Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of AN VIET PHAT ENERGY JOINT STOCK COMPANY

First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 2.1 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

Version 2.0	**Published 10 August 2023**
Version 2.1	Published 21 May 2025

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Ai Pham Thi Ngoc
Audit team members:	ERROR: Works only for SBR or PSR form. Please alter the function by adding more tables, or by dynamic sql
Name of the Company:	AN VIET PHAT ENERGY JOINT STOCK COMPANY
Company legal address:	Ho Nai 3 Industrial Cluster, Ho Nai Ward, Dong Nai City, Viet Nam
Company contact for SBP:	Thi Thanh Tam Bui
Company contact email:	Jessica@anvietenergy.com
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-13-51
Date of certificate issue:	16 Oct 2025
Date of certificate expiry:	15 Oct 2030
Audit closing meeting date:	04 Aug 2026
Audit cycle:	First Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kersti Kuum
Date of decision:	19 Aug 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 9473	NC Grading: Minor
Standard:	SBP Standard 5: Collection and Communication of Data v2.0
Requirement:	2.4 The Organisation shall complete an SBP Report on Energy and Carbon for SuppliedBiomass (SREG) (when the transport scheme is changed during its validity period dueto unforeseen reasons such as new load port, new distribution port) for supplied biomassfor inland transport' when it supplies biomass using inland transport outside the scopeof a Downstream Transport Route ID (DTR) or when it supplies biomass by sea transportand the relevant data is not included in the SAR. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
During the audit period, the company has transferred purchased and sold SBP certified biomass via DTS. However, they didn't make SREG report and attached into DTS transaction to the client when it supplies biomass using inland transport outside the scope of a Downstream Transport Route ID (DTR) or when it supplies biomass by sea transport and the relevant data is not included in the SAR. Therefore, minor NCR 2026-005878 raised.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

Processing residues originated from small forest owners in Thanh Hoa, Nghe An, Ha Tinh, Quang Tri, Da Nang, and Dak Lak provinces.

During this audit, the auditor visited some small forest owners in Thanh Hoa and Nghe An provinces; the next audit will visit the other provinces.

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0; Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.1 -; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; SBP Standard 1: Feedstock Compliance v2.0; SBP Standard 2: Feedstock Verification v2.0
Product Group IDs	☐ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	Yes
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Viet Nam
SBP-endorsed Regional Risk Assessments used: **Public link:** **https://sbp-cert.org/documents/standards-documents/risk-assessments/**	SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	Adding wood pellet from production Adding SBP standard 1 v2.0, SBP standard 2 v2.0

