



# Compliance with the SBP Framework: Public Summary Report

Control Union Certifications BV  
Evaluation of Rainbow Pellet Sdn Bhd  
Second Surveillance Audit

Sustainable Biomass Program  
[sbp-cert.org](http://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](http://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

|                                      |                                                                                                           |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>Certification Body (CB) Name:</b> | Control Union Certifications BV                                                                           |
| <b>Primary CB contact for SBP:</b>   | Lukasz Dabrowski                                                                                          |
| <b>Primary CB contact email:</b>     | ldabrowski@controlunion.com                                                                               |
| <b>Audit team leader:</b>            | Ferly Cynte Lanan                                                                                         |
| <b>Audit team members:</b>           | ERROR: Works only for SBR or PSR form. Please alter the function by adding more tables, or by dynamic sql |
| <b>Name of the Company:</b>          | Rainbow Pellet Sdn Bhd                                                                                    |
| <b>Company legal address:</b>        | Lot 22, Kawasan Perindustrian Kechau Tui, 27100, Daerah Lipis, Pahang, Malaysia                           |
| <b>Company contact for SBP:</b>      | David Wong                                                                                                |
| <b>Company contact email:</b>        | shipping@rainbowpellet.com                                                                                |
| <b>Company website:</b>              | <a href="https://www.rainbowpellet.com">https://www.rainbowpellet.com</a>                                 |
| <b>Date of installation:</b>         |                                                                                                           |
| <b>SBP Certificate Code:</b>         | SBP-06-40                                                                                                 |
| <b>Date of certificate issue:</b>    | 16 Mar 2025                                                                                               |
| <b>Date of certificate expiry:</b>   | 15 Mar 2030                                                                                               |
| <b>Audit closing meeting date:</b>   | 10 Jul 2026                                                                                               |
| <b>Audit cycle:</b>                  | Second 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:

|                                                        |                        |
|--------------------------------------------------------|------------------------|
| <b>Certification decision:</b>                         | Certification approved |
| <b>Certification decision by (name of the person):</b> | Bruna Scarparo         |
| <b>Date of decision:</b>                               | 25 Aug 2026            |
| <b>Other comments:</b>                                 | N/A                    |

### 2.2 Open non-conformities and observations

## 2.2 Closed non-conformities

| NC number 9474 copied from 7372 NC Grading: Minor                                                                                                                                                                                    |                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Standard:</b>                                                                                                                                                                                                                     | SBP Standard 4: Chain of Custody v2.0                                                                                                                                                                                     |
| <b>Requirement:</b>                                                                                                                                                                                                                  | 1.24 The Organisation shall maintain an up-to-date self-assessment covering the implementation of 1.21, 1.22 and 1.23.<br><br>N/A<br>N/A                                                                                  |
| <b>Description of Non-conformance and Related Evidence:</b>                                                                                                                                                                          |                                                                                                                                                                                                                           |
| The organisation has conducted the internal audit which they access on the implementation 1.21, 1.22 and 1.23. However, upon verified the internal audit did not clearly mention compliance assessed mentioning 1.21, 1.22 and 1.23. |                                                                                                                                                                                                                           |
| <b>Timeline for Conformance:</b>                                                                                                                                                                                                     | By the next surveillance audit, but no later than 12 months from report finalisation date                                                                                                                                 |
| <b>Evidence Provided by Company to close NC:</b>                                                                                                                                                                                     | 1. Revised Internal Audit Records (SBP) – Document No. FRC-004a Rev. 01. 2. Updated self-assessment records demonstrating explicit assessment of applicable SBP Standard 4 requirements. 3. Management Review             |
| <b>Findings for Evaluation of Evidence:</b>                                                                                                                                                                                          | The organisation has conduct internal audit which covered all applicable requirement within their scope certificate. The organisation has conduct self-assessment and record of self-assessment covered 1.21, 1.22, 1.23. |
| <b>NC Status:</b>                                                                                                                                                                                                                    | Closed                                                                                                                                                                                                                    |

| NC number 9475 copied from 7373 NC Grading: Minor                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Standard:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | SBP Standard 2: Feedstock Verification v2.0                                                                                                                                                                                                                                                                                                                                   |
| <b>Requirement:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 8.1 Before finalising its SBE or when the Organisation updates its SBE, the Organisation shall engage with its stakeholders, with the specific intention of seeking feedback on its SBE, including its: a. Supply Base Verifiers, b. Risk Assessment and risk ratings, and c. the Risk Management Plan, Risk Management Measures and Means of Verification.<br><br>N/A<br>N/A |
| <b>Description of Non-conformance and Related Evidence:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                               |
| The organisation has submitted updates their SBE in their SBR. The organisation has establish stakeholder engagement plan where they consult relevant stakeholder. The organisation has publish their SBR on their website. However, there is not evidence of information the stakeholder regarding request to seeking feedback on their SBE. upon checking their email communication, the email communication only highlighted using form which focus on improving their sustainability practices and not on feedback on SBE. |                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Timeline for Conformance:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | By the next surveillance audit, but no later than 12 months from report finalisation date                                                                                                                                                                                                                                                                                     |
| <b>Evidence Provided by Company to close NC:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1. Stakeholders' Consultation Inputs Report (Reporting Year 2026). 2. General Stakeholder Consultation Email dated 15 June 2026. 3. SBE Feedback Request                                                                                                                                                                                                                      |

|                                             |                                                                                                             |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|                                             | Email dated 3 July 2026.                                                                                    |
| <b>Findings for Evaluation of Evidence:</b> | The organisation has keep record where the stakeholder consultation has focus more on feedback for the SBE. |
| <b>NC Status:</b>                           | Closed                                                                                                      |

