Supply Base Report:

HUARONG INDUSTRIAL COMPANY LIMITED
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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1 Overview

Producer name:	HUARONG INDUSTRIAL COMPANY LIMITED
Producer address:	Dien Village, Tam Tien Commune, Bac Ninh Province, 234860 Dien Village, Viet Nam
SBP Certificate Code:	SBP-14-03
Geographic position:	21.532667, 106.100361
Primary contact:	Mr. Vinh, +84 902 192 698, congty.huarong@gmail.com
Company website:	
Date report finalised:	05 Oct 2025
SBR reporting period from:	01 Dec 2024
SBR reporting period to:	01 Dec 2025
Name of the Certification Body:	SGS North America Inc.
Certification Body Approval date:	25 Feb 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
Feedstock origin (countries)	Viet Nam (North of Vietnam)
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

Huarong Industrial Co., Ltd. was established in 2019 and is one of Vietnam's leading wood pellet manufacturers, supplying high-quality biomass products to the Japanese renewable energy market.

Pellet Plant

- Location: Ban Dien, Tam Tien Commune, Bac Ninh Province, Vietnam
- Strategic Advantage: The plant is strategically located near major production forests, key transportation routes, and seaports, enabling reduced logistics costs and lower CO_2 emissions.
- Capacity: Approximately 100,000 tonnes of wood pellets per year.
- Operations: The facility is equipped with modern pelletizing technology and operated by a highly trained technical workforce. Huarong places strong emphasis on energy efficiency, including the use of locally sourced low-grade biomass to power raw material dryers.
- Sustainable Forestry Commitment: Huarong established and manages the Huarong – Yen The Smallholder Forest Certification Group (certificate code: GFA-FM/CoC-006903) to promote sustainable forest management practices in the region.

Feedstock Supply

Huarong sources 100% of its raw materials externally and ensures that all supply complies with SBP and FSC requirements.

◈ Primary Feedstock (Roundwood)

- Includes FSC 100% certified material supplied by household group members within the FSC Forest Management Group managed by Huarong in cooperation with the State Forest Enterprise.
- Includes non-certified feedstock sourced directly from smallholder households in the region.

◈ Secondary Feedstock (Processing esidues)

- Sourced from two suppliers who collect processing residues — such as chips, sawdust, and offcuts — from local primary sawmills and supply them to Huarong.

Species

The main feedstock species include Acacia spp., Eucalyptus spp., and a smaller proportion of Pinus spp.

Supply Base

To ensure long-term feedstock security, Huarong defines its supply base in Bac Ninh, Thai Nguyen and Lang Son provinces. The company applies a Supply Base Evaluation (SBE) approach to ensure that all feedstock inputs meet SBP-compliant requirements.

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

Number of employees: *94*

Annual maximum production capacity (metric tonnes): *100000*

Number of direct feedstock suppliers: *800*

Approximate number of feedstock sub-suppliers: *2*

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

Huarong Industrial Co., Ltd. operates a wood pellet production facility certified under the **FSC** and **PEFC Chain of Custody (CoC)** standards, as well as meeting requirements for **Controlled Wood (CW)**, **Controlled Sources (CS)**, and the **SBP** scheme. The company has established a comprehensive management system that ensures all materials entering the facility are legally sourced, traceable, and compliant with sustainability standards throughout the entire supply chain.

The **chain-of-custody (CoC)** system covers all stages from raw material sourcing to finished pellet production and export. It includes robust procedures for supplier approval, documentation review, volume control, segregation (or mass balance), and record-keeping to maintain the integrity of sustainability claims. Each consignment of feedstock is fully traceable from its forest origin through processing, collection, and delivery to the pellet plant.

Huarong's upstream supply chain is composed of two main types, reflecting the different origins and flows of **primary** and **secondary** feedstock:

Type 1 – Primary Feedstock Supply Chain

This supply chain involves sourcing **primary feedstock** (such as roundwood and twigs) directly from **forest owners**, including individual smallholders and **state forest enterprises**. The structure of this supply chain is relatively simple, typically consisting of **a single tier** between the forest owner and Huarong:

1. **Forest owners** manage forest operations and sell timber directly to Huarong.
2. They contract **logging and transportation teams** to harvest, process, and deliver the raw material.
3. The harvested logs and branches are transported directly from the forest site to **Huarong's pellet plant**.

All materials sourced through this supply chain are accompanied by legal documentation, and traceability is maintained through purchase contracts, transport permits, invoices, and supplier declarations. Where applicable, feedstock may be certified (e.g., **FSC 100%**) or verified as controlled material.

Type 2 – Secondary Feedstock Supply Chain

The second type of supply chain involves **secondary feedstock**, including **processing residues** such as wood chips, sawdust, bark, and offcuts. This supply chain is more complex and typically includes **three tiers** before the material reaches Huarong:

1. **Forest owners** harvest and sell logs to local veneer or sawmilling facilities.
2. **Primary processing facilities** (e.g., veneer mills, sawmills) generate **processing residues** as by-products and sell them to collectors or traders.
3. **Collectors or traders** aggregate these residues from multiple mills and supply them to **Huarong** for pellet production.

Despite the additional tiers, traceability is maintained throughout the supply chain. All intermediaries must provide documentation demonstrating the legality and origin of the material, and Huarong verifies supplier compliance through its supplier evaluation process and regular monitoring.

In summary

Huarong's chain-of-custody and upstream supply chain system ensures that all biomass inputs — whether **primary roundwood** sourced directly from forests or **secondary residues** aggregated from processing mills — are fully traceable, legally compliant, and meet the sustainability requirements of **FSC**, **PEFC**, and **SBP** standards. This robust supply chain management approach enables Huarong to produce wood pellets with verified sustainable origins for the Japanese renewable energy market.

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	Bac Ninh, Thai Nguyen, Lang Son Provinces
Exclusions	
Feedstock types	Primary feedstock, Processing residues
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, N/A – Primary and/or Processing residues certified to an SBP- recognised controlled scheme
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**, **Huarong** 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 requirements**.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
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):	0.6340
Map(s) of the Supply Base area:	

https://baovephapluat.vn/data/images/0/2022/08/10/ntanh/rungvn100822-2.jpg?dpi=150&quality=100&mode=crop&anchor=topcenter

2.3 Feedstock information

a. **Total volume of Feedstock:** 200,000-400,000 tonnes

b. **Volume of primary feedstock:** 200,000-400,000 tonnes

c. **List of all the species in primary feedstock, including scientific name:**

Acacia spp	Acacia/ Keo
Eucalyptus spp	Eucalyptus/Bạch đàn

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 (%)**: 99.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 1.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 2.00

h. **Indicate how you determine the proportion of saw log:** Specification used by the sawmill closest to where 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

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust, Offcuts, Other (specify)

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, Other (specify)

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 0 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 0.00 tonnes

Explanation: The company does not apply EU RED-compliant

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

Huarong Industrial Co., Ltd. conducts a **Supply Base Evaluation (SBE)** in accordance with **SBP Standard 1** and **SBP Standard 2**, based on the **SBP Regional Risk Assessment (RRA) for Vietnam v1.0**. The SBE covers all primary and secondary feedstock sourced from within Vietnam and evaluates sustainability, legality, forest protection, and social responsibility risks. While most indicators are classified as **low risk**, certain areas — such as legal harvesting verification, high conservation value (HCV) protection, and supply chain traceability — are identified as **specified risks**. Huarong mitigates these through supplier declarations, field inspections, legality verification, and stakeholder consultation. As a result, all feedstock entering the supply chain is verified as **SBP-compliant**, ensuring that wood pellet products meet the sustainability requirements of SBP and the expectations of international markets, including Japan.

3.2 Conflicts with applicable national and sub-national legislation

No conflicts have been identified. In Vietnam, all forest management activities are strictly regulated and must comply with the relevant **national legislation**, including the **Law on Forestry (2017)**, the **Land Law**, and associated decrees and circulars. Any **sub-national or local regulations** are required to be developed in alignment with and under the framework of these national laws. As a result, there is a clear and consistent legal framework governing forest management, and no evidence of conflicts or contradictions has 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: Bac Ninh, Thai Nguyen, Lang Son provinces	
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:

Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal rules for some aspects isstill inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all 03 sub-scopes

Mitigation measure:

To mitigate the identified risks, **Huarong Industrial Co., Ltd.** has implemented a set of control measures aimed at verifying legal compliance and excluding non-compliant suppliers from its supply chain. These measures include:

1. **Verification of business registration:**
   - Check business licenses or registration documents of production households and cooperatives (HTX) supplying raw material.
2. **Verification of harvesting permits:**
   - Review and confirm harvesting permits issued by the **Commune People's Committee (UBND xã)** or **District People's Committee (UBND huyện)** before procurement.
3. **Cross-checking with legal requirements:**
   - Compare supplier activities, harvesting practices, and transport operations with applicable laws and regulations, including:
     - *Law on Forestry (2017)*
     - *Decree No. 27/2024/NĐ-CP*
     - *Circular No. 26/2025/TT-BNNMT*
4. **Supplier exclusion policy:**
   - Immediately exclude any supplier found to be non-compliant or unable to provide sufficient legal documentation.

Monitoring and outcomes:

- **Supplier Audits:** Huarong conducts regular supplier audits (at least once per year) to verify legal compliance and confirm that all required permits and registrations are valid and up to date.
- **Document Review:** All supplier documentation is checked prior to contract approval and during each delivery. Non-conformities are recorded and corrective actions are tracked.
- **Field Inspections:** Random on-site visits are carried out to verify harvesting operations and ensure they align with legal requirements and approved permits.
- **Results:** Through the implementation of these mitigation measures, the risk of sourcing from illegal or non-compliant suppliers has been significantly reduced. Most suppliers demonstrated full legal compliance, and several were required to update or correct documentation prior to approval. Any

suppliers failing to meet the requirements were excluded from the supply chain.

