Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of PT Parawood Co., Ltd - Sadao

First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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

Document history

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Table of contents

1 Overview **3**

2 Audit conclusions **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 6
2.3 Actions taken by Organisation Prior to Report Finalisation 7
2.4 Notes for the next Audit 7

3 Scope of the audit and SBP certificate **8**

3.1 Description of the company 9
3.2 Site details 9
3.3 Detailed description of the Chain of Custody system and Product Groups 9

4 Specific objective of the audit **10**

5 Evaluation process **11**

5.1 Timing and duration of evaluation activities 11
5.2 Auditor team qualification 11
5.3 Description of evaluation activities 11
5.4 List of forest management units and feedstock suppliers visited 12
5.5 Describe audit sampling methodology used 17
5.6 CB stakeholder engagement 18
5.7 Stakeholder feedback and response 18
5.8 Main strengths and weaknesses of the management system and operations 18
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 18
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 19
5.11 Summary of evaluation activities for chain of custody system per Standard 4 19
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 19
5.13 Summary of audit findings for competency of involved personnel 20
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 20

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable) **21**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 21
6.2 CB evaluation of specified risk indicators and mitigation measures 21

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Mikhail Rai
Audit team members:	Korapat Jayaphorn
Name of the Company:	PT Parawood Co., Ltd - Sadao
Company legal address:	100, 100/4, 100/5 Moo.1 Thungmo, Sadao, 90240 Songkhla, Thailand
Company contact for SBP:	Buntharika Rojanaleekul
Company contact email:	fern@xpbiomass.com
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-13-48
Date of certificate issue:	13 Oct 2025
Date of certificate expiry:	12 Oct 2030
Audit closing meeting date:	24 Jul 2026
Audit cycle:	First Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorría
Date of decision:	20 Oct 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 9888	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	1.5.8 The Legal Owner shall record the most operationally specific and detailed data that is practically available. Variable data shall never be older than 18 months. The methodology used and the justification for the data selection shall be recorded in the SAR. All quantity and energy flows must be evaluated for the complete Reporting Period. Any derogation must be justified and recorded in the SAR. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The Organization has not demonstrated that the quantity and energy flows reported in the SAR are supported by sufficient justification where the reported values fall outside the expected operational range. Reconciliation of the reported feedstock input and biomass production identified an apparent underproduction of approximately 12%. In addition, the quantity of biomass fuel reported as consumed in the burner for feedstock drying was approximately 14% lower than expected based on the reported production volumes and drying process. The methodology used for data collection, processing and reporting was evaluated from the primary records through intermediate calculations to the values reported in the SAR. Personnel responsible for data collection, production reporting and SAR preparation were interviewed. The primary records, intermediate reports and values presented in the SAR were found to be consistent and traceable. During the assessment, management representatives and production site managers explained several possible reasons for the reported deviations, including losses through the exhaust system, cleaning of production equipment, process losses and variations in feedstock moisture content. However, no documented analysis or other objective evidence was provided to demonstrate that these factors adequately explain the reported material and energy balance. Consequently, although the data collection and reporting process was found to be consistently implemented, the Organization has not demonstrated that the reported quantity and energy flows are adequately justified where significant deviations from expected operational performance occur. As this does not undermine the integrity of the primary data but represents a weakness in the validation of reported results, a Minor NCR has been raised.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

Original Due Date:	2027-10-20
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9889	**NC Grading: Observation**
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	5.3.2 The Organisation shall determine SBVs to evaluate whether these laws are enforced. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Regarding social indicators in particular P4.1 decent working conditions, BP raised as specified risk to training and health and safety issues (4.1.8, 4.1.10) and implemented RMM. In case of agriculture feedstock some indicators are applicable at the level of the agriculture management (rubber tapping) as 4.1.1 (Freedom of association), 4.1.2 (Forces labour), 4.1.3 (Child labour), BP justify its ow risk conclusion based on legal framework, labour inspections, engagement with social NGOs and RAOT work. Although during the auditor field visit and stakeholder and workers interviews there was no indicators of risk or non-compliance were found, The BP should enforce their analysis and risk associated with workers during rubber tapping to evaluate if conditions are different than those for wood harvest	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	N/A
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