### 2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

### 2.4 Notes for the next Audit

N/A

### 3 Scope of the audit and SBP certificate

| Scope item                                                                                                                                                              | Check all that apply to the Certificate scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Primary activity                                                                                                                                                        | Biomass Producer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Secondary activity                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Approved Standards                                                                                                                                                      | 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 EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.2 |
| Product Group IDs                                                                                                                                                       | <input checked="" type="checkbox"/> Forest feedstock (1A)<br><input type="checkbox"/> Trees outside forest (TOF) - Urban and landscape feedstock (2A)<br><input type="checkbox"/> Trees outside forest (TOF) - Agricultural land feedstock (3A)<br><input checked="" type="checkbox"/> Processing residues feedstock (4A)<br><input type="checkbox"/> Post-consumer feedstock (5A)<br><input type="checkbox"/> Other (please specify)                                                                             |
| SBP Feedstock types                                                                                                                                                     | <input checked="" type="checkbox"/> SBP Compliant; <input type="checkbox"/> 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):                                                                                                                                           | Malaysia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| SBP-endorsed Regional Risk Assessments used:                                                                                                                            | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Public link:<br><a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Chain of custody system                                                                                                                                                 | <input type="checkbox"/> Physical separation<br><input checked="" type="checkbox"/> Mass balance                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Outsourcing                                                                                                                                                             | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Changes in the scope                                                                                                                                                    | Extend their supply base to another state, Terengganu in Malaysia and adding ID Japan                                                                                                                                                                                                                                                                                                                                                                                                                             |

### 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.*

Rainbow Pellet Sdn Bhd (1205730-D), established in 2016, is presently one of the largest wood pellet manufacturers in Malaysia, with a yearly design capacity of 200,000 MT. Its main office is situated at Kuala Lumpur, Malaysia, serving as the administrative hub. The biomass production facility is located at Lot 22, Kawasan Perindustrian Kechai Tui, Daerah Lipis, Pahang, Malaysia. Additionally, a temporary storage facility is located at the North Port, Klang, to store the pellets before final loading. Rainbow Pellet manufactures wood pellets, using primary feedstock sourced from rubber plantations, as well as secondary feedstock such as sawdust, wood shavings, and wood slabs. All feedstock purchased for SBP claims is either obtained through the PEFC-certified Chain of Custody (COC) system, using 100% PEFC-certified and PEFC Controlled Sources inputs, or through the company's SBE covering non-certified plantations in Pahang state. The company maintains parallel production of SBP-compliant and non-compliant materials, ensuring traceability through physical separation across the manufacturing process.

### 3.2 Site details

| Legal entity name      | Address                                                                                      | Site Activity                       | Visited during the audit            |
|------------------------|----------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Rainbow Pellet Sdn Bhd | A23- 6, The Met Corporate Towers, No. 20, Jalan Dutamas 2, 50480 Kuala Lumpur                | Adminstration                       | <input checked="" type="checkbox"/> |
| Rainbow Pellet Sdn Bhd | Lot 22, Kawasan Perindustrian Kechau Tui, 27100 Padang Tengku, Pahang Darul Makmur, Malaysia | Factory/Wood pellet Production site | <input checked="" type="checkbox"/> |
| Port Klang             | Port Klang, 42000 Klang, Malaysia                                                            | Temporary wood pellet storage       | <input checked="" type="checkbox"/> |

### 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.*

Rainbow Pellet Sdn. Bhd. holds valid PEFC COC certification (CU-PEFC-COC-865581 valid till 20.08.2029) for the production of wood pellets. As per the procedures, all wood can be tracked from the purchase records to the final bill of sale. The production under SBP claims is limited to: - Feedstock received with an SBP approved Chain of Custody (CoC) System claim (100% PEFC Certified), - Feedstock received with an SBP approved Controlled Feedstock System claim (PEFC Controlled Sources) - SBP-compliant feedstock through SBE from the non-certified rubber smallholder plantations located in the Pahang District, Malaysia. The company conducts batch production of certified, SBE compliant, and non-certified material with traceability assured through physical separation across the manufacturing process. Separate storage areas are assigned for non-certified, certified and SBP compliant feedstock. SBE compliant and certified SBP wood pellets are produced batch wise, where the entire production line is producing certified material at a time to avoid the possibility of any contamination. A database is used to gather and control information related to the feedstock, such as supplier name, weighbridge tickets, incoming delivery



documents, type of feedstock, certification and associated claim, and removal passes related to the incoming material providing traceability to the origin. Rainbow Pellet has appropriate control mechanisms to calculate output volumes and claims and trademark/logo approval. Additionally, Rainbow Pellet conducts an annual management review of the commitments, programs, and procedures to evaluate the overall effectiveness of the SBP management system. The SBP claim is to be stated on the sales invoices and recorded in the DTS. SBP sales invoice was made available during the audit process to demonstrate competence with the use.

