



Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of HUNG THANH NGAN
COMPANY LIMITED

Main (Initial) Audit

Sustainable Biomass Program
sbp-cert.org





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

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

Document history

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Van Cu Ho
Audit team members:	Van Cu Ho
Name of the Company:	HUNG THANH NGAN COMPANY LIMITED
Company legal address:	
Company contact for SBP:	Giang Ho Thi Truc
Company contact email:	trucgiangnguyetanh@gmail.com
Company website:	
Date of installation:	
SBP Certificate Code:	
Date of certificate issue:	
Date of certificate expiry:	
Audit closing meeting date:	20 Jun 2026
Audit cycle:	Main (Initial) Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Christian Jürgensen
Date of decision:	18 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

N/A

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	SBP Standard 1: Feedstock Compliance v2.0; SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413; Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.1 -
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☐ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	Yes
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Viet Nam
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	N/A for assessment

3.1 Description of the company

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

Hung Thanh Ngan Co., Ltd. operates in two main business segments: wood pellet and wood chip manufacturing. The factory is located at Lot CI-6, Long My Industrial Park, Quy Nhon Tay Ward, Gia Lai Province, Vietnam. It started operations in March 2019, initially producing wood chips, and later expanded into wood pellets in August 2025. All raw material used are acacia and eucalyptus wood log, not used sawdust and recycle wood. The company intend to source FSC 100%, FSC CW/controlled material from small forest owners and mitigate the risk as described in Regional Risk Assessment for Vietnam Forest v1.0. They will be used as SBP- Compliant feedstock. In case, the company source FSC 100%, FSC CW/controlled material from small forest owners without mitigate the risk as described in Regional Risk Assessment for Vietnam Forest v1.0. They will be used as SBP-Controlled Feedstock.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Hung Thanh Ngan Co., Ltd	Lot CI-6, Long My Industrial Park, Quy Nhon Tay Ward, Gia Lai Province, Vietnam	Biomass producer	☒
Phu Loi warehouse	Lot BI-3, BI-4 at Long My Industrial Park, Quy Nhon Tay ward, Gia Lai province, Viet Nam.	Warehouse	☒

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

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

BP purchases round logs from Gia Lai and Dak Lak provinces, Vietnam. The Chain of Custody system is based on the mass balance method with a 12-month balancing period. One Product Groups have been defined: 10. All eligible inputs are mixed after the production gate, and mass balance is subsequently applied to allocate sustainability claims to outputs. The CoC system therefore relies exclusively on SBP requirements to ensure traceability and integrity of sustainability claims. The BP intends to work with SBP-compliant biomass claims: 10 SBP-compliant. The BP will have an additional account for SBP-controlled biomass claims if required: 10 SBP-controlled, No downstream logistics are in scope, as the organization sells FOB at port facilities, operates strictly on a purchase-order basis, and maintains segregation throughout storage and dispatch. Although physical segregation is the primary control at the Quy Nhon port, mass balance records are maintained in parallel to ensure full alignment with SBP traceability rules and consistent allocation of sustainability characteristics.

4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of the specified SBP Standards Version 2.0, as well as the EU RED, are implemented across the entire scope of certification. The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of CoC system critical control points;
- Interviews with responsible staff;
- Review of the records and calculations;
- Primary energy and carbon data collection evaluation.
- Review the Mass balance account
- Instruction Document Japan: Bridging Requirements for Meeting Japanese Sustainability, Legality, and GHG Saving Requirements
- Evaluate SBVs, RMMs (using SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim)
- Level B under EU RED where applicable.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Cu Van Ho	8.0
2. On-site (excl. travel time)	Cu Van Ho	24.0
3. Report writing	Cu Van Ho	10.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	Role	Qualification
Cu Van Ho	Audit Team Leader	Cu started to work with Preferred by Nature in August 2019. He has over 30 years of experience in the forestry sector in Asia Pacific and has acted as an FSC FM/CoC auditor in many countries in the region. He holds a PhD in Forestry and – before joining Preferred by Nature – worked as a Lecturer at University of Agriculture and Forestry, Ho Chi Minh city, Vietnam. As for experience in SBP auditing, he has passed SBP Auditor Training Programme in 2020 and participated as trainee auditor in 3 SBP assessments in Vietnam.

5.3 Description of evaluation activities

The main activities took place from 18 June to 20 June 2026, focused on evaluating the management system, including division of responsibilities, record-keeping, classification of input materials (reception and registration), analysis of existing certification management systems and CoC critical control points, collection of energy and carbon data, and communication.