2.2 Closed non-conformities

NC number 9887	NC Grading: Major
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	6.3 The Organisation may only conclude low risk according to the following: a. if legislation which addresses the requirement(s) in SBP Standard 1 exists and is enforced, and operators are demonstrating legal compliance within the Supply Base; or b. in the absence of existing applicable legislation or lack of legal enforcement, by assessing whether relevant operators are implementing best practice which demonstrates conformance with the requirements of SBP Standard 1. N/A N/A
Description of Non-conformance and Related Evidence:	
The Organization has not demonstrated that the Supply Base Evaluation adequately identifies and evaluates all relevant risks associated with the Supply Base. Consequently, the low-risk determination for several indicators of SBP Standard 1 is not supported by sufficient objective evidence, and the Supply Base Evaluation does not correctly identify where mitigation measures and their evaluation are required. The Organization purchases only processing residues and delegates the implementation of operational controls and mitigation measures within the Supply Base to its direct suppliers. The Organization provides its suppliers with training and operational instructions intended to support the implementation of these measures. During field visits to direct suppliers and smallholders, it was observed that environmental and operational controls are generally implemented in practice, including identification legal ownership of land and resource use rights, measures relating to harvesting practices, soil protection, water protection, worker training and occupational health and safety. These observations demonstrate that potential risks associated with the Supply Base are recognized and managed. The Supply Base Evaluation identifies only two specified risks relating to SBP Standard 1 Indicators 4.1.8 (Training) and 4.2.4 (Indigenous Peoples). Indicators relevant to the practices observed during field verification, including 1.1.2 (Land ownership), 2.2.3 (Soil quality), 2.2.4 (Stump and root removal), 2.2.5 (Water quality), 2.2.8 (Waste management) and 4.1.10 (Occupational Health and Safety), are concluded as low risk. The Organization justifies these low-risk determinations primarily through the monitoring and subsidy programme implemented by the Rubber Authority of Thailand (RAOT) and existing legal framework. During consultation with RAOT, it was identified that participation in the subsidy programme is not mandatory and, consequently, not all smallholders are covered by the programme. It was further confirmed that the level of monitoring and supervision differs depending on programme participation and that RAOT monitoring primarily focuses on rubber cultivation and latex production, while monitoring of end-of-life rubber tree harvesting operations may not continue. Considering the above, the Supply Base Evaluation does not provide sufficient objective evidence to justify the low-risk determination for Indicators 1.1.2, 2.2.3, 2.2.4, 2.2.5, 2.2.8 and 4.1.10. The implementation of operational controls and mitigation measures observed during field verification demonstrates that these risks are managed in practice; however, the Supply Base Evaluation neither adequately evaluates these risks nor justifies why they have been concluded as low risk instead of being identified as specified risks requiring mitigation and evaluation. As this affects the integrity of the risk assessment and the application of the SBP risk assessment methodology, a Major NCR has been raised.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated Supply Base Evaluation; Updated Supply Base Report; Root cause analysis; Organization's comments and explanation of the implemented correction and corrective action.
Findings for Evaluation of Evidence:	The revised Supply Base Evaluation and Supply Base Report were reviewed against the non-conformity and evidence collected during the assessment. It was confirmed that the Organization reconsidered the indicators previously concluded as low risk without sufficient objective evidence and incorporated the results of stakeholder consultation and field verification. The updated SBE now reflects risks identified in relation to plantation-level harvesting activities, including land and use

	rights, soil protection, stump and root removal, water protection, waste management, training and occupational health and safety. Where relevant, these indicators are identified as specified risk and linked to documented mitigation measures. It was also confirmed that the controls themselves were already substantially implemented through the Organization's due diligence system prior to revision of the SBE. Supplier and plantation visits demonstrated that direct suppliers apply the relevant operational controls in practice and that the Organization monitors their implementation. The corrective action also addresses the identified root cause by requiring future SBE reviews to be based on a broader range of evidence, including stakeholder input and practical implementation data rather than reliance primarily on external authority controls. The correction and corrective action were therefore considered sufficient to close the NCR.
NC Status:	Closed
Original Due Date:	2027-01-20
Closing Date:	2026-10-20
Upgrade Date:	N/A
Update Date:	N/A

2.3 Actions taken by Organisation Prior to Report Finalisation

Actions taken to close the major NCRs.

2.4 Notes for the next Audit

No additional notes.

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 5E: Collection and Communication of Energy and Carbon data. v2.1; SBP Instruction Document EU RED: Bridging Requirements for Meeting EU RED v2.0 ; SBP Instruction Document 1A: SBP Requirements for Primary Feedstock from Trees Outside Forests (TOF) v2.0
Product Group IDs	☐ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☐ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Thailand
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	Reclassification of feedstock at the plantation level as TOF 3A. Exclusion of primary feedstock. Use of ID 1A. Mass balance CoC system changed to Physical separation.

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.

PT Parawood Company Limited is a Thai biomass producer operating three wood pellet facilities. Established in 2016, the company began by converting Xunthai Parawood's sawmill residues into higher-value biomass products. Its Sadao facility has expanded from an initial capacity of 25,000 tonnes to approximately 260,000 metric tonnes per year. In 2025, PT Parawood opened the Lampod facility, which serves as its new headquarters and has an annual capacity of 160,000 metric tonnes, and the Trang facility, with an annual capacity of 89,000 metric tonnes. The facilities are equipped with modern technology and operate in line with international standards relevant to sustainable biomass production. PT Parawood primarily uses sawmill processing residues as feedstock and supplies wood pellets to international markets in accordance with applicable sustainability standards and management system requirements. The first production site, located in Sadao, marked the beginning of pellet operations with an initial annual capacity of 25,000 tonnes. Continuous investments into efficiency improvements increased the output to 54,000 tonnes per year, and in 2021 a second production line expanded the capacity to 133,000 tonnes. In 2024, the commissioning of a third line brought the total annual production capacity to approximately 240,000 tonnes. Feedstock used in pellet production consists primarily of processing residues sourced from sawmill operations. In the reporting period evaluated in the assessment under the SAR 100% of the feedstock was processing residues and no primary feedstock was purchased. The facilities are equipped with modern technology and operate in line with international standards relevant to sustainable biomass production. PT Parawood Company Limited supplies high-quality wood pellets to international markets, with a stated commitment to sustainability, compliance with applicable standards, and continuous improvement of its management systems.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
PT Parawood - Sadao Site	Thung Mo, Sadao District, Songkhla 90240, Thailand	Biomass Producer	☒
Tepa Transit Terminal Port	Unnamed Road Pak Bang, Thepha District, Songkhla 90150	Port	☐

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

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

The Organization sources only processing residues for pellet production in a form of sawdust and slabs. For all feedstock, a Supply Base Evaluation (SBE) is conducted. In line with EU RED requirements, all suppliers are subject to evaluation. The Physical Separation Chain of Custody system is implemented. Both physical forms of feedstock are considered as one Product Group: 40. Downstream logistics include storage and vessel-loading activities at the Organization's port facilities. Three warehouse buildings with capacities of approximately 5,000 t, 10,000 t, and 10,000 t are operated under a system of physical segregation, allowing pellets from the Sadao, Lampod and Trang factories to be stored separately when required. Warehousing and loading are performed strictly on a purchase-order basis, and segregation is maintained throughout storage and dispatch. The Chain of Custody system is based on the mass balance method with a three-month balancing period. Two Product Groups have been defined: 10 and 40. All eligible inputs are mixed after the production gate, and mass balance is subsequently applied to allocate sustainability claims to outputs. The CoC system therefore relies exclusively on SBP requirements to ensure traceability and integrity of sustainability claims.