## 4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP requirements are implemented across the entire scope of certification.

## 5 Evaluation process

### 5.1 Timing and duration of evaluation activities

| Audit Level of Effort (LoE)    |                   |               |
|--------------------------------|-------------------|---------------|
| Activity                       | Auditors          | Auditor hours |
| 1. Preparation                 | Ferly Cynte Lanan | 8.0           |
| 2. On-site (excl. travel time) | Ferly Cynte Lanan | 40.0          |
| 3. Report writing              | Ferly Cynte Lanan | 16.0          |

### 5.2 Auditor team qualification

| Auditor qualification |         |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditor name          | Role    | Qualification                                                                                                                                                                                                                                                                                                                                                                                   |
| Ferly Cynte Lanan     | Auditor | CUC approved FSC chain of custody and GGL lead auditor with 6 years of working experience. Having professional background in Forest Management, HCV Assessment and Social Impact Assessment with a B.Sc (Honours) in Conservation Biology and having successfully completed FSC, PEFC COC, MTCS SFM, FSC FM, SBP, ISO 14001 Lead Auditor Training. Passed the SBP exam version 2 on 24.09.2024. |

### 5.3 Description of evaluation activities

During this meeting, the auditor outlined the audit scope and methodology to be employed. Subsequently, all relevant requirements specified in the applicable SBP standard(s) were scrutinized for compliance using a report template and checklists. The audit process culminated in the completion of an audit report and a discussion of the audit findings. Throughout the audit, critical control points, including Receipt, Raw Material Storage, Input for Processing, Processing, and Final Pellet Storage, were assessed and found to be effectively managed. Additionally, SBE compliance was evaluated through a combination of documentary evidence and site visits to sampled smallholder rubber lands. The closing meeting was conducted on 10.07.2026.

### 5.4 List of forest management units and feedstock suppliers visited

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

| Site name          |
|--------------------|
| Fable Win Lot 1170 |
| Site location      |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pahang                                                                                                                                                            |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| FR MAJU LOT1203                                                                                                                                                   |
| <b>Site location</b>                                                                                                                                              |
| Kelantan                                                                                                                                                          |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| FR MAJU LOT1356                                                                                                                                                   |
| <b>Site location</b>                                                                                                                                              |
| Kelantan                                                                                                                                                          |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                     |
|---------------------|
| <b>Site name</b>    |
| HMH RECYCLE LOT1308 |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site location</b>                                                                                                                                              |
| Kelantan                                                                                                                                                          |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| HMH RECYCLE LOT2624                                                                                                                                               |
| <b>Site location</b>                                                                                                                                              |
| Pahang                                                                                                                                                            |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| HMH RECYCLE LOT2712                                                                                                                                               |
| <b>Site location</b>                                                                                                                                              |
| Kelantan                                                                                                                                                          |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                  |
|------------------|
| <b>Site name</b> |
|------------------|

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MU FIZ LOT1030                                                                                                                                                    |
| <b>Site location</b>                                                                                                                                              |
| Pahang                                                                                                                                                            |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| ZALAINI LOT1790                                                                                                                                                   |
| <b>Site location</b>                                                                                                                                              |
| Terengganu                                                                                                                                                        |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

|                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Site name</b>                                                                                                                                                  |
| ZALAINI LOT20561                                                                                                                                                  |
| <b>Site location</b>                                                                                                                                              |
| Pahang                                                                                                                                                            |
| <b>Site description</b>                                                                                                                                           |
| Rubber tree plantation by local community                                                                                                                         |
| <b>Rationale and focus of visit</b>                                                                                                                               |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| <b>Description of audit activity</b>                                                                                                                              |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

| Site name                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MU FIZ LOT1050                                                                                                                                                    |
| Site location                                                                                                                                                     |
| Pahang                                                                                                                                                            |
| Site description                                                                                                                                                  |
| Rubber tree plantation by local community                                                                                                                         |
| Rationale and focus of visit                                                                                                                                      |
| Assessed on compliance with standard 1. Assessed on compliance with standard 1. Active harvesting area was selected.                                              |
| Description of audit activity                                                                                                                                     |
| Verify the documents, interview with relevant person, and site observation (environment, HCV, soil, stump, operations, health and safety, worker condition, etc.) |

### 5.5 Describe audit sampling methodology used

All sites underwent thorough audits. As of the current date, there has been two (2) sale SBP conducted for the last assessment (July 2025 - June 2026). The audit process encompassed field visits, during which site observations were conducted, records were scrutinized, and interviews were held with both management and staff. Additionally, for the evaluation of smallholder rubber plantations, a sampling approach was applied. SBE site evaluation for certified and non-certified feedstock was conducted for 43 rubber smallholder lands. ( $Y=0.6 \times \text{SQRT}(43)$ ) and sawmills. 10 smallholder site was visited during this audit.