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

An Viet Phat Joint Stock Company was established in 2014, specializing in producing wood pellets and trading in Vietnam. The main office and the pellet plant is located in Ho Nai 3 Industrial Cluster, Ho Nai Ward, Dong Nai City, Vietnam The company holds a valid FSC CoC certificate, SGSHK-COC-370077, and a PEFC CoC certificate, SGSCH-PEFC-COC-370021 To ensure traceability and material accounting, the Organization applies a Mass Balance system. Non-SBP-certified material may also be purchased, and in such cases, physical separation and control measures are applied throughout all stages of production and storage. The Organization has implemented the SBP EU RED Framework and applies requirements in accordance with the REDIII Directive. A Level B risk assessment is conducted based on the SBP REDIII Level A Risk Assessment for Vietnam Forest v1.0 Draft. Identified risks are addressed through defined control measures and ongoing monitoring. Pellets are transported by truck to Thanh Phuoc port, loaded directly onto vessels under FOB Incoterms. At the audit time, AVP managed 3 warehouses which are located: 1. Thanh Phuoc Warehouse - Plot No.382, map sheet no.3, Cay Cham quarter, Tan Khanh ward, Ho Chi Minh City, Viet Nam; 2. Binh Dinh warehouse - Lot AI-4, AI-5, Long My IP, Quy Nhon Tay ward, Gia Lai province, Viet Nam; 3. Cat Lan warehouse - Can Lan Shipbuilding industrial cluster, Can Lan industrial park, Bai Chay ward, Quang Ninh province, Viet Nam.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
An Viet Phat (AVP)	Ho Nai 3 Industrial Cluster, Ho Nai 3 Commune, Trang Bom District, Dong Nai Province, Vietnam.	Processor	☒
Thanh Phuoc Warehouse	Plot No.382, map sheet no.3, Cay Cham quarter, Tan Khanh ward, Ho Chi Minh City, Viet Nam	warehouse	☒
Binh Dinh warehouse	Lot AI-4, AI-5, Long My IP, Quy Nhon Tay ward, Gia Lai province, Viet Nam	warehouse	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The Organization is an FSC CoC-certified organization (SGSHK-COC-370077) BP purchases processing residues (shavings, sawdust) from sawmill/furniture factories within its defined supply base. - The Chain of Custody system is based on the mass balance method with a three-month balancing period. One Product Groups have been defined: 40. - The CoC system therefore relies exclusively on SBP requirements to ensure traceability and integrity of sustainability claims - The BP works with SBP-compliant biomass claims: 40 SBP-compliant. The BP will have an additional account for SBP-controlled biomass claims if required: 40 SBP-controlled. - There are three storage in scope, as the organization sells FOB at port facilities, operates strictly on a purchase-order basis, and maintains segregation throughout storage and dispatch.

4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the Biomass Producer's management system can ensure that all requirements of the specified SBP Standards Version 2.0, as well as the EU RED, Japan ID are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of CoC system critical control points and DDS;
- Interviews with responsible staff;
- Review of the records and calculations;
- Primary energy and carbon data collection evaluation.
- Evaluate SBVs, RMMs (using SBP-RED-AS-VN-FOR_v1.1)

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Ai Pham Thi Ngoc	6.0
2. On-site (excl. travel time)	Ai Pham Thi Ngoc	8.0
3. Report writing	Ai Pham Thi Ngoc	4.0
4. Other	Ai Pham Thi Ngoc	8.0
1. Preparation	Ho Van Cu	2.0
2. On-site (excl. travel time)	Ho Van Cu	20.0
3. Report writing	Ho Van Cu	4.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Van Cu Ho	Audit team member	Cu started to work with Preferred by Nature in August 2019. He has 24 years of experience in the forestry sector in Vietnam and has acted as an FSC FM/CoC auditor in many countries including Vietnam, Laos, Cambodia, Thailand, Malaysia, Indonesia and China. He holds a PhD in Forestry and – before joining Preferred by Nature – worked as a Lecturer at University of Agriculture and Forestry, Ho Chi Minh city, Vietnam
Ai Pham Thi Ngoc	Audit team leader	Ai holds a Master of Arts in Development Economics and Bachelor's degree of Engineer Petrochemical and Organic Technology. Ai has qualified as the auditor for FSC CoC, SBP and has years of experience in wood pellet industry.

5.3 Description of evaluation activities

The audit was conducted on-site on 06-07-08 July and 04 August 2026. It was focused on management system evaluation: a division of the responsibilities, record keeping, input material classification (reception and registration), analysis of the existing certification management systems and CoC critical control points, energy and carbon data collection, and communication.

During the opening meeting on 06 July 2026, the audit team was introduced, the certification scope was clarified, information about the audit plan, methodology, auditor qualification, confidentiality issues, assessment

methodology, and other applicable Preferred by Nature policies and procedures was provided.
Later that day, during interviews and documentation review, all applicable requirements of the SBP and CoC standards were evaluated. During the process, the person overall responsible for the SBP system and other responsible staff were interviewed. The pellet mill facilities were visited, and observations, as well as additional interviews and document verifications, were made. SAR, Japan ID and EU RED were also verified.
On 06, 07&08 July 2026, storages facilities, processing residue suppliers, small forest owners were visited and conducted a stakeholder consultation to:
- Evaluation of compliance of feedstock with the supply base and declared characteristics,
- Evaluation of compliance with the EU RED Level B Management system.
- During supplier evaluation, the implementation of control measures by BP within the CoC system was evaluated.
On the 04 August 2026, the auditor continued to review the documents. At the end of the audit, the findings were summarized, and preliminary audit conclusions based on the use of triangle evaluation method were provided to the BP's management and SBP responsible person.