4 Specific objective of the audit

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

- Review of the Organization's documented procedures.
- Review of the CoC system critical control points.
- Supply base evaluation.
- Interviews with responsible staff.
- Review of the records.
- Energy data collection, analysis and assessment of compliance with ID 5E.
- Supplier visit and stakeholder consultation within SBE and EU RED framework.
- Business integrity.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Mikhail Rai, Korapat Jayaphorn	4.0
2. On-site (excl. travel time)	Mikhail Rai, Korapat Jayaphorn	24.0
3. Report writing	Mikhail Rai, Korapat Jayaphorn	6.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Mikhail Rai	Audit Team Leader	Mikhail is a Senior Programme Technical Lead at Preferred by Nature, leading PBN SFC, SURE and GPSNR, with expertise in sustainability certification and assurance across forest management, biomass, land use, supply chains, due diligence and GHG calculations. As a senior international auditor he has participated in hundreds evaluations worldwide against schemes including PBN SFC, SBP, SURE, GPSNR, FSC™ and PEFC. Mikhail holds a BSc in Forestry and an MSc in Hospitality (Sustainable Tourism).
Korapat Jayaphorn	Local Technical Expert, Auditor in training	Korapat is an accomplished agronomy professional with expertise across the agriculture sector, covering both upstream and downstream operations, particularly in the rubber sector. His specializations include Sustainable Natural Rubber management, agroforestry, conservation project development, and supply chain risk assessment. He has successfully completed industry-recognized training programs in both FSC FM and FSC CoC courses. He has experience working with WWF in establishing, managing, and implementing agri-forestry projects over five years, including sustainability initiatives for smallholders that enhance their capacity to meet international standards and multi-actor partnership projects that led to the creation of a national sustainable natural rubber platform.

5.3 Description of evaluation activities

The on-site SBP evaluations were conducted on 20–24 July 2026, covering Trang, Lampod and Sadao sites of PT Parawood. The primary focus was on evaluation of the management system, business integrity, feedstock classification, Chain of Custody (CoC) controls, Supply Base Evaluation (SBE) and associated risk mitigation measures, stakeholder consultation, and the collection and communication of energy and carbon data.

The evaluation commenced with an opening meeting on 20 July 2026 at Trang site, attended by the Organization's core management team and responsible personnel representing all three sites. During the opening

meeting, the audit team was introduced, the certification scopes were confirmed, and the audit plan, methodology, confidentiality arrangements and applicable Preferred by Nature procedures were presented. Following the opening meeting, the Organization's management system and SBE-related procedures were evaluated for all three sites. As the sites operate under the same overall management structure and responsible personnel, common management system documentation and records were reviewed together, supplemented by site-specific records, including training records, updates and other implementation evidence relevant to the individual sites. Further planning of the evaluation activities was also confirmed, including visits to direct suppliers, sub-suppliers and plantations and stakeholder consultation relevant to the three sites.

During the second part of 20 July, the evaluation focused on Trang site. The applicable SAR and supporting energy and carbon records were reviewed, followed by a visit to the production facilities. Operational implementation of the CoC system and relevant control points was evaluated through observation, document review and interviews with responsible personnel and workers. Worker-related aspects and working conditions were also evaluated as part of verification of the applicable social requirements.

On 21 July 2026, direct suppliers and sub-suppliers associated with Trang site were visited. The sample included suppliers of processing residues and upstream suppliers providing primary feedstock used in the production from which the processing residues originate. The visits focused on implementation of the Organization's SBE and risk management system, including verification of how identified risks are addressed through the defined risk mitigation measures. Particular attention was given to measures implemented by suppliers where responsibilities for specific mitigation activities had been assigned to them by the Organization. Implementation was evaluated through interviews, review of relevant records and verification at supplier and plantation level.

On 22 July 2026, continued with visits to sub-suppliers associated with Trang site. following travel between the relevant provinces, the evaluation continued at Lampod site. The production facilities were visited and the implementation of the applicable CoC controls was evaluated. The SAR and supporting energy and carbon data for the site were also reviewed, together with relevant site-specific records.

On 23 July 2026, suppliers and sub-suppliers associated with Lampod and Sadao sites were evaluated. The purpose of these visits was consistent with the supplier evaluation conducted for Trang site and focused on implementation of the Organization's SBE procedures and risk mitigation measures throughout the relevant supply chains. This included verification of how direct suppliers implement procedures established by the Organization and how applicable mitigation measures are implemented and documented at the upstream supplier and plantation levels.

On 24 July 2026, the evaluation continued at Sadao sit, including a visit to the production facilities and review of the SAR and associated records. Remaining matters relevant to all three sites were addressed, additional documentary evidence was reviewed, and responses and evidence related to non-conformities identified during the evaluation were assessed where available.

At the end of 24 July 2026, a closing meeting was held with the Organization's core management team, top management and responsible personnel representing the three sites. The evaluation activities undertaken during the five days were summarised and the identified non-conformities and other relevant audit conclusions were presented and discussed.