### 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

### 5.8 Main strengths and weaknesses of the management system and operations

Rainbow Pellets has maintain management system according to SBP standard requirement Furthermore, Rainbow Pellet's possession of a PEFC Chain of Custody system stands out as a significant strength in terms of their overall conformity with the applicable SBP standards.

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

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

The SBE management system was established by BP with the specific goal of sourcing rubberwood from non-certified smallholder plantations situated in the Pahang, Kelantan and Terengganu state.

The scope of this feedstock procurement pertains exclusively to agro-industrial plantations, encompassing 6,687.2 hectare of land registered under approximately 43 land titles/lots. All the feedstock is considered primary and can be traced back to the specific plantations.

It primarily consists of rubber tree stems and branches, which are clear-cut because they have reached the end of their latex-producing lifespan. The initial point in the supply chain for the Company begins with the logs/stems (along with branches) from aged and nonproductive rubberwood that have been felled, with the land prepared for replanting. Subsequently, a subcontractor is responsible for procuring and transporting the rubberwood to the Company's processing plant. The entire process, including chipping, drying, pyrolysis, and pelletizing, is carried out within the Company's processing facility. A Supply Base Evaluation has been conducted, and appropriate mitigation measures have been formulated to address specific risks. Biomass that complies with the risk mitigation procedures and exhibits a low risk profile is categorized as SBP-compliant primary feedstock biomass. In addition, Rainbow Pellet Sdn. Bhd. has established the level B risk assessment covering all EU RED requirements for the primary and secondary feedstock

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

☒ N/A – processing residues and/or post-consumer feedstock not used.

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

The organisation has maintained the management system according to the updated version on SBP.

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

The organization has established procedures in place. During the audit, the auditor conducted a thorough examination of GHG sources, tracing them from the feedstock input originating at the rubber plantations and primary and secondary processing units, through the production processes at the facility, transportation to the port, and storage and handling at the port. This examination also involved a review of the methods used to measure the input data. To substantiate the findings, on-site interviews were conducted with operations personnel. These interviews covered a wide range of topics, including an overview of facility operations, historical operations, any changes made to operations over time, the procedures and processes implemented to maintain the facility, and the procedures and processes used to ensure the quality of data related to GHG emissions.

#### **5.13 Summary of audit findings for competency of involved personnel**

The personnel in charge of overall responsibilities demonstrate a good understanding of the pellet mill operations and the essential aspects of wood sourcing. They receive support from an external consultant in the establishment and implementation of the SBE and SBP management system.

#### **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

The methodological approach employed within this SBE is based on risk assessment, aligned with legality and sustainability principles. Various sources of information were examined to evaluate these risks, including: □ Relevant legislation and non-legislation requirements. □ The Centralized National Risk Assessment for Malaysia, FSC-CNRA-MY V1-0, published by the Forest Stewardship Council (FSC). □ Reports from official organizations. □ National statistics from sources such as RISDA (Rubber Industry Smallholders Development Authority), Academic journals, Mass media reports, Company-specific data regarding rubberwood. The Risk Assessment yielded clear results, with no inconclusive indicators or 'unspecified risks' identified among feedstock suppliers and other stakeholders. Twenty specific risk indicators were identified and thoroughly assessed. A Supply Base Evaluation was conducted, and corresponding mitigating measures were developed to address these specified risks. Biomass that aligns with the risk mitigation procedures and exhibits low-risk characteristics is categorized as SBP-compliant primary feedstock biomass. In addition, Rainbow Pellet Sdn. Bhd. has established the level B risk assessment covering all EU RED requirements.

### 6.2 CB evaluation of specified risk indicators and mitigation measures

| Country                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Malaysia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Area/Sub-Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Specified risk description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| The Supply Base consists of independently managed smallholder rubber plantations in Pahang and Kelantan, established decades ago on land legally alienated for agricultural use. Although these plantations are not classified as natural forest, there is a credible risk that certain lots may adjoin areas of high conservation value (HCV) such as forest reserves, riparian ecosystems, or remnant wildlife habitats. Many smallholders lack formal awareness or capacity to identify such ecological features, and no regulatory mechanism exists in Malaysia requiring HCV screening on small-scale private land. Additionally, fragmented landscapes in the region may create scenarios where remnant biodiversity patches persist within or near harvesting areas. The Company's documented use of FRC-012, FRC-013, and FRC-015 as mitigation instruments in the SBR and supporting Indicator Assessment confirms that this risk has been recognized and addressed procedurally. Nonetheless, the underlying risk of overlooking HCV elements—especially where adjacent natural ecosystems exist—justifies a Specified Risk designation |
| Detailed description of a mitigation measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| The Company conducts field-level biodiversity screening using the HCV-HBV Checklist (FRC-012) before any harvesting. This checklist supports identification of HCV 1–6 attributes, including presence of keystone species, riparian areas, and ecological buffers. Site-specific inspections are performed under the Harvesting Site Inspection (FRC-013),                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

and outcomes are recorded through the Supplier Verification Audit Checklist (FRC-015). Land titles (Pelan Tanah) are reviewed for each supply lot to ensure they do not overlap with gazetted forest reserves or ecologically sensitive areas. Verification is based on official lot boundaries and physical survey markers (batu ukur), without reliance on GIS tools. These actions ensure that any potential HCVs are detected and feedstock from such areas is excluded unless safeguards are in place. This process aligns with the National Forestry Act 1984 and international best practices for biomass sustainability.