During the opening meeting on 18 Jun 2026, the auditor was introduced, the certification scope was clarified, information about the audit plan, methodology, auditor qualification, confidentiality issues, assessment methodology, and other applicable Preferred by Nature policies and procedures was provided. Later that day, during interviews and a review of documentation, all relevant requirements of the SBP and CoC standards were evaluated.

During the process, the overall responsible person for the SBP system and other responsible staff were interviewed. The pellet mill facilities were visited, and observations, as well as additional interviews and document verifications, were conducted. Desk work on business integrity and other aspects of SBP Standard 4 was also completed.

On-site evaluations:

18 to 19 June: for primary feedstock: Based on the list of suppliers (included 123 small forest owners), 9 FMU were randomly selected for on-site visits to evaluate compliance of feedstock with the supply base and declared characteristics.

20 June: Storage facility was visited and the closing meeting took place in the same day, findings were summarized, and preliminary audit conclusions based on the use of the 3-angle evaluation method were provided to the Organization's management and the SBP responsible person.

A good performance was found, and a positive certification decision was concluded.

5.4 List of forest management units and feedstock suppliers visited

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

Site name
MU ID 38
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 65
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 29
Site location

Gia Lai
Site description
Acacia and Eucalyptus plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 91
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 96
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 102
Site location
Gia Lai

Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 104
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 105
Site location
Gia Lai
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID 114
Site location
Gia Lai
Site description

Eucalyptus plantation, Post harvested site
Rationale and focus of visit
Origin confirmation and relevant documentation check to confirm legality.
Description of audit activity
Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

5.5 Describe audit sampling methodology used

When preparing for the assessment and during on-site work, a sampling has been implemented, based on the following criteria: - full review of procedures; - full review of training records; - sample review of information related to suppliers; - a review of SAR, SBR, Master datasheet, invoices; - interviews with staff to evaluate the theoretical and practical experience of implementation. - reviewing the SBR, RA, SBVs, RMMs, and samples, which were focused on specified risks and management system implementation issues. Onsite evaluation for primary feedstocks: - Formula applied was $0.8 \times \text{square root of } 123 = 9$ FMUs. FMUs were selected due to logistics and to ensure a representative sample was observed. - The auditor selected 9 FUs, representing 123 different smallholders, for visits to evaluate traceability. - The auditor selected Gia Lai province for this assessment because this province accounted for 83% of total purchased materials. - The risk identified for the provinces within Vietnam is homogeneity.

5.6 CB stakeholder engagement

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

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

5.7 Stakeholder feedback and response

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

The auditor conducted consultations with local authorities and forest rangers through direct interviews. The results of the interviews showed that:

- Households in the area were granted land use right certificates (LURC) or confirmation from the People's Committee of the commune,
- The land area was planned and used for production forest plantations
- There was no conversion from natural forest to plantation forest after 1/2008
- Forest fires occurred on a small scale and were promptly handled
- There were no serious erosion or landslides recorded in the area.

5.8 Main strengths and weaknesses of the management system and operations

Strength:

- Previous experience with FSC
- Limited Supply Base and one feedstock type (1A)
- Small number of management staff and clearly designated procedures
- Robust recordkeeping system, ensuring transparency

Weaknesses: N/A

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

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

- BP's SBE is based on SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim - Risk assessment conclusion resulted in 15 specified risk indicators for small forest owners; BP referred to SBVs and established adequate RMMs for each indicator to reduce risk to a low level (excluded 2.2.7 and 2.2.8 indicators because rubber tree is not used)
- Applicable Vietnamese laws were referred to, such as Forestry Law No. 16/2017/QH14, Land Law No. 31/2024/QH15, Labor Code No. 45/2019/QH14, Decree 156/2018/ND-CP, Circular 13/2023/TT BNNPTNT, etc.
- Stakeholders were identified for the relevant specified risk indicators within BP's SEP.
- EU RED: The Organization implemented risk assessment and risk mitigation at the forest sourcing area level (Level B) for the criterion: (i) The legality of harvesting operations, (iv) That harvesting is carried out considering maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts and ecologically appropriate retention thresholds for deadwood extraction, (vi) Biomass fuel shall not be made from raw material obtained from peatland unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil (vii) That installations producing biomass fuels issue a statement of assurance that the forest biomass is not sourced from the lands referred to in point (vi).
- The mitigation measures included: onsite verification, document reviewing and stakeholder consultation.

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

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

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

- BP implemented mass balance module in which input feedstock data and output biomass are kept track and equivalent. Positive balance are bring toward the next reporting period. COC system is utilized the FSC COC module, in which CCP is controlled from weighbridge point to biomass storage. Identification signboards in place.
- Clear procedures covering requirements version 2.0 in SBP handbook, training records, internal records, purchase and sale invoices are kept and matched with the annual volume summary,
- Business integrity is documented, RED commitment is signed by Senior management, and no subcontracting activity.
- SEP is established and implemented

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

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

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

5.13 Summary of audit findings for competency of involved personnel

- Key personnel responsible for implementing and maintaining the Company's SBP management and control systems demonstrated appropriate competence and task-specific knowledge of SBP requirements.
- Roles and responsibilities are clearly defined within the management system, and the implementation of control measures related to supplier approval, transportation monitoring, feedstock receipt, and production and storage activities was found to be effective and consistently applied.
- Personnel assigned to perform the SBE demonstrated adequate competence and knowledge of applicable SBP requirements. Their experience includes conducting supplier evaluations, applying the DDS, responding to conformity-related inquiries, and maintaining alignment with current SBP Standards and guidance. Evidence reviewed confirmed that the SBE activities were performed consistently and in accordance with established procedures.

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

☒ N/A – Standard 6 not in the scope

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

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

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

- BP's SBE is based on SBP-RRR-AS-VN-FOR_v1.0-RRR-for-Vietnam-FOR_Interim - Risk assessment conclusion resulted in 13 specified risk indicators for small forest owners; BP referred to SBVs and established adequate
- RMMs for each indicator to reduce risk to a low level.
- For the indicator related to maintaining soil quality and biodiversity, the Organization implemented risk assessment and mitigation at the forest-sourcing area level (Level B).
- Applicable Vietnamese laws were referred to, such as Forestry Law No. 16/2017/QH14, Land Law No. 31/2024/QH15, Labor Code No. 45/2019/QH14, Decree 156/2018/ND-CP, Circular 13/2023/TTBNNPTNT.
- Stakeholders were identified for the specified risk indicators relevant to BP's SEP.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Specified risk description
Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal rules for some aspects is still inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all 03 subscopes. Specific risks are detailed in the following indicators.
Detailed description of a mitigation measure
• Check of the approval of forest land use rights • Stakeholder Engagement (Consultation record, includes: The list of stakeholders includes all stakeholder groups/ Evidence of consultation by email and by phone call as well as face-to-face interviewing, results of consultation with stakeholders • Onsite verification
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor analysed a sample of entries received in the reporting period from primary feedstock, including Packing list (bang ke lam san in Vietnamese), purchase

documents, delivery notes, invoices, and origin information, in compliance with all existing applicable laws and regulations.

2. Field visits were conducted to verify on-site

3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

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

Specified risk description

Referred to SBP-RR-AS-VN-FOR v1.0 Vietnamese Law, The State represents the Vietnamese people in land ownership and management.. Land use rights in Vietnam are respected and are the obligations of citizens (Article 25, Land Law). The State secures the legal land use rights. The State does not recognize the reclaiming of land allocated according to State regulations for another user (Article 17, Land Law) - Land law 2013 - chapter III administrative boundaries and base investigation on land <https://thuvienphapluat.vn/van-ban/Bat-dong-san/Luat-dat-dai-2013-215836.aspx> - Legal provisions on legal land and forest use rights in Vietnam include: i) Having a land use proper certificate or land or forest allocation decision or land or forest lease contract or certification of the competent authority according to the provisions of Law; ii)Where the land is used according to customary or traditional rights ensuring there is no dispute; iii) Land and forest boundaries must be clearly defined on maps and in the field (Set of criteria for sustainable forest management, Circular 13/2023/TT-BNNPTNT dated November 30, 2023 of the Ministry of Agriculture and Agricultural Development (MARD)). Specified for the small forest owner

Detailed description of a mitigation measure

- + List of stakeholder includes all stakeholder groups,
- + Evidence of consultation by email face-to-face meeting as well as interviewing
- + Result of consultation with stakeholders
- + Evidence of respond to all stakeholders
- + Field Verification: checking boundaries of each forest plots

