. The most recent BUR confirms that the forestry sector acts as a net carbon sink, while the 2023 Technical Analysis Report reconfirms that the LULUCF sector makes a major contribution to national GHG removals. Since 2005, Thailand's LULUCF activities—including rubber plantations—have significantly increased net CO_2 removals, rising from approximately 11.9 $MtCO_2$ eq in 2000 to 86.1 $MtCO_2$ eq in 2013. Thailand has adopted a Climate Change Master Plan with the target of increasing national forest cover to 55% by 2037. This commitment is backed by the National Forest Policy (Ministry of Natural Resources and Environment), which promotes reforestation and sustainable management of forest resources. Key legislative instruments such as the Forest Act B.E. 2484 (1941) and the National Reserved Forest Act regulate land use and prevent illegal deforestation. In parallel, national subsidy schemes (e.g., Rubber Plantation Subsidy Programs by RAOT and ORRAF) support replanting and sustainable agroforestry systems, ensuring continuous maintenance of tree cover and carbon stocks. Based on Thailand's ratification of the Paris Agreement, regular UNFCCC reporting, national policies targeting forest cover increase, and robust forest governance framework, the risk of non-compliance with REDII Article 29(6)(i) is assessed as Low.

	The Company evaluates potential suppliers of secondary processing residues prior to sourcing to determine eligibility of exemption per the EU RED Article 29 (1). This includes on-site inspection of the suppliers as well as requiring the supplier to trace the origins of feedstock and submit relevant documents to the Company to double verify with the government body. The management system at Level B includes: - Supplier audit and supplier statement to ensure harvesting practices is within sustainability requirement. - Harvested area is legal and does not have impact on HCV areas and/or impact biodiversity. This is controlled from the RAOT plantation practices, training and resources provided at the government level. - Harvested area is traceable and within national and international legal requirements. The company validates the legality of ownership via land title deeds as well as a verification from the RAOT.
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	National climate strategies explicitly recognize the LULUCF sector as a major contributor to mitigation, and policy measures are in place to enhance forest carbon stocks through reforestation, afforestation, and forest protection programs. The National Forest Policy and Climate Change Master Plan commit to expanding forest cover, while the 55% forest cover target by 2037 demonstrates long-term policy continuity. In this context, annual carbon removals from the LULUCF sector are projected to stabilize at 120 $MtCO_2$ eq from 2037 onward, under a pathway leading to net-zero GHG emissions by 2065 Rubber replanting programs administered by RAOT and ORRAF further contribute to sustaining carbon stocks in agroforestry landscapes, ensuring land is not left degraded after harvest cycles. Thailand's continuous submission of BURs and NCs to the UNFCCC ensures international transparency and verification of progress in carbon stock enhancement. LULUCF sector in Thailand showed a trend of increased net removals as total removals exceeded total emissions. Since 2000, LULUCF activities has contributed to a tremendous increase of net removal from the atmosphere as a result of net removals attributed to rubber plantations. The government has a subsidy program for regeneration of plantation

	area since 1960 and has dedicated a separate government body (RAOT) from 2015 due to increasing scale of management areas. The company ensures that the company sources from plantations under the RAOT which follows the government's-controlled plantations for low risk. Thailand's established legal framework, international commitments, and active implementation of reforestation and plantation replanting programs provide strong assurance that carbon stocks are sustained and enhanced. Therefore, the risk under REDII Article 29(6)(ii) is assessed as low.
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Thailand has a comprehensive system of laws, regulations, and enforcement mechanisms that protect areas designated for nature conservation, wetlands, and peatlands. The National Park Act (2019), Wildlife Preservation and Protection Act (2019), National Reserved Forest Act (1964), and related legislation strictly prohibit timber harvesting or land conversion in protected areas without authorization. Oversight is carried out by the Department of National Parks, Wildlife and Plant Conservation and the Royal Forest Department, with monitoring and enforcement through patrols, satellite imagery, and permit systems. All nature protected area defined in FSC Centralized Risk Assessment for Thailand indicate that plantation areas (rubber plantations) are areas of low HCV. Areas that are of high HCV are protected and government-owned, which are managed under the Royal Forest Department and cannot be traded. Therefore, it is impossible to be purchasing or harvesting from a protected area as this is considered a violation of multiple national laws. At the international level, Thailand is a contracting party to the Ramsar Convention and has designated multiple wetlands of international importance, ensuring that wetland ecosystems are protected. Thailand also implements commitments under the Convention on Biological Diversity through its national biodiversity strategies. In addition, the supply base evaluation system requires verification of land title deeds and legality checks, which exclude sourcing from protected areas. These measures ensure that harvesting of raw material does not interfere with nature protection purposes. Given Thailand's strong legal framework, institutional enforcement, and