5.4 List of forest management units and feedstock suppliers visited

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

Site name
Plantation 1
Site location
Khok Pho District, Pattani, Thailand
Site description
Rubber plantation during harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating ongoing harvesting operations on sloping terrain. The supplier's responsible personnel were interviewed, and harvesting methods were observed, including the use of excavators for tree felling and a stepped harvesting approach to reduce soil disturbance and erosion risks. Harvesting residues were temporarily collected in piles for subsequent distribution across the plantation and incorporation into the soil. Implementation of the relevant soil protection measures was evaluated.

Site name
Plantation 2
Site location
Thepha District, Songkhla, Thailand
Site description
Rubber plantation after harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating plantation conditions following completion of harvesting activities. Site cleaning was ongoing, including collection of remaining waste and harvesting residues. Harvesting residues were being arranged in small piles for subsequent incorporation into the soil. General site conditions and implementation of post-harvesting waste management and soil protection measures were evaluated.

Site name
Plantation 3
Site location
Thepha District, Songkhla, Thailand
Site description
Rubber plantation before harvesting
Rationale and focus of visit
Evaluation of mitigation measures

Description of audit activity
The audit focused on evaluating the planned harvesting area and the extent of coverage under the RAOT programme. The plantation covered approximately 100 rai, while the smallholder intended to harvest only 30 rai, corresponding to the area covered by the programme. Boundary markers identifying the planned harvesting area were observed on site. The visit included verification of the relationship between the smallholder's harvesting decision, programme coverage and implementation of the relevant plantation-level controls.

Site name
Sawmill 1
Site location
Thepha
Site description
Sawmill
Rationale and focus of visit
Evaluation of a supplier of processing residues and assessment of implementation of the mitigation measures
Description of audit activity
The audit focused on confirming correct classification of feedstock as processing residues, verifying traceability documentation, and reviewing evidence of origin and legality. Operational practices and record-keeping procedures were evaluated to confirm alignment with the Organization’s DDS. A site tour and interviews were conducted. Verification of the supplier’s implementation of mitigation measures under the SBE and EU RED framework as the suppler is empowered by the Organization to perform risk mitigation activities.

Site name
Plantation 4
Site location
Chana District, Songkhla, Thailand
Site description
Rubber plantation after harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating plantation conditions following harvesting and replanting. The plantation had been harvested in 2025 and was already replanted with rubber trees. General site conditions, ground vegetation and implementation of post-harvesting measures were observed. The plantation was found to be clean, with established vegetation and no visible significant adverse environmental impacts resulting from the previous harvesting activities.

Site name
Plantation 5
Site location
Chana District, Songkhla, Thailand

Site description
Rubber plantation during harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating ongoing harvesting and loading operations conducted by the supplier's own harvesting team. Tree felling methods and loading of harvested material onto a truck were observed. Interviews with local workers confirmed their awareness of the applicable working procedures and safety requirements. The workers were locally employed and returned home after work. Implementation of operational and social mitigation measures was evaluated through direct observation and interviews.

Site name
Plantation 6
Site location
Chana District, Songkhla, Thailand
Site description
Rubber plantation before harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating preparatory measures before harvesting and implementation of relevant environmental controls. The plantation was awaiting RAOT verification for subsidy eligibility. General plantation conditions and preparations for harvesting were observed. Fuel handling arrangements were also evaluated, including refuelling from a truck and measures implemented to prevent fuel leakage and soil contamination. No significant gaps were identified during the visit.

Site name
Plantation 7
Site location
Sadao District, Songkhla, Thailand
Site description
Rubber plantation during harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating ongoing harvesting operations on sloping terrain, including tree felling and implementation of soil protection measures. Interviews with responsible personnel were conducted, and the harvesting methods were observed. The supplier's approach to steep slopes was reviewed, including application of stepped harvesting methods for slopes exceeding the established 45-degree threshold. Waste and rubbish were observed at the site, and the relevant management practices were evaluated as part of the field verification.

Site name
Plantation 8
Site location
Sadao District, Songkhla, Thailand
Site description
Rubber plantation after harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating plantation conditions following harvesting and subsequent replanting in May 2026. General site conditions, waste management and establishment of new rubber trees were observed. The plantation was found to be clean, with no visible significant environmental impacts or remaining harvesting waste.

Site name
Plantation 9
Site location
Sadao District, Songkhla, Thailand
Site description
Rubber plantation after harvesting
Rationale and focus of visit
Evaluation of mitigation measures
Description of audit activity
The audit focused on evaluating plantation conditions approximately two years after replanting. The site was inspected to observe the establishment of rubber trees, general vegetation conditions and any remaining impacts from previous harvesting activities. The plantation was found to be clean and under continued agricultural use, with no visible significant adverse environmental impacts.

Site name
Sawmill 2
Site location
Rattaphum District, Songkhla, Thailand
Site description
Sawmill
Rationale and focus of visit
Evaluation of a supplier of processing residues and assessment of implementation of the mitigation measures
Description of audit activity
The audit focused on confirming correct classification of feedstock as processing residues, verifying traceability documentation, and reviewing evidence of origin and legality. Operational practices and record-keeping procedures were evaluated to confirm alignment with the Organization's DDS. A site tour and interviews were conducted.

Verification of the supplier's implementation of mitigation measures under the SBE and EU RED framework as the suppler is empowered by the Organization to perform risk mitigation activities.