5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
PR1
Site location
Dong Nai City
Site description
Wood Processing & Sawmill
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.
Description of audit activity
It is a main supplier of Shavings and Sawdust. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
PR2
Site location
Dong Nai City
Site description
Wood Processing & Furniture and Plywood Manufacturer
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.

Description of audit activity
It is a main supplier of Shavings and sawdust. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
MU01
Site location
Thanh Hoa
Site description
Post havesting site - Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
MU02
Site location
Nghe An
Site description
Post harvesting site - Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
MU03
Site location
Nghe An
Site description
Post havesting site - Acacia plantation
Rationale and focus of visit

Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
MU04
Site location
Thanh Hoa
Site description
Post harvesting site - Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
PR3
Site location
Ho Chi Minh City
Site description
Wood Processing & Sawmill
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.
Description of audit activity
It is a main supplier of Shavings and Sawdust. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
MU05
Site location
Thanh Hoa Province
Site description
Post havesting site - Acacia plantation

Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
MU06
Site location
Nghe An Province
Site description
Post harvesting site - Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

5.5 Describe audit sampling methodology used

When preparing for the first surveillance and during on-site work, sampling has been implemented based on the following criteria: - full review of procedures; - full review of training records; - sample review of information related to suppliers; - a review of SAR, SBR, Master datasheet, invoices; - purchases and sales transactions confirmed that the system is effectively implemented for the current scope of activities. - interviews with staff to evaluate the theoretical and practical experience of implementation. - reviewing the SBR, RA, SBVs, RMMs, and samples, which were focused on specified risks and management system implementation issues. On-site evaluation for processing residues feedstock: Based on the list of suppliers, which included 3 suppliers, two were wood processing factories, and one was a trader who purchased from five processing residue suppliers. In total, there were 7 wood processing residue suppliers. Three were randomly selected for site visits [applied formula sqrt(7)=3]. During on-site evaluation, the auditor also randomly visited 6 small forest owner sites that supplied logs to each of the three processing factories. Those sites were selected for logistical reasons and to ensure a representative sample. The risk identified for the provinces within Vietnam is homogeneity.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

> *Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.*

5.7 Stakeholder feedback and response

☐ N/A – Certification Body stakeholder consultation not applicable for this evaluation

The results of the interviews showed that:
- The households in the area were granted land use right certificates
- The land area was planned and used for production of forest plantations
- There has been no conversion from natural forest to plantation forest since 2008
- Forest fires occurred on a small scale and were promptly handled
- There were no serious erosion or landslides recorded in the area

5.8 Main strengths and weaknesses of the management system and operations

Strengths: With the support of an external consultant from Biomass Consult in SBP, AVP managed a small group of people who will work with SBP-related activities, and the responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization.

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

- BP's SBE is based on SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim - Risk assessment conclusion resulted in 15 specified risk indicators for small forest owners; BP referred to SBVs and established adequate RMMs for each indicator to reduce risk to a low level (excluded 2.2.7 and 2.2.8 indicators beacuse rubber tree is not used)
- Applicable Vietnamese laws were referred to, such as Forestry Law No. 16/2017/QH14, Land Law No. 31/2024/QH15, Labor Code No. 45/2019/QH14, Decree 156/2018/ND-CP, Circular 13/2023/TT-BNNPTNT, etc.
- Stakeholders were identified for the relevant specified risk indicators within BP's SEP