#### Detailed description of CB evaluation of mitigation measure and its conclusions

The checklist of internal audit to ensure that HCV is identified was verified. Other than that harvesting checklist and onsite inspection by the organisation ensure that they are complied with the national laws.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### 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.

#### Specified risk description

Even if HCVs are not located directly within the supply lots, there remains a specified risk that harvesting operations may inadvertently cause degradation or disturbance to adjacent HCV areas—for example, through machinery encroachment, felling too close to forest edges, or damaging streambanks. Smallholders and contractors may lack ecological awareness or formal training on biodiversity safeguards, especially in mixed rural landscapes where conservation features (e.g., wildlife habitat patches, riparian zones) are not always obvious or marked. The risk is heightened in lots that border forest reserves or other sensitive zones, where the edge effect from tree removal could lead to erosion, habitat fragmentation, or species displacement. The presence of documented practices (e.g., FRC-011, FRC-012) in the Company's Indicator Assessments confirms that this risk is being mitigated, but its underlying potential persists due to landscape context and variability of field conditions.

#### Detailed description of a mitigation measure

The Company implements protective measures against potential biodiversity impacts during harvesting, as detailed in the Harvesting Rubberwood & Mixed Species – Best Management Practices (FRC-011). This includes the establishment of no-go zones near riparian areas, forest edges, and other ecologically sensitive zones. Threats to identified HCVs are flagged through the HCV-HBV Checklist (FRC-012) and reviewed during Harvesting Site Inspections (FRC-013). Field staff are instructed to avoid damaging adjacent ecosystems and to preserve buffer zones around any HCVs identified during screening. These practices are also reinforced through contractor briefings and documented in the Supplier Verification Audit Checklist (FRC-015).

#### Detailed description of CB evaluation of mitigation measure and its conclusions

The documentation such as HCV checklist and onsite visit to active harvesting site was conducted to ensure the implementation of the measures.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### 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.

#### Specified risk description

While the majority of the Supply Base is located on monoculture rubber plantations that have been cleared and replanted for over 20 years, the ecological value of adjacent or interspersed areas must still be Compliance with the SBP Framework Supply Base Report 19 considered. There is a specified risk that harvesting operations may lead to indirect degradation of ecological functions, particularly where plantation boundaries intersect with wildlife corridors, wetlands, or small remnant forests. Degradation could occur through excessive clearing, loss of shading cover, or siltation of nearby watercourses. Smallholder practices may lack formal ecological guidance, and maintenance of biodiversity is not explicitly regulated on private agricultural land. The Company's documentation of preventive actions in the SBR, including use of FRC-011 and FRC-012, confirms the presence of mitigation—but due to the fragmented, semi-rural landscape, there remains a realistic risk of biodiversity loss, justifying the Specified Risk classification.

#### Detailed description of a mitigation measure

To ensure biodiversity is maintained or enhanced, the Company applies the Harvesting Rubberwood & Mixed Species – Best Management Practices (FRC-011), which includes preservation of shade trees, avoidance of over-harvesting near ecological boundaries, and measures to prevent erosion and runoff. The HCV-HBV Checklist (FRC-012) is used to confirm that operations will not degrade or encroach upon nearby conservation zones. Site-level evaluations under the Harvesting Site Inspection (FRC-013) are conducted to detect any habitat risks, while post-harvest reviews confirm that the ecological condition of surrounding areas remains intact. Where risks are identified, exclusion zones are enforced or additional mitigation steps are taken to uphold SBP's biodiversity safeguard requirements.

#### Detailed description of CB evaluation of mitigation measure and its conclusions

The documentation such as HCV checklist and onsite visit to active harvesting site was conducted to ensure the implementation of the measures.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

| Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.2.6 Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Specified risk description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Within the rubberwood supply base in Pahang, there is a known risk that some smallholders may practice open burning of residual biomass such as underbrush, branches, or unmerchantable wood after harvesting. This practice, while not widespread, is occasionally preferred by landowners as a means of land clearing prior to replanting. Although Malaysia's Environmental Quality (Clean Air) Regulations 2014 prohibit open burning without approval, enforcement among decentralized smallholder plots is inconsistent. Since the Company engages external harvesting contractors and sources from diverse smallholders, there exists a credible possibility of non-compliant air emissions during post-harvest activities, particularly in the absence of direct Company control. Hence, the indicator is rated as Specified Risk.                                                                                                                     |
| Detailed description of a mitigation measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| To mitigate this risk, the Company has implemented proactive controls at the harvesting stage. All appointed harvesting contractors are required to complete the Harvesting Inspection Checklist (FRC-013), which includes a dedicated section to confirm that no open burning occurred at the site during or after harvesting. Field inspections are conducted by Company personnel before and after operations to visually verify that there are no signs of fire use, such as ash, burnt residues, or scorch marks. Additionally, landowners are briefed verbally regarding the Company's zero-burning policy, which is aligned with national environmental regulations. This policy is also clearly reflected in the Company's Procurement Guidelines (FRC-016). Contractors and field staff are further trained to recognize and report any potential fire use, and procurement is strictly prohibited from areas where burning is detected or suspected. |
| Detailed description of CB evaluation of mitigation measure and its conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| The organisation has conducted briefing to the contractor and smallholder regarding zero burning policy. Site visit to the smallholder land show that the air emission was controlled and there is no evidence of open burning.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Country                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Malaysia                                                                                                                                                                                                                                                                                                                                                                                         |
| Area/Sub-Scope                                                                                                                                                                                                                                                                                                                                                                                   |
| N/A                                                                                                                                                                                                                                                                                                                                                                                              |
| 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.                                                                                                                                                                    |
| Specified risk description                                                                                                                                                                                                                                                                                                                                                                       |
| Rubber plantations in Malaysia, including those forming the current supply base, have a long history of herbicide use constituting over 70% of total pesticide application, particularly for weed control. Commonly used active ingredients include glyphosate salt, 2,4-D amine, and cypermethrin, most of which fall under Class III or lower toxicity categories. However, substances such as |