5.5 Describe audit sampling methodology used

The evaluation and sampling methodology was designed to reflect the combined assessment of three sites, while maintaining sufficient site-specific verification for each certification scope. Activities common to all three sites were evaluated jointly where the same management arrangements, procedures and responsible personnel were used. This included evaluation of the overall management system, Supply Base Evaluation (SBE) procedures, Risk Management Measures (RMMs), staff responsibilities, document control and other centrally managed records. Site-specific evidence, including implementation records, training, feedstock flows and operational records, was sampled separately where relevant. The same approach was applied when planning supplier and field verification activities. The Organization uses the same procedures and documentation for suppliers associated with the three sites, and some suppliers deliver feedstock to more than one production site. Where applicable, supplier visits were therefore planned to provide evidence relevant to more than one site while maintaining the required supplier sample for each individual site. Supplier selection combined random sampling with risk-based factors, including feedstock type, supply volume, geographical distribution, relevance to implementation of RMMs, previous sampling and the opportunity to verify controls further upstream at plantation level. A random number generator was used where no specific risk-based reason for selection applied. For Sadao site, 30 suppliers of processing residues were included in the relevant supplier population and six suppliers were selected for verification. The sample was divided between the two main processing residue types, comprising three suppliers of sawdust and three suppliers of slabs. Supplier verification included on-site visits and review of supporting documentation. The processing residue suppliers were generally considered low risk in relation to feedstock classification; therefore, sampling focused particularly on traceability, origin of material and implementation of controls relevant to the Organization's SBE and RMM system. For Lampod site, 23 processing residue suppliers were included in the population and five suppliers were selected. Some suppliers were common to Sadao and Lampod sites and were therefore used as part of the sample for both sites where their supply activities were relevant to both scopes. Selection also took account of suppliers evaluated during the previous audit to avoid unnecessary repetition and increase the overall coverage of the supplier population. One supplier was intentionally included because its supply chain provided an opportunity to verify implementation of control measures beyond the processing facility and to assess how the direct supplier manages and verifies its own upstream suppliers and plantations. For Trang site, 25 processing residue suppliers were included in the population and five suppliers were selected. As Trang site is located in a different province, its supplier base is largely separate from the supplier populations of Sadao and Lampod sites. The selected sample therefore primarily represented suppliers specific to this site, while applying the same combination of random and risk-based selection factors. Field verification at plantation level was designed to assess practical implementation of the RMMs rather than to rely only on numerical sampling. In total, for all 3 sites, 15 plantations associated with five different direct suppliers were visited. The sample was intentionally diversified to cover plantations at different stages of the harvesting cycle, including sites before harvesting, during harvesting and after harvesting/replanting, as well as different geographical conditions and harvesting methods. The sample included operations where tree felling was carried out using chainsaws and operations where trees were felled using bulldozers, with chainsaws used for subsequent cross-cutting. This approach allowed implementation of the Organization's control measures to be evaluated under different operational and environmental conditions and across several suppliers responsible for applying mitigation measures on behalf of the Organization. Above in section 5.4 only visited suppliers associated with Sadao and Lampod sites are listed. Regarding formulas and coefficient applied, Sadao and Lampod together sources from 220 sites, square root (220) x 0.6 = 9 was used. Energy and carbon data used for preparation of the SAR were sampled separately for each site. For each production site, three months were selected during the audit, taking account of different periods of the year, production activities and availability of source records. Selected data were traced to the underlying record-keeping systems and supporting documents, and relevant transactions and calculations were cross-checked to verify consistency and accuracy. Although the overall SAR procedures and responsible personnel were common to all three sites, site-specific sampling was applied where energy sources, fuels, transport arrangements or calculation methods differed. Interviews were also included in the sampling methodology. Staff performing different functions were interviewed at each site, including both Thai and foreign workers, to obtain evidence from different groups involved in production and implementation of the management system. Interviews were used together with document review and direct observation to verify awareness of applicable procedures, working conditions and implementation of relevant social and operational controls. All three production sites use the same port facility for temporary storage and loading of biomass onto barges prior to vessel loading. The port arrangements and associated risk of mixing had been evaluated during the previous assessment of Lampod site and were confirmed as low risk. The port was therefore not revisited during the current evaluation, while relevant records and controls remained subject to desk-based verification as part of the common management system assessment.

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.

No additional stakeholder consultations were conducted specifically for Lampod and Sadao sites. The evaluation considered the results of stakeholder engagement conducted during the assessment of Trang site, including consultation with the provincial Rubber Authority of Thailand (RAOT) and interviews with smallholders. The information obtained was used as supporting evidence for evaluating the SBE and relevant risk mitigation measures, considering differences in regional practices and conditions.

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

Strength:

- Experience with other certifications (SBP, Better Biomass, GGL)
- Limited Supply Base and only one specie
- Small number of management staff and clearly designated procedures
- Robust recordkeeping system, ensuring transparency
- Effective engagement with stakeholders

Weaknesses:

- Over-reliance on external authority controls to demonstrate risk mitigation
- Some elements of the SBE system are still being refined through practical implementation

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 Organization initially developed the Supply Base Evaluation and concluded low risk for a number of Standard 1 indicators relevant to rubber plantation harvesting. During the assessment, these conclusions were tested through stakeholder consultation, supplier and plantation visits, interviews with smallholders and review of the practical implementation of mitigation measures.

The evaluation confirmed that a number of environmental, legality and social controls are implemented in practice by direct suppliers and smallholders. However, the evidence used in the SBE to justify low-risk conclusions was not sufficient for several indicators. In particular, the Organization relied significantly on monitoring and subsidy programmes implemented by the Rubber Authority of Thailand (RAOT), while the assessment confirmed that these programmes do not cover all smallholders and are primarily focused on rubber cultivation, latex production and replanting rather than monitoring of end-of-life rubber tree harvesting. This gap was addressed under NCR 2026-008078.

