



Supply Base Report:

NETMA JOINT STOCK COMPANY Main (Initial) Audit

Sustainable Biomass Program
sbp-cert.org



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

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

Document history

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Table of contents

1 Overview

2 Description of the Biomass Producer and the Supply Base

- 2.1 Description of the company
- 2.2 Detailed description of the Supply Base
- 2.3 Feedstock information

3 Supply Base Risk Assessments and Risk Management Measures

- 3.1 Summary of the Supply Base Evaluation
- 3.2 Conflicts with applicable national and sub-national legislation
- 3.3 Risk Management Measures

4 Stakeholder engagement

- 4.1 General description
- 4.2 Response to stakeholder comments

5 Report updates and approval

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

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

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

1 Overview

Producer name:	NETMA JOINT STOCK COMPANY
Producer address:	Da Coc Village, 31000 Thac Ba Commune, Lao Cai Province, Viet Nam
SBP Certificate Code:	SBP-14-07
Geographic position:	21.758098, 105.047438
Primary contact:	Cuong Nguyen Chi, +84 788 025 333, cuongnc@netma.vn
Company website:	
Date report finalised:	14 Jun 2026
SBR reporting period from:	01 May 2025
SBR reporting period to:	30 Apr 2026
Name of the Certification Body:	SGS North America Inc.
Certification Body Approval date:	15 Jul 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 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 v1.1 -, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
Feedstock origin (countries)	Viet Nam (Phu Tho, Lao Cai, Tuyen Quang)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Netma JSC is a reputable wood pellet manufacturer in Vietnam, specializing in providing high-quality biomass products for export, particularly to the Japanese and European markets.

Capabilities & Strategic Advantages:

- **Production:** Operates a production system with an annual capacity of up to 85,000 tonnes in Lao Cai Province, Vietnam.
- **Logistics:** Strategically located near supply bases, river ports (such as Viet Tri Port), and seaports (such as Cai Lan Port), optimizing transportation costs and minimizing CO2 emissions.
- **Technology:** The manufacturing process is strictly controlled, with a primary focus on maximizing energy efficiency and utilizing local biomass sources.

Sustainability Commitment:

- **Certification:** Maintains full FSC and PEFC CoC certifications.
- **Feedstock:** 100% of incoming raw materials (primary feedstock and processing residues) are verified compliant with SBP and FSC/PEFC standards.
- **Compliance:** Applies a rigorous Supply Base Evaluation (SBE) approach, ensuring all products are legally and sustainably sourced, while fully meeting the stringent requirements of international markets.

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

Number of employees: 67

Annual maximum production capacity (metric tonnes): 85000

Number of direct feedstock suppliers: 204

Approximate number of feedstock sub-suppliers: 4

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

Netma JSC operates a wood pellet production facility certified under the FSC/PEFC Chain of Custody (CoC) standards and the SBP program. Our comprehensive management system ensures that all incoming raw materials are legally sourced, fully traceable, and compliant with global sustainability standards.

Our upstream supply chain is divided into two distinct streams:

Type 1 – Primary Feedstock Supply Chain (Direct)

Sourced directly from forest owners (individual smallholders):

- Forest owners manage forestry activities and sell timber directly to Netma.
- Logging/transportation teams are contracted to harvest and deliver the raw material.
- Primary feedstock (roundwood, twigs) is transported directly from the harvest site to Netma's plant.

Traceability: Maintained through purchase contracts, transport permits, invoices, and supplier declarations.

Type 2 – Secondary Feedstock Supply Chain (Multi-Tier)

Sourced from wood processing residues (woodchips, sawdust, bark, and offcuts):

1. Forest owners sell roundwood to local primary processing mills.
2. Primary processing facilities (veneer mills, sawmills) generate residues during processing and sell them directly to Netma or to traders.
3. Collectors / Traders aggregate residues from various mills and supply them to Netma.

Traceability: Strictly monitored through regular inspections, supplier evaluations, and by requiring all intermediaries to provide comprehensive origin documentation.

Conclusion: Netma's robust CoC system guarantees that 100% of incoming biomass feedstock — whether primary roundwood from forests or secondary residues from processing mills — is entirely legal and fully traceable under FSC, PEFC, and SBP standards. This enables Netma to reliably supply sustainable wood pellet products to the renewable energy markets in Japan and Europe.

2.2 Detailed description of the Supply Base

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

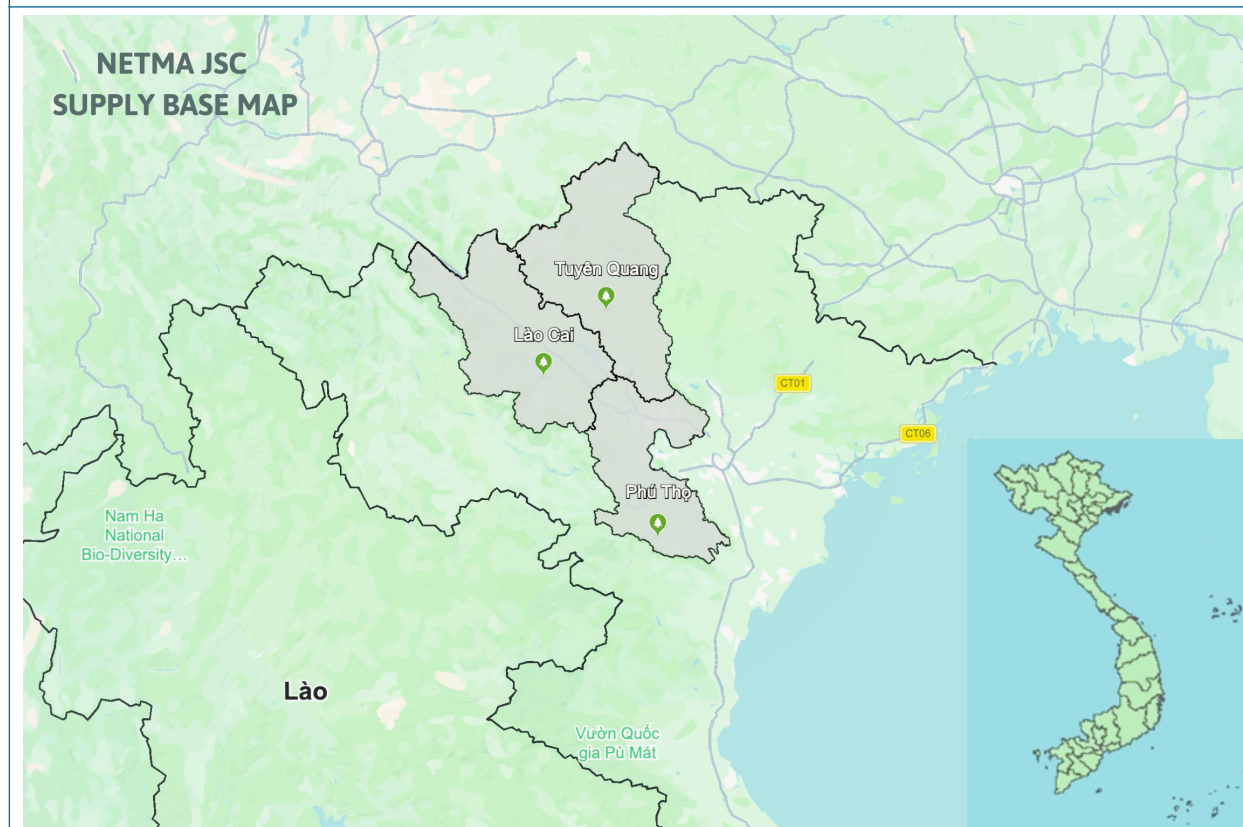
Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

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

Country	Viet Nam
Area/Region	Phu Tho, Lao Cai, Tuyen Quang
Exclusions	
Feedstock types	Primary, Processing residues ¹
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used
Provide a concise summary of why a SBE was determined to be required or not required here:	
To ensure that the output claim remains SBP-compliant, Netma shall implement a Supply Base Evaluation (SBE) in accordance with the requirements of SBP Standard 1 (Feedstock Compliance Standard) and SBP Standard 2 (Verification of SBP-compliant Feedstock). The SBE shall be based on the SBP Regional Risk Assessment (RRA) for Vietnam v1.0 and shall include the development and implementation of appropriate risk mitigation measures to address all specified risk indicators, including those identified through GAP benchmarking between SBP and	

FSC/PEFC requirements.	
Feedstock types included in SBE:	Primary, Processing residues ¹
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	0.3640

Map(s) of the Supply Base area:



2.3 Feedstock information

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List of all the species in primary feedstock, including scientific name:**

Acacia spp	Acacia
Eucalyptus spp	Eucalyptus
Styrax tonkinensis	Styrax tonkinensis

- d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** No
Explanation:
- e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%):** 100.00
- f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00
- g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 5.00
- h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.
- i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00
- j. **Select forest type(s) where the primary feedstock was sourced from:** Planted Forest
- k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting
- l. **Volume of primary feedstock from primary forest:** 0 tonnes
- m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust, Offcuts, Clean chips or dust
- n. **Share of SBP-recognised system claim for processing residues:**
- o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust, Offcuts, Clean chips or dust
- p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 150000 tonnes
- q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 150000.00 tonnes
Explanation:

3 Supply Base Risk Assessments and Risk Management Measures

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

☐ Not Applicable – Supply Base Evaluation not implemented

3.1 Summary of the Supply Base Evaluation

In accordance with the SBP Regional Risk Assessment (RRA) for Vietnam v1.0, Netma conducts a rigorous Supply Base Evaluation (SBE) meeting SBP Standards 1 and 2. This process assesses sustainability, legal compliance, forest preservation, and social responsibility across all Vietnamese primary and secondary feedstock sources. While most criteria show low risk, specific risks have been identified in supply chain traceability, High Conservation Value (HCV) protection, and legal harvesting verification. Netma addresses these issues head-on through field inspections, stakeholder consultations, legality verifications, and formal supplier declarations. Through these measures, all incoming feedstock is verified as SBP-compliant, ensuring our wood pellet products fulfill SBP sustainability benchmarks and align with international market expectations, especially in Europe and Japan.

3.2 Conflicts with applicable national and sub-national legislation

There is no evidence of legal conflicts. In Vietnam, a strict regulatory system governs all forest management activities, mandates total compliance with primary national legislation—such as the 2017 Law on Forestry and the Land Law—alongside related decrees and circulars. Because sub-national and local rules are legally bound to develop within the boundaries of these national laws, the entire legal framework is highly consistent. As a result, no contradictions or overlapping discrepancies have been observed.

3.3 Risk Management Measures

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

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed

	☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal rules for some aspects is still inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all 03 sub scopes. 2. Verification Assessment Result: - Consultation with the Departments of Agriculture and Environment of Phu Tho, Lao Cai and Tuyen Quang: all forest planting, tending and production-forest harvesting activities within the supply area are carried out in accordance with the 2017 Forestry Law and its implementing guidance. The Vietnam Timber Legality Assurance System (VNTLAS) is being rolled out consistently. - The Forest Protection Sub-Departments of the three provinces confirm: the proportion of timber lots with fully valid documentation in the supply area exceeded 85% in 2024–2025. No serious violations relating to production-forest harvesting were found in the Company's purchasing area over the past two years. - The District Forest Ranger Stations covering the supply area, such as Thanh Son, Thanh Thuy, Tan Son, etc. (Phu Tho); Zones I and IV, etc. (Tuyen Quang); Van Chan, Yen Binh, etc. (Lao Cai), confirm: most forest owners, who are smallholders, understand the requirement to prepare forest-product declarations (per Circular 26/2025/TT-BNNMT); the local Ranger Stations inspect and endorse the declarations as required. - Verification of 8 smallholder households (4 in Phu Tho, 2 in Tuyen Quang, 2 in Lao Cai): all forest owners understood the requirement to complete and present a valid forest-product declaration for harvested plantation timber. All had legal raw-material purchase contracts that clearly required the forest owner to provide the forest-product declaration to the buyer. - In addition, the 2024 Land Law No. 31/2024/QH15 (effective 1 August 2024) has simplified land-allocation and LURC-issuance procedures, making it easier for smallholders to complete a full set of legal documents.	
Mitigation measure:	
• Mandate all smallholders to provide valid Land Use Right Certificates (LURCs / Red Books) or a formal written confirmation from the Commune People's Committee certifying that the land is clear and completely free of land conflicts prior to entering contract purchasing agreements. • Establish a rigorous verification protocol for the forest product packing list (BKLS) in strict compliance with Circular No. 26/2025/TT-BNNMT for every single feedstock batch delivered to the factory site. • Conduct structured, periodic on-site field verifications and compliance audits by the company's internal certification team.	

- Conduct proactive cross-verification interviews with local forest rangers (kiểm lâm địa bàn) and commune authorities to confirm legal compliance and wood legitimacy.
- Enforce an uncompromising supplier exclusion policy: strictly purchase materials from smallholders who satisfy 100% of the statutory legal documentation and traceability criteria.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Strictly monitoring the harvesting and transportation of raw materials from the plantation to the factory.
- Purchasing raw materials only from smallholder who possess complete legal documentation as required by applicable regulations.
- Maintaining full documentation for each raw material batch for a minimum of 05 years.

Outcome: The strict implementation of these measures has completely eliminated non-compliant timber sources, successfully reducing the residual risk for this indicator to a Low Risk level as determined for each individual smallholder supplier.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

1.1.2 Legal ownership of land and resource use rights shall be respected.

Description of the specific risk: 1. RRA Vietnam Conclusion: The supply of timber raw materials in Vietnam is mainly from production forests, of which the majority of production forests have been allocated to households for management. However, with a large number of small forest owners (>1 million), the issuance of land use right certificates has yet to be fully implemented, so this indicator is considered a definite risk for small forest owners. 2. Verification Assessment Result: - Consultation with the Departments of Agriculture and Environment and Land Registration Offices of the three provinces: the LURC issuance rate for production-forest growers in the supply area – e.g. Thanh Son, Tan Son, Thanh Thuy, etc. in Phu Tho; Son Duong, Yen Son, etc. in Tuyen Quang; Van Ban, Bao Thang, etc. in Lao Cai – is high. Households that do not yet hold a red book typically hold a no-dispute confirmation from the Commune People's Committee. - Important point: under Resolution 18-NQ/TW (2022) and subsequent Government directives, LURC issuance for production-forest land is being accelerated, with a target of completion by 2025–2030. Phu Tho province has already issued red books for the majority of eligible forestry land. This represents a clear positive trend compared with the situation at the time the regional RRA was conducted. - Consultation with communes in the supply area, such as Huong Can, Vo Mieu, Kha Cuu, Cam Khe (Phu Tho); Truong Sinh, Phu Luong, Tan Thanh (Tuyen Quang); Thac Ba, Tran Yen, Yen Binh (Lao Cai): confirmed there are no unresolved land disputes relating to planted-forest areas within the purchasing area. - Verification of 8 smallholder households: 8/8 households presented a valid LURC; no cases of ongoing land disputes were found.
Mitigation measure: • Require smallholder forest owners to submit a valid LURC or a formal written certification officially stamped by the Commune People's Committee confirming that the land has no ongoing boundary or ownership disputes. • Execute direct cross-checking of land registration numbers and boundaries with the Commune People's Committee and the District Land Registration Office to confirm land tenure validity. • Incorporate local community consultations in adjacent residential clusters during field assessments to proactively detect any latent, unrecorded boundary or customary land tenure disputes. • Immediately exclude from the supply base and procurement list any forest plots where land ownership is ambiguous, overlapping, or subject to active community disputes. • Deploy random field inspections using handheld GPS devices to verify that the physical forest borders match official land registration maps and cadastral plans. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.
Monitoring and outcomes: • Systematically audit land tenure documentation or commune-level certifications for each smallholder supplier prior to contract execution, maintaining routine coordination with local land management bodies to capture legal status changes.

- Limit procurement operations exclusively to verified smallholders holding undisputed land titles; suspend any plots undergoing boundary adjustments or disputes until an official resolution is formalized.
- Archive all land tenure verifications, field inspection sheets, and commune certifications for a minimum of 5 years.

Outcome: Land tenure and resource rights are robustly respected and validated, successfully reducing the residual risk level to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

1.1.3 Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.

Description of the specific risk:

1. RRA Vietnam Conclusion:

The primary feedstock in Vietnam is mainly sourced from planted production forests. The main species used for forest plantations include Acacia, Eucalyptus and Rubber, which are in the list of major forestry species (Circular 22/2021/TT-BNNPTNT dated 29/09/2021) and not listed under CITES. Harvesting permits are required for state-owned forest owners but not for households and individuals, while forest product inventory is mandatory for all forest owners. In practice, state-owned organizations fully comply with the requirements for approving harvesting plans and forest product inventory. Smallholders mainly sell standing trees to intermediaries or traders. Therefore, filling in the forest product inventory is delegated or assigned to intermediaries or traders. Intermediaries or traders are not allowed to fill in the forest product inventory, which does not comply with current laws (Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). In addition, the implementation and control of forest inventory for private forest owners has yet to be fully implemented. Therefore, specific risks are identified for feedstock originating from small forest

owners and private organizations related to the requirement of forest inventory.

2. Verification Assessment Result:

- Species verification – CITES: the Forest Protection Sub-Departments of the three provinces confirm that the planted species in the supply area – Acacia mangium, hybrid Acacia (Acacia hybrid), Eucalyptus spp. – are not listed under CITES (per Notice No. 25/TB-CTVN dated 17 February 2023). No natural timber or endangered species are involved.
- Legality of harvesting verified: households harvesting production forest do not require a separate harvesting permit (Article 58 of the 2017 Forestry Law, Article 35 of Decree 156/2018) but must prepare a forest-product declaration. The District Forest Ranger Stations in the three provinces report that this process is well enforced, with a high compliance rate.
- Random check of forest-product declarations at 8 smallholder households: all held a declaration in the correct form under Circular 26/2025/TT-BNNMT, prepared either by the household itself or by a lawfully authorized buyer. No cases were found of a trader improperly preparing the declaration on the household's behalf.
- The Departments of Agriculture and Environment of the three provinces confirm no cases of timber-origin violations relating to smallholders in the purchasing area during 2023–2025.
- Commune People's Committees and local residents reported no cases of illegal harvesting or timber transport.

Mitigation measure:

- Verify all harvesting operations by thoroughly checking harvesting minutes, regional timber quotas, and commercial sales contracts to preserve unbroken chain-of-custody continuity.
- Mandate that the forest product packing list must be generated directly by the smallholder forest owner (or their legally authorized representative) and cross-examine it against official validation from the local Forest Ranger station (Hạt Kiểm lâm) where applicable.
- Conduct systematic species screening (exclusively Acacia spp. and Eucalyptus spp. from commercial plantation forests) against CITES Appendices to guarantee that no restricted, endangered, or CITES-listed timber species enter the supply chain.
- Enforce immediate commercial suspension penalties against any supplier who fails to provide complete traceability documents or is suspected of non-compliant trading practices.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Perform comprehensive documentation audits on packing lists and purchase contracts for every single batch of timber arriving at the factory gate, cross-checking the validity of documents with the local Forest Ranger station in accordance with Circular No. 26/2025/TT-BNNMT.
- Enforce an absolute rejection policy for any feedstock batch lacking verifiable origin records or showing any administrative inconsistency or signs of document manipulation.
- Centrally archive all timber legality, harvesting authorization, and transportation dossiers grouped by

batch for at least 5 years.

Outcome: 100% of the supplied feedstock is verified as legally harvested, traded, and traced, driving the residual risk down to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.

Description of the specific risk:

1. RRA Vietnam Conclusion:

Although Vietnam has adequate legal regulations and effective mechanisms for managing forest and wetland land use, from 2006 to 2014, the conversion of depleted natural forests into plantation forests took place on a large scale legally. There are still sporadic illegal forest conversions to date. The loss of mangrove forests and peatlands has also occurred significantly. Therefore, this indicator is assessed as a specified risk.

2. Verification Assessment Result:

- Land-use history analysis: the Forest Protection Sub-Departments and Departments of Agriculture and Environment of the three provinces provided three-forest-category planning maps confirming that the entire purchasing area falls within land planned for production forest since before 2008. Acacia and Eucalyptus plantations in Phu Tho, Tuyen Quang and Lao Cai were established under Program 327 (1992–1997) and Program 661 (1998–2010) on bare hills and denuded land.
- No peatland: the Departments of Natural Resources and Environment of the three provinces and the national peatland distribution map confirm there is no peatland anywhere within the supply area of Phu Tho, Tuyen Quang and Lao Cai.

- Review of Commune People's Committee cadastral maps: no indication of conversion from natural forest or wetland was found on any plantation lot in the purchasing area after 1 January 2008.
- Random consultation with Commune People's Committees and local communities in 10 communes across the supply area: confirmed that current Acacia and Eucalyptus areas were newly planted on bare hills and denuded land under State programs; local residents and village/hamlet heads confirmed these lots were already fallow land or swidden fields before afforestation.
- Verification of 8 smallholder households: 8/8 households provided an LURC confirming the land-use purpose as "production forest land" from before 2008. No household harvested on land suspected of being converted natural forest.

Mitigation measure:

- Cross-reference individual plot coordinates and boundaries with official 3-forest-type planning maps and land-use classification records maintained by the Commune People's Committee.
- Mandate all smallholder suppliers to execute a formal, legally binding Land History Self-Declaration, explicitly confirming that the target plot was not converted from natural forest, wetlands, or peatlands after January 2008.
- Implement a zero-tolerance conversion policy: permanently exclude from the company's approved supplier list any land parcel identified to have undergone illegal conversion or clearing after the 2008 cutoff date.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Execute periodic satellite image/GIS verification cycles coupled with random field checks across the supply base to actively monitor land-use stability or forest cover alterations since 2008, cross-matching findings with official cadastral maps and smallholder declarations.
- Restrict procurement strictly to plantation plots possessing a verified history of stable production forestry or old bare land/grassland. Flag and immediately investigate any plots showing forest canopy alterations.
- Retain all historical land-use verification outputs, signed self-declarations, and GIS analytical files for a minimum of 5 years.

Outcome: The risk of sourcing timber from post-2008 converted lands is completely mitigated, establishing a verified Low Risk status.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

	☒ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Although Vietnam has regulations to limit the negative impacts of forestry production activities, implementing sustainable forest management plans is optional for all forest owners. The short forest planting rotation and the widespread burning of vegetation can negatively impact soil quality. Therefore, this indicator is assessed as a specified risk. 2. Verification Assessment Result: - The Departments of Agriculture and Environment of the three provinces report no serious soil-degradation cases linked to forestry activity in the supply area. Maintaining continuous forest cover across replanting cycles and applying coppice regeneration techniques (particularly for hybrid Acacia) helps limit surface erosion after harvesting. - The Forest Protection Sub-Departments and District Ranger Stations across the three provinces' supply areas confirm: forest rangers conduct regular patrols, inspections and reminders during the dry season; instances of residue burning found in the field are addressed promptly, with guidance on alternative methods, and no large-scale fire spread occurred during 2022–2025. Smallholders' compliance awareness is improving year on year thanks to regular monitoring by local rangers and technical support from the Company. - The assessment team conducted field surveys on smallholder plots and interviewed stakeholders in the three provinces. Post-harvest residue burning was found to still occur among some smallholders as a traditional practice. However, through direct interviews, most forest owners were found to clearly understand the harm caused by residue burning to soil quality and the risk of fire spread; many households have voluntarily switched to mechanical treatment – cutting residue into pieces and spreading it along contour lines, leaving it to decompose naturally – after training by the local Ranger Station and the Company. → The supply area still carries a Specified Risk conclusion under the regional RRA. However, through a system of periodic field monitoring, awareness-raising training programs, regular oversight by local forest rangers, and binding clauses in purchase contracts, the Company controls and assesses this risk down to each individual smallholder supplier. The residual risk after applying RMM is LOW for each smallholder in the supply chain.	
Mitigation measure:	

- **Technical Training:** The company organizes soil conservation training sessions and practical demonstration models for smallholder farmers on the ecological benefits of retaining organic matter and the harmful effects of burning post-harvest residues.
- **Regular Training Programs:** The company conducts regular training programs in coordination with local authorities and regional forest rangers to promote proper vegetation management practices, including: no burning or use of fire for post-harvest residue treatment; controlled burning of vegetation only where permitted and in strict accordance with regulatory guidelines; leaving branches and stumps in place for natural decomposition to maintain soil fertility; and using chipping/shredding equipment where necessary. Training also covers harvesting practices that comply with regulations on riparian buffer zone protection (≥5m from waterways) and restrictions on contiguous clear-cut areas (≤10ha).
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Conduct mandatory annual field inspections prior to and during active harvesting seasons to verify smallholder adherence to vegetative riparian buffers, clear-cutting size limits, and non-burning residue management policies.
- Concentrate intensive field monitoring during the peak monsoon season (June–September) on steep-slope parcels in Lao Cai and Tuyen Quang provinces to detect surface erosion early.
- Issue immediate non-compliance warnings and temporarily suspend purchasing from any smallholders violating soil safety terms until corrective field measures (e.g., contour banking) are implemented.
- Document all field soil conditions using geo-tagged photographs and store inspection logs for a minimum of 5 years.

Outcome: Smallholder practices are successfully shifted toward soil-protective methods, reducing the residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

- ☒ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
- ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
- ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
- ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
- ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
- ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed

	☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Although Vietnam has a Forestry Law regulating permitted or prohibited forestry activities and regulations on sustainable forest management, there are no effective legal regulations specifically for the treatment of post harvest residues and the situation of uncontrolled burning of vegetation after harvesting is still ordinary, so this index is assessed as a definite risk. 2. Verification Assessment Result: - The Departments of Agriculture and Environment of the three provinces confirm no serious environmental incidents linked to forestry residue management in the supply area. No unrecoverable adverse impact on the forest ecosystem was found on any plot in the purchasing area. - The Forest Protection Sub-Departments of the three provinces confirm: during 2022–2025, no large forest fire originating from post-harvest residue burning occurred in the supply area. Local rangers carry out regular inspections and reminders and intervene promptly in cases of improper burning technique. - Through interviews, most smallholders reported being aware of the harm caused by widespread residue burning and are gradually shifting to mechanical treatment: cutting residue into pieces, spreading branches evenly along contour lines or stacking them in small piles on flat ground to decompose naturally, and protecting riparian vegetation buffers. This shift has been driven by technical training from the local Ranger Station and the Company. - The assessment team conducted field surveys on recently harvested plots and interviewed smallholders, Ranger Stations and Commune People's Committees in the three provinces. Post-harvest residue burning was found to persist among some households as a customary practice, but at a controlled level, without spreading and without causing forest fires. Notably, for Acacia and Eucalyptus – the dominant species in the supply area – smallholders commonly retain stumps after harvesting (without uprooting them), taking advantage of natural coppice regeneration for the next planting cycle. This practice is consistent with the requirement of indicator 2.2.4 to avoid unrecoverable adverse impacts on the ecosystem. → The supply area still carries a Specified Risk conclusion under the regional RRA. However, within the Company's specific supply area, the dominant species are Acacia and Eucalyptus (excluding rubber, which carries the highest stump-removal risk); forest owners' awareness is steadily improving; local rangers conduct regular monitoring; and the Company applies strict controls down to each supplying household through contract clauses and periodic field checks. The residual risk after applying RMM is LOW for each smallholder in the supply chain.	
Mitigation measure:	

- **Technical Training:** The company organizes soil conservation training sessions and hands-on demonstration models for smallholder farmers, covering the ecological benefits of retaining organic matter on-site and the adverse impacts of burning post-harvest residues.
- **Regular Training Programs:** The company conducts regular training programs in collaboration with local authorities and regional forest rangers to promote proper vegetation management practices, including: prohibiting burning or any use of fire for post-harvest residue treatment; conducting controlled vegetation burns only where permitted and in strict accordance with applicable regulations; leaving branches and stumps in place for natural decomposition to sustain soil fertility; and using chipping or shredding equipment where needed.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Perform systematic on-site verification immediately following harvesting cycles to confirm that stumps are left intact and residues are processed/left in accordance with the company's technical guidelines.
- Document post-harvest forest floor conditions using geo-tagged photography and compile formal inspection sheets for every harvested plot.
- Temporarily suspend supply privileges and contracts for smallholders who engage in broadcast burning until they commit to mechanical residue treatment for the subsequent rotation.
- Maintain all post-harvest inspection dossiers, site photographs, and smallholder non-burning commitments for at least 5 years.

Outcome: Forestry residues are managed in an ecologically responsible manner, effectively lowering the residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

- ☒ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
- ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
- ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
- ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
- ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
- ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
- ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
- ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
- ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim

	☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Vietnam has complete regulations to protect water resources in general and the forestry sector. In general, forestry activities have little impact on water resources. However, afforestation encroaching into protected areas along stream buffer zone is still quite common in forests managed by smallholders. Therefore, this indicator is considered a specified risk for smallholder. 2. Verification Assessment Result: - The Departments of Agriculture and Environment and the Environmental Protection Sub-Departments of the three provinces confirm: during 2022–2025, no serious water-pollution incident linked to forestry activity was recorded in the supply area. Water quality in streams within the area generally meets the standard for domestic and agricultural use under National Technical Regulation QCVN 08:2023/BTNMT. In addition, the dominant species across the three provinces – Acacia, Eucalyptus, etc. – require very little or no pesticide use, minimizing impacts on water sources and pesticide-packaging waste. - The provincial Forest Protection Sub-Departments confirm: Acacia and Eucalyptus production-forest planting has a much more limited impact on water resources than other land-use types. The deep root systems of Acacia and Eucalyptus help retain soil moisture and limit surface runoff during the rainy season. Local rangers periodically patrol and remind smallholders to maintain riparian buffer strips and not to cultivate within the water-source protection corridor. - Commune People's Committees and residents in 10 randomly consulted communes in the supply area: no reports of pollution or decline in domestic or agricultural water sources linked to smallholder forest-harvesting activity. Village/hamlet heads in communes with ethnic-minority populations in Lao Cai and Tuyen Quang confirmed that traditional domestic water sources (streams, dug wells) have remained stable in recent years. - The assessment team conducted field surveys combined with stakeholder interviews in the three provinces. Results show that most smallholder plots in the purchasing area maintain a certain distance from streams; however, the actual buffer width is uneven, ranging from 4–10m, with some Acacia plots planted right up to the edge of small streams because the household was not fully aware of the minimum 5m buffer requirement under Decree 43/2015/ND-CP. Encroachment into the water-source protection corridor mainly stems from households maximizing use of their allocated land area, not from deliberate damage. → The supply area still carries a Specified Risk conclusion under the regional RRA. However, it should be emphasized that: the impact of forestry activity on water resources in the supply area is negligible; no water-pollution incident was recorded during 2022–2025; and the State monitoring system (Department of Natural Resources and Environment, Forest Protection Sub-Department, Environmental Protection Sub-Department) is operating regularly. With the Company's control mechanism for riparian buffers through contract clauses, periodic field checks and corrective-action requirements, the identified risk after applying RMM is LOW for each smallholder in the supply chain.	
Mitigation measure:	

- Training and awareness programs are conducted for smallholder farmers to build understanding of the following practices: Maintaining riparian buffer zones of ≥5–10m along rivers and streams, with no tree planting or cultivation activities within these areas; Prohibiting vehicle washing, refueling, or oil discharge within forest management areas near water sources; Restricting wet-season harvesting by avoiding large-scale harvesting operations during the rainy season (June–September) in steep terrain areas, in order to minimize erosion risk and sedimentation runoff into waterways.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Procurement officers and certification auditors conduct structured field surveys, map plot boundaries, and formally document any instances of riparian buffer encroachment.
- Accept feedstock exclusively from forest blocks that respect the established water buffer zones; mandate that non-compliant smallholders allow the natural regeneration of riparian vegetation before their supply status is reinstated.
- Retain all water resource monitoring checklists, field inspection sheets, and riparian encroachment maps for a minimum of 5 years.

Outcome: Critical water catchments and downstream water quality are effectively insulated from forestry impacts, reducing residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

	☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.7 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.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: The use of pesticides in Vietnam's production forests has been fully regulated. However, excessive use of pesticides still occurs in rubber plantations. Therefore, this indicator is considered as specified risk for rubber plantation only for all sub-scopes of forest owner. 2. Verification Assessment Result: - Confirmation of supply-area policy: per the Company's SBE area report (2026), the Company has a policy of NOT purchasing rubber wood as raw material for SBP wood-pellet production. All raw material purchased is Acacia and Eucalyptus wood from production plantations – not rubber. The pesticide-use risk associated with rubber does not arise in the Company's supply area. - In Lao Cai province: the Department of Agriculture and Environment confirms that, per the province's published plantation-forest plan, there are some small rubber areas in the Bao Thang and Muong Khuong areas, but the Company does not purchase raw material from these areas under its no-rubber-purchasing policy. - The Sub-Departments of Cultivation and Plant Protection of Phu Tho, Tuyen Quang and Lao Cai confirm: Acacia and Eucalyptus plantations in the three provinces use almost no pesticide during routine tending. Pesticide use is limited to the first year after planting (permitted herbicides) and to pest control during outbreaks. - Survey of 8 smallholder households: 7/8 households used no pesticide at all during the current forest cycle (4–8 years old). 1/8 households used a glyphosate-based herbicide in the first year after planting and stopped from year 2 onward – this product is not on the banned list. No discarded pesticide packaging was found on any surveyed plot. - IPM program: the Sub-Departments of Plant Protection of the three provinces have disseminated IPM for plantation forest through local training sessions, prioritizing biological and appropriate cultivation measures. → The pesticide risk does not apply to rubber because the Company does not purchase rubber wood. Acacia and Eucalyptus plantations use very little chemical input. After applying controls and IPM training, RESIDUAL RISK IS LOW.	
Mitigation measure:	
• Conduct rigid chemical audits among all smallholder suppliers; completely prohibit and exclude any household utilizing chemical pesticides that are banned nationally or restricted under international conventions (FSC/SBP list). • Develop and disseminate comprehensive Integrated Pest Management (IPM) guidelines tailored for plantation forests, prioritizing manual weeding, silvicultural thinning, and biological control agents over chemical interventions. • Mandate smallholders to establish and maintain a Chemical Application Logbook, clearly detailing the product commercial name, exact dosage, application date, and the specific pest/disease outbreak targeted. • Instruct and train farmers to safely collect all empty chemical containers and packaging post-application, enforcing their transfer to authorized local hazardous waste collection points in line with Decree No. 08/2022/NĐ-CP.	

- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Conduct unannounced on-site field inspections to audit smallholder chemical storage facilities, empty container handling, and safety practices.
- Cross-examine smallholder chemical application logbooks against the official List of Permitted Pesticides in Vietnam issued under Circular No. 19/2021/TT-BNNPTNT.
- Terminate purchasing contracts immediately for any smallholder found utilizing prohibited chemicals or failing to maintain mandatory chemical application logs.
- Archive all pesticide logbooks and safety inspection sheets for each individual supplier for a minimum of 5 years.

Outcome: Strict chemical governance and safety controls are thoroughly implemented, successfully reducing residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

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

Description of the specific risk:

1. RRA Vietnam Conclusion:

Waste management has been legally regulated, but the collection and treatment of waste from rubber forest management activities has yet to be effectively implemented, so this indicator is considered a specified risk for rubber forests.

2. Verification Assessment Result:

- Confirmation of supply-area policy: the Company does not purchase rubber wood – the species that generates the largest volume of hazardous forestry waste (pesticide packaging, lubricating oil, latex-processing by-products). The hazardous-waste risk from rubber is entirely excluded.
 - The Departments of Natural Resources and Environment and Environmental Protection Sub-Departments of the three provinces confirm: within the Acacia and Eucalyptus supply area, waste generated from forestry activity is very limited, mainly consisting of harvesting workers' domestic waste and a small amount of first-year herbicide packaging. No illegal dumping site or serious environmental pollution caused by forestry waste was recorded.
 - Field observation at 8 forest plots: no pesticide packaging, chainsaw lubricant, or industrial waste was found discarded on the plots. Minor domestic litter (water bottles, plastic bags) was found on 1/8 plots at a very low level, an issue of individual awareness rather than a systemic problem.
 - Commune People's Committees in the area confirm: no illegal dumping or burial site for forestry waste within their jurisdiction. No resident complaints of environmental pollution from smallholder forest-harvesting activity.
- There is no rubber in the supply area, the volume of hazardous waste from Acacia/Eucalyptus is very low, and no violation was found. After the Company rolls out sorting-and-collection guidance, RESIDUAL RISK IS LOW.

Mitigation measure:

- Train and guide smallholder families to systematically segregate waste at the source into hazardous waste (chemical packaging, used machine lubricants), recyclable materials, and organic waste.
- Require smallholders to store hazardous forestry waste in secure, labeled containers positioned away from any water bodies, and mandate its handover to licensed local waste management entities under Decree No. 08/2022/NĐ-CP.
- Incorporate explicit environmental compliance clauses in purchasing contracts that strictly prohibit the burning, burial, or dumping of plastic waste, grease, and chemical containers within the forest environment.
- Deliver regular environmental cleanliness and waste management awareness sessions for active harvesting crews and transport workers.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Systematically monitor and inspect waste management practices and site cleanliness during active harvesting operations on every routine field visit.
- Verify during field audits that no illegal dump sites, accumulated plastic waste, or visible engine oil

spills exist on the forest floor.

- Maintain commercial procurement relationships exclusively with smallholders who demonstrate appropriate waste collection practices; suspend non-compliant plots.
- Retain environmental waste inspection checklists and formal waste disposal/handover receipts for a minimum of 5 years.

Outcome: Environmental pollution from forestry waste is minimized, successfully achieving a Low Risk residual status.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

2.2.11 The impacts of natural processes such as fires, pests and diseases shall be managed.

Description of the specific risk:

1. RRA Vietnam Conclusion:

Forest fire management has completed legal regulations and implementation mechanisms, but smallholders do not fully implement these regulations due to limitations in awareness, knowledge and techniques. Regarding pest management, although there are regulations and technical procedures, all forest owners yet to have not effectively implemented them.

2. Verification Assessment Result:

- The Forest Protection Sub-Departments of Phu Tho, Tuyen Quang and Lao Cai confirm: during 2022–2025, no large forest fire occurred on production-plantation land within the supply area. Small fires along roadsides or outside the purchasing area were promptly contained by rangers and the local community.
- Community forest fire-prevention system: the District Ranger Stations covering the supply area confirm that community fire-prevention teams are operating effectively in the supply-area communes. Firebreaks are

maintained on a regular schedule; fire-danger warning signage is updated seasonally. The proportion of plantation area with a fire prevention plan in the supply-area communes reaches 75–85%.

- Field verification of 8 smallholder households: 7/8 households have a firebreak around their plot or participate in the village fire-prevention team. 8/8 households know the forest-fire reporting procedure and the local Ranger Station's duty phone number. No serious pest or disease signs were observed on the surveyed plots.

- Pest and disease situation: the Sub-Departments of Plant Protection of the three provinces confirm that Acacia witches'-broom disease and leaf-roller pests appear sporadically but have not developed into a major outbreak in the supply area. The Sub-Department regularly surveys, issues warnings and supports smallholders in timely treatment when outbreaks are detected.

- The local Ranger Stations of the three provinces organize 1–2 training sessions per year on fire prevention and pest/disease identification for smallholders, in coordination with the Company.

→ The fire-prevention and pest-monitoring system is operating effectively across the three provinces. After the Company provides additional training and establishes standing communication with local rangers, RESIDUAL RISK IS LOW.

Mitigation measure:

- Require smallholder groups and cooperatives to formulate a basic Forest Fire Response Procedure, maintain clean firebreaks between adjacent blocks, and prepare essential manual firefighting tools (shovels, water backpacks, beaters).
- Implement structured quarterly field health surveillance by the company's technical staff to monitor forest conditions and detect early signs of damaging pest outbreaks (e.g., shoot borer, leaf blight).
- Partner closely with local Forest Ranger stations (Hạt Kiểm lâm) to deliver practical fire suppression training and integrated pest identification workshops for smallholders.
- Establish a rapid communication network linking village heads, forest owners, local rangers, and the company to report and mobilize resources for fire or disease outbreaks immediately.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Conduct mandatory annual pre-dry season field audits (October–December) to verify the physical status of firebreaks, firefighting tool readiness, and fire hazard warning signs within the supply base.
- Review and analyze quarterly forest health monitoring logs compiled by regional technical procurement teams.
- Refuse procurement contracts and exclude forest owners who fail to demonstrate basic fire readiness or refuse to participate in coordinated community fire protection networks.
- Retain all fire management plans, seasonal inspection sheets, and pest surveillance logs for a minimum of 5 years.

Outcome: The collective resilience of the supply base against natural disasters and pests is significantly strengthened, lowering residual risk to Low Risk.

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒ SBP-RRR-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐ SBP-RRR-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐ SBP-RRR-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐ SBP-RRR-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐ SBP-RRR-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐ SBP-RRR-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐ SBP-RRR-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐ SBP-RRR-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐ SBP-RRR-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRR-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRR-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRR-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRR-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRR-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Vietnamese law has policies and regulations on vocational training and education for small and medium-sized enterprises in all production sectors. Training facilities in the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance for enterprise workers has yet to be fully implemented. For small forest owners, production activities are mainly based on practical experience without training. Therefore, this indicator is assessed as a specified risk. 2. Verification Assessment Result: - The Departments of Agriculture and Environment and Forest Protection Sub-Departments of the three provinces confirm that the district/commune agricultural and forestry extension system regularly organizes forestry technical training (planting, tending and harvesting techniques; fire prevention; environmental protection). The local Ranger Stations of the three provinces organized at least 1–2 training sessions per year on harvesting technique and OHS during 2023–2025. - The Company's training activities: periodic training for smallholders covering: legal requirements for harvesting records and forest-product declarations; safe harvesting techniques and low-impact residue management; the SBP Standard and traceability requirements; OHS and PPE use. Training records (attendance lists, session minutes, photographs) are fully retained. - Verification of 8 smallholder households: 7/8 households confirmed attending at least one training session organized by the Company or the Ranger Station in the past 12 months on harvesting technique and SBP. 1/8 households had not attended formal training but had many years of practical experience; the Company has planned to require this household to attend training before the next purchasing cycle.	

- Training materials in local languages: in Lao Cai and Tuyen Quang (home to Tay, Dao, Hmong and Muong ethnic communities), the Company works with Commune People's Committees and village/hamlet heads to explain training content in an accessible local language.
→ Smallholders have access to training through both the State extension system and the Company's own program. After rolling out a mandatory annual training plan, RESIDUAL RISK IS LOW.

Mitigation measure:

- Formulate and execute a mandatory Annual Training Plan for smallholders, cooperatives, and harvesting crews covering forestry laws, safety techniques, environmental protection, SBP standards, and low-impact logging.
- Produce and distribute standardized, highly visual training handbooks and posters; coordinate with village elders to explain core concepts in ethnic minority languages (e.g., Dao, Hmong) in Lao Cai and Tuyen Quang provinces.
- Emphasize direct, field-based practical training sessions focusing on chainsaw operation safety, directional felling techniques, and the correct, consistent use of personal protective equipment (PPE).
- Conduct mandatory short pre- and post-training assessments to objectively gauge workers' understanding and ensure training effectiveness.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Periodically review and verify training logs, attendance sheets, signed participant records, and photographs during internal audits.
- Observe workers directly during active field harvesting operations to verify that trained safety, low-impact logging, and environmental practices are actively applied on site.
- Issue formal warning notices and temporarily suspend transactions with smallholder groups or teams that fail to participate in mandatory training sessions.
- Retain comprehensive records of training compliance and smallholder competency profiles for a minimum of 5 years.

Outcome: Smallholder labor capacity is successfully professionalized, reducing the residual risk level to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

☒ SBP-RRR-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim

	☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Vietnam has specific legal regulations on implementing protective measures that must be applied to protect the health and safety of workers. Statistics from the Ministry of Labor, War Invalids and Social Affairs also show that the number of occupational accidents in the forestry industry has been insignificant in the last three years. However, There has been no comprehensive assessment of the implementation of occupational safety and hygiene regulations in forestry, so this indicator is assessed as a specified risk for all subscopes. 2. Verification Assessment Result: - Consultation with the regulatory authority: the Departments of Labor, War Invalids and Social Affairs of the three provinces confirm no serious occupational-accident case in forest-harvesting activity within the supply-area districts was officially reported during 2023–2025. The 2015 Law on Occupational Safety and Hygiene is being steadily enforced at wood-processing enterprises in the region. - Field verification – protective equipment: interviews with 8 smallholder households and field observation at harvesting sites: 7/8 households provide basic personal protective equipment (helmet, gloves, boots) to harvesting workers. Actual usage is not entirely consistent – some workers remove protective gear in hot weather or in lower-risk areas. No serious occupational accident was found on the surveyed plots. - Interviews with harvesting workers: no major accident in the past 12 months on the surveyed plots. Minor injuries (scrapes, sprains) occur but are not yet recorded through a consistent system. Workers are aware of the main risks of operating a chainsaw. - The Company's measures: mandatory PPE requirements (helmet, gloves, boots, protective clothing) have been included in the raw-material purchase contract. OHS guidance is provided in Vietnamese and in local languages for areas with a significant ethnic-minority population in Lao Cai (Tay, Dao, Hmong) and Tuyen Quang (Tay, Dao, Cao Lan). → The OHS situation is basically stable, with no serious occupational accidents. After the Company applies mandatory PPE and an accident-recording system, RESIDUAL RISK IS LOW.	
Mitigation measure:	
• Integrate a mandatory clause in all purchasing contracts requiring the provision and mandatory use	

of basic PPE (safety helmets, gloves, protective boots, high-visibility vests) during all harvesting and logging operations.

- Implement mandatory short pre-shift safety briefings (toolbox talks) at the logging site to highlight daily operational hazards, weather conditions, and defensive practices.
- Require harvesting teams to maintain an Accident Logbook to formally record all injuries, first-aid events, and near-miss incidents for continuous safety review.
- Organize first-aid and emergency response drills every 6–12 months in close collaboration with commune health stations to handle field injuries and evacuation logistics.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Conduct unannounced on-site safety audits during active harvesting to monitor PPE compliance rates and field working conditions across the supply base.
- Inspect logging teams' accident logs and pre-shift briefing records during routine field visits.
- Enforce immediate stop-work orders if workers are found operating without basic PPE or in unsafe conditions, resuming procurement only after full compliance is demonstrated.
- Archive accident logbooks, safety audit sheets, and emergency drill records for a minimum of 5 years.

Outcome: Field accidents are minimized, and an active safety culture is reinforced, ensuring a Low Risk residual status.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

- ☒ SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
- ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
- ☐ SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
- ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
- ☐ SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
- ☐ SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
- ☐ SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
- ☐ SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
- ☐ SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
- ☐ SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
- ☐ SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
- ☐ SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
- ☐ SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim

	☐ SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.	
Description of the specific risk:	
1. RRA Vietnam Conclusion: Regarding traditional customary ownership, the State always has a preferential policy for local communities and ethnic minorities in granting forest land use rights. The legal use rights according to traditional customs of local communities are also protected by the provisions of the Forestry Law and Circular 28/2018/TT-BNNPTNT, Circular 13/2023/TT-BNNPTNT on sustainable forest management. Still, the identification of forests with significance in customs, practices and beliefs has only been well implemented by forest owners who are state organizations. For forest owners who are private organizations or small forest owners, the identification of forests with significance in customs, practices, and beliefs has yet to be fully implemented or has only stopped at the identification stage without solutions to ensure respect for traditional use rights. Thus, this indicator is assessed as low risk for state organizations and specified risk for private organizations and small forest owners. 2. Verification Assessment Result: - Consultation with the regulatory authority: the Departments of Agriculture and Environment and Forest Protection Sub-Departments of the three provinces confirm the entire supply area purchased by the Company falls within land already allocated/LURC-issued to household forest owners under the Land Law and the Forestry Law. Land-use rights are fully legally secured under the 2024 Land Law No. 31/2024/QH15. - Consultation with Commune People's Committees and village/hamlet heads in randomly selected communes across the supply area: interviews with the Commune People's Committees of Huong Can, Vo Mieu, Kha Cuu (Phu Tho, home to Muong communities); Truong Sinh, Phu Luong, Tan Thanh (Tuyen Quang, home to Tay and Dao communities); Thac Ba, Tran Yen, Yen Binh (Lao Cai, home to Tay, Dao and Hmong communities): no disputes over traditional land-use or customary rights relating to forest plots in the Company's purchasing area. - Field verification: smallholder plot boundaries are clear, marked, and unopposed by neighboring communities. In areas with ethnic-minority populations, community/spiritual forest land is separately managed by the Commune People's Committee and is not included in the purchasing area. - No customary-rights conflict found: consultation with representatives of ethnic-minority communities (respected elders, village leaders) in 6 randomly selected communes with ethnic-minority populations: no area within the supply area was found to have special spiritual or cultural value, or unrecognized customary-use rights overlapping with smallholder plots. 8/8 surveyed smallholder households confirmed no boundary disputes with neighboring households or the local community. → No customary-rights conflict was found in the supply area. After the Company implements periodic community consultation and verifies the absence of disputes before signing contracts, RESIDUAL RISK IS LOW.	
Mitigation measure:	
• Review official land records and mandate a clear boundary certification from the commune to ensure there are no overlapping claims or conflicts with customary lands before purchasing. • Conduct structured interviews and consultations with village elders, traditional chiefs, and ethnic	

minority representatives to map out any forest patches holding spiritual, cemetery, or traditional cultural value.

- Formally announce harvesting plans to the village and clearly mark boundary lines with physical stakes in the presence of neighboring landholders before cutting trees.
- Exclude any land parcel completely from the supply chain if it overlaps with community land or contains unresolved cultural or religious sites.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Maintain and periodically review written field visit logs and community consultation minutes for all sourcing areas.
- Update the database map of customary and traditional land use within the supply base annually.
- Suspend feedstock sourcing from any plot where a customary right grievance is raised until formal mediation and written consensus are reached between parties.
- Retain community consultation records and boundary maps for a minimum of 5 years.

Outcome: Indigenous and community traditional rights are fully respected, reducing residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:
4.2.5 Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.
Description of the specific risk:
1. RRA Vietnam Conclusion: Although Vietnam has regulations related to the mechanism for resolving complaints and disputes over forest ownership and use rights, implementing those regulations and mechanisms is still inadequate and ineffective, so this indicator is considered a specified risk for all sub-scope groups. 2. Verification Assessment Result: - The Departments of Agriculture and Environment of the three provinces confirm the forest-land dispute-resolution system is operating in accordance with regulations, with coordination among the Forest Protection agency, People's Committees at all levels, and the People's Court where necessary. - The provincial Forest Protection Sub-Departments confirm: no ongoing forest-land dispute exists in the areas supplying raw material to the Company. Minor boundary complaints, if any, are resolved quickly, within 30–60 days, through coordination between the local Ranger Station and the Commune People's Committee. - Consultation with the Commune People's Committees of 10 randomly selected communes in the supply area: a system exists for receiving and resolving complaints about land and forest resources under the 2011 Law on Complaints. During 2022–2025, the number of complaints relating to forest land was low and most were satisfactorily resolved at the commune level. - Verification of smallholders: 8/8 households signed a self-declaration confirming no ongoing land dispute. 7/8 households knew how to file a complaint and the Commune People's Committee's contact number. 8/8 households knew to contact the Ranger Station for forest-land issues. → A local-level complaint-resolution mechanism is functioning and no dispute exists within the supply area. After the Company establishes its own feedback channel, RESIDUAL RISK IS LOW.
Mitigation measure:
• Mandate smallholders to sign a self-declaration form confirming that the forest plot supplying raw material has no ongoing legal disputes or claims. • Perform pre-approval field checks for physical indicators of disputes, such as disputed boundary markers, public protests, or warning signs on site. • Consult with the Commune People's Committee (UBND xã) and local land registration staff to check for any filed land complaints regarding the supplier's forest. • Establish a dedicated factory-level grievance hotline and suggestion box, providing a transparent channel for communities and smallholders to report disputes. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.
Monitoring and outcomes:
• Regularly audit smallholder self-declarations and cross-match them with field inspection results.

- Systematically log, categorize, and track all received supply-chain grievances, collaborating with local authorities for formal dispute resolution.
- Immediately suspend procurement from any plot subject to an active dispute until an official legal resolution or settlement agreement is finalized.
- Archive all grievance logs, dispute settlement minutes, and self-declarations for a minimum of 5 years.

Outcome: Legal transparency and effective conflict resolution are achieved, reducing residual risk to Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

4.2.6 Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.

Description of the specific risk:

1. RRA Vietnam Conclusion:

Community and stakeholder consultations on forestry plans and planning have been carried out at the national level. However, at the implementation level, community and stakeholder consultations on forest management plans and exploitation plans of forest owners have only been thoughtfully implemented by forest owners who are state organizations. Forest owners who are private organizations and small forest owners often do not fully consult with the community when implementing sustainable forest management plans and do not notify the exploitation plan and forest product inventory to the Forest Protection Department. Therefore, this indicator is considered a defined risk for forest owners who are private organizations and small forest owners.

2. Verification Assessment Result:

- Identifying the presence of ethnic minorities in the supply area: the Department of Agriculture and Environment and Commune People's Committees provided information: in Phu Tho, ethnic minorities are mainly Muong, Dao, Hmong, Cao Lan, etc.; in Tuyen Quang, they are Tay, Dao, Cao Lan, etc.; in Lao Cai, they are Tay, Dao, Hmong, etc. These communities live harmoniously, cultivating land already allocated to them. Local authorities develop and implement policies to support socio-economic development, preserve culture and improve living standards for ethnic-minority residents in the area.
 - FPIC consultation process: consultation with ethnic-minority community representatives in communes such as Huong Can, Vo Mieu (Phu Tho); Truong Sinh, Tan Thanh (Tuyen Quang); Thac Ba, Tran Yen (Lao Cai): the community was informed of the Company's wood-purchasing activity in the area through village meetings and direct consultation. No objection from the ethnic-minority community regarding the purchasing activity was found.
 - Village/hamlet heads and respected community members confirm: ethnic-minority households supplying raw material to the Company do so entirely voluntarily, having been fully informed of price, requirements and entitlements. There is no pressure from the Company or its purchasing agents.
 - FPIC records: minutes of community consultation meetings in the communes are retained, bearing the signatures of ethnic-minority community representatives. Information on SBP requirements and purchasing activity is explained in the local language at village meetings. 2/8 surveyed smallholder households are ethnic-minority (Dao) households, both of which confirmed having been fully consulted before signing the contract.
- The FPIC consultation process has been carried out, and the ethnic-minority community consents to the purchasing activity. After the Company completes its FPIC records and maintains periodic consultation, RESIDUAL RISK IS LOW.

Mitigation measure:

- Map and screen all procurement zones to identify the presence of ethnic minority groups (e.g., Muong, Tay, Dao, Hmong, Cao Lan) within the supply base sub-scope.
- Develop simplified, highly visual communication materials regarding the SBP program, translated into local languages or explained orally via interpreters during community gatherings.
- Implement a formal FPIC consultation process by organizing public village meetings, obtaining written consent (signatures or thumbprints) from community representatives and elders prior to initiating procurement in a new locality.
- Uphold the principle of complete voluntariness, ensuring the community's right to withhold or withdraw consent without facing negative repercussions or economic pressure.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholder.

Monitoring and outcomes:

- Continuously track and monitor the implementation of FPIC consultations across all ethnic minority villages in the supply base.
- Routinely audit village meeting minutes, participant sign-in sheets, and signed consent agreements to ensure process integrity and transparency.

- Strictly prohibit the expansion of feedstock sourcing into new ethnic minority villages until the full FPIC consultation process is successfully finalized and documented.
- Maintain a centralized, secure archive of all FPIC consultation dossiers and consent forms for at least 5 years.

Outcome: Sustainable and mutually beneficial relationships with indigenous communities are secured, lowering residual risk to Low Risk.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 25 May 2026

Biomass Producer's stakeholder engagement end date: 25 Jun 2026

Total number of stakeholders contacted: 58

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

The company implements a structured, 5-step engagement process to ensure transparency and sustainability across its biomass supply chain:

1. Stakeholder Mapping: Categorizing 6 essential groups: Government Authorities, Forest Owners Associations, NGOs, Academia, Forest Product Associations, and Local/Ethnic Communities.
2. Information Disclosure: Proactively sharing clear data regarding supply base boundaries and potential sustainability impacts.
3. Participatory Consultation: Conducting open, active dialogue via targeted meetings and field surveys based on FPIC principles.
4. Feedback Integration: Incorporating stakeholder inputs directly into the Supply Base Evaluation to optimize Risk Mitigation Measures.
5. Evidence Archiving: Keeping detailed records of all consultation activities and maintaining active communication channels to resolve grievances.

4.2 Response to stakeholder comments

Stakeholder description: Commune People's Committee / Phu Tho Province (Local Government)

Stakeholder comment: No unresolved land disputes over smallholder plantation land in the supply area; majority of Acacia/Eucalyptus households hold Land Use Right Certificates, remainder have non-dispute confirmations. Plantations were established on bare/fallow land under State Program 661, with no conversion from natural forest, wetland, or peatland after 01 Jan 2008. Company's requirement for non-dispute confirmation before contracting supports local land management. Smallholders, including ethnic minority households, report stable purchase prices, transparent contracts, and free silviculture training that has improved income and livelihoods.

Response to the stakeholder: Netma confirms compliance with Indicators 1.1.2 & 2.2.1. No further action needed.

Stakeholder description: Forest Protection Station / Phu Tho Province (Forestry Authority)

Stakeholder comment: Confirms planted species (Acacia mangium, hybrid Acacia, Eucalyptus spp.) are not CITES-listed and unrelated to natural or endangered species. Harvesting complies with the 2017 Forestry Law (Art. 58) and Decree 156/2018 (Art. 35); high rate of valid transport documentation and no serious violations in the past two years. Regular dry-season patrols promptly address improper residue burning, with no large-scale fires recorded. Forest product declaration under Circular 26/2025 is well implemented, with no evidence of traders filing declarations improperly on behalf of households.

Response to the stakeholder: Netma confirms compliance with Indicators 1.1.1, 1.1.3 & 2.2.3. No further action needed.

Stakeholder description: Commune People's Committee / Tuyen Quang Province (Local Government)

Stakeholder comment: Acacia/Eucalyptus areas were established entirely on bare/fallow land prior to planting; cadastral records and village heads confirm no conversion from natural forest, wetland, or peatland after 01 Jan 2008. Positive trend toward controlled burning of harvest residues and no stump removal; commune co-organizes training with the company on improved residue management, reducing erosion risk. Smallholders, including a significant share of ethnic minority households, report stable prices, transparent written contracts, and free sustainable silviculture training that has clearly improved local income and livelihoods.

Response to the stakeholder: Netma confirms compliance with Indicators 2.2.1 & 2.2.4. No further action needed.

Stakeholder description: Forest Protection Station Region / Tuyen Quang Province (Forestry Authority)

Stakeholder comment: No major fires from post-harvest residue burning recorded recently; no irreversible negative impact on forest ecosystems in the supply area. Continuous canopy cover across replanting cycles and coppice regeneration (especially hybrid Acacia) effectively limit post-harvest erosion; no serious environmental incidents or soil degradation recorded. Commends the company's contract clauses on residue management, riparian buffer zones ($\geq 5\text{m}$), and clear-cut area limits ($\leq 10\text{ ha}$) as effective binding mechanisms supporting oversight; no serious violations found among smallholders.

Response to the stakeholder: Netma confirms compliance with Indicators 2.2.3 & 2.2.4. No further action needed.

Stakeholder description: Independent Organization on Environment, Forest Governance, and Community Rights

Stakeholder comment: Risk assessment criteria applied are consistent with international sustainable forest management standards. Supply areas in Phu Tho, Tuyen Quang, and Lao Cai are not within High Conservation Value biodiversity zones per current GIS data; planted species are not listed as seriously invasive in the context of intensive production forestry. Smallholders, including a significant share of ethnic minority households, participate voluntarily under clear written contracts; the company's grievance mechanism has been disseminated to suppliers, with no evidence of violations of traditional land rights or unfair pricing. Positive assessment of the company's commitment against forced and child labor, compliance with the Labor Code, and free technical/safety training improving working conditions.

Response to the stakeholder: Netma confirms compliance with all reviewed indicators. No further action needed.

5 Report updates and approval

This document is: New Supply Base Report (Assessments/reassessments)

Summary of changes: N/A

Name	Nguyen Chi Cuong
Title	Management representative
Date of report approval	14 Jun 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Viet Nam
Area	Phu Tho, Lao Cai, Tuyen Quang
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Risk description: According to legal regulations (Circular No. 26/2025/TT-BNNMT), the preparation of a harvesting plan and a timber inventory list is mandatory for all forest owners. However, in practice, this requirement is often not fully implemented by small-scale forest owners and private companies, leading to potential non-compliance with the law and insufficient legal evidence of timber origin. Mitigation Measures: • Mandate all smallholders to provide valid Land Use Right Certificates (LURCs / Red Books) or a formal written confirmation from the Commune People's Committee certifying that the land is clear and completely free of land conflicts prior to entering contract purchasing agreements. • Establish a rigorous verification protocol for the forest product packing list in strict compliance with Circular No. 26/2025/TT-BNNMT for every single feedstock batch delivered to the factory site. • Verify that harvested species do not belong to the CITES list prior to each purchasing transaction. • Conduct structured, periodic on-site field verifications and proactive cross-verification interviews with local forest rangers and commune authorities to confirm legal compliance. • Enforce an uncompromising supplier exclusion policy: strictly purchase materials from smallholders who satisfy 100% of the statutory legal documentation and traceability criteria, and suspend transactions immediately if violations are detected. Monitoring and Outcomes: • Implement a comprehensive tracking mechanism monitoring the entire harvesting and transportation chain from the specific forest plot to the factory. • Enforce a system-level gate block: feedstock is strictly barred from mill entry unless the smallholder's legal origin dossier (LURC/non-dispute

	confirmation and valid packing list) is marked as 100% complete. • Regularly coordinate with the Land Registration Office and Commune People's Committee to update the legal status of land. • Maintain a centralized archival system for all legal dossiers grouped by batch for a minimum retention period of 5 years. Outcome: The rigorous deployment of these measures completely eliminates noncompliant timber sources, successfully lowering the residual risk for this indicator to a Low Risk level (Level A).
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Risk description: Although soil quality in Vietnam is generally still good and natural forests have been protected since 2017, there remains a specific risk associated with the activities of smallholder forest owners. The lack of mandatory sustainable forest management practices leads to potential soil pollution

	and degradation due to chemical use, short rotation cycles, and uncontrolled burning of organic residues after harvesting, which causes loss of organic matter and increased erosion. In addition, regulations on the protection of riparian buffer zones are not fully enforced, posing a risk to biodiversity within plantation areas. Mitigation Measures: • Implement and enforce a strict post-harvest residue and vegetation treatment policy within purchasing contracts, prioritizing Fire-Free Methods (chopping and band arrangement) or Mechanized Methods (ploughing/crushing), and strictly controlling any authorized burning (localized cold burning). • Enforce soil erosion controls by maintaining a minimum 5-meter riparian buffer zone along streams, restricting contiguous clear-cut areas to a maximum of 10 hectares, and limiting harvesting activities during the rainy season. • Protect water buffer zones by strictly prohibiting planting, vehicle washing, and refuelling within the ≥5m riparian buffers. • Organize SFM technical training programs for smallholders focused on soil conservation, sustainable forestry models, and extending harvesting cycles. Monitoring and Outcomes: • Conduct annual on-site field inspections to verify compliance with residue treatment policies, contour harvesting, maintenance of ≥5m riparian buffers, and ≤10ha contiguous clear-cuts, supported by photographic evidence. • Suspend purchases from smallholders violating residue treatment or buffer zone policies until immediate corrective actions are fully implemented. • Require the ecological restoration of natural vegetation in any encroached riparian buffer zones before the associated forest plots can be re-approved for the supply chain. • Maintain a comprehensive archive of all inspection records and field photographs for a minimum retention period of 5 years. Outcome: The rigorous deployment of these measures completely eliminates non-compliant timber sources, successfully lowering the residual risk for this indicator to a Low Risk level (Level A).
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

(vi)¹ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.

Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:

*(a) **primary forest** and other wooded land and **old growth forest**, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

(vi)² That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.

Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:

*(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

(vi)³ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.

Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:

*(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level
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	☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁴ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i> <i>(e) heathland - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).</i>	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁵ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:</i> <i>(a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).</i>	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)⁶ That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. <i>Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.</i>	

Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Risk description: Although most wood materials in Vietnam originate from plantation forests, a small area of Melaleuca forests on peatlands is still harvested for production purposes. This poses a specific risk related to harvesting on peatlands or in areas drained after 2008, which can negatively impact ecosystem functions and must be strictly controlled through robust traceability measures. Mitigation Measures: Currently, Netma production feedstock is limited to plantation species such as acacia, eucalyptus,... with no inclusion of semi-aquatic Melaleuca species. If Netma sources materials from the inclusion of semi-aquatic Melaleuca species, the following risk mitigation measures will be implemented: 1. Require complete traceability documentation: All materials must be accompanied by documentation confirming they were not harvested from peatlands or areas drained after 01/01/2008. 2. Geographical screening (GIS): Verify harvest site coordinates and mapping data to confirm whether the area lies within peatland zones. 3. Periodic field assessments: Conduct on-site inspections of high-risk sourcing areas (particularly Melaleuca forests in the Mekong Delta) to verify soil conditions. 4. Binding contract clauses: Require suppliers to commit contractually to not harvesting from peatlands or areas drained after 2008. 5. Collaboration with local forestry authorities: Verify information and respond promptly to any signs of illegal harvesting. 6. Supplier training: Raise awareness of the ecological importance of peatlands and relevant legal requirements to minimize risks in the supply chain. Monitoring and outcome: - 100% traceability document checks: Ensure that every batch of material is accompanied by evidence showing it was not sourced from peatlands or areas drained after 01/01/2008. - Regular GIS screening: Cross-check harvest site coordinates against peatland maps to detect potential risks. - Annual field inspections: Conduct direct inspections of high-risk sourcing areas (especially Melaleuca forests in the Mekong Delta). - Supplier monitoring: Maintain records, document violations, and address any cases where sufficient evidence is not provided. - Periodic reporting: Summarize monitoring results and evaluate the effectiveness of mitigation measures annually. Outcome: The traceability system operates effectively, ensuring that peatland-related risks are reduced to a Low Risk level.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level

Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	<i>Not applicable, requirement only applies to Level A</i>

LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

Annex 2a: EU RED II Supply Base Evaluation

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

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

Verification and monitoring of suppliers

Netma maintains a transparent, traceable, and compliant supply chain through systematic risk assessments and continuous monitoring. Before approval, all potential suppliers must undergo a rigorous initial evaluation based on the following criteria:

Legal Registration: Valid business licenses, tax IDs, and operational permits

- Land Tenure: Verified Land Use Rights Certificates (LURC/Red Book) or concession agreements confirming ownership and harvesting rights.
- Traceability & Permits: Official timber harvesting permits and accurate forest product inventory reports (packing lists).
- Certification Status: Valid FM or CoC certificates from recognized schemes like FSC, PEFC, SBP.
- Risk Profiling: Classification according to SBP risk indicators and the company's Due Diligence System (DDS) requirements.
- Suppliers demonstrating 100% compliance with these mandatory legal and sustainability standards are admitted to Netma's Approved Supplier List.

Feedstock inspection and classification upon receipt

Netma utilizes processing residues (sawdust, shavings, offcuts,...) sourced from wood processing facilities as its sole secondary feedstock; no post-consumer feedstock is used.

- The verification and monitoring workflow is strictly applied as follows: Gate Control & Inspection: Every delivery undergoes visual inspection upon receipt to verify it is a genuine by-product conforming to SBP secondary feedstock definitions.
- Traceability Documentation: Mandatory records—including supplier self-declarations, invoices, packing lists, and transport documents—are systematically collected and retained for audit purposes.
- Non-Compliance & Contingency: In cases of insufficient evidence or data discrepancies, the supplier is flagged for the audit program. Corrective actions, such as load rejection or document revision, are immediately enforced and logged to maintain full SBP compliance.

Supplier audit for processing residues and post-consumer feedstock

Netma conducts risk-based supplier audits to verify that all processing residues (and potential future post-consumer feedstock) comply with SBP definitions, legal requirements, and purchase specifications.

1. Audit Procedure

- Document Review: Verify business licenses, transport permits, delivery records, and supplier declarations confirming the material is a genuine, non-deliberately produced by-product.
- On-Site Inspection: Inspect the origin, material type, production processes, and storage facilities to prevent mixing with non-compliant materials.
- Interviews: Question supplier personnel to confirm their awareness of SBP requirements and sourcing practices.
- Sampling: Collect physical samples or photographic evidence to validate material classification.

2. Non-Conformity Management

If non-conformities are identified (e.g., insufficient evidence, misclassification,...), corrective actions must be implemented within a defined timeframe. Serious or repeated non-compliance will result in supplier suspension or removal from the approved supplier list.

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

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

Not Applicable (RED II TOF not included)

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

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