	supply chain due diligence controls, the risk of sourcing feedstock from areas protected by law in a way that undermines conservation purposes is assessed as low.
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Thailand's legal and institutional framework supports the protection of soil quality and biodiversity during rubberwood harvesting, including: • **Land Development Act B.E. 2558 (2015):** Promotes soil conservation, sustainable land use, erosion prevention, and soil improvement. • **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992):** Provides controls against environmental degradation, soil contamination, and damage to ecosystems. • **Forest Act B.E. 2484 (1941) and National Reserved Forest Act B.E. 2507 (1964):** Restrict harvesting and land conversion within forest and protected areas. • **Forest Plantation Act B.E. 2535 (1992):** Regulates registered forest plantations and supports responsible plantation management. • **RAOT regulations and technical guidance:** Provide recommendations on suitable land, soil and water conservation, cover crops, organic fertilizer, drainage, and environmentally responsible rubber plantation management. However, direct RAOT oversight may not apply to plantations outside its registration or subsidy programmes. • **Thailand's National Biodiversity Strategy and Action Plan:** Supports the integration of biodiversity protection into national land and natural-resource management. The Company requires suppliers to follow documented harvesting instructions addressing soil and biodiversity protection. These include identifying sensitive areas before harvesting; retaining ground vegetation where possible; controlling machinery routes and log dragging; avoiding unnecessary vegetation clearance; preventing fuel, oil, and waste

	contamination; protecting waterways and drainage channels; and suspending work during heavy rainfall, saturated soil, excessive rutting, erosion, or other unsuitable conditions. Disturbed areas, drainage, and ground cover must be restored after harvesting where necessary. Implementation is monitored through plantation audits, review of supplier harvesting procedures, site observations, interviews with plantation owners, supervisors and workers, and photographic records before, during, and after harvesting. Any erosion, soil compaction, contamination, excessive vegetation removal, or damage to sensitive areas is recorded as a non-conformity. Corrective actions and follow-up inspections are required before the supplier or harvesting site is accepted for continued sourcing.
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Thailand has in place legal and policy instruments that ensure the long-term productive capacity of forests is sustained or enhanced. The Forest Plantation Act (1992) and regulations under the Royal Forest Department require replanting and sustainable plantation management. Subsidy programs administered by RAOT and ORRAF ensure continuous regeneration of rubber plantations, which are a significant source of biomass. National reforestation and afforestation programs also contribute to the restoration of degraded land and the expansion of productive forests, aligned with the national target of increasing forest cover to 55% by 2037. UNFCCC reporting confirms that the LULUCF sector continues to operate as a net carbon sink, demonstrating that harvesting practices do not undermine long-term productivity. Risk is assessed as low. The rubber trees have a maximum lifecycle of 20-25 years as the latex gets depleted. Once latex is fully depleted (at the end of the lifecycle), the production capacity of rubber trees is considered finished as the main product of rubber trees is latex. Therefore, in order to maintain high production capacity, a replantation subsidy is launched by the government from 1960 to ensure stable volume of latex production. The harvesting of completed lifecycle rubber trees ensures consistent high production capacity of the rubber trees. Additionally, the company utilizes residues from plantations and processing plants, of the wood, which is adding value to the product's ending lifecycle.
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land*	

with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(a)* ***primary forest*** *and other wooded land and* ***old growth forest,*** *namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of* ***old growth forest*** *at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See (vi)6
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b)* ***highly biodiverse forest*** *and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See (vi)6
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d)* ***highly biodiverse grassland*** *spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A

Level B management system at the level of the forest sourcing area	See (vi)6
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See (vi)6
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:* *(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	See (vi)6
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level

Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	All feedstock, whether processing residues (sawdust and slabs) or forest residues (branches), originates from long-established rubber plantations located on land with legal title deeds (Nor Sor 3, Nor Sor 4). The following legal instruments restrict harvesting and sourcing from protected forests, biodiversity-rich areas, wetlands, and peatlands: - **National Park Act B.E. 2562 (2019):** Prohibits unauthorised harvesting and protects natural resources, ecosystems, and biodiversity within national parks and other designated protected areas. - **Wildlife Conservation and Protection Act B.E. 2562 (2019):** Protects wildlife sanctuaries, non-hunting areas, habitats, and biodiversity from unauthorised exploitation. - **National Reserved Forest Act B.E. 2507 (1964):** Restricts occupation, clearing, and harvesting within national reserved forests without legal authorisation. - **Forest Act B.E. 2484 (1941):** Regulates forest utilisation and the harvesting and possession of controlled timber. - **Community Forest Act B.E. 2562 (2019):** Supports the conservation and sustainable management of community forests and their biodiversity. - **Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992):** Provides the framework for protecting environmentally sensitive areas, ecosystems, wetlands, and other natural resources. These controls support the exclusion of biomass originating from land classified as primary or old-growth forest, highly biodiverse forest or other wooded land, highly biodiverse grassland or heathland, wetland, or peatland. The Company sources rubberwood feedstock only from established agricultural rubber plantations and processing residues originating from such plantations. Before a plot is accepted, the supplier must provide the land-title deed and plot location. The Company verifies the legality and location of the plot and screens it against satellite imagery, protected-area boundaries, forest maps, wetland information, and other available land-status data. Plots identified as natural forest, protected or conservation areas, highly biodiverse land, wetlands, peatlands, or areas whose status cannot be reliably confirmed are rejected or suspended pending further investigation. Where screening identifies uncertainty, the Company conducts additional document review, supplier and landowner interviews, historical satellite-image assessment, and, where necessary, a physical site inspection. Feedstock may only be accepted after evidence confirms that the land was an established rubber plantation and did not have a prohibited land status at the applicable reference date. Compliance is monitored through land-title verification, geolocation and polygon records, satellite screening reports, plantation audits, photographic evidence, supplier declarations, landowner interviews, and records of accepted and rejected plots. Approved plots are maintained in the sourcing database and checked against records of protected, non-compliant, and rejected areas before procurement. Any plot with

	conflicting, incomplete, or unverifiable information is excluded from sourcing until the issue is resolved. Non-conformities are recorded, affected material is segregated where applicable, and corrective actions and follow-up verification are required before sourcing may resume.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Agricultural land management is regulated by the Land Development Act (2007) and overseen by the Land Development Department (LDD) under the Ministry of Agriculture and Cooperatives. This includes measures to maintain soil fertility, prevent erosion, and manage land sustainably. Rubber plantations, which are the primary source of biomass in the supply base, are supported by subsidy programs administered by the Rubber Authority of Thailand (RAOT) and previously the Office of Rubber Replanting Aid Fund (ORRAF). These schemes require the replanting of trees after harvesting, ensuring continuous land cover and preventing soil degradation. Environmental protection is ensured through the Enhancement and Conservation of National Environmental Quality Act (1992) and the Forest Plantation Act (1992), which regulate plantation registration and management. Thailand has also implemented the National Biodiversity Strategy and Action Plan, which integrates biodiversity safeguards into agricultural and forestry activities. Thailand's international commitments under the UNFCCC and its updated NDCs (2022) also cover the AFOLU sector, providing assurance that agricultural and plantation biomass production aligns with climate change mitigation and LULUCF reporting obligations. Agricultural biomass production in Thailand, including rubber plantations,

	is subject to binding national legislation and international commitments that ensure compliance with REDII Article 29(7) criteria. Risk is assessed as low. Based on the Supply Base, the areas that the feedstock originates from does not have declining carbon stocks as referred to in Annex 1. Additionally, the company traces the origin of feedstock to ensure that the LULUCF Criteria 29(7) is met, despite the company sourcing only from processing residues. Relevant documents such as land title deeds, suppliers' statement and audits are made, as well as verification with RAOT to ensure that the harvested area complies with the EU RED standard.

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

The Company evaluates potential suppliers of secondary processing residues prior to sourcing to determine eligibility of exemption per the EU RED Article 29 (1) through an onsite audit. Record of feedstock is kept and verified with DDS for compliancy of other sustainability and legal requirements.
Inspection/audit includes:
1) visual inspection of the site (for location of storage, and storage segregation for non-compliance materials) 2) plantation inspection of the feedstock used by the supplier
3) document audit of the supplier and alignment with the delivered document
4) visual inspection of delivered feedstock (color, contamination, particle size)
5) verification of documents with third-party (DDS)
6) Instrumental test of feedstock (for moisture and weight)

Feedstock inspection and classification upon receipt

The company inspect all deliveries of feedstock to ensure high quality of feedstock and legal ownership of feedstock. These inspection records are kept at the company's site. Failure to comply to the company's standards will result in a rejection of delivery and consistent violation will result in a termination of supplier contract. The relevant inspected documents include:
- weight slips
- quality inspection slip
- moisture records
- invoices alignment with weight slips and mass balance

Supplier audit for processing residues and post-consumer feedstock

An annual audit is done for all suppliers as well as a training on updated sustainability requirements from the company to all its suppliers. A written statement of understanding is signed between the supplier and the company to outline the standard requirements of feedstock delivery and processing that the supplier must uphold. Upon receipt of the feedstock, additional inspection is done for all deliveries to ensure that the supplier adheres to the signed statement. The company also requires the supplier to keep track of the sources of feedstock as the company verifies the legal ownership of the sources prior to allowing deliveries.

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Not Applicable (RED II TOF not included)

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).