Following the non-conformity and consideration of stakeholder feedback and field verification results, the Organization revised the SBE. The revised assessment reflects the actual sourcing model, where primary feedstock is excluded from the certification scope and the Organization sources processing residues originating from rubber plantations. Relevant indicators identified through the assessment as requiring additional control were reassessed as specified risk and linked to corresponding mitigation measures.

Implementation of these measures is largely delegated to direct suppliers, which receive procedures, instructions and training from the Organization. The Organization retains responsibility for monitoring implementation through supplier checks, document review, field verification and evaluation of supplier performance. The revised approach was verified during supplier and plantation visits and was found to better reflect the risks and controls applicable within the Supply Base.

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

The Organization maintains a structured system for verification and monitoring of all processing residue suppliers. Supplier inspections, document reviews and cross-checks with the Rubber Authority of Thailand are applied consistently. Records of weight, moisture and quality are maintained for each delivery, with verification against invoices and mass balance documentation.

Annual supplier audits are performed, and signed statements of understanding are in place to formalize sustainability obligations. During the assessment, inspection records, audit documentation and supplier files were reviewed. Visits to selected suppliers of processing residues confirmed that the established controls are implemented in practice and that feedstock characteristics are correctly classified and recorded at receipt.

The system was found to function effectively, and no gaps were identified during the assessment.

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

The evaluation confirmed that the Organization has established a functioning management system covering responsibilities, record-keeping, material reception, registration and classification. Business integrity requirements were reviewed and found to be adequately addressed through documented procedures and internal controls. The management arrangements are consistent with those previously evaluated for the other two production sites during the 2025 and 2026 assessments.

The Chain of Custody system is based on physical separation, as the only eligible input included in the certification scope is PGID 40. Eligible material is identified, recorded and maintained separately throughout reception, storage and processing.

Input and output records were reviewed together with production data and applicable conversion factors. Conversion factors used for pellet production were documented and supported by operational records. Outsourced activities at the port, including temporary storage and loading operations, were also evaluated and found to be adequately controlled within the Organization’s Chain of Custody system.

The system was found to be adequate for maintaining traceability and ensuring correct identification and communication of certified material.

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

The Organization compiles data on energy use, feedstock, and transport through contributions from different departments, which are consolidated and summarized in the SAR by the responsible persons. Most values are based on actual data. In addition, certain average values were derived from sample measurements. The estimations and averages were supported by documented justification and aligned with operational records. The

data set was found to be consistent and adequate to ensure reliable reporting in accordance with ID 5E.

5.13 Summary of audit findings for competency of involved personnel

The Supply Base Evaluation and the overall SBP management system are maintained internally by three responsible persons with complementary backgrounds in finance, management, compliance, and sustainability. Together they demonstrated strong knowledge of SBP requirements and sufficient competence to develop and implement the SBE and to manage the Organization's control systems.

Additional staff responsible for health and safety, procurement, human resources, and document control were consulted for their specific areas of responsibility. The division of responsibilities was found to be adequate to ensure effective implementation of SBP requirements across the 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 Organization conducts a Supply Base Evaluation for non-certified processing residues originating from rubber plantations. Primary feedstock is not included in the certification scope. For the purpose of the SBE, the relevant feedstock is classified as PGID 3A – harvested woody residues from agricultural land, and the risk assessment is therefore implemented at plantation level.

The Organization has established risk mitigation measures to ensure that relevant risks associated with plantation management and harvesting are controlled before processing residues are accepted into the certified supply chain. Implementation of these measures is supported by direct suppliers, while the Organization provides procedures, instructions and training and monitors implementation through supplier verification, document review and field visits.

The Supply Base Evaluation is further supported by stakeholder consultation, review of applicable legal and sectoral information, and practical verification at supplier and plantation level. During the assessment, the existing risk assessment was tested against stakeholder feedback and field evidence. Following the identified non-conformity, the Organization revised the SBE and reassessed the relevant indicators to better reflect the actual sourcing model and plantation-level risks.

The updated SBE identifies specified risks where additional control is required and links them to corresponding mitigation measures. Particular attention is given to legality, environmental impacts, soil and water protection, occupational health and safety, and other social aspects relevant to rubber tree harvesting.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Thailand
Area/Sub-Scope
Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat
Indicator
1.1.2 Legal ownership of land and resource use rights shall be respected.
Specified risk description
Thailand has established legislation governing land ownership, forest utilization, plantation management, and environmental protection, including the Forest Act B.E. 2484 (1941), Forest Plantation Act B.E. 2535 (1992), Land Code B.E. 2497 (1954), Rubber Authority of Thailand Act, and Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992). However, the indicator is assessed as specified risk because legislation and supplier declarations alone do not guarantee that every supplying plot has valid and undisputed ownership or resource-use rights. Feedstock could potentially originate from land with unclear ownership, invalid documentation, overlapping claims, unresolved disputes, or insufficient evidence of harvesting rights.
Detailed description of a mitigation measure

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

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

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of the mitigation measures was verified through visits to direct suppliers

and sampled plantations belonging to different smallholders. Supplier records confirmed that land ownership or lawful use rights, plantation location and other required information are checked before harvesting and approval of the source.

It was confirmed that verification is conducted plantation by plantation and that material is accepted only after the required checks are completed. The information reviewed was consistent with field observations and interviews.

The mitigation measures were found to be implemented effectively for the sampled supply chains.