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

- The Organization maintains a structured system for supplier verification and monitoring. Supplier inspections, document reviews, and cross-checks with the local authorities are applied consistently. Records of weight, moisture, and quality are maintained for each delivery, with verification against invoices and mass balance documentation.
- Supplier audits are conducted annually, and signed statements of understanding formalize sustainability obligations. During the assessment, inspection records, audit documentation, and supplier files were reviewed.
- Visits to suppliers of processing residues confirmed that controls are implemented in practice and that feedstock characteristics are correctly classified and recorded at receipt.
- The system was found to function effectively, and no gaps were identified during the assessment.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

- BP implemented mass balance module in which input feedstock data and output biomass are kept track and equivalent. Positive balance are bring toward the next reporting period. COC system is utilized mass balance, in which CCP is controlled from weighbridge point to biomass storage. Identification signboards in place.
- Clear procedures covering requirements version 2.0 in SBP handbook, training records, internal records, purchase and sale invoices are kept and matched with the annual volume summary,
- Business integrity is documented, RED commitment is signed by Senior management, and no subcontracting activity.

- SEP is established and implemented

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

The Organization compiles data on energy use, feedstocks, and transport through contributions from different departments, which are consolidated and summarized in the SAR by the responsible persons. Most values are based on actual data. In addition, certain average values were derived from sample measurements. The estimations and averages were supported by documented justification and aligned with operational records. The data set was found to be consistent and adequate to ensure reliable reporting in accordance with ID 5E.

5.13 Summary of audit findings for competency of involved personnel

The Organization has a documented management system reflected in set of documented procedures related to certification. Assigned personnel are in charge of the management system implementation and maintenance. A good awareness of the requirements was shown during interview and documentation review.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☐ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

- BP's SBE is based on SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim - Risk assessment conclusion resulted in 13 specified risk indicators for small forest owners; BP referred to SBVs and established adequate
- RMMs for each indicator to reduce risk to a low level.
- For the indicator related to maintaining soil quality and biodiversity, the Organization implemented risk assessment and mitigation at the forest-sourcing area level (Level B).
- Applicable Vietnamese laws were referred to, such as Forestry Law No. 16/2017/QH14, Land Law No. 31/2024/QH15, Labor Code No. 45/2019/QH14, Decree 156/2018/ND-CP, Circular 13/2023/TT-BNNPTNT.
- Stakeholders were identified for the specified risk indicators relevant to BP's SEP.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Specified risk description
Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal for some aspects is still inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all 03 sub-scopes. Specific risks are detailed in the following indicators.
Detailed description of a mitigation measure
• Verification of the business registration certificate for the sawmill. • Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner. • Stakeholder consultation on land boundary disputes • Factory gate weighbridge ticket.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor analyzed a sample of entries received in the reporting period included Packing list (Bảng kê lâm sản in Vietnamese) purchase documents, delivery notes invoices, origin information in comply with all existing applicable laws and regulations,

copy of Land Use Rights Certificated (LURC) of suppliers (small forest owner) 2. Field visits were conducted to verify on-site and consultation with local authority and forest protection dept (FPD) 3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
1.1.2 Legal ownership of land and resource use rights shall be respected.
Specified risk description
The supply of timber raw materials in Vietnam is mainly from production forests, of which the majority of production forests have been allocated to households for management. However, with a large number of small forest owners (>1 million), the issuance of land use right certificates has yet to be fully implemented, so this indicator is considered a definite risk for small forest owners.
Detailed description of a mitigation measure
• Verification of the business registration certificate for the sawmill. • Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner. • Stakeholder consultation.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The audit team analyzed a sample of entries received in the reporting period included Packing list (Bảng kê lâm sản in Vietnamese) purchase documents, delivery notes invoices, origin information in comply with all existing applicable laws and regulations. 2. Field visits were conducted to verify onsite 3. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
1.1.3 Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Specified risk description
Refer SBP-RRA-AS-VN-FOR v1.0 Vietnam's forestry regulations mandate traceability and legality under Circular No. 26/2022/TT-BNNPTNT and Decree No. 102/2020/ND-CP (VNTLAS). Forest