Outcome: The application of these monitoring and mitigation activities has ensured that all feedstock entering Huarong's supply chain is legally sourced, verifiable, and compliant with Vietnamese national legislation — thereby reducing the overall risk level associated with this indicator from **specified risk** to **low residual risk**.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
The supply of timber raw materials in Vietnam is mainly from production forests, of which the majority of production forests have been allocated to householdsfor 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.	
Mitigation measure:	

To address the identified risks related to land tenure and ownership, **Huarong Industrial Co., Ltd.** implements a comprehensive set of verification and control measures before sourcing feedstock from any supplier:

1. **Verification of Land Use Rights:**
   - Review and verify the **Land Use Right Certificate (LURC)** (*GCNQSDĐ*) or **land lease agreement** of forest owners supplying raw material.
2. **Cross-verification with Local Authorities:**

- Confirm the legal status of land ownership and boundaries through official records held by the **Commune People's Committee (UBND xã)** or **local cadastral office**.

3. **Community Consultation and Field Verification:**
   - Conduct interviews with **local communities and adjacent land users** to detect any disputes, overlapping claims, or land conflicts that might affect the legality of the forest land.
4. **Exclusion of Disputed Areas:**
   - Exclude from the supply chain any forest areas where **land tenure is unclear**, **ownership cannot be verified**, or **active disputes exist**.

Monitoring and outcomes:

- **Document Verification:** All suppliers are required to submit valid LURCs or land lease agreements before being approved. The legality and ownership status are checked during the supplier evaluation and prior to contract signing.
- **Local Authority Confirmation:** Huarong maintains close collaboration with local authorities to validate land records and ensure that sourcing areas are legally recognized and free from disputes.
- **Community Engagement:** Community consultations are conducted as part of the due diligence process to detect potential conflicts that may not appear in formal records.
- **Field Monitoring:** Random field visits and interviews are carried out to verify land boundaries and confirm there are no disputes in sourcing areas.
- **Results:** Most suppliers were able to provide valid land ownership documents or evidence of legal land use. In a few cases, gaps in documentation were identified and resolved before procurement. Areas under dispute or with unclear tenure were **excluded from sourcing activities**.

Outcome: Through these mitigation measures, the risk of sourcing timber from areas with unclear land tenure or active land conflicts has been **significantly reduced**. Huarong now has a verified supply base where **land use rights are legally established and recognized**, lowering the residual risk for this indicator from **specified** to **low**.

Country: Viet Nam

Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son

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:

The primary feedstock in Vietnam is mainly sourced from planted production forests. The main species used for forest plantations include Acacia, Eucalyptus andRubber, 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 arerequired for state-owned forest owners but not for households and individuals, while forest product inventory is mandatory for all forest owners. In practice, stateowned organizations fully comply with the requirements for approving harvesting plans and forest product inventory. Smallholders mainly sell standing trees tointermediaries or traders. Therefore, filling in the forest product inventory is delegated or assigned to intermediaries or traders. Intermediaries or traders are notallowed 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). Inaddition, the implementation and control of forest inventory for private forest owners has yet to be fully implemented. Therefore, specific risks are identified forfeedstock originating from small forest owners and private organizations related to the requirement of forest inventory.

Mitigation measure:

To mitigate the identified risks related to forest inventory requirements and CITES compliance, **Huarong Industrial Co., Ltd.** has implemented the following control measures before sourcing any primary feedstock:

1. **Verification of harvesting documentation:**
   - Review harvesting records, VAT invoices, and purchase contracts to ensure legality and traceability of feedstock origin.
2. **Verification of forest product declaration:**
   - Check official **forest inventory forms (tờ khai kiểm lâm)** and verify the **forest product origin confirmation** issued by the **Forest Protection Department (FPD)**.
3. **CITES and legality screening:**
   - Confirm that no sourced species are listed under **CITES appendices**.
   - Exclude any material lacking required documentation or suspected of violating CITES or forest product declaration regulations.

Monitoring and outcomes:

- **Document Verification:** All suppliers must provide complete documentation, including purchase contracts, VAT invoices, forest product declarations, and FPD confirmations, before being approved as suppliers. Missing or inconsistent documentation results in automatic rejection.
- **Regulatory Compliance Checks:** Supplier documentation is regularly cross-checked against legal requirements under **Circular 26/2025/TT-BNNMT**. Non-compliant suppliers are required to rectify issues or are excluded from the supply chain.
- **CITES Compliance Monitoring:** Huarong maintains a database of approved species and regularly

consults the **CITES Appendices** to ensure that no listed species enter the supply chain.
- **Field Inspections:** Random site visits and interviews with suppliers are conducted to verify actual harvesting practices and ensure inventory procedures are being followed correctly.

Outcome: Through rigorous documentation checks, legal verification, and supplier control measures, Huarong has significantly reduced the risk associated with forest product inventory non-compliance and CITES violations. Most suppliers demonstrated compliance with inventory and origin confirmation requirements. Cases involving incomplete or incorrect documentation were resolved before procurement or were excluded from sourcing. As a result, the residual risk for this indicator is now assessed as **low**.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
2.2.1 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:	
Although Vietnam has established adequate legal regulations and mechanisms for managing forest and wetland land use, between 2006 and 2014 the large-scale conversion of degraded natural forests into plantation forests was legally permitted and occurred widely. Sporadic cases of illegal forest conversion continue to occur. Significant losses of mangrove forests and peatlands have also been documented. Therefore, this indicator is assessed as **specified risk**. Results from the internal risk assessment conducted for the HuaRong supply base in Bắc Ninh, Thái Nguyên, and Lạng Sơn confirmed that **no mangrove forest or peatland areas are present within the supply base**. Consequently, HuaRong's risk mitigation measures will focus on **ensuring that all controlled material does not originate from areas converted after 2008**.	
Mitigation measure:	

To mitigate the risks associated with natural forest conversion and ensure that no feedstock originates from recently converted natural forests, mangrove forests, or peatlands, **Huarong Industrial Co., Ltd.** implements the following verification and control measures:

1. **Satellite imagery analysis (2008 – present):**
   - Conduct spatial analysis using satellite images and GIS tools to detect any changes in land use and forest cover in sourcing areas since **1 January 2008**.
2. **Verification of land-use records:**
   - Review official land-use documentation and land classification maps maintained by the **Commune People's Committee (UBND xã)** to confirm legal land use history.
3. **Supplier land-use declaration:**
   - Require all suppliers to provide a written declaration of land-use history for the sourcing area, confirming that no natural forest, mangrove, or peatland has been converted since 2008.
4. **Exclusion of converted areas:**
   - Exclude from the supply chain any sourcing areas identified as having undergone conversion of natural forests, mangroves, or peatlands after the cut-off date.

Monitoring and outcomes:

- **Land-Use Monitoring:** Satellite image analysis has been integrated into the company's due diligence process. Areas showing signs of land-use change since 2008 are flagged for further investigation before any procurement decision is made.
- **Document Verification:** Land-use records and cadastral maps from local authorities are reviewed during supplier approval and procurement processes. Any inconsistencies between satellite data and official records are investigated.
- **Supplier Declarations:** All suppliers are required to submit declarations confirming the historical land use of their sourcing areas. These declarations are verified against remote sensing data and government records.
- **Field Verification:** Random field visits and stakeholder interviews are conducted to confirm the absence of recent conversion and validate supplier declarations.

Outcome: Through the integration of satellite analysis, land-use documentation checks, and supplier verification procedures, Huarong has significantly reduced the risk of sourcing feedstock from areas converted from natural forests, mangroves, or peatlands after 2008. In all reviewed cases, sourcing areas were confirmed as either long-established plantation forests or areas converted prior to the SBP cut-off date. Any regions showing evidence of recent conversion were **excluded from procurement**. As a result, the residual risk associated with this indicator is now considered **low** and effectively controlled.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
Although Vietnam has established regulations to limit the negative impacts of forestry production activities, the implementation of Sustainable Forest Management (SFM) plans is not yet mandatory for all forest owners. Short plantation rotations and the widespread use of vegetation burning for site preparation remain common practices, potentially causing adverse effects on soil quality. In particular, the raw material supply areas of Huarong in Thái Nguyên, Bắc Ninh, and Lạng Sơn provinces mainly consist of acacia and eucalyptus plantations established on sloping terrain with short rotation cycles, clear-cut harvesting, removal of riparian vegetation, and burning of organic residues (branches, leaves) after harvesting. These practices present a high risk of soil erosion, site degradation, and declining forest productivity. Therefore, this indicator is assessed as a specified risk.	
Mitigation measure:	
To mitigate the identified risks and promote sustainable forestry practices within its supply base, **Huarong Industrial Co., Ltd.** implements the following control measures and requires suppliers to comply with them: - Adopt Sustainable Forest Management (SFM): Require suppliers to follow FSC/VFCS/PEFC or national SFM standards and extend rotation cycles (≥8 years) to improve soil health. - Ban Post-Harvest Burning: Enforce a No-Burn Policy and use mechanical/manual clearing methods to reduce carbon emissions and protect soil organic matter. - Control Erosion on Slopes: Apply contour planting, terracing, and maintain riparian buffers (5–10 m) to stabilize terrain. - Train and Build Capacity: Provide training and demonstration plots on soil conservation and low-impact replanting techniques. - Monitor and Verify Compliance: Conduct field checks, require documentation, and include sustainability in supplier evaluations. - Engage Stakeholders: Cooperate with authorities, research bodies, and NGOs to promote ecosystem-based plantation management. - Harvest Along Contours: Enforce harvesting along contour lines to minimize soil loss. - Limit Harvesting Area: Prohibit clear-cutting of blocks >10 ha to maintain ground cover. - Prevent Erosion Actively: Apply cover crops, mulching, or terracing where erosion signs appear. - Avoid Rainy-Season Harvesting: Restrict operations during wet seasons to prevent compaction and	

runoff.