Country
Thailand
Area/Sub-Scope
Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat
Indicator
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced
Specified risk description
Thailand has legislation and administrative frameworks supporting soil conservation and responsible land use, including the Land Development Act B.E. 2558 (2015), the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), applicable forest and land-use laws, and guidance issued by the Land Development Department and the Rubber Authority of Thailand. However, RAOT oversight may not cover plantations that do not participate in its subsidy or support programmes. Observations from the Company's plantation audits indicate that rubberwood harvesting and replanting do not normally cause permanent soil deterioration when appropriate practices are applied. Nevertheless, the indicator is assessed as specified risk because inadequate harvesting practices, including uncontrolled machinery movement, log dragging, operations during heavy rainfall, poor drainage management, and insufficient post-harvest restoration, may cause soil compaction, erosion, contamination, rutting, or loss of protective ground cover.
Detailed description of a mitigation measure
Mitigation measures: The Company mitigates the specified risk by requiring each supplier to implement documented harvesting instructions that address soil protection. Suppliers may adopt the Company's work instruction or use their own procedure, provided that it contains equivalent environmental controls. The supplier and site supervisor are responsible for assessing and controlling soil-related risks before, during, and after harvesting. • Assess soil condition, slope, drainage, erosion risk, and access routes before harvesting. • Identify steep, unstable, waterlogged, saturated, or erosion-prone areas. • Limit unnecessary machinery movement, soil disturbance, and the opening of new routes. • Avoid harvesting, log dragging, and heavy machinery operations during heavy

rainfall or when soil is saturated.
- Maintain ground vegetation, leaf litter, and sufficient harvesting residues to protect the soil.
- Place log-storage and machinery areas on stable ground away from steep slopes and watercourses.
- Prevent fuel, lubricant, and chemical leakage onto soil.
- Stop work where erosion, rutting, soil displacement, uncontrolled runoff, or other unacceptable impacts are observed.

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of soil protection measures was evaluated at plantations representing different terrain and harvesting conditions. At sloping sites, harvesting methods and machinery use were adapted to reduce erosion risk, including use of stepped working areas where relevant. At sites with locally flooded or waterlogged conditions, buffer areas were retained to protect soil and reduce potential erosion.

Post-harvesting plantations were also inspected. Soil conditions were found to be stable, no significant erosion or soil disturbance was observed, and replanting activities were progressing appropriately.

Based on the sampled sites, the mitigation measures were found to be implemented effectively.

Country

Thailand

Area/Sub-Scope

Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

Indicator

2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.

Specified risk description

Thailand has legal and regulatory controls intended to prevent ecological degradation from the removal of trees, roots, stumps, and below-ground biomass. Relevant instruments include the Forest Act B.E. 2484 (1941), the National Reserved Forest Act B.E. 2507 (1964), the Land Development Act B.E. 2558 (2015), and guidance issued by the Rubber Authority of Thailand. In rubber plantations on private agricultural land, stump and root removal may be carried out as part of land preparation for the next planting cycle. PT Parawood's plantation observations indicate that properly controlled removal, followed by land restoration and replanting, generally allows the area to remain suitable for vegetation growth and continued agricultural use. Nevertheless, the indicator is assessed as specified risk because uncontrolled removal of the spreading root system, stumps, ground vegetation, and harvesting residues may destabilize soil, increase erosion and surface runoff, alter drainage, reduce soil organic matter, and negatively affect ecosystem functions.

Detailed description of a mitigation measure

Mitigation measures:
The Company mitigates the specified risk by requiring suppliers to control stump, root, and harvesting-residue removal through documented harvesting instructions. Suppliers may adopt PT Parawood's work instruction or use their own procedure, provided that it contains equivalent environmental controls. The supplier and responsible site supervisor must identify environmentally sensitive areas and ensure that removal activities are limited to what is necessary for plantation re-establishment or safe land preparation.

- Remove stumps and roots only where necessary for replanting or safe land preparation.
- Prohibit stump and root removal on stream banks, wetlands, waterlogged areas, steep slopes, or erosion-prone locations unless approved protective measures are implemented.
- Minimize unnecessary excavation, soil displacement, and disturbance of drainage systems.
- Retain sufficient leaves, branches, and organic residues to provide soil cover and return organic matter.
- Avoid removing all ground vegetation or residues where this would leave soil exposed.
- Prevent roots, residues, soil, and other materials from entering waterways or drainage channels.
- Prohibit open burning of stumps, roots, and harvesting residues.
- Restore disturbed areas, wheel ruts, drainage routes, and exposed soil after removal activities.
- Maintain or re-establish ground cover while awaiting replanting.
- Ensure that the harvested plantation is replanted or restored to continued

agricultural use.

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of controls related to stump and root removal was evaluated through plantation visits, interviews with harvesting teams and stakeholder consultation. In the rubber plantation context, removal of stumps and roots forms part of normal land preparation for replanting and was confirmed by the Rubber Authority of Thailand as an established and necessary practice.

Harvesting teams receive instructions on appropriate removal methods and soil protection measures. Replanted plantations where stump and root removal had already been completed were inspected, and no significant soil degradation, erosion or other adverse environmental impacts were observed. Replanting was progressing normally.

Based on the evidence reviewed, the mitigation measures were found to be adequately implemented.

Country
Thailand
Area/Sub-Scope
Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat
Indicator

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

Specified risk description

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

Detailed description of a mitigation measure

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

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

causing further damage.

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of water protection measures was evaluated through plantation visits, review of maps and satellite imagery, and field verification of potentially sensitive areas. It was confirmed that remote information is supplemented by on-site checks before harvesting, including verification of watercourses, wet or waterlogged areas and plantation boundaries.

Harvesting methods were adapted where necessary to reduce impacts on water and soil conditions, including retention of buffer areas and adjustment of operations in wet or sloping locations. Fuel, lubricants and other chemicals were stored using dedicated containment arrangements to prevent leakage to soil or water. No adverse impacts on surface water, drainage or other hydrologically sensitive features were observed at the sampled sites.

The mitigation measures were found to be adequately implemented.

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

dumped, burned, buried, abandoned, or allowed to contaminate soil or water.

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Waste management controls were evaluated through plantation visits, interviews and observation of ongoing and completed harvesting sites. Some minor rubbish may occur during operations or originate from neighbouring areas; however, harvested and replanted plantations were found to be cleared after completion of activities.

It was confirmed that harvesting teams remove operational waste from the plantation and that no significant accumulation, uncontrolled disposal or contamination was observed at the sampled sites. Stakeholder interviews supported these observations.

The mitigation measures were found to be effectively implemented and the identified risk adequately controlled.

Country

Thailand

Area/Sub-Scope

Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

Indicator

4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.

Specified risk description

The specific risk is highly associated to the internal management's best practices. A lack of clear regulation within the company or regular audit can result in the risk being realized.

Detailed description of a mitigation measure

Mitigation measures:
The Company requires all employees to undergo training before employment, as well as annual trainings to promote knowledge and skills needed to perform jobs effectively

and safely.

Sustainability department is set up in the company to ensure all relevant department to SBP or other sustainability schemes have adequate training and resources to maintain compliancy.

Monitoring and outcomes:
Annual audits are conducted to ensure employees and suppliers are aware of and comply with SBP-aligned standards. In case of a non-compliant findings, corrective measures are to be drafted and implemented within a specified timeline as per the procurement policy agreement.

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of training requirements was evaluated through review of training records, supplier documentation, interviews and on-site verification. The Organization provides relevant procedures and training to direct suppliers on implementation of the mitigation measures and plantation-level controls. Suppliers subsequently train their own workers, harvesting teams and contractors on the applicable operational requirements.

Training records and interviews confirmed that this two-level approach is implemented in practice and that personnel involved in plantation operations are aware of the relevant requirements.

The training and monitoring system was found to be adequately implemented.

Country

Thailand

Area/Sub-Scope

Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

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

Thailand has established occupational health and safety legislation applicable to employers and workplaces, including the Occupational Safety, Health and Working Environment Act B.E. 2554 (2011) and relevant ministerial regulations. These requirements address safe working conditions, hazard communication, worker training, personal protective equipment, risk assessment, safety supervision, incident reporting, employee participation, and continual improvement. However, the indicator is assessed as specified risk at plantation and harvesting-contractor level because rubberwood harvesting involves significant occupational hazards and may be performed by small contractors, temporary workers, or informal work crews with varying levels of safety knowledge, training, supervision, and documented safety management. Potential risks include chainsaw injuries, uncontrolled tree-felling, falling trees or branches, machinery accidents, log dragging and loading, unstable ground, noise, dust, heat, vibration, fuel or chemical exposure, fire, insufficient first-aid arrangements, failure to use PPE, and work performed under the influence of alcohol or drugs.

Detailed description of a mitigation measure

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

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

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

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Occupational health and safety controls were evaluated through observation of ongoing harvesting activities and interviews with workers, supervisors and direct suppliers. One case of non-compliance with established working instructions was observed during a plantation visit. The issue had also been identified by the responsible supplier through its supervision process, and immediate follow-up was implemented, including clarification of the required working practices with the harvesting team.

The case demonstrated that supervision and corrective controls are functioning in practice. Overall, workers were appropriately supervised, relevant safety requirements were understood, and the identified risk was found to be effectively controlled.

Country

Thailand

Area/Sub-Scope

Songkhla, Yala, Trang, Krabi, Pattani, Narathiwat

Indicator

4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.

Specified risk description

Although there are several general Acts that protects indigenous people, there is no direct law to highlight the presence and the protection of this group. This is because historically, there has been no presence of such indigenous group within the SBE. Nevertheless, several mitigation measures are needed to ensure that all SBE areas are free of such risks.

Detailed description of a mitigation measure

Mitigation measures:
Feedstock originates from rubberwood sawdust, slabs, and branches—which are

processing residues from legally established sawmills in Southern Thailand, using wood sourced from privately owned rubber plantations. These plantations operate on titled land overseen by the Rubber Authority of Thailand (RAOT). This ensures that there are no violations of tenure rights related to Indigenous Peoples or local communities.
Thailand has clear legal procedures for land ownership and registration through Department of Lands (DoL), and Royal Forest Department (RFD).
All plantations involved in our supply chain are registered with RAOT, which requires submission of land title deeds or official land use documents. No rubber plantation subsidies are issued without land ownership verification.
While there may be ethnic or local communities, the types of Indigenous customary land rights that are a concern in northern Thailand (e.g., Karen, Hmong) are not known to exist or overlap with Supply Base in the south.

Monitoring and outcomes:
The Company establishes and requires suppliers to comply with respecting legal, customary, and traditional rights of Indigenous People and local communities. Groups of indigenous peoples in Supply Base are identified and referenced in the Procurement Agreement. Implementation and verification of compliance include but not limited to:

- legal & policy framework check
- operational due diligence
- community engagement

Detailed description of CB evaluation of mitigation measure and its conclusions

Implementation of controls related to customary, traditional and community rights was evaluated through stakeholder consultation, interviews with smallholders and field verification at plantation level. No evidence was identified that the sampled plantations overlap with areas subject to customary or traditional tenure claims or that local communities are adversely affected by the harvesting activities.

Interviews confirmed that local people are actively involved in plantation management and harvesting activities and that access to employment and use of land are not restricted by the sourcing activities. The information obtained from smallholders and the Rubber Authority of Thailand was consistent with field observations.

Based on the sampled supply chains, the identified risk was found to be adequately controlled.