paraquat dichloride (Class I) — banned from rubber plantations for over two years — were historically used, and residual risks remain where verification is not strict. The 1997 national pesticide registry listed over 1,700 chemical formulations, many of which were Persistent Organic Pollutants (POPs). Though most have since been deregistered and banned, field-level enforcement and awareness among smallholders may be inconsistent, especially in areas where sourcing is done by subcontracted harvesters. While legislation such as the Pesticides Act 1974, Environmental Quality Act 1974, and Plant Quarantine Act 1976 provide a strong legal basis, direct sourcing from landowners by contractors introduces risk, particularly where IPM implementation cannot be directly verified by the Company. As such, the practical application of IPM may not be consistently assured, resulting in a Specified Risk designation.

#### Detailed description of a mitigation measure

To manage this risk, the Company enforces field-level controls through the use of HARVESTINGCHECKLIST, which is completed during site inspection. This checklist requires confirmation that no recent chemical use is observed and that IPM has not been compromised. In tandem, a site briefing on IPMscope and chemical restrictions is conducted for each new subcontractor using the HARVESTING RUBBERWOOD – BEST MANAGEMENT PRACTICES document. These controls are aligned with guidance under the Good Agricultural Practice (GAP) – Part 3: Rubber(Hevea Brasiliensis Muell. Arg.) published by RISDA. Specific reference is made to:

- Use of registered and legally permitted pesticides only,
- Avoidance of banned substances such as POPs,
- Adoption of anti-resistance strategies,
- Maintenance of pesticide application records (crop name, dosage, location, operator, etc.),

- Proper choice of chemicals to minimize risks to humans, aquatic life, and the ozone layer. The Procurement Policy strictly prohibits sourcing from plantations with evidence of non-compliance. If IPM violations are discovered, suppliers are disqualified from future sourcing

#### Detailed description of CB evaluation of mitigation measure and its conclusions

Site visit and interview with harvesting was conducted. As of now, there is no chemical used.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### Indicator

2.2.8 Waste shall be disposed of in an environmentally appropriate manner.

#### Specified risk description

In rubberwood plantations managed by smallholders or sourcing contractors, waste management practices are not always standardized or enforced. Field residues such as plastic chemical containers, fertilizer Compliance with the SBP Framework Supply Base Report 23 bags, and fuel/oil

packaging used during harvesting may be left uncollected, particularly when sourcing is conducted by contractors working independently from the landowners. Site inspections have revealed that while some sites do maintain adequate waste control, others lack designated disposal areas or rely on informal open burning or burial of waste, which poses environmental risks, especially near water sources or drainage lines. The absence of consistent procedures across all suppliers in the supply base presents a Specified Risk under this indicator. Furthermore, most smallholders do not maintain formal documentation on scheduled waste collection, and awareness regarding environmentally appropriate waste segregation and disposal is uneven across the region. These factors, compounded by the limited visibility over subcontracted harvesting operations, reinforce the need to treat this indicator as Specified Risk

#### Detailed description of a mitigation measure

To address this risk, the Company has implemented site-level controls and mandatory procedures under the Procurement Policy. Prior to sourcing, each harvesting site undergoes inspection guided by the HARVESTING CHECKLIST, which includes an item on waste collection and disposal compliance. The Company requires that:

- All plastic packaging, chemical containers, and related harvesting waste are collected and removed from site.
- Waste shall not be buried or openly burned under any circumstance.
- Contractors are briefed using the HARVESTING RUBBERWOOD – BEST MANAGEMENT PRACTICES, where clauses clearly prohibit improper disposal.

Contractors failing to comply with these requirements will have sourcing suspended and will be removed from the approved supplier list

#### Detailed description of CB evaluation of mitigation measure and its conclusions

Based on interview with harvesting contractor, they are aware of the waste policy. Upon site visit to sourcing area, no waste was disposed in inappropriate manner.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### 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

There is a specified risk that, while the Company has developed documented health and safety policies aligned with national legal requirements (notably the Occupational Safety & Health Act 1994), the practical implementation and communication of these safeguards to harvesting subcontractors and smallholders remain inconsistent. Most feedstock suppliers are either independent smallholders or harvesting contractors, and both operate without formal employment ties or centralized management. Therefore, even with Procurement Policy requirements in place, ensuring consistent adoption of safety protocols, hazard communication, and emergency preparedness is a challenge at ground level.