Monitoring and outcomes:

Supplier Audits: Supplier practices are checked during annual audits and site visits to ensure that harvesting methods align with contour lines, erosion control requirements, and seasonal restrictions.
Field Verification: Field inspections are conducted to confirm that no adjacent clear-cutting exceeds 10 hectares, riparian buffer zones (5–10 m) are maintained, and erosion prevention measures such as terracing, mulching, or cover crops are applied where needed.
Monitoring of High-Risk Areas: Special attention is given to plantations located on steep slopes, erosion-prone soils, and regions with high rainfall. Compliance with no-burn and seasonal restrictions is verified through harvest records, site photos, and field observations.
Training and Capacity Building: Suppliers and contractors receive training and technical guidance on sustainable forest management, contour-based harvesting, soil conservation, and erosion control practices.
Outcome: Through these monitoring and mitigation efforts, the company has significantly reduced the risk of soil degradation and erosion within its supply base. Field inspections confirm wider adoption of contour-based harvesting and improved slope management, while the incidence of post-harvest burning and large-scale clear-cutting has declined. Suppliers have shown better understanding and compliance with soil protection measures. Non-compliances are addressed promptly through corrective actions or supplier suspension, and the residual risk for this indicator is now assessed as **low**.

Country: Viet Nam

Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son

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:

Although Vietnam has a Forestry Law regulating permitted or prohibited forestry activities and regulations on sustainable forest management, there are no effectivelegal regulations specifically for the treatment of post-harvest residues and the situation of uncontrolled burning of vegetation after harvesting is still ordinary.
In particular, the raw material supply areas of Huarong in Thái Nguyên, Bắc Ninh, and Lạng Sơn provinces mainly consist of acacia and eucalyptus plantations established on sloping terrain with short rotation cycles, clear-cut harvesting, removal of riparian vegetation, and burning of organic residues (branches, leaves) after harvesting. These practices present a high risk of soil erosion, site degradation, and declining forest productivity.
Therefore, this indicator is assessed as a specified risk.

Mitigation measure:

To mitigate the identified risks and promote sustainable forestry practices within its supply base, **Huarong Industrial Co., Ltd.** implements the following control measures and requires suppliers to comply with them:

- Adopt Sustainable Forest Management (SFM): Require suppliers to follow FSC/VFCS/PEFC or national SFM standards and extend rotation cycles (≥8 years) to improve soil health.
- Ban Post-Harvest Burning: Enforce a No-Burn Policy and use mechanical/manual clearing methods to reduce carbon emissions and protect soil organic matter.
- Control Erosion on Slopes: Apply contour planting, terracing, and maintain riparian buffers (5–10 m) to stabilize terrain.
- Train and Build Capacity: Provide training and demonstration plots on soil conservation and low-impact replanting techniques.
- Monitor and Verify Compliance: Conduct field checks, require documentation, and include sustainability in supplier evaluations.
- Engage Stakeholders: Cooperate with authorities, research bodies, and NGOs to promote ecosystem-based plantation management.
- Harvest Along Contours: Enforce harvesting along contour lines to minimize soil loss.
- Limit Harvesting Area: Prohibit clear-cutting of blocks >10 ha to maintain ground cover.
- Prevent Erosion Actively: Apply cover crops, mulching, or terracing where erosion signs appear.
- Avoid Rainy-Season Harvesting: Restrict operations during wet seasons to prevent compaction and runoff.

Monitoring and outcomes:

Supplier Audits: Supplier practices are checked during annual audits and site visits to ensure that harvesting methods align with contour lines, erosion control requirements, and seasonal restrictions.
Field Verification: Field inspections are conducted to confirm that no adjacent clear-cutting exceeds 10 hectares, riparian buffer zones (5–10 m) are maintained, and erosion prevention measures such as terracing, mulching, or cover crops are applied where needed.
Monitoring of High-Risk Areas: Special attention is given to plantations located on steep slopes, erosion-prone soils, and regions with high rainfall. Compliance with no-burn and seasonal restrictions is verified through harvest records, site photos, and field observations.
Training and Capacity Building: Suppliers and contractors receive training and technical guidance on sustainable forest management, contour-based harvesting, soil conservation, and erosion control practices.
Outcome: Through these monitoring and mitigation efforts, the company has significantly reduced the risk of soil degradation and erosion within its supply base. Field inspections confirm wider adoption of contour-based harvesting and improved slope management, while the incidence of post-harvest burning and large-scale clear-cutting has declined. Suppliers have shown better understanding and compliance with soil

protection measures. Non-compliances are addressed promptly through corrective actions or supplier suspension, and the residual risk for this indicator is now assessed as **low**.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
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 indicatoris considered a specified risk for smallholder.	
Mitigation measure:	
To mitigate the risks associated with water resource protection and buffer zone encroachment, **Huarong Industrial Co., Ltd.** has established the following control measures, which all suppliers must implement: 1. **Protection of water buffer zones:** • Require suppliers to **maintain and protect riparian buffer zones** along streams, rivers, and water bodies. • Prohibit planting activities within designated buffer zones and enforce minimum distance requirements. 2. **Pollution prevention measures:** • Prohibit vehicle washing, fuel refilling, or oil disposal within forest management areas to prevent contamination of soil and water resources.	

3. **Physical water parameter monitoring:**
    - Conduct regular **monitoring of physical water parameters** — such as turbidity, temperature, flow rate, and suspended solids — in sourcing areas located near water bodies to detect any potential impacts of forestry activities.

Monitoring and outcomes:

- **Field Verification:** Regular site inspections are conducted to ensure that **buffer zones are intact and free of planting activities**. Encroached areas are mapped, and suppliers are required to cease operations or restore vegetation in these zones.
- **Compliance Checks:** Harvesting and site management practices are reviewed to confirm compliance with pollution prevention requirements, including the prohibition of oil disposal or vehicle washing near water sources.
- **Physical Water Parameter Monitoring:** Measurements of physical indicators (e.g., turbidity, flow velocity, suspended solids) are conducted periodically in high-risk areas. Results are documented and compared with baseline conditions to identify any changes potentially linked to forestry operations.
- **Corrective Actions:** Any supplier found violating buffer zone regulations or causing water contamination is required to take immediate corrective measures. Persistent non-compliance results in supplier exclusion from the supply chain.

Outcome: The implementation of these measures has **significantly reduced the risk** of negative impacts on water resources. Field inspections confirm that most suppliers now maintain protective riparian zones and avoid harmful site practices. Monitoring of physical water parameters shows stable conditions with no significant deviations from baseline values. Areas with violations were remediated before continued sourcing. As a result, the residual risk associated with this indicator is now considered **low**.

Country: Viet Nam

Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son

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:

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.

Mitigation measure:

To minimize the risks associated with pesticide use in rubber plantations, **Huarong Industrial Co., Ltd.** has established and implemented the following mitigation measures:

1. **Pesticide label verification:**
   - Check all pesticide labels to ensure that only **approved substances** are being used and that their application follows legal and safety requirements.
2. **Integrated Pest Management (IPM) training:**
   - Provide training and technical guidance to forest owners, contractors, and workers on **IPM principles** to reduce dependency on chemical pesticides and encourage the use of biological or mechanical alternatives.
3. **Supplier exclusion:**
   - Exclude from the supply chain any supplier found to be using **banned or restricted pesticides** as defined by national regulations or international conventions.

Monitoring and outcomes:

- **On-site Inspections:** Regular field visits are conducted to review pesticide storage, handling, and application practices. Inspectors verify that only legally approved products are used and that application rates comply with regulatory limits.
- **Pesticide Label Verification:** Documentation checks are carried out to confirm that all pesticides used are listed in the national register and that banned substances are not present.
- **Training and Awareness:** Forest owners and plantation workers receive regular training on **Integrated Pest Management (IPM)**, including pest monitoring techniques, proper application methods, and safety measures.
- **Corrective Actions:** Any evidence of banned pesticide use or misuse triggers corrective actions, including supplier warnings, suspension, or exclusion from the supply chain.

Outcome: The implementation of these mitigation measures has significantly reduced the risk associated with pesticide use in rubber plantations. Field inspections show increased compliance with legal requirements, and pesticide label checks confirm that only permitted substances are in use. IPM training has improved awareness and reduced chemical dependency among suppliers. Suppliers found using banned substances were excluded from sourcing activities. As a result, the residual risk for this indicator is now considered **low** and under effective control.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
Waste management is legally regulated; however, the collection and treatment of waste generated from rubber forest management activities have not been effectively implemented in practice. Therefore, this indicator is considered **specified risk** for rubber plantations. Results from the internal risk assessment across the HuaRong supply base show that **no rubber plantations are present**. Consequently, this indicator can be treated as **low risk** for HuaRong. Nevertheless, HuaRong continues to implement waste-related risk mitigation measures for other plantation types as part of its commitment to improving waste management within the supply base.	
Mitigation measure:	
To mitigate the risks associated with improper waste management, **Huarong Industrial Co., Ltd.** implements the following control measures and requires suppliers to comply with them: 1. **Waste segregation at source:** • Require all suppliers and contractors to **classify waste at the point of generation** (e.g., separating hazardous, recyclable, and organic waste). 2. **Safe storage practices:** • Ensure all waste is **stored away from water sources, riparian zones, and sensitive ecosystems** to prevent contamination risks. 3. **Regular waste collection and disposal:** • Establish and maintain a schedule for **regular waste collection, transport, and disposal** in accordance with local regulations and environmental standards.	
Monitoring and outcomes:	

- **Field Inspections:** Regular on-site inspections are conducted to verify that waste is properly classified at the point of generation and stored in designated areas away from water bodies.
- **Compliance Audits:** Waste management practices are reviewed during supplier audits, with particular attention to storage locations, container labeling, and disposal records.
- **Waste Collection Monitoring:** Records of periodic waste collection and disposal are reviewed to ensure compliance with the waste management schedule and local regulatory requirements.
- **Corrective Actions:** Instances of non-compliance — such as unsegregated waste, improper disposal, or unsafe storage — trigger immediate corrective actions, including warnings, supplier training, or exclusion from the supply chain.

Outcome: The implementation of these mitigation measures has improved waste management practices in rubber plantations within Huarong's supply base. Most suppliers now classify waste at the source, store it safely away from water bodies, and follow scheduled collection and disposal procedures. Non-compliant suppliers were required to take corrective actions or were excluded from sourcing. As a result, the residual risk for this indicator has been **reduced to low**, ensuring better environmental protection and compliance with legal requirements.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
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 yetto have not effectively implemented them.	

Mitigation measure:

To mitigate the identified risks associated with forest fire and pest management, **Huarong Industrial Co., Ltd.** implements the following measures and requires suppliers to adhere to them:

1. **Forest fire prevention and response planning (PCCC):**
    - Require all suppliers to develop, maintain, and implement a **forest fire prevention and response plan** in accordance with legal requirements.
    - Plans must include firebreaks, water sources, equipment availability, communication protocols, and emergency contacts.
2. **Pest and disease monitoring:**
    - Implement regular **monitoring and early detection of forest pests and diseases**, including visual inspections, field surveys, and trapping where applicable.
3. **Training and capacity building:**
    - Provide training for forest owners, contractors, and workers on **early detection, identification, and management of pests**, as well as **fire prevention techniques and emergency response**.

Monitoring and outcomes:

- **Audit of Fire Prevention Plans:** Supplier fire prevention plans are reviewed annually to ensure they are updated, site-specific, and compliant with national regulations. Field visits verify the presence of firebreaks, firefighting equipment, and signage.
- **Field Inspections:** Regular inspections are conducted to confirm that fire prevention measures (e.g., cleared firebreaks, controlled burning, accessible water points) are in place and functional.
- **Pest Surveillance Records:** Pest monitoring logs and inspection reports are reviewed to verify that suppliers are conducting regular surveys and responding promptly to pest outbreaks.
- **Training Effectiveness:** Participation in training programs is recorded, and follow-up inspections evaluate improvements in supplier awareness, preparedness, and responsiveness to fire and pest risks.
- **Corrective Actions:** Suppliers failing to implement fire prevention or pest monitoring measures are required to develop corrective action plans. Repeated non-compliance may result in suspension or exclusion from the supply chain.

Outcome: Through these mitigation activities, **Huarong** has significantly improved supplier compliance with fire prevention and pest management requirements. Most suppliers now have formal fire prevention plans, conduct regular monitoring, and are better equipped to respond to pest outbreaks and fire incidents. Early detection capacity and overall preparedness have improved as a result of training programs. Non-compliant suppliers were required to implement corrective measures or were excluded. Consequently, the residual risk associated with this indicator has been **reduced to low**.

Country: Viet Nam

Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son

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:	
4.1.6 Working hours shall comply with legal requirements.	
Description of the specific risk:	
Vietnamese law clearly regulates working hours and requires employers to record and report employee working and rest times. Most forestry, wood processing companies, and SMEs comply with these requirements. However, **micro-enterprises** often fail to fully implement legal provisions on working hours and fair wages. In addition, **processing facilities producing by-products frequently violate working hour limits through excessive overtime**, even if agreed with workers. Therefore, this indicator is assessed as a **specified risk**.	
Mitigation measure:	
To address the identified risks related to working hours and fair wages, **Huarong Industrial Co., Ltd.** implements the following measures before sourcing raw materials from organizational forest owners and processing facilities: 1. **Supplier verification:** • Conduct audits of suppliers to ensure compliance with labor laws, focusing on working hours, overtime management, and wage payment practices. 2. **Timekeeping records review:** • Review and verify supplier **timekeeping sheets, attendance records, and payroll documents** to ensure working hours are within legal limits. 3. **Worker interviews:** • Conduct on-site **interviews with workers** to verify actual working hours, overtime frequency, rest periods, and wage conditions.	
Monitoring and outcomes:	
• **Supplier Audits:** Regular audits of suppliers and processing facilities are conducted to check compliance with labor laws. Audits include document reviews, site inspections, and interviews with workers. • **Document Verification:** Timekeeping and payroll records are reviewed to verify compliance with legal working hour limits, overtime regulations, and wage payment standards.	

- **Worker Engagement:** Confidential interviews with workers are conducted to cross-check information and identify any violations or discrepancies between documented and actual working conditions.
- **Corrective Actions:** Suppliers found violating working hour or wage regulations are required to implement corrective actions promptly. Repeat or severe non-compliance results in suspension or exclusion from the supply chain.

Outcome: The implementation of these mitigation measures has improved compliance with legal working hour and wage requirements among suppliers. Most audited enterprises demonstrate adherence to legal limits, maintain accurate timekeeping records, and pay wages in accordance with the law. Instances of excessive overtime or unfair wage practices identified during audits were corrected before procurement continued. As a result, the residual risk associated with this indicator has been **reduced to low** and is under effective control.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
4.1.7 Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation	
Description of the specific risk:	
Vietnam has sufficient legal regulations and mechanisms to ensure workers receive health care, social insurance, and related benefits. However, about **12% of enterprises fail to pay social insurance on time**, and many **small private companies hire seasonal workers without including these benefits in labor contracts**. While state-owned organizations generally comply, this indicator is considered **low risk for state-owned entities** and a **specified risk for the private sector**.	
Mitigation measure:	

To mitigate the identified risk, **Huarong Industrial Co., Ltd.** implements the following measures before sourcing wood from private forest owners:

1. **Verification of seasonal labor use:**
   - Check whether private forest owners or contractors hire seasonal workers.
2. **Verification of legal compliance:**
   - Request and review documentation proving compliance with legal requirements on employee welfare, such as **seasonal labor lists, attendance records, payroll documents, and payment of social insurance**.
3. **Worker interviews:**
   - Conduct interviews with seasonal workers to verify whether they receive legally mandated benefits.
4. **Supplier self-declaration:**
   - Require suppliers to sign a **self-declaration of non-violation** regarding social insurance and employee benefit obligations.

Monitoring and outcomes:

- **Supplier Audits:** Huarong conducts regular audits to verify whether suppliers employing seasonal workers comply with legal obligations on health care and social insurance.
- **Document Review:** Payroll records, attendance sheets, and social insurance payment records are checked to confirm compliance.
- **Worker Interviews:** Interviews with seasonal workers are conducted to validate the information provided and detect potential violations.
- **Corrective Actions:** If non-compliance is identified, suppliers must implement corrective actions promptly. Continued violations lead to suspension or exclusion from the supply chain.

Outcome: Through these mitigation activities, Huarong has improved supplier compliance with legal requirements related to social insurance and worker benefits. Most audited suppliers now provide the required documentation and meet legal standards. Violations identified during audits were corrected before further sourcing. As a result, the residual risk for this indicator is now **reduced to low** and effectively controlled.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
Risk Assessment used:	
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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:

Vietnamese law has policies and regulations on vocational training and education for small and medium-sized enterprises in all production sectors. Training facilitiesin the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance forenterprise 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.

Mitigation measure:

To mitigate the identified risks, **Huarong Industrial Co., Ltd.** has established and implemented a structured training and capacity-building process as part of its supplier management system:

1. **Annual training plan:**
   - Develop and implement an annual training program covering key topics such as **legal requirements, occupational health and safety (OHS), environmental protection, and SBP standards**.
2. **Standard training materials:**
   - Prepare and distribute **standardized training materials, manuals, and presentation slides** to ensure consistency and quality of training sessions.
3. **Training records and assessment:**
   - Record **attendance lists, photos, and short post-training tests** to evaluate participants' understanding and maintain traceable evidence.
4. **Record retention:**
   - Maintain **training records and related documentation for a minimum of 5 years** for audit and verification purposes.
5. **Cross-check during supplier audits:**
   - Conduct **random checks during supplier audits** to verify whether workers have participated in training sessions and are applying the knowledge in practice.

Monitoring and outcomes:

- **Training Implementation:** Annual training sessions are organized for suppliers, contractors, and forest owners, focusing on legal compliance, worker safety, environmental management, and SBP requirements.
- **Documentation Review:** Attendance records, photos, and test results are reviewed to verify participation and knowledge retention.

- **Field Verification:** During supplier audits, Huarong conducts interviews and spot checks to confirm workers' understanding and application of training content.
- **Continuous Improvement:** Feedback from training sessions is collected to improve materials and adapt future training programs to the needs of suppliers and workers.

Outcome: The implementation of these mitigation measures has **significantly improved awareness and technical capacity** among suppliers, contractors, and small forest owners. Workers now demonstrate better understanding of occupational safety practices, legal requirements, and environmental responsibilities. Training records are properly maintained and verified during audits. As a result, the residual risk associated with this indicator is now **reduced to low** and is effectively managed.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
Risk Assessment used:	
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Indicator with specified risk:	
4.1.9 Mechanisms shall be in place for resolving grievances and disputes in the workplace.	
Description of the specific risk:	
Although Vietnam has a legal basis and mechanism for resolving complaints and disputes at work, the actual implementation of this complaint mechanism hasonly been well implemented in the state sector and is limited in the private sector (39% of factories have not implemented it well), so this indicator isconsidered low risk for the state sector and specified risk for the private sector.	
Mitigation measure:	
To address the identified risks related to grievance mechanisms, **Huarong Industrial Co., Ltd.** implements the following measures before sourcing raw materials from private companies: 1. **Verification of grievance procedures:**	

- Review the supplier's grievance policy and procedures to ensure they include clear processes for receiving, documenting, investigating, and resolving complaints.

2. **Review of existing grievances:**
   - Check whether the supplier has any **ongoing or unresolved labor disputes, complaints, or legal cases** and assess how they have been addressed.
3. **Supplier evaluation:**
   - Include grievance system effectiveness as a criterion in the supplier approval and monitoring process.

Monitoring and outcomes:

- **Document Review:** Supplier policies, internal procedures, and grievance logs are reviewed to verify the existence and functionality of a grievance mechanism.
- **Field Verification:** On-site inspections and interviews with employees are conducted to assess their awareness of complaint channels and confidence in the resolution process.
- **Risk Screening:** Public records, media sources, and stakeholder feedback are monitored for evidence of unresolved complaints or disputes involving suppliers.
- **Corrective Actions:** Suppliers without grievance procedures or with unresolved disputes must establish proper mechanisms or resolve outstanding issues before approval. Repeat non-compliance leads to suspension or exclusion from the supply chain.

Outcome: The implementation of these mitigation measures has improved supplier compliance with legal and procedural requirements for grievance handling. Most suppliers now maintain documented procedures, provide accessible channels for complaints, and demonstrate responsiveness to worker concerns. Where gaps were identified, corrective measures were taken before sourcing continued. As a result, the residual risk for this indicator has been **reduced to low** and is effectively controlled.

Country: Viet Nam

Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son

Risk Assessment used:

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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:

Vietnam has specific legal regulations on implementing protective measures that must be applied to protect the health and safety of workers. Statistics from theMinistry of Labor, War Invalids and Social Affairs also show that the number of occupational accidents in the forestry industry has been insignificant in the lastthree years. However, There has been no comprehensive assessment of the implementation of occupational safety and hygiene regulations in forestry, so thisindicator is assessed as a specified risk for all subscopes.

Mitigation measure:

To mitigate the risks related to occupational safety and health, **Huarong Industrial Co., Ltd.** requires suppliers and contractors to implement the following measures:

1. **Provision and mandatory use of PPE:**
   - All workers must be equipped with and required to use appropriate **personal protective equipment (PPE)** (e.g., helmets, gloves, safety boots, goggles) during operations.
2. **Pre-shift safety briefings ("Toolbox talks"):**
   - Conduct daily or pre-shift briefings to review specific job hazards, safe work procedures, and emergency protocols.
3. **Accident and near-miss logging:**
   - Maintain a **logbook of accidents and near-misses** to monitor safety incidents, analyze root causes, and implement corrective actions.
4. **Emergency drills:**
   - Conduct **emergency response simulations every 6–12 months** to ensure workers are prepared for incidents such as fires, accidents, or chemical spills.
5. **OHS clauses in contracts:**
   - Include clear **occupational health and safety requirements** in all supplier and contractor agreements to ensure accountability.

Monitoring and outcomes:

- **On-site Inspections:** Regular field audits are conducted to verify PPE provision and use, assess site safety conditions, and check compliance with legal OHS requirements.
- **Safety Briefing Records:** Attendance logs and content of pre-shift toolbox talks are reviewed to ensure safety topics are covered consistently.
- **Accident Record Review:** Logs of accidents and near-misses are checked during audits, and trends are analyzed to identify areas requiring additional controls.
- **Emergency Drill Verification:** Records and reports of emergency response drills are examined to confirm regular implementation and evaluate response effectiveness.
- **Contract Compliance Checks:** Contractor agreements are reviewed to verify the inclusion of OHS obligations and enforcement clauses.

Outcome: Implementation of these mitigation measures has significantly **improved safety awareness and**

compliance across Huarong's supply base. PPE usage is now standard practice, safety briefings are routinely conducted, and incident reporting has become more systematic. Emergency preparedness has improved through regular drills, and OHS obligations are consistently enforced in supplier contracts. As a result, the **residual risk associated with occupational safety and health has been reduced to low** and is effectively controlled across all sourcing activities.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
4.2.1 Negative social and community impacts shall be identified and avoided.	
Description of the specific risk:	
Identifying and preventing adverse impacts on society and communities in forestry activities have been mentioned in the Forestry Law and Circular 28/2018/TTBNNPTNT and Circular 13/2023/TT-BNNPTNT on Sustainable Forest Management. However, due to the large scale of production, forestry production activities of organizations (state and private) still have negative impacts on the community. For small forest owners, because most forest owners are local people and the scale of production is tiny, there is almost no negative impact on the community. Thus, this indicator is assessed as a specified risk for organizations (state and private)and a low risk for small forest owners.	
Mitigation measure:	
Before sourcing wood from organizational forest owners, **Huarong Industrial Co., Ltd.** implements the following mitigation measures: 1. **Self-declaration of compliance:** • Require suppliers to provide a **self-declaration confirming that their forestry activities do**	

not cause negative environmental or social impacts.

2. **Field verification and community consultation:**
    - Conduct **on-site inspections** and **consultations with local communities** prior to the harvesting season to identify potential risks and concerns.
3. **Mitigation actions:**
    - Implement practical mitigation measures, such as:
        - Avoiding harvesting during the rainy season.
        - Repairing roads damaged by forestry operations.
        - Reducing erosion and sedimentation.
        - Compensating affected communities where damages occur.
4. **Monitoring and corrective actions:**
    - Establish ongoing **monitoring mechanisms** to detect, address, and remedy social or environmental impacts during and after harvesting.

Monitoring and outcomes:

- **Self-Declaration Verification:** Supplier self-declarations are reviewed and validated during the supplier approval process.
- **Community Consultation Records:** Documentation of meetings, feedback, and stakeholder engagement is collected and reviewed to ensure meaningful participation and early identification of social risks.
- **Field Monitoring:** On-site inspections are conducted before, during, and after harvesting to assess potential impacts on roads, water resources, soil stability, and nearby communities.
- **Mitigation Implementation Tracking:** Actions such as road repair, erosion control, and compensation are documented and verified.
- **Corrective Measures:** If negative impacts are identified, suppliers must promptly implement corrective actions or risk being suspended from the supply chain.

Outcome: The implementation of these mitigation measures has improved **community engagement, impact prevention, and conflict resolution**. Most suppliers now conduct consultations and adopt mitigation practices before harvesting. Community feedback indicates a reduction in negative impacts such as erosion, road damage, and disturbance. Where impacts occurred, suppliers provided compensation or corrective actions. As a result, the **residual social risk has been reduced to low** and is effectively managed across Huarong's supply base.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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

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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:

Vietnamese law protects traditional customary forest use rights and prioritizes local communities and ethnic minorities in land allocation. However, **identification of forests with cultural, customary, or spiritual significance is well implemented only by state organizations**. **Private organizations and smallholders** often do not fully identify such areas or fail to implement measures to respect traditional use rights. Therefore, this indicator is considered **low risk for state organizations** and a **specified risk for private organizations and small forest owners**.

Mitigation measure:

To mitigate the risk of violating customary rights, **Huarong Industrial Co., Ltd.** implements the following procedures when sourcing wood from households or private forest owners:

1. **Verification of land rights and dispute status:**
   - Check the **land use right certificate (sổ đỏ)** or **non-dispute confirmation record** for each forest plot.
2. **Mapping and conflict assessment:**
   - Develop a **map or checklist** documenting any disputes or overlapping claims.
3. **Community and authority interviews:**
   - Conduct interviews with **local communities and commune authorities** to verify customary use and identify potential conflicts.
4. **Boundary disclosure:**
   - Clearly **announce and mark forest plot boundaries** to all relevant stakeholders before harvesting.
5. **Exclusion of disputed areas:**
   - Exclude any forest areas with unresolved disputes or customary use conflicts from the supply chain.
6. **Documentation:**
   - Record and store **meeting minutes, attendance lists, and verification reports** for traceability and audit purposes.

Monitoring and outcomes:

- **Document Review:** All land use certificates, non-dispute records, and community consultation documents are checked before sourcing.
- **Field Verification:** On-site inspections are carried out to confirm boundary demarcation, identify

customary use areas, and ensure that disputed land is excluded.

- **Stakeholder Consultation:** Interviews with local communities and authorities provide verification of land rights, customary use, and potential conflicts.
- **Monitoring and Reporting:** Findings from each site visit are recorded, and any identified disputes trigger corrective actions, including exclusion from the supply base.

Outcome: Implementation of these measures has significantly reduced the risk of infringing on customary and traditional use rights. Most suppliers now provide documentation confirming non-disputed land status, and community consultations show improved awareness and respect for customary areas. Forest plots with unresolved disputes are excluded from sourcing, ensuring that the **residual risk is now low** and effectively managed.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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:	
Although Vietnam has regulations related to the mechanism for resolving complaints and disputes over forest ownership and use rights, implementing thoseregulations and mechanisms is still inadequate and ineffective, so this indicator is considered a specified risk for all sub-scope groups.	
Mitigation measure:	
To address the risk of unresolved disputes over forest ownership and use rights, **Huarong Industrial Co., Ltd.** requires suppliers to comply with the following mitigation measures:	

1. **Supplier self-declaration:**
    - Require suppliers to submit a **self-declaration confirming that there are no ongoing disputes** over the ownership or use rights of the forest area supplying feedstock.
2. **On-site verification:**
    - Conduct **field inspections** to verify the actual situation on the ground and identify any visible signs of disputes or contested land.
3. **Stakeholder interviews:**
    - Interview **local communities, authorities, and other relevant stakeholders** to assess the presence of disputes and evaluate the accessibility and effectiveness of grievance resolution mechanisms.

Monitoring and outcomes:

- **Document Review:** Supplier self-declarations are collected, reviewed, and verified prior to sourcing. Any supplier unable to provide this declaration is subject to additional scrutiny or exclusion.
- **Field Inspections:** Site visits are conducted to confirm the absence of visible disputes (e.g., competing claims, boundary conflicts, physical signs of protest or opposition).
- **Stakeholder Engagement:** Interviews with local stakeholders are carried out to identify any unresolved grievances and assess whether existing mechanisms are functioning effectively.
- **Corrective Actions:** If disputes are detected, sourcing is suspended until they are resolved. Suppliers are required to demonstrate that conflicts have been settled through legal or administrative processes before supply can resume.

Outcome: The implementation of these measures has improved **transparency and early identification of land-related disputes**. Most suppliers now provide valid self-declarations, and field verification confirms the absence of major conflicts in sourcing areas. Where disputes were identified, corrective actions were implemented before procurement proceeded. As a result, the **residual risk associated with dispute resolution has been reduced to low** and is effectively managed.

Country: Viet Nam	
Area/sub-scope: Bac Ninh, Thai Nguyen, Lang Son	
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

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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:

Community and stakeholder consultations on forestry plans are conducted at the national level, but at the operational level, **only state forest owners consistently implement thorough consultations**. **Private organizations and smallholders** often fail to fully consult communities when preparing sustainable forest management or harvesting plans and do not notify the Forest Protection Department. Therefore, this indicator is considered a **specified risk** for private forest owners and smallholders.

Mitigation measure:

To address risks related to inadequate consultation and ensure **FPIC (Free, Prior, and Informed Consent)** principles are respected, **Huarong Industrial Co., Ltd.** implements the following measures when sourcing from areas with ethnic minority presence or potential social impacts:

1. **Screening of affected groups:**
   - Identify potentially affected **ethnic minority groups or local communities** in the sourcing area.
2. **Accessible communication materials:**
   - Prepare and distribute **easy-to-understand materials**, translated into **local languages** if necessary, explaining planned forestry activities and potential impacts.
3. **Voluntary, prior, and informed consultation:**
   - Conduct **free, prior, and informed consultations** with affected communities before harvesting or plantation activities begin.
4. **Documented consent:**
   - Obtain **written records of community consent**, including signatures or thumbprints of community representatives.
5. **Ongoing monitoring and withdrawal rights:**
   - Continuously monitor community conditions and **allow withdrawal of consent** if circumstances change significantly.

Monitoring and outcomes:

- **Stakeholder Identification and Documentation:** Screening reports and stakeholder maps are created to identify potentially affected communities.
- **Consultation Records:** Meeting minutes, attendance lists, and consent agreements are collected and reviewed to verify that FPIC has been properly obtained.
- **Field Verification:** Site visits and interviews with local communities are conducted to confirm that consultations were voluntary, informed, and inclusive.
- **Ongoing Monitoring:** Community feedback is monitored throughout project implementation, and follow-up consultations are held if conditions change or new impacts arise.

- **Corrective Actions:** If FPIC is not obtained or if community objections are raised, sourcing is suspended until issues are resolved and consent is re-established.

Outcome: Implementation of these mitigation measures has strengthened community engagement and reduced risks of social conflict. Most sourcing areas now include documented consultations and consent agreements, and communities report improved understanding of forestry activities and their impacts. Residual risks related to FPIC and stakeholder consultation are now **reduced to low** and effectively managed.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 01 Sep 2025

Biomass Producer's stakeholder engagement end date: 01 Oct 2025

Total number of stakeholders contacted: 56

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

The Huarong's stakeholder engagement process is a structured, ongoing approach to ensure that individuals, communities, organizations, and authorities affected by forestry operations are **informed, consulted, and involved** in decision-making. It typically includes:

1. **Identification and Mapping:** Recognizing all relevant stakeholders, including local communities, ethnic groups, authorities, NGOs, and business partners.
2. **Planning and Information Sharing:** Preparing an engagement plan and providing stakeholders with clear, accessible information about planned activities and potential impacts.
3. **Consultation and Dialogue:** Conducting participatory consultations — ensuring they are free, prior, and informed — to gather feedback, concerns, and local knowledge.
4. **Feedback Integration:** Using stakeholder input to improve forest management plans and mitigation measures, and communicating decisions back to stakeholders.
5. **Documentation and Monitoring:** Recording engagement activities and maintaining continuous communication to monitor impacts, resolve issues, and build long-term trust

4.2 Response to stakeholder comments

Stakeholder description: Local authority

Stakeholder comment: Huarong operates in the region, sourcing both primary and secondary feedstock for wood pellet production. No legal violations have been identified. The company maintains strong relationships with local authorities and communities, provides employment opportunities for local people, and supports the development of a sustainable supply chain. Additionally, Huarong offers technical training and capacity-building for small forest owners through its FSC Forest Management Group, in which it acts as the group entity.

Response to the stakeholder: The company demonstrates good practices, including legal compliance, strong community relations, job creation, and support for sustainable forestry. These are positive contributions; however, continued follow-up and regular monitoring are recommended to ensure ongoing compliance and continuous improvement.

Stakeholder description: Minor ethnic people

Stakeholder comment: The company cooperates closely with local communities, including ethnic minority groups, to support smallholders. Forest management activities in the region have not caused damage to the property or customary rights of ethnic minorities. Communities report being satisfied, with no conflicts or disputes related to the supply base. Ethnic minority groups enjoy equal rights, respect, and treatment as the Kinh majority population.

Response to the stakeholder: The company keeps following up with the local communities especially minor ethnic people.

Stakeholder description: Local forest ranger

Stakeholder comment: Huarong has good implementation measure to support smallholders comply with the applicable law and regulations. The plantation is mainly from production plantation land. No conversion from natural forest to plantation nowday.

Response to the stakeholder: Note by the company

Stakeholder description: Local authority

Stakeholder comment: The forests within the commune consist mainly of natural forests and production plantations, primarily Acacia and Eucalyptus species with a rotation cycle of 6–8 years. No illegal logging activities have been detected in the area. Some small areas were found to have been illegally converted from natural forest to plantation; however, these cases have been inspected and restored to their original condition. All forest harvesting records have been checked and properly verified by the competent authorities. Several households have been informed and trained not to burn organic materials in the forest; however, due to traditional cultivation habits, a few still do not fully comply.

Response to the stakeholder: The company needs to organize more training sessions and workshops to help local people reduce the burning of organic materials.

Stakeholder description: Local authority

Stakeholder comment: The forests within the commune are mainly production plantations of Acacia and Eucalyptus. No illegal logging activities have been recorded during the past year. Natural forests are strictly managed, with warning signs prohibiting logging and regular patrols conducted by the commune forest protection forces. A few plantation areas were found overlapping former natural forest land; however, the authorities have required restoration to the original condition, and no land disputes remain. Harvesting permits for plantation forests are issued in accordance with proper procedures and are accompanied by inspection reports and confirmation from the Forest Protection Unit. Forest growers are well aware of the regulations on timber harvesting and transportation. No complaints have been reported regarding timber confiscation or withdrawal. No signs of child labor or forced labor have been detected in forestry activities within the commune. No land conflicts between local residents and forest enterprises have been recorded within the commune boundaries. The forest road system is regularly maintained, ensuring accessibility for forest fire prevention and control activities.

Response to the stakeholder: The company maintains its support for local households by ensuring fair timber prices and stable market access. The company also provides financial support to help local farmers clean and maintain their forest areas

Stakeholder description: Local authority

Stakeholder comment: No land conflicts between local people and forest enterprises have been recorded within the commune. The forest road system is regularly maintained, ensuring effective access for forest fire prevention and control activities. Forest fire prevention and control measures are conducted regularly, with local forces and equipment available on site. Local people participating in forest plantations have been trained in sustainable harvesting practices and are able to distinguish boundaries between natural and planted forests. There have been no negative reports related to forced land acquisition or forest land occupation for forestry projects. The local authorities, in coordination with the Forest Protection Unit, regularly inspect and monitor forestry activities to ensure the legality of timber and its sources. Some households have been informed and trained not to burn organic materials in the forest; however, a few still do not fully comply due to traditional cultivation practices.

Response to the stakeholder: The company needs to organize more training sessions and workshops to help local people reduce the burning of organic materials and increase technical skills.

Stakeholder description: Local authority

Stakeholder comment: The commune mainly consists of production forests of acacia and eucalyptus; the remaining natural forests are limited but well protected. No illegal logging activities have been detected; regular inspections are conducted by the local authorities. Some areas were converted from natural forests to plantations in the past, but they have been restored and rehabilitated. Harvesting records of local households are complete and verified according to regulations before logging. No use of harmful chemicals or banned substances has been found in forest plantation activities. Protection and special-use forests have not been encroached upon; local people demonstrate strong awareness of forest protection.

Response to the stakeholder: The company demonstrates good forest management practices and complies with relevant regulations. The commune recommends maintaining regular inspections and continued awareness-raising for local households.

Stakeholder description: Local authority

Stakeholder comment: Protection and special-use forests have not been encroached upon; local people show good awareness of forest protection. More than 95% of local households have been granted land-use certificates; a few cases are under verification due to administrative boundary adjustments. No high conservation value (HCV) forests have been affected; these areas are strictly zoned and protected. No child labor or forced labor has been recorded in forestry activities. Most households manage production forests under 6–7 year rotation cycles, harvest on schedule, and pay taxes in full compliance with regulations.

Response to the stakeholder: The company demonstrates strong compliance with forest management regulations and supports sustainable plantation practices. Continued collaboration with local authorities and local communities is recommended to maintain transparency, legal compliance, and sustainable forest management.

Stakeholder description: Local authority

Stakeholder comment: No projects or enterprises have occupied forest land belonging to local people; all forestry activities are carried out with community consent. The local authorities support sustainable forest certification programs (FSC, SBP) and facilitate the participation of households. In recent years, no illegal logging activities have been detected; regular inspections are conducted by local authorities. Harvesting records of local households are complete, checked, and verified according to regulations before logging. No land conflicts have been reported; forest plot boundaries are clear and verified with cadastral maps. The main planted species are acacia and eucalyptus, with a small portion of cinnamon (Cinnamomum cassia).

Response to the stakeholder: The company demonstrates effective collaboration with local authorities and communities, ensuring legality and transparency of forest operations. Continued support for certification programs and training for smallholders is encouraged to maintain sustainable forest management practices. Ongoing monitoring and regular inspection of harvesting activities are recommended to prevent any potential illegal logging or disputes.

Stakeholder description: Local authority

Stakeholder comment: Most local households have been granted land-use certificates; a few cases are still under verification due to administrative boundary adjustments. No high conservation value (HCV) forests have been affected; these areas are strictly zoned and protected. No child labor or forced labor has been recorded in forestry activities. Most households manage production forests under 6–7 year rotation cycles, harvest on schedule, and pay taxes in full compliance with regulations. The commune mainly consists of production forests of acacia and eucalyptus; remaining natural forests are limited but well protected. Protection and special-use forests have not been encroached upon; local people show good awareness of forest protection. The commune authorities consistently coordinate awareness-raising on forest protection, integrating it into village meetings.

Response to the stakeholder: The company demonstrates good compliance with forest management regulations and supports sustainable plantation practices. Continued cooperation with local authorities and communities is recommended to maintain transparency, legal compliance, and effective forest protection.

Stakeholder description: Local authority

Stakeholder comment: Currently, local households mainly plant hybrid acacia and eucalyptus. Some disputes arose in certain areas due to administrative boundary mergers, but they have been resolved. A small portion of households have not yet been granted land-use certificates, as their information is still under verification. No high conservation value (HCV) forests exist within the commune. No illegal logging activities have been detected. Some households have been informed and trained not to burn organic materials in the forest; however, due to traditional cultivation practices, a few still do not fully comply.

Response to the stakeholder: The company should continue providing guidance and training to households on sustainable forest management, including minimizing the burning of organic materials. Ongoing verification and support for land-use certificates are encouraged to ensure all households have secure tenure.

Stakeholder description: Local authority

Stakeholder comment: No illegal logging activities have been detected. Some plantation areas were damaged by natural disasters (storms); the commune has coordinated restoration efforts and provided guidance for replanting. No use of hazardous chemicals or banned substances has been found in forest plantation activities. Protection and special-use forests have not been encroached upon; local people demonstrate strong awareness of forest protection. Planting, tending, and harvesting activities are supervised by the Commune Forest Management Board or forest owners. No land conflicts between local people and forest enterprises have been recorded within the commune. The forest road system is regularly maintained, ensuring accessibility for forest fire prevention and control activities.

Response to the stakeholder: The company demonstrates responsible forest management and effective collaboration with local authorities. Continued monitoring and supervision of plantation activities are recommended to ensure sustainable practices and legal compliance.

Stakeholder description: Local authority

Stakeholder comment: Forest harvesting activities are supervised by the commune authorities, ensuring compliance with procedures and designated locations. No harvesting has been recorded during restricted periods or outside approved plans; local people comply well with regulations. Households have been informed about the Forestry Law and relevant decrees, which has improved overall awareness. No negative reports have been received regarding illegal timber purchases or the transportation of wood with unclear origin. The issuance of forest land-use certificates has been largely completed, providing local households with security to engage in long-term forest management; a few cases are still under verification due to administrative boundary adjustments, inheritance, or land transfers.

Response to the stakeholder: Continued supervision and awareness-raising among households are recommended to maintain adherence to forestry laws and sustainable management practices. Ongoing verification and support for the remaining land-use certificates are encouraged to ensure secure tenure for all local households.

Stakeholder description: Local authority

Stakeholder comment: No land conflicts between local people and forest enterprises have been recorded within the commune. Some plantation areas were found overlapping with former natural forests; however, the authorities have required restoration, and no disputes remain. The main planted species are acacia and eucalyptus, with a rotation cycle of 6–8 years. High conservation value (HCV) areas have not been affected by production plantations. Over 90% of households have been issued forest land-use certificates; the remaining cases are still under verification. No large-scale conversion of natural forests has occurred; isolated cases have been addressed and restored. No projects or enterprises have occupied local forest land; all activities are conducted with community consent. The local authorities support sustainable forest certification programs (FSC, SBP) and facilitate household participation.

Response to the stakeholder: Continued cooperation with local authorities and households is encouraged to maintain legality, prevent conflicts, and promote sustainable forest management. Ongoing support for participation in certification programs and verification of land-use certificates is recommended to strengthen sustainable forestry and secure tenure for all households.

Stakeholder description: Local authority

Stakeholder comment: Local households participating in forest plantations have been trained in sustainable harvesting practices and can distinguish boundaries between natural and planted forests (FSC FM groups). Most households have been issued land-use certificates (Red/Title Certificates). Forests in the commune mainly consist of acacia, typically harvested after 6–7 years. No high conservation value (HCV) areas have been affected by forestry activities. Some minor disputes between households over plot boundaries and markers have occurred but have been resolved; a few cases are still awaiting verification on the ground and through cadastral maps. The sources of seedlings, fertilizers, and pesticides are controlled; no banned chemicals are used.

Response to the stakeholder: The company demonstrates good support for training local households in sustainable forestry and legal compliance. Continued verification and resolution of minor boundary disputes are recommended to prevent potential conflicts. Ongoing monitoring of input materials (seedlings, fertilizers, pesticides) is encouraged to ensure sustainable and safe plantation management.

Stakeholder description: Local authority

Stakeholder comment: The main planted species are acacia and eucalyptus, with a rotation cycle of 6–7 years. Most households have been issued land-use certificates (Red/Title Certificates); a few cases are still under verification. No high conservation value (HCV) areas have been affected by forestry activities. Forest harvesting activities are supervised by the commune authorities, ensuring compliance with procedures and designated locations. No harvesting has been recorded during restricted periods or outside approved plans; local people comply well with regulations. No projects or enterprises have occupied local forest land; all activities are carried out with community consent. The local authorities support sustainable forest certification programs (FSC, SBP) and facilitate household participation. Some households have been informed and trained not to burn organic materials in the forest; however, due to traditional cultivation practices, a few still do not fully comply.

Response to the stakeholder: The company demonstrates good compliance with forest management regulations and supports sustainable plantation practices. Continued supervision, training, and awareness-raising for households are recommended, particularly regarding the sustainable management of organic materials. Ongoing collaboration with local authorities and support for participation in certification programs are encouraged to maintain legality, sustainability, and community engagement.

Stakeholder description: Local authority

Stakeholder comment: In recent years, some plantation areas have overlapped with former natural forests due to illegal encroachment; however, the authorities have required restoration, and no disputes remain. The main planted species are acacia and eucalyptus, with a rotation cycle of 6–8 years. High conservation value (HCV) areas have not been affected by production plantations. Over 90% of households have been issued forest land-use certificates; the remaining cases are still under verification. Children do not participate in forestry activities such as logging or planting. No high conservation value (HCV) areas have been affected by forestry activities.

Response to the stakeholder: Ongoing awareness programs and training for local households, including child protection in forestry, are encouraged to maintain sustainable forest management.

Stakeholder description: Local forest ranger

Stakeholder comment: Timber from local households is mainly sold to traders or private companies. No high conservation value (HCV) areas have been affected by forestry activities. The main planted species are acacia and eucalyptus with a rotation cycle of 6–8 years, and a small portion of cinnamon (Cinnamomum cassia) with a rotation cycle of 10–15 years. The local authorities support sustainable forest certification programs (FSC, SBP) and facilitate household participation. No boundary disputes have been reported within the commune. Most land-use certificates (Red/Title Certificates) have been issued; a few cases are still under verification.

Response to the stakeholder: Continued facilitation of participation in certification programs is encouraged to promote legality and sustainability. Ongoing verification and issuance of remaining land-use certificates are recommended to secure tenure for all households

Stakeholder description: Local forest ranger

Stakeholder comment: The Forest Protection Unit has checked and verified that forest owners' harvesting and sales records are complete. Some households are experiencing boundary overlaps due to newly merged administrative boundaries; these cases are currently under verification and review. No illegal logging activities were detected during the most recent monitoring period; patrols are maintained regularly. No illegal timber collection points or transportation routes have been identified within the commune. Local people and forest owners show good awareness of forest protection and cooperate promptly in fire reporting and addressing violations. No illegal hunting of wildlife has been detected; control measures are implemented effectively

Response to the stakeholder: The company demonstrates effective compliance with forest management regulations and collaborates with local authorities to ensure legality. Continued monitoring and verification of boundary overlaps are recommended to prevent potential disputes.

Stakeholder description: Local forest ranger

Stakeholder comment: No illegal logging activities were detected during the most recent monitoring period; regular patrols are maintained. Boundaries between natural and planted forests are clearly defined; no encroachment or unauthorized expansion has been observed. Harvesting and timber transportation records are fully checked in accordance with regulations; legal origin documents are clear and complete. Some plantation areas were affected by storms; these have been documented and replanted. No high conservation value (HCV) areas have been affected by forestry activities. Some households have been trained not to burn organic materials in the forest; however, due to traditional cultivation practices, a few households still do not fully comply. No land disputes have been recorded between households or between households and organizations regarding forest land.

Response to the stakeholder: Ongoing collaboration with households and authorities is encouraged to maintain clear forest boundaries and prevent potential disputes.

Stakeholder description: Local forest ranger

Stakeholder comment: Forest households generally comply with the harvesting cycle, avoiding premature or excessive harvesting; acacia and eucalyptus are harvested on a 6–8 year rotation. No illegal hunting of wildlife has been detected; control measures are effectively implemented. All timber purchasing facilities in the commune are legally registered and maintain records of timber origin. No natural forest conversion projects to other land uses have been undertaken recently. Forest owners have fulfilled reporting obligations regarding forest conditions and harvesting results in accordance with regulations. Forest monitoring and updates are conducted regularly, with data consistent with management records. No high conservation value (HCV) areas have been affected by forestry activities. Coordination between the Commune People's Committee, local forest rangers, and forest owners is conducted regularly, ensuring effective and transparent forest management.

Response to the stakeholder: The company demonstrates good compliance with legal and sustainable forest management practices. Continued monitoring of harvesting, forest condition, and timber sourcing is recommended to maintain legality and sustainability. Ongoing collaboration with local authorities and forest owners should be maintained to support transparency, effective forest management, and HCV protection.

Stakeholder description: Local forest ranger

Stakeholder comment: No illegal timber collection points or transportation routes have been identified within the commune. Local people and forest owners show good awareness of forest protection and cooperate promptly in fire reporting and addressing violations. Forest rangers have conducted training and awareness programs on forestry laws for local people during the year. No land disputes have been recorded between households or between households and

organizations regarding forest land. Harvesting permits are issued according to proper authority, with records fully maintained and cross-checked. No high conservation value (HCV) areas have been affected by forestry activities. Households harvest timber according to the rotation cycle: acacia and eucalyptus every 6–8 years, cinnamon (>10 years). Most land-use certificates (Red/Title Certificates) have been issued

Response to the stakeholder: The company demonstrates compliance with legal forestry requirements and supports sustainable harvesting practices. Continued collaboration with forest rangers and local authorities is recommended to maintain proper harvesting practices, fire prevention, and HCV protection.

Stakeholder description: Local forest ranger

Stakeholder comment: No land disputes have been recorded between households or between households and organizations regarding forest land. Harvesting permits are issued according to proper authority, with records fully maintained and cross-checked. Forest fire prevention and control measures are fully implemented, with plans, personnel, and equipment in place. Forest households generally comply with the harvesting cycle, avoiding premature or excessive harvesting. No illegal hunting of wildlife has been detected; control measures are effectively implemented. All timber purchasing facilities in the commune are legally registered and maintain records of timber origin. No natural forest conversion projects to other land uses have been undertaken recently. Most households have been issued land-use certificates (CNQSDD). Some households have been trained not to burn organic materials in the forest; however, due to traditional cultivation practices, a few households still do not fully comply.

Response to the stakeholder: Continued training and awareness-raising on sustainable management and reducing burning of organic materials are recommended. Ongoing monitoring and collaboration with local authorities and forest owners are encouraged to maintain compliance, forest protection, and secure land tenure

Stakeholder description: Local forest ranger

Stakeholder comment: There have been some minor disputes due to the merger of communes, but these have been resolved. Over 90% of households have been fully issued with land-use certificates (Red Book). No natural forest has been converted to plantation forests; some violations were recorded, documented, and restored to their original condition. Harvesting records have been fully checked and verified (timber inventory tables). Production plantation areas are not adjacent to any high conservation value (HCV) sites. No illegal hunting of wildlife has been detected.

Response to the stakeholder: The company demonstrates good compliance with legal and sustainable forest management practices. Continued monitoring of plantation boundaries and verification of harvesting records is recommended to ensure ongoing legality. Awareness and training for households on sustainable forest management and HCV protection should continue.

5 Report updates and approval

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

Summary of changes: N/A

Name	HUANG I HSING
Title	Management representative
Date of report approval	05 Oct 2025

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	Bac Ninh, Thai Nguyen, Lang Son
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. **Risk mitigation measures:** 1. **Require complete legal documentation:** All timber lots must have a harvesting plan and a timber inventory list prepared and signed by the forest owner. Documents prepared by traders on behalf of the owner will not be accepted. 2. **Pre-acceptance document verification:** Conduct 100% verification of legal documents before accepting any material into the supply chain. 3. **Supplier training and guidance:** Organize regular training sessions for forest owners and suppliers on legal requirements and the process of preparing documentation. 4. **Field evaluation and inspection:** Carry out periodic or unannounced field inspections at the supply source to verify compliance with legal requirements. 5. **Violation handling mechanism:** Suppliers found non-compliant will have transactions suspended until corrective actions are completed and all legal documents are provided. **Monitoring and outcomes:** • **Document verification:** 100% of harvesting plans and timber inventory lists are verified before accepting material. • **Periodic assessments:** Conduct at least one field assessment

	per year for suppliers and sources identified as high risk. • **Supplier compliance tracking:** Maintain a supplier list, categorize compliance levels, and monitor corrective actions. • **Training and records:** Track the number of suppliers participating in training and measure improvement levels post-training. • **Annual reporting and review:** Compile monitoring results and analyze compliance trends to improve the system. **Expected outcomes:** • All incoming materials are accompanied by complete legal documentation (harvesting plan and inventory list signed by the forest owner), ensuring full legal compliance. • Non-compliance rate is reduced to a minimum (<2%), demonstrating an effective control system. • Suppliers achieve a compliance rate of over 95% during periodic evaluations. • The traceability system is maintained transparently, building trust among stakeholders and regulatory authorities. • The risk is reduced to "LOW RISK / LEVEL A" for the legal criterion related to timber inventory and documentation preparation as required by the SBP standard.
(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_v1.0 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_v1.0 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. In particular, the raw material supply areas of Huarong in Thái Nguyên, Bắc Ninh, and Lạng Sơn provinces mainly consist of acacia and eucalyptus plantations established on sloping terrain with short rotation cycles, clear-cut harvesting, removal of riparian vegetation, and burning of organic residues (branches, leaves) after harvesting. These practices present a high risk of soil erosion, site degradation, and declining forest productivity. Therefore, this indicator is assessed as a specified risk. **Risk mitigation measures:** To mitigate the identified risks and promote sustainable forestry practices within its supply base, **Huarong Industrial Co., Ltd.** implements the following control measures and requires suppliers to comply with them: - Adopt Sustainable Forest Management (SFM): Require suppliers to follow FSC/VFCS/PEFC or national SFM standards and extend rotation cycles (≥8 years) to improve soil health. - Ban Post-Harvest Burning: Enforce a No-Burn Policy and use mechanical/manual clearing methods to reduce carbon emissions and protect soil organic matter. - Control Erosion on Slopes: Apply contour planting, terracing, and maintain riparian buffers (5–10 m) to stabilize terrain. - Train and Build Capacity: Provide training and demonstration plots on soil conservation and low-impact replanting techniques. - Monitor and Verify Compliance: Conduct field checks, require documentation, and include sustainability in supplier evaluations.

	- Engage Stakeholders: Cooperate with authorities, research bodies, and NGOs to promote ecosystem-based plantation management. - Harvest Along Contours: Enforce harvesting along contour lines to minimize soil loss. - Limit Harvesting Area: Prohibit clear-cutting of blocks >10 ha to maintain ground cover. - Prevent Erosion Actively: Apply cover crops, mulching, or terracing where erosion signs appear. - Avoid Rainy-Season Harvesting: Restrict operations during wet seasons to prevent compaction and runoff. **Monitoring and outcome:** **Supplier Audits:** Supplier practices are checked during annual audits and site visits to ensure that harvesting methods align with contour lines, erosion control requirements, and seasonal restrictions. **Field Verification:** Field inspections are conducted to confirm that no adjacent clear-cutting exceeds 10 hectares, riparian buffer zones (5–10 m) are maintained, and erosion prevention measures such as terracing, mulching, or cover crops are applied where needed. **Monitoring of High-Risk Areas:** Special attention is given to plantations located on steep slopes, erosion-prone soils, and regions with high rainfall. Compliance with no-burn and seasonal restrictions is verified through harvest records, site photos, and field observations. **Training and Capacity Building:** Suppliers and contractors receive training and technical guidance on sustainable forest management, contour-based harvesting, soil conservation, and erosion control practices. **Expected results:** Through these monitoring and mitigation efforts, the company has significantly reduced the risk of soil degradation and erosion within its supply base. Field inspections confirm wider adoption of contour-based harvesting and improved slope management, while the incidence of post-harvest burning and large-scale clear-cutting has declined. Suppliers have shown better understanding and compliance with soil protection measures. Non-compliances are addressed promptly through corrective actions or supplier suspension, and the residual risk for this indicator is now assessed as reduced to a **"Low Risk / LEVEL A"** level in accordance with SBP requirements.
(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_v1.0 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_v1.0 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_v1.0 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 ☐Level B – management system at forest sourcing area level

Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.0 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. *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:* *(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).*	
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_v1.0 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. *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:* *(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).*	
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_v1.0 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. *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.*	
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. ** ** **Risk mitigation measures:** Currently, Huarong's biomass production feedstock is limited to plantation species such as Acacia, Eucalyptus with no inclusion of semi-aquatic Melaleuca species. In the future, if Huarong sources materials from southern Vietnam, 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. **Expected outcomes:** - 100% of materials have verified documentation confirming they were not sourced from peatlands or areas drained after 2008. - No major violations related to peatland harvesting are identified within the supply chain. - Forest owners comply during document reviews and field assessments. - 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	*Not applicable, requirement only applies to Level A*

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-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
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

Huarong's supplier verification and monitoring system ensures that all feedstock is sourced legally, responsibly, and sustainably. Through **systematic risk assessment, continuous monitoring, and corrective action**, the company maintains a transparent, traceable, and compliant supply chain, minimizing environmental and social risks associated with biomass production.
Supplier Verification Process applied by Huarong:
Initial Supplier Evaluation: Before approval, all suppliers undergo a comprehensive assessment covering:

- **Legal registration**: Business license, tax code, and operational permits.
- **Land and harvesting rights**: Land-use certificates or contracts proving legal ownership or usage rights.
- **Harvesting permits and documentation**: Approval documents for timber harvest, transport permits, and forest product inventory reports.
- **Certification status** (if applicable): FSC, PEFC, or SBP certificates.
- **Risk classification**: Assessment against SBP risk indicators and DDS requirements.

Only suppliers that meet all mandatory legal and sustainability requirements are added to Huarong's approved supplier list.

Feedstock inspection and classification upon receipt

Huarong **does not use post-consumer feedstock**. All **secondary feedstock** consists of **processing residues** (e.g., sawdust, shavings, offcuts) sourced from wood processing facilities.
Each delivery is **visually inspected** upon receipt to verify it is a by-product and meets **SBP definitions**. Required documentation — such as supplier declarations, delivery notes, invoices, and transport documents — is collected and retained for audit.
If evidence is insufficient or discrepancies are found, the supplier is included in the **audit program**, and **corrective actions** (e.g., rejection, document revision) are taken and recorded. This ensures all feedstock is verified, traceable, and compliant with **SBP requirements**.

Supplier audit for processing residues and post-consumer feedstock

Huarong conducts **supplier audits** to verify that all **processing residues** and any potential **post-consumer feedstock** (if sourced in the future) comply with **SBP definitions**, legal requirements, and purchase specifications.
Audits are **risk-based** and include the following steps:

1. **Document review:** Check supplier business licenses, transport permits, delivery records, and declarations confirming that the material is a by-product (and not deliberately produced).
2. **On-site inspection:** Verify the origin, type, and storage of residues; ensure no mixing with non-compliant materials; and confirm production processes.
3. **Interviews:** Speak with supplier staff to confirm knowledge of SBP requirements and sourcing practices.
4. **Sampling and verification:** Collect samples or photographic evidence if needed to confirm material classification.

If non-conformities are identified (e.g., inadequate evidence, incorrect classification, or deliberate production of residues), Huarong requires **corrective actions** within a set timeframe. Repeated or serious non-compliance results in **supplier suspension or removal** from the approved supplier list.

Note: Currently, Huarong only sources **processing residues** and **does not use post-consumer feedstock**, but this audit process is in place should such sourcing occur in the future.

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).