owners or authorized individuals must prepare packing lists for harvested, transported, or exported forest products. VNTLAS outlines criteria for managing timber legality, import/export regulations, and origin tracing. Compliance with CITES and EUTR is required for endangered species, as specified in Decree No. 84/2021/ND-CP. https://thuvienphapluat.vn/van-ban/Tai-nguyen-Moi-truong/Circular-28-2018-TT-BNNPTNT-sustainable-forest-management-431327.aspx?tab=1 - Circular No. 26/2022/TT-B NNPTNT, dated 30/12/2022 on management and tracing of forest products. - Vietnam's forest management system is overseen by the Ministry of Agriculture and Rural Development (MARD), with provincial and district-level departments handling local governance. Specified risk for the small forest owner

Detailed description of a mitigation measure

- Stakeholder consultation
- Factory gate weighbridge ticket
- Verify the forest product packing list
- Procurement of tree species not from CITES list.

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Field visits were conducted to verify on-site and consultation with local authority and forest protection dept (FPD) to confirm that the BP legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
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.
Specified risk description
Although Vietnam has adequate legal regulations and effective mechanisms for managing forest and wetland land use, from 2006 to 2014, the conversion of depleted natural forests into plantation forests took place on a large scale legally. There are still sporadic illegal forest conversions to date. The loss of mangrove forests and peatlands has also occurred significantly. Therefore, this indicator is assessed as a specified risk.
Detailed description of a mitigation measure
• Check if there was the land use right certificate issued before 2008. In this case, check the land use purpose; • Interviewed competent authorities and landowners across all sourcing areas.
Detailed description of CB evaluation of mitigation measure and its conclusions

1. During interview with local authority they confirmed that the area was allocated for plantation since 2000, map of supply base area are available for cross-check,then mitigation is accepted.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced
Specified risk description
Although Vietnam has regulations to limit the negative impacts of forestry production activities, implementing sustainable forest management plans is optional for all forest owners. The short forest planting rotation and the widespread burning of vegetation can negatively impact soil quality. Therefore, this indicator is assessed as a specified risk.
Detailed description of a mitigation measure
• Traceability Document Review: Verify traceability documents including Forest Product Packing Lists and Land Use Rights Certificates - LURCs to trace the origin of the roundwood back to the specific forest level. • Supplier Training: Conduct training for sawmills on sustainable soil management practices, and require them to disseminate these instructions to their roundwood suppliers. • Field Verification : Conduct field assessments to check for the absence of widespread burning of vegetation and verify the retention of harvest residues on-site after harvesting.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with local authority and forest protection dept (FPD) and direct interview farmers about soil quality management, the auditor advise that the farmer applied technic of maintenance and actively enhances soil quality by: - Implement conservation tillage and cover cropping - Use integrated nutrient management (organic + inorganic) - Avoid practices that lead to erosion. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope

Small forest owner
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.
Specified risk description
Although Vietnam has a Forestry Law regulating permitted or prohibited forestry activities and regulations on sustainable forest management, there are no effective legal regulations specifically for the treatment of post-harvest residues and the situation of uncontrolled burning of vegetation after harvesting is still ordinary, so this index is assessed as a definite risk.
Detailed description of a mitigation measure
• Traceability Document Review: Verify traceability documents including Forest Product Packing Lists and Land Use Rights Certificates - LURCs to trace the origin of the roundwood back to the specific forest level. • Supplier Training: Conduct training for sawmills on the environmental protection measures outlined in Circular 13/2023/TT-BNNPTNT, and require them to disseminate these guidelines to their roundwood suppliers. This encourages them to voluntarily assess and minimize negative environmental impacts during forestry activities. • Field Verification : Conduct field assessments to check for the absence of widespread burning of vegetation and verify the retention of harvest residues on-site after harvesting.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with the local authority and the forest protection dept (FPD) and direct interviews with farmers about quality and quantity of groundwater, surface water, and water downstream shall be maintained or enhanced, the auditor recognized that to avoid harvesting of stumps and roots: No remove stumps and roots for acacia plantaion, 2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Specified risk description
Vietnam has complete regulations to protect water resources in general and the forestry sector. In general, forestry activities have little impact on water resources. However, afforestation encroaching into protected areas along stream buffer zone is still quite common in forests managed by smallholders. Therefore, this indicator is considered a specified risk for smallholder.