#### Detailed description of a mitigation measure

Mandatory annual health and safety training conducted for all contractors and sub-contractors annually. • Routine checks to verify (during harvesting): • Use of PPE • Field hygiene and sanitation • Basic emergency response setup (first aid, contact list, etc.) • Contractual clauses requiring safety compliance as a condition for supply continuity

#### Detailed description of CB evaluation of mitigation measure and its conclusions

Based on interview with harvesting contractor, they are aware of basic safety. The contractor are wearing appropriate PPE during harvesting. The contractor mentioned that they receiving training from their supervisor.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### Indicator

4.1.9 Mechanisms shall be in place for resolving grievances and disputes in the workplace.

#### Specified risk description

The Company has established a formal Complaints and Grievance Mechanism (as outlined in FRC-007) to ensure that all stakeholders, including subcontracted harvesters and smallholders, have access to a fair resolution channel. However, given that many workers in the field are either self-employed or subcontracted informally, there remains a risk that these procedures are not fully understood, accessed, or trusted—especially by temporary or informal laborers who may be unaware of their rights or fear retaliation. In such cases, despite the existence of a documented process, the actual implementation and awareness level of the grievance mechanism may be insufficient to protect workers' rights. Hence, this is classified as a Specified Risk

#### Detailed description of a mitigation measure

- Briefing of the Complaints Procedure (FRC-007)
- Anonymous grievance submission options (phone/SMS box) to encourage uptake from field-level actors

#### Detailed description of CB evaluation of mitigation measure and its conclusions

The organisation has establish complaint procedure for grievance and dispute. Interview with the contractor and site owner is aware of the procedure.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| There is a specified risk that harvesting subcontractors and smallholders may not receive structured or consistent training to implement conditions set out in the SBP Standards. Although the Company has a documented Procurement Policy and adheres to the Occupational Safety and Health Act 1994, gaps remain, particularly in extending formal training to subcontracted personnel engaged in field operations. Given the informal and small-scale nature of operations—where most landowners do not directly hire labor and instead manage the sites themselves or via subcontractors—systematic knowledge transfer cannot be guaranteed without formal interventions. |
| Detailed description of a mitigation measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li>• Annual SBP-related training sessions conducted for all subcontractors and relevant field workers</li> <li>• Mandatory training modules to include health &amp; safety, grievance procedures (per FRC-007), and compliance with labor rights.</li> <li>• Visual training materials to ensure understanding across varying literacy levels</li> </ul>                                                                                                                                                                                                                                                                                  |
| Detailed description of CB evaluation of mitigation measure and its conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Upon interview with the harvesting contractor, it was observed that they receiving verbal briefing and training for work description and safety issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Country                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Malaysia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Area/Sub-Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 4.1.7 Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Specified risk description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| The Occupational Safety and Health Act 1994 (Section 15) clearly mandates every employer and selfemployed person to ensure, so far as is practicable, the safety, health, and welfare of all employees at work. While the Company maintains a comprehensive Procurement Policy outlining occupational safety and health expectations, a gap has been identified in the extent of practical application among harvesting subcontractors. This includes limited health and safety training and awareness at field level, especially among workers who are not direct employees but subcontracted for harvesting. Due to these deficiencies in training and awareness, this indicator has been assessed as Specified Risk. |
| Detailed description of a mitigation measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>To address the risk, the Company shall:</p> <ul style="list-style-type: none"> <li>• Enforce mandatory use of first aid kits and PPE at all harvesting sites</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

- Ensure all machineries used by subcontractors are regularly maintained and inspected.
- Conduct pre-engagement briefings for all subcontractors focusing on OHS awareness, accident reporting, and emergency response.
- Include OHS provisions in Procurement Policy agreements signed by each supplier and contractor.
- Require at least one trained first aider to be present at harvesting operations.

#### Detailed description of CB evaluation of mitigation measure and its conclusions

During onsite visit, it was observed that the harvesting contractor using appropriate PPE.

Evidence of pre-engagement briefing was made available and verified.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### 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.

#### Specified risk description

The Company sources rubberwood as primary feedstock for biomass pellet production. Although this rubberwood is harvested at the end-of-life stage, it may still carry residual value for long-lived wood product markets such as furniture or sawn timber. In Malaysia, rubberwood is a versatile species widely used in the furniture industry. However, the decision to divert this material for biomass energy use raises a specified risk under the principle of cascading use—especially where high-quality stem wood is available. Smallholders typically initiate felling to clear land for replanting (e.g., oil palm or durian), and they are under economic and logistical pressure to remove the biomass quickly. This urgency, compounded by remote geography, lack of treatment/kiln-drying facilities, and the absence of competitive buyers, results in biomass being sold to pellet producers rather than into longer-life applications. While RED III (Recital 17) recognizes such realities and allows flexibility, a specified risk is triggered due to the possibility that wood suitable for longer-lived products may enter the energy chain

#### Detailed description of a mitigation measure

The Company uses FRC-032: Technical Justification of Biomass Feedstock Sources as a core control document. Key practices include:

- Field inspection to verify that logs are unfit for material-grade use;
- Supplier self-declarations stating the purpose of felling and reasons for biomass sale;
- Verification of urgency linked to replanting and pest control timelines;
- Briefing during contractor onboarding to outline RED III cascading principles and support documentation requirements.

| Detailed description of CB evaluation of mitigation measure and its conclusions                                          |
|--------------------------------------------------------------------------------------------------------------------------|
| Based on site visit and interview with the land owner, it was observed that the rubber tree is at the end of life stage. |
| Evidence of FRC-032 was made available.                                                                                  |

| Country                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Malaysia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Area/Sub-Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2.2.10 Harvested areas shall be regenerated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Specified risk description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| In the context of rubberwood plantation management in Malaysia, particularly among smallholders and fragmented landowners, the expectation for regeneration post-harvest is not always fulfilled. While rubber plantations are typically replanted with new clones, regeneration may vary depending on landowner preferences, which are not under the control of the biomass producer. Field investigations and interviews confirm that some landowners choose not to replant with rubber trees, instead opting for alternative crops (e.g., durian, oil palm), or even abandoning the site temporarily due to financial or logistical reasons. In addition, certain contractors involved in felling do not participate in or track post-harvest regeneration activities, limiting visibility into land-use outcomes. Since the biomass feedstock is procured only up to the end-of-life stage, and there is no formal contract linking the Company to post-harvest land use, the regeneration outcome is not guaranteed. This lack of control and visibility presents a Specified Risk under this indicator |
| Detailed description of a mitigation measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>To manage this risk, the Company implements a pre-sourcing engagement process with landowners, where the intended post-harvest use of land is verified verbally and recorded. Although this process does not enforce replanting, it helps the Company assess and avoid sourcing from areas where land-use change may conflict with sustainability principles. In addition:</p> <ul style="list-style-type: none"> <li>• The HARVESTING RUBBERWOOD – BEST MANAGEMENT PRACTICES requires harvesters to report on site regeneration intent if known.</li> <li>• Contractors are briefed on the importance of capturing replanting plans when engaging with landowners.</li> <li>• When feasible, photographic evidence or a brief field declaration is collected post-harvest.</li> </ul> <p>While these actions do not guarantee regeneration, they represent a risk control effort by ensuring due diligence and transparency in the sourcing process.</p>                                                                                                                                                 |
| Detailed description of CB evaluation of mitigation measure and its conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Based on the site visit and interview with owner, as of now some of the owner intend to replant the area for rubber and some for palm oil plantation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

The organisation has establish best management practices for site regeneration intent.

#### Country

Malaysia

#### Area/Sub-Scope

N/A

#### 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

Harvesting operations within the Supply Base involve clear-cutting of end-of-life (EOL) rubber plantations, with stumps and root systems commonly removed following harvesting. Based on field observations, this represents the prevailing practice among independent smallholders, as harvested land is generally prepared for replanting with rubber or conversion to other agricultural crops, particularly oil palm, where complete land preparation is required prior to replanting. The removal of stumps and harvest residues may result in temporary soil disturbance, soil erosion, sedimentation, nutrient loss, and reduced ecosystem function if not appropriately managed. While these impacts are generally site-specific and temporary, inappropriate harvesting practices could adversely affect soil stability and long-term land productivity. This harvesting practice is also influenced by economic considerations. For independent smallholders, stump removal is generally the most practical and economically viable approach, whereas alternatives such as in-situ chipping, mulching or mechanical residue incorporation require specialised equipment, higher operational costs and additional technical expertise, making them generally impractical under prevailing smallholder operating conditions. Accordingly, this indicator has been assessed as a Specified Risk.

#### Detailed description of a mitigation measure

To manage this risk, the Company implements a **pre-procurement field verification process** to assess harvesting practices before feedstock is accepted. Site inspections are conducted using the **Harvesting Site Inspection Checklist (FRC-013)** to verify that feedstock originates from **legally established end-of-life (EOL) rubber plantations** and to identify any significant environmental impacts associated with harvesting and site preparation.

The **Harvesting Site Inspection Checklist (FRC-013)** includes, where applicable, verification of:

- Signs of **excessive soil erosion**, sedimentation or unstable slopes.
- Evidence of **significant soil disturbance** resulting from stump removal or land preparation.
- Drainage conditions and any potential impacts on surrounding areas.
- Compliance with the Company's environmental and legal sourcing requirements prior to procurement approval.

Where significant environmental impacts or unacceptable harvesting practices are identified, procurement is suspended until appropriate corrective actions have been

implemented and verified.

These mitigation measures recognise that **land preparation methods remain under the responsibility of the landowner**; however, they provide a structured verification process to ensure that the Company does not procure feedstock from sites exhibiting significant or irreversible environmental impacts.

#### Detailed description of CB evaluation of mitigation measure and its conclusions

The Company conducts field verification using the Harvesting Site Inspection Checklist (FRC-013) to assess harvesting practices and identify any significant environmental impacts. Findings are reviewed to evaluate the effectiveness of the mitigation measures. To date, no significant or irreversible environmental impacts have been identified that would warrant suspension of procurement.