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor analyzed a sample of entries received in the reporting period from primary feedstock included Packing list (bang ke lam san in Vietnamese) purchase documents, delivery notes invoices, origin information in comply with all existing applicable laws and regulations, copy of Land Use Rights Certificated (LURC) of suppliers (small forest owner)
2. Field visits were conducted to verify onsite and consultation with local authority and forest protection dept (FPD)
3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope
Small forest owner
Indicator
1.1.3 Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Specified risk description
The primary feedstock in Vietnam is mainly sourced from planted production forests. The main species used for forest plantations include Acacia, Eucalyptus and Rubber, which are in the list of major forestry species (Circular 22/2021/TT-BNNPTNT dated 29/09/2021) and not listed under CITES. Harvesting permits are required for state-owned forest owners but not for households and individuals, while forest product inventory is mandatory for all forest owners. In practice, state owned organizations fully comply with the requirements for approving harvesting plans and forest product inventory. Smallholders mainly sell standing trees to intermediaries or traders. Therefore, filling in the forest product inventory is delegated or assigned to intermediaries or traders. Intermediaries or traders are not allowed to fill in the forest product inventory, which does not comply with current laws (Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). In addition, the implementation and control of forest inventory for private forest owners has yet to be fully implemented. Therefore, specific risks are identified for feedstock originating from small forest owners and private organizations related to the requirement of forest inventory.
Detailed description of a mitigation measure
- Conducted a before-harvesting plot survey; - Interviewed component authority land owners, harvesting team members - Harvesting observations in sources. - Consultation record has been conducted. - No protected species harvested - No HCVs found in the harvesting areas.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Field visits were conducted to verify onsite and consultation with local authority and forest protection dept (FPD) to confirm that the BP legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
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.
Specified risk description

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

Detailed description of a mitigation measure

- Onsite evaluation before and post harvesting at forest plots level;
- Interviewed local authorities about land use situation for all sources.
- Stakeholder consultations

Detailed description of CB evaluation of mitigation measure and its conclusions

1. During the interview with the local authority, they confirmed to the auditor that the area has been allocated for plantation since 2000, and mitigation is accepted
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

2.2.3 Soil quality in the Supply Base shall be maintained or enhanced

Specified risk description

Although Vietnam has regulations to limit the negative impacts of forestry production activities, implementing sustainable forest management plans is optional for all forest owners. The short forest planting rotation and the widespread burning of vegetation can negatively impact soil quality. Therefore, this indicator is assessed as a specified risk.

Detailed description of a mitigation measure

- Consultation with stakeholders
- On-site inspection of logging operations
- Interviews with forest owners

Detailed description of CB evaluation of mitigation measure and its conclusions

1. By conducting on-site visits and consultation with the local authority and forest protection dept (FPD) and direct interviews with farmers about soil quality management the auditor confirmed that the farmer apply the technique of maintenance and actively enhance soil quality by:
 - Implement conservation tillage and cover cropping
 - Use integrated nutrient management (organic + inorganic)
 - Avoid practices that lead to erosion.
2. By verifying the Supply Base Report, Risk Management Plan, monitoring procedures, training records and supporting evidence applicable to this indicator.
3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.
Specified risk description
Although Vietnam has a Forestry Law regulating permitted or prohibited forestry activities and regulations on sustainable forest management, there are no effective legal regulations specifically for the treatment of post-harvest residues and the situation of uncontrolled burning of vegetation after harvesting is still ordinary, so this index is assessed as a definite risk.
Detailed description of a mitigation measure
- Consult with stakeholders - Site verification
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with the local authority and the forest protection dept (FPD) and direct interviews with farmers about negative impacts to the ecosystem, the auditor advises that the farmer apply the technique of maintenance and actively enhance soil quality by: - Implement conservation tillage and cover cropping - Use integrated nutrient management (organic + inorganic) - Avoid practices that lead to erosion. - No stump extraction occurred and that residue retention was visible and consistent with work instructions. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Specified risk description
Vietnam has complete regulations to protect water resources in general and the forestry sector. In general, forestry activities have little impact on water resources. However, afforestation encroaching into protected areas along stream buffer zone is still quite common in forests managed by smallholders. Therefore, this indicator is considered a specified risk for smallholder
Detailed description of a mitigation measure

- Stakeholders consultation
- Site checking

Detailed description of CB evaluation of mitigation measure and its conclusions

1. By verifying the Supply Base Report, Risk Management Plan, monitoring report, training records and supporting evidence applicable to this indicator
2. By conduct on-site visits and consultation with local authority and forest protection dept (FPD) and direct interview farmer about quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced, the auditor recognized:
3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

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

Specified risk description

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

Detailed description of a mitigation measure

- Consultation with stakeholders
- On-site inspection of logging sites
- Interviews with forest owners
- On-site inspection of planted forests

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Training of fire controlled practices were provided to small forest owners and harvesting teams by local forest protection department officer at commune level.
2. During the onsite verification, the auditor interviewed the harvesters and confirmed that the Mitigation measure is applied.
3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

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

Specified risk description

Vietnamese law has policies and regulations on vocational training and education for small and medium-sized enterprises in all production sectors. Training facilities in the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance for enterprise workers has yet to be fully implemented. For small forest owners, production activities are mainly based on practical experience without training. Therefore, this indicator is assessed as a specified risk.

Detailed description of a mitigation measure

- Consultation with stakeholders
- On-site inspection of logging operations
- Interviews with forest owners and logging workers

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Training was provided to small forest owners and harvesting teams by the BP supplier.
2. During the onsite verification, the auditor interviewed the harvesters and confirmed that the Mitigation measure is applied.
3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.

Specified risk description

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

Detailed description of a mitigation measure

- Consultation with stakeholders
- On-site inspection of logging operations
- Interviews with forest owners and logging workers

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Forest owners confirmed to the auditor that personal protective equipment was

provided before logging, and logging workers also confirmed that they received it in full. In addition, the company provided guidance on safety regulations and logging procedures to forest owners and logging workers.

2. The auditor interviewed local authorities: Before logging, forest owners report the use of labor to the local communelevel authorities and commit to compliance. Local authorities disseminate information and guide people on safe logging practices through loudspeakers and community meetings. In addition, local forest rangers conduct surprise inspections to ensure that regulations and procedures are implemented correctly and fully.

3. The mitigation measures found are sufficient to ensure that the feedstock is received with a low risk.

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.
Specified risk description
Regarding traditional customary ownership, the State always has a preferential policy for local communities and ethnic minorities in granting forest land use rights. The legal use rights according to traditional customs of local communities are also protected by the provisions of the Forestry Law and Circular 28/2018/TT BNNPTNT, Circular 13/2023/TT-BNNPTNT on sustainable forest management. Still, the identification of forests with significance in customs, practices and beliefs has only been well implemented by forest owners who are state organizations. For forest owners who are private organizations or small forest owners, the identification of forests with significance in customs, practices, and beliefs has yet to be fully implemented or has only stopped at the identification stage without solutions to ensure respect for traditional use rights. Thus, this indicator is assessed as low risk for state organizations and specified risk for private organizations and small forest owners.
Detailed description of a mitigation measure
- Consultation with stakeholders - Interviews with local people
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Through consultation with relevant parties and consultation with local people, the process of planting and harvesting forests does not affect the beliefs and living environment of the mountainous ethnic communities, and the religious beliefs of these ethnic groups are preserved. 2. Some households planting forests and supplying raw materials to the company are ethnic minorities, and they confirmed that planting and harvesting acacia and eucalyptus helps improve their economic lives and creates jobs for ethnic minorities in the locality. The commune supports the contract farming and facilitates planting and harvesting under the supervision of local forest rangers.

3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
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.
Specified risk description
Although Vietnam has regulations related to the mechanism for resolving complaints and disputes over forest ownership and use rights, implementing those regulations and mechanisms is still inadequate and ineffective, so this indicator is considered a specified risk for all sub-scope groups.
Detailed description of a mitigation measure
- Consultation with relevant parties - Company complaint procedure
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Local authorities confirm to the auditor that for planted forest households, the locality has allocated land to people for planting and harvesting under the supervision of the local People's Committee and forest protection agency. The issuance of land use right certificates has not been fully implemented; however, the commune has signed confirmations for applications for harvesting from households that have not yet been issued land use right certificates. The commune/district has established a mechanism for resolving complaints and disputes, but has not yet received any complaints related to disputes over planted forest area. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
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.
Specified risk description
Community and stakeholder consultations on forestry plans and planning have been carried out at the national level. However, at the implementation level, community and stakeholder consultations on forest management plans and exploitation plans of forest owners have only been thoughtfully implemented by forest owners who are state organizations. Forest owners who are private

organizations and small forest owners often do not fully consult with the community when implementing sustainable forest management plans and do not notify the exploitation plan and forest product inventory to the Forest Protection Department. Therefore, this indicator is considered a defined risk for forest owners who are private organizations and small forest owners.

Detailed description of a mitigation measure

- Consultation with stakeholders

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor interviews farmers and local people on-site at the plantation as well as local authorities to confirm that no negative impacts occurred.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk