Compliance with the SBP Framework: Public Summary Report

SGS North America Inc.
Evaluation of DAI DUONG FOREST PRODUCTS JSC

Main (Initial) Audit

Sustainable Biomass Program
sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 2.0

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

Document history

Version 2.0	**Published 10 August 2023**

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1 Overview

Certification Body (CB) Name:	SGS North America Inc.
Primary CB contact for SBP:	Marta Margarido
Primary CB contact email:	marta.margarido@sgs.com
Audit team leader:	Bon Pham
Audit team members:	ERROR: Works only for SBR or PSR form. Please alter the function by adding more tables, or by dynamic sql
Name of the Company:	DAI DUONG FOREST PRODUCTS JSC
Company legal address:	Land Lot No. 631, Map No. 41, Nghi Son Economic Zone,, 42736 Truong Lam Commune, Thanh Hoa Province, Viet Nam
Company contact for SBP:	Trong Tran Van
Company contact email:	trongtran0@gmail.com
Company website:	
Date of installation:	01 Aug 2025
SBP Certificate Code:	SBP-14-09
Date of certificate issue:	02 Sep 2026
Date of certificate expiry:	01 Sep 2031
Audit closing meeting date:	07 Jul 2026
Audit cycle:	Main (Initial) Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kien Vo
Date of decision:	25 Aug 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.3 Closed non-conformities

NC number 9341	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.14 The Organisation shall identify stakeholders, develop, implement, monitor, evaluate and adapt as necessary, a Stakeholder Engagement Plan (SEP) appropriate for their business operations and scope of certification. N/A N/A
Description of Non-conformance and Related Evidence:	
The Company did not identify stakeholders, develop, implement, monitor, evaluate and adapt as necessary, a Stakeholder Engagement Plan (SEP) appropriate for their business operations and scope of certification. Verified the SEP dated 10/05/2026 indicated that the Company has identified stakeholders, developed, implemented, monitored, evaluated, and adapted a Takeholder Engagement Plan (SEP). However, the SEP only focuses on the consultative components related to the Supply Base Evaluation (SBE), and does not fully cover their business operations and scope of certification. Since the company does not yet produce products compliant with SBP, so minor NC 01 raised.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	- Added training records; - Stakeholder Engagement Plan developed; - Engagement consultation report.
Findings for Evaluation of Evidence:	The company organized additional training to raise awareness for members of the SBP Board on Stakeholder Engagement Plan. Verification evidence: Training plan dated 17/07/2026 clearly shows training time and content; List of training participants on 24/07/2026 (37 participants). Interview those responsible to show they understand the requirements of the standard. Stakeholder Engagement Plan (SEP) was additionally established on 13/07/2026, adding 05 relevant organizations and individuals to the consultation plan in accordance with the business activities and scope of certification (for example: Truong Lam Commune People's Committee, Nghi Son Economic Zone Management Board,...). Additional

	stakeholder consultation report dated 20/07/2026, the feedback was all positive. Thus, the Company has taken appropriate corrective measures, and has conducted awareness-raising training for those responsible for preventing recurrence. So, minor NC is closed.
NC Status:	Closed

NC number 9342	**NC Grading: Minor**
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.24 The Organisation shall maintain an up-to-date self-assessment covering the implementation of 1.21, 1.22 and 1.23. N/A N/A
Description of Non-conformance and Related Evidence:	
The Organisation did not implement an up-to-date self-assessment covering the implementation of 1.21, 1.22 and 1.23. The internal audit procedure, issued on May 10, 2026, included self-assessment requirements of the clauses: 1.21, 1.22, and 1.23. However, the Company has not yet conducted a self-assessment of compliance with these requirements. In an interview with the Head of the SBP Board, he stated that since the Unit has not yet commenced actual SBP production, a self-assessment is not necessary. Since interviews with PICs, workers, site visits, and auditors did not reveal any evidence of non-compliance with the requirements of the three clauses. So, minor NC 02 is raised.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	- Added training records; - Self-assessment report in the 1.21, 1.22, and 1.23
Findings for Evaluation of Evidence:	Verified evidence: The Company organized supplementary training to raise awareness among SBP members regarding self-assessment requirements for compliance with legal, anti-corruption, and occupational health and safety requirements. Verified evidence: Training plan dated 17/07/2026, clearly showing the training time and content; Training participant list dated 24/072026 (37 participants). Interviews with responsible individuals show they understand the standard requirements. The Company conducted a self-assessment of compliance with OHAS requirements (indicator 1.23) on 31/07/2026; self-assessment of legal compliance (indicator 1.21), and anti-corruption (indicator 1.22) dated 28/07/2026, showing that the requirements were met. The Company has implemented appropriate corrective actions and measures to prevent recurrence. So, the minor NC closed.
NC Status:	Closed

NC number 9343	**NC Grading: Minor**
Standard:	Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.1 -
Requirement:	2.2.1 The Organisation shall determine and implement effective measures to comply with all applicable laws, rules and regulations in countries where it conductsbusiness activities (SBP Standard 4, 1.21), including, as required, develop and implement a plan to minimise3 GHG emissions and pollution.

	N/A N/A
Description of Non-conformance and Related Evidence:	
The Company did not determine and implement effective measures to comply with all applicable laws, rules and regulations in countries where it conducts business activities (SBP Standard 4, 1.21), including, as required, develop and implement a plan to minimise GHG emissions and pollution. In an interview with the Head of SBP Board, he confirmed that the Company has not yet made any commitments, plans to reduce greenhouse gas emissions and pollution according to the Instruction Document Japan. Because the Unit has not yet produced products that comply with the requirements of SBP and Instruction Document Japan. So, minor CAR 03 raised.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	- Added training records; - A plan reducing GHG emissions, pollution in line with Instruction Document Japan.
Findings for Evaluation of Evidence:	Verified evidence: The Company organized additional awareness-raising training for members of the SBP Committee to identify and implement effective measures to comply with all applicable laws, rules, and regulations in the countries where the company conducts business (SBP Standard 4, 1.21), developing a greenhouse gas and pollution emission reduction plan as required by the Japanese guidance document. Verified evidence: Training plan dated 17/07/2026, clearly showing the training time and content; Training participant list dated 24/07/2026 (37 participants). Interviews with responsible individuals show they understand the requirements of the standard. A plan for improving greenhouse gas emissions and pollution has been introduced, specifically: - The following processes will be improved: + Raw material procurement: Only purchase plantation timber from Nghe An and Thanh Hoa provinces, within a 200km radius, transport by road trucks, primarily using diesel fuel and trucks with two-way load capacity. + Production: Utilize a synchronized, closed-loop production line, including chipping from round timber, grinding, drying, crushing, compressing, screening, and warehousing the finished product. Use supplementary solar electricity. + Product sales: Ship goods from the factory warehouse to the port (directly onto ships), transport by road trucks using diesel fuel, the distance from the factory to the port is 13-15km. Transfer from the truck to the ship will be done using an electric conveyor belt. - Conduct regular inventories and measurements of greenhouse gases to implement continuous improvement measures. - Several emission and pollution reduction measures have been identified: + Energy conversion: Adding solar power to production. + Technological improvements: Purchasing raw materials locally, using large-capacity vehicles. Optimizing drying oven efficiency, installing additional heat recovery equipment, and performing regular equipment maintenance to reduce exhaust gas leaks and save energy. + Transportation: Using advanced, fuel-efficient vehicles. + Waste sorting at source, operating wastewater and exhaust gas treatment systems to meet standards before discharge into the environment. The corrective measures implemented are appropriate and ensure no recurrence. So, the minor NC closed.
NC Status:	Closed

2.4 Actions taken by Organisation Prior to Report Finalisation

Nil

2.5 Notes for the next Audit

Nil

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Biomass Producer
Approved Standards	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 EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0; Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.1 -
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☐ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☐ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	No
Includes RED II Scheme	Yes
Includes RED II Supply Base Evaluation (SBE)	No
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Viet Nam
SBP-endorsed Regional Risk Assessments used: **Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/**	Not applicable, SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	N/A, because this is IA.

3.1 Description of the company

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

DAI DUONG FOREST PRODUCTS JSC was established under the business registration certificate No. 2802615442 issued by the Department of Planning and Investment of Thanh Hoa province for the first time on Jan. 11, 2019 and registered for the 7th change on Dec. 17, 2025 issued by the Department of Finance. Our company is operating a woodchips mill, a Finger joint board factory and a biomass factory in located in Landlot no 631, Map no 41, Nghi Son Economic Zone, Truong Lam Commune, Thanh Hoa Province, Vietnam with a system of factories with an area: 8 ha, including biomass factory with an area: 3.5 ha, Production Capacity about 50,000 tonnes/year with 55 the personnel involved in the certification scope of the company. Modern closed production line Internal Vehicle Transportation System And Process System Efficiently Operate the Product Journey Chain System and ensure that the source of input materials is continuously monitored without interruption

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
DAI DUONG FOREST PRODUCTS JSC	Nghi Son economic zone, Truong Lam commune, Thanh Hoa Province, Vietnam	Wood pellets processing	☒

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

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

4 Specific objective of the audit

The SBP assessment aims to verify that biomass is sourced, traded, and processed sustainably, legally, and transparently. Standard 2 focus on feedstock sustainability and compliance verification, Standard 4 on traceability through the supply chain, Standard 5 on accurate sustainability and GHG data reporting, while EURED and the Japan Instruction Document assess compliance with EU deforestation-free requirements and Japanese sustainability, legality, and GHG criteria.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Bon Pham	2.4
2. On-site (excl. travel time)	Bon Pham	14.0
3. Report writing	Bon Pham	8.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Bon Pham	Team leader	Doctor of Forestry, Lead Auditor of FSC FM/PEFC FM, FSC COC, EUDR, and SBP. Currently a permanent staff member at SGS. Prior to joining SGS, he worked for over 18 years at the Vietnam Academy of Forestry Sciences and on sustainable forest management projects.

5.3 Description of evaluation activities

The SBP certification assessment process follows a comprehensive procedure from preparation to conclusion, beginning with a pre-assessment to review documentation, define scope, and identify risks and critical control points. Next, the assessment focuses on feedstock resources and SB through examining the DDS system, legality, classification, and risk mitigation measures. Following this, the Chain of Custody (CoC) system is examined to ensure traceability, mass balance, and material separation, with a focus on the accuracy of the mass balance and the use of SBP claims. For data sustainability and the DTS system, the assessment focuses on the integrity, consistency, and comparability of system data and transaction documents to prevent data discrepancies or duplication. Furthermore, the evaluation of GHG and energy data is conducted through methodological verification, input data comparison, and sample recalculation to ensure reliability and accuracy. Throughout the evaluation process, methods such as record review, interviews, field observations, and sample-based traceability checks are applied, with a particular focus on verifying control effectiveness. Finally, the evaluation results are summarized through non-conformity findings and conclusions on the level of compliance with SBP requirements, emphasizing the core role of traceability, data accuracy, and effective control of critical control points.

5.4 List of forest management units and feedstock suppliers visited

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

Site name
LUC No. H00556, plot 58, map sheet 03
Site location
Nghia Loc, Nghia Dan, Nghe An
Site description
Acacia plantation was re-planted some months ago.
Rationale and focus of visit
Defining forest plot boundaries and the impacts of management activities.
Description of audit activity
The auditor observes the site, identifies the location and boundaries of the forest plot, and assesses the impacts of forestry activities on environmental values. They also interview the forest owner and relevant parties to determine the nature of any disputes and the history of the forest plot.

Site name
LUC No. CH00237, plot 468, map sheet 02
Site location
Dien Lam, Dien Chau, Nghe An
Site description
Acacia plantation was re-planted some months ago.
Rationale and focus of visit
Defining forest plot boundaries and the impacts of management activities.
Description of audit activity
The auditor observes the site, identifies the location and boundaries of the forest plot, and assesses the impacts of forestry activities on environmental values. They also interview the forest owner and relevant parties to determine the nature of any disputes and the history of the forest plot.

5.5 Describe audit sampling methodology used

Sampling method for FMUs and suppliers for evaluation based on GPP45 & SBP-ST3 (6.22). The unit had not yet purchased raw materials for SBP production at the time of evaluation, 8 potential FMUs were registered in this evaluation. The number of FMUs sampled was 0.8*SQRT(2) = 2 FMUs. Review the entire management system (SBP manual, procedures, policies); No purchasing and sales documents with SBP claim are available.

5.6 CB stakeholder engagement

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

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

5.7 Stakeholder feedback and response

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

5.8 Main strengths and weaknesses of the management system and operations

The company has a modern, complete infrastructure, management system, and pellet production process. The Company has been awarded FSC FM, FSC COC/CW, PEFC certification and has experience in managing sustainable certification systems, facilitating the operation of a system compliant with SBP standards.

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

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

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

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

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

The Unit has not yet commenced actual SBP production, therefore the assessment primarily focuses on reviewing the Chain of Custody (CoC) system according to SBP Standard 4, through a comprehensive review of the system and its practical operation to ensure the traceability and integrity of the biomass feedstock. The input feedstock management system has been verified, ensuring accurate classification between suitable and unsuitable feedstock and complete record keeping. The process of tracking feedstock flow from input to output ensures accurate weight balance calculations, preventing over-consumption of valid weights and fully documenting factors such as losses and conversion factors. The data management system has been verified, ensuring the complete collection, storage, and reporting of relevant information, including accurate and consistent updates to the SBP

Data Transfer System (DTS). DEMO records such as raw material procurement, production, and sales have been reviewed to ensure traceability. Internal processes also include the assignment of responsibilities and training of relevant personnel to ensure the system operates efficiently. The Company's SBP COC system ensures transparency, accuracy, and full compliance with the requirements of SBP Standard.

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

The Company has not yet commenced actual SBP production. The collection and communication of data from the previous period (01/2026 - 6/2026) has been used as DEMO data. The DEMO data has been verified as objective and reliable.

5.13 Summary of audit findings for competency of involved personnel

The Company has many years of experience in wood chips production. It has been awarded FSC FM, FSC COC/CW, PEFC certification, demonstrating its expertise in operating systems that comply with sustainability standards. Personnel have received training in SBP and EURED standards, understanding the requirements and ensuring they can operate the system effectively according to SBP standards.

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

☒ N/A – Standard 6 not in the scope

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

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

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

N/A

6.2 CB evaluation of specified risk indicators and mitigation measures