Detailed description of a mitigation measure
• Stakeholder Consultation • Supplier Training: Water Resource Protection (Stream Buffer Zones). • Field Verification: Inspect for the presence of streams and rivers, and confirm the retention of appropriately sized, unharvested buffer zones.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with the local authority and the forest protection dept (FPD) and direct interviews with farmers about quality and quantity of groundwater, surface water, and water downstream shall be maintained or enhanced, the auditor recognized that: - The forest owner understands and follows the water management guidelines provided by local authorities, FPD - Site surveys show that river corridors are protected. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
2.2.11 The impacts of natural processes such as fires, pests and diseases shall be managed.
Specified risk description
Referred SBP-RRA-AS-VN-FOR v1.0, Forest fire and pest management in the forestry sector is implemented by the 2017 Forestry Law and related legal regulations. Vietnam's online forest fire monitoring system (referred to as FireWatch Vietnam) has also been established, which is an automatic system for early detection of fire spots (hotspots) throughout Vietnam from MODIS and AVHRR image data on TERRA, AQUA satellites and NOAA satellites regularly collected at the TeraScan receiving station located at the Forest Protection Department. Refer SBP-RRA-AS-VN-FOR v1.0 Result: Specified risk for the state organization and the small forest owner
Detailed description of a mitigation measure
• Supplier Training: Provide training to secondary suppliers on safe fire management and pest control techniques, requiring them to disseminate these guidelines to their roundwood suppliers. • Field Verification: Conduct field assessments to verify safe burning practices, confirm the presence of firebreaks (where applicable), and inspect for evidence of severe pest outbreaks that indicate poor management.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. On-site visit and stakeholder consultation with local communities and authorities to

confirm that fires, pests and diseases at plantations are well managed by small forest owners with strong final support from local authority and BP.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
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.
Specified risk description
Vietnamese law has policies and regulations on vocational training and education for small and mediumsized enterprises in all production sectors. Training facilities in the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance for enterprise workers has yet to be fully implemented. For small forest owners, production activities are mainly based on practical experience without training. Therefore, this indicator is assessed as a specified risk.
Detailed description of a mitigation measure
• Training of Direct Suppliers: The BP conducts annual training sessions for sawmill management and representatives covering SBP standard requirements, with a strong focus on technical guidelines and Occupational Health and Safety (OH&S). • Cascade Training Requirements: Through supplier agreements, the BP requires all supplying sawmills to conduct regular safety and technical training for their own enterprise workers. Furthermore, sawmills are required to act as an intermediary to disseminate these requirements to their roundwood suppliers.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviews training records at the company's office and interviews forest owners in the field, while also consulting with local authorities to confirm that relevant personnel have received adequate training on SBP standards. 2. Mitigation measures are assessed as sufficient to ensure that incoming feedstock is received at a low-risk level.

Country
Viet Nam
Area/Sub-Scope
Small forest owner

Indicator
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.
Specified risk description
According to SBP-RRA-AS-VN-FOR v1.0 and national statistics (2023), forestry is not among the sectors with the most serious fatal occupational accidents in Vietnam. However, the wood processing industry still faces significant challenges in labor compliance. Most enterprises operate with outdated machinery, low technology, and a workforce that includes a high proportion of seasonal workers (40–45%). Despite having around 4,500 enterprises and 500,000 workers, compliance with occupational safety and labor regulations remains limited. In particular, small and micro enterprises (approximately 93%) often use outdated equipment, leading to inadequate control of occupational hazards such as dust, noise, and slipping risks, which increases the likelihood of workplace accidents and occupational diseases. Specified risk for the state organization and the small forest owner
Detailed description of a mitigation measure
• Supplier Training: Conduct training for sawmills on the proper use of Personal Protective Equipment (PPE) safe machinery handling, and emergency response • Field Monitoring and Verification: Periodically inspect sawmills to verify whether personal protective equipment (PPE) is provided and used, and conduct brief interviews with workers to assess their safety awareness.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviews procedures of CH and staff interviews on-site to confirm that the relevant staff clearly understand of it. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
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.
Specified risk description
Regarding traditional customary ownership, the State always has a preferential policy for local communities and ethnic minorities in granting forest land use rights. The legal use rights according to traditional customs of local communities are also protected by the provisions of the Forestry Law and Circular 28/2018/TTBNNPTNT, Circular 13/2023/TT-BNNPTNT on sustainable forest management. Still, the identification of forests with significance in customs, practices and beliefs has only been well implemented by forest owners who are state organizations. For forest owners who are private organizations or small forest owners, the identification of forests with significance in customs, practices, and beliefs has yet to be fully implemented or has only stopped at the identification stage without solutions to ensure respect for traditional use rights. Thus, this indicator

is assessed as low risk for state organizations and specified risk for private organizations and small forest owners.
Detailed description of a mitigation measure
• Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner • The company maintains a publicly accessible grievance mechanism (via website, hotlines, or local community channels) allowing local communities, ethnic minorities, or stakeholders to report any land disputes or violations of traditional rights related to the company's supply chain. • Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify that smallholders' forestry activities respect traditional customary rights and that no unresolved land tenure disputes exist.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Interviews small forest owners, local people on-site as well as local authorities, to confirm that no adverse impacts occurred. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
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.
Specified risk description
Although Vietnam has regulations related to the mechanism for resolving complaints and disputes over forest ownership and use rights, implementing those regulations and mechanisms is still inadequate and ineffective, so this indicator is considered a specified risk for all sub-scope groups
Detailed description of a mitigation measure
• Grievance Mechanism: The company establishes and maintains a documented, publicly accessible Grievance Mechanism (e.g., via company website, public hotlines, or email). This mechanism allows any stakeholder to raise complaints or disputes regarding land tenure, forest ownership, and use rights related to the BP’s supply base. All received grievances are recorded, investigated, and responded to systematically. • Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify the absence of ongoing,

unresolved tenure disputes in the harvesting areas supplying the sawmills
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviewed LURC and confirmed that tenure and use rights of the forest and other land management practices have been officially indicated in LURC 2. Interviewed farmers and local people on-site, as well as local authorities, to confirm that farmers in the region have granted LURC. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
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.
Specified risk description
Community and stakeholder consultations on forestry plans and planning have been carried out at the national level. However, at the implementation level, community and stakeholder consultations on forest management plans and exploitation plans of forest owners have only been thoughtfully implemented by forest owners who are state organizations. Forest owners who are private organizations and small forest owners often do not fully consult with the community when implementing sustainable forest management plans and do not notify the exploitation plan and forest product inventory to the Forest Protection Department. Therefore, this indicator is considered a defined risk for forest owners who are private organizations and small forest owners.
Detailed description of a mitigation measure
Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify that the harvesting activities of the supplying forest owners did not negatively impact local communities.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Interviews farmers, local people on-site as well as local authorities to confirm that farmers in the region have granted LURC. 2. FPIC has been in practice for the CH in any proposed and planned activities. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk.