Supply Base Report:

NETMA PHU THO COMPANY LIMITED
Second Surveillance 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:	NETMA PHU THO COMPANY LIMITED
Producer address:	Lot CN4, Cam Khe Industrial Park, Cam Khe Commune, 290000 Phu Tho Province, Viet Nam
SBP Certificate Code:	SBP-10-97
Geographic position:	21.437330, 105.119271
Primary contact:	Cuong Nguyen Chi, +84 788 025 333, cuongnc@netma.vn
Company website:	https://netma.vn
Date report finalised:	10 Jun 2026
SBR reporting period from:	01 Apr 2025
SBR reporting period to:	31 Mar 2026
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	02 Sep 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.1 -, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
Feedstock origin (countries)	Viet Nam (08 provinces (PT, LC, TQ, QN, BN, LS, CB, TN))
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Netma Phu Tho Co., Ltd is located in Phu Tho Province in northern Vietnam. We hold active FSC CoC (BV-CW/CoC-192964) and PEFC CoC (SGSCH-PEFC-CoC-370067) certificates, establishing our credibility in the industry. We are a reputable manufacturer of wood pellets, specializing in high-quality biomass products for export, particularly to the Japanese and European markets.

We operate a production system with an annual capacity of up to 165,000 tonnes in Phu Tho Province, Vietnam.

Our Supply Base Includes Eight Provinces:
1. Phú Thọ (PT)
2. Lào Cai (LC)
3. Tuyên Quang (TQ)
4. Quảng Ninh (QN)
5. Bắc Ninh (BN)
6. Lạng Sơn (LS)
7. Cao Bằng (CB)
8. Thái Nguyên (TN)

We pride ourselves on our strategic advantages that ensure a robust supply chain and quality products for our clients.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*
Number of employees: *50*
Annual maximum production capacity (metric tonnes): *165000*
Number of direct feedstock suppliers: *180*
Approximate number of feedstock sub-suppliers: *0*

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

Primary Feedstock Supply Chain (Direct):
- Sourced directly from small forest owners.
- Logging and transportation teams are contracted to harvest and deliver the raw materials.
- Primary feedstock (roundwood, twigs) is transported directly from the harvest site to the Netma Phu Tho plant.
- Traceability: Maintained through purchase contracts, transport permits, invoices, and supplier declarations.

Processing Residues Feedstock Supply Chain:
- Sourced from wood processing residues (wood chips, sawdust, and offcuts).
- Small forest owners from our defined supply base sell roundwood to local processing mills.
- Processing mills (veneer mills and sawmills) generate residues during processing and sell them directly to Netma Phu Tho.
- Traceability: Strictly monitored through regular inspections, supplier evaluations, and by requiring all intermediaries to provide comprehensive origin documentation.

We apply a mass balance system within the SBP scope.

2.2 Detailed description of the Supply Base

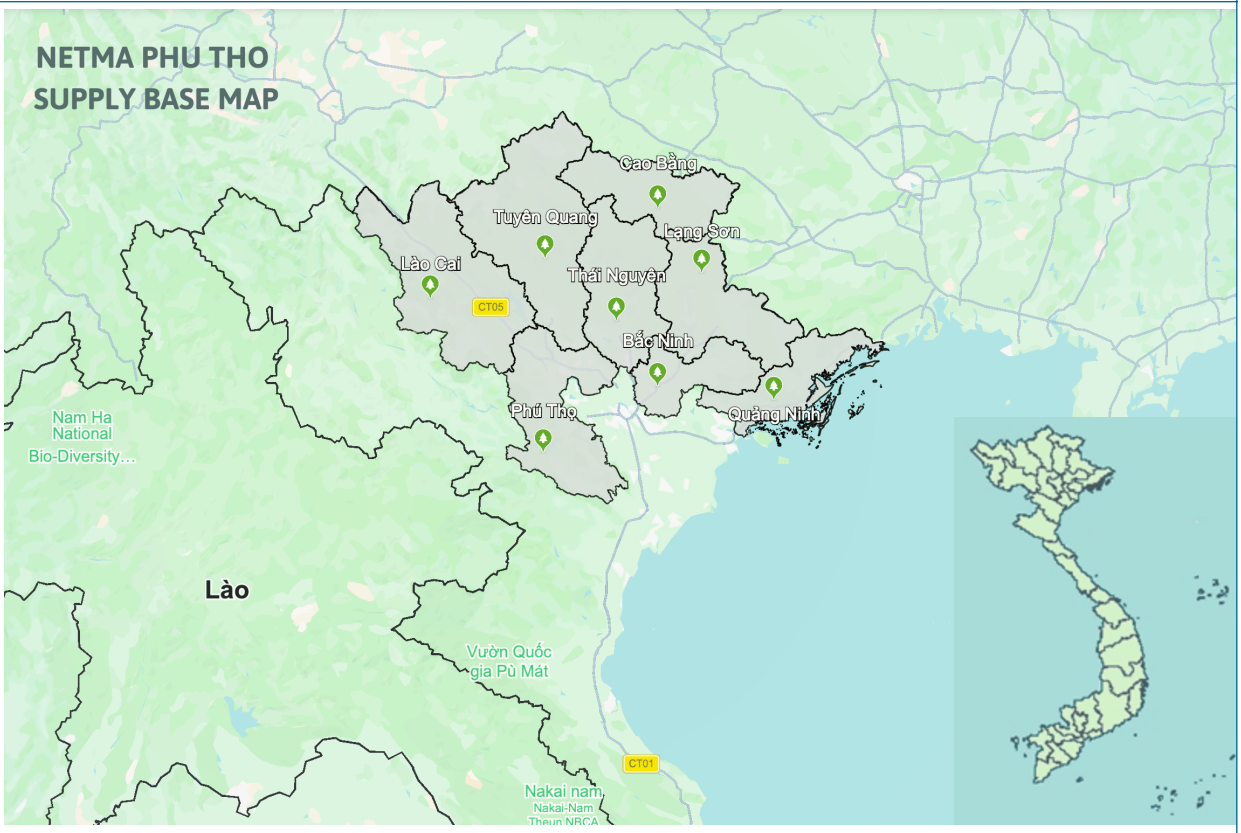
Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

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	08 provinces (PT, LC, TQ, QN, BN, LS, CB, TN)
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, Non-eligible feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used
Provide a concise summary of why a SBE was determined to be required or not required here:	
To ensure that our output claims comply with the Sustainable Biomass Program (SBP), Netma will conduct a Supply Base Evaluation (SBE) in accordance with SBP Standard 1 (Feedstock Compliance Standard) and SBP Standard 2 (Verification of SBP-compliant Feedstock). The SBE will utilize the SBP Regional Risk Assessment (RRA) for Vietnam v1.0 and will involve the development and implementation of effective risk mitigation measures to address all specified risk indicators. This process will include benchmarking SBP requirements against those of the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). As mentioned above, we source from small forest owners who present 15 specified risks. However, we do not source rubber trees, meaning that indicators 2.2.7 and 2.2.8 are not applicable. Therefore, our SBE will focus on the remaining 13 specified risks.	
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):	7.0724
Map(s) of the Supply Base area:	



2.3 Feedstock information

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

b. **Volume of primary feedstock:** 1-200,000 tonnes

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

Acacia spp	Keo
Eucalyptus spp	Bạch Đàn
Styrax tonkinensis	Bồ Đề
Vernicia montana	Trẩu

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** No

Explanation:

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 100.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 46.00

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 tonnes

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

n. **Share of SBP-recognised system claim for processing residues:**

N/A N/A

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust, Offcuts

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 165000 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 165000.00 tonnes

Explanation:

3 Supply Base Risk Assessments and Risk Management Measures

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

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

Our company exclusively sources from one categories: Small forest owners: 13 specified risks

As a result, a full Supply Base Evaluation is not necessary. Instead, we are required to develop Supply Base Verifications (SBVs) and conduct a Risk Assessment only for those indicators that are identified as partially met or not met in the corresponding SBP evaluation reports. These reports are developed in accordance with the Framework for benchmarking and recognizing certification schemes relevant to the scope of SBP certification. Therefore, a full Supply Base Evaluation is not required. Instead, we are required to develop Supply Base Verifications (SBVs) and conduct a Risk Assessment only for those indicators that are identified as partially met or not met in the corresponding SBP evaluation reports (i.e., evaluation reports developed in accordance with the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification).

3.2 Conflicts with applicable national and sub-national legislation

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

3.3 Risk Management Measures

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

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

	☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.

Description of the specific risk:

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

Mitigation measure:

- Mandate all smallholders to provide valid Land Use Right Certificates (LURCs / Red Books) or a formal written confirmation from the Commune People's Committee (UBND xã) certifying that the land is clear and completely free of land conflicts prior to entering into contract purchasing agreements.
- Establish a rigorous verification protocol for the forest product packing list (BKLS) in strict compliance with Circular No. 26/2025/TT-BNNMT for every single feedstock batch delivered to the factory site.
- Conduct structured, periodic on-site field verifications and compliance audits by the company's internal certification team.
- Conduct proactive cross-verification interviews with local forest rangers (kiểm lâm địa bàn) and commune authorities to confirm legal compliance and wood legitimacy.
- Enforce an uncompromising supplier exclusion policy: strictly purchase materials from smallholders who satisfy 100% of the statutory legal documentation and traceability criteria.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.

Monitoring and outcomes:

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

Outcome: The strict implementation of these measures has completely eliminated noncompliant timber sources, successfully reducing the residual risk for this indicator to a low-risk level as determined for each

small forest owners

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
1.1.2 Legal ownership of land and resource use rights shall be respected.	
Description of the specific risk:	
The supply of timber raw materials in Vietnam is mainly from production forests, of which the majority of production forests have been allocated to households for management. However, with a large number of small forest owners (>1 million), the issuance of land use right certificates has yet to be fully implemented, so this indicator is considered a definite risk for small forest owners.	
Mitigation measure:	
• Require smallholder forest owners to submit a valid LURC or a formal written certification officially stamped by the Commune People's Committee confirming that the land has no ongoing boundary or ownership disputes. • Execute direct cross-checking of land registration numbers and boundaries with the Commune People's Committee and the District Land Registration Office to confirm land tenure validity. • Incorporate local community consultations in adjacent residential clusters during field assessments to proactively detect any latent, unrecorded boundary or customary land tenure disputes. • Immediately exclude from the supply base and procurement list any forest plots where land ownership is ambiguous, overlapping, or subject to active community disputes. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents	

a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.

Monitoring and outcomes:

- Systematically audit land tenure documentation or commune-level certifications for each smallholder supplier prior to contract execution, maintaining routine coordination with local land management bodies to capture legal status changes.
- Limit procurement operations exclusively to verified smallholders holding undisputed land titles; suspend any plots undergoing boundary adjustments or disputes until an official resolution is formalized.
- Archive all land tenure verifications, field inspection sheets, and commune certifications for a minimum of 5 years.

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

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

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

Description of the specific risk:

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.

Mitigation measure:

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

Monitoring and outcomes:

- Perform comprehensive documentation audits on packing lists and purchase contracts for every single batch of timber arriving at the factory gate, cross-checking the validity of documents with the local Forest Ranger station in accordance with Circular No. 26/2025/TT-BNNMT.
- Enforce an absolute rejection policy for any feedstock batch lacking verifiable origin records or showing any administrative inconsistency or signs of document manipulation.
- Centrally archive all timber legality, harvesting authorization, and transportation dossiers grouped by batch for at least 5 years.

Outcome: Low Risk.

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim

	☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.1 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 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.	
Mitigation measure:	
• Cross-reference individual plot coordinates and boundaries with official 3-forest-type planning maps and land-use classification records maintained by the Commune People's Committee. • Mandate all smallholder suppliers to execute a formal, legally binding Land History Self-Declaration, explicitly confirming that the target plot was not converted from natural forest, wetlands, or peatlands after January 2008. • Implement a zero-tolerance conversion policy: permanently exclude from the company's approved supplier list any land parcel identified to have undergone illegal conversion or clearing after the 2008 cutoff date. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.	
Monitoring and outcomes:	
• Perform random on-site verification to detect land-use changes in the sourcing area from 2008 to present; cross-reference with cadastral maps and historical land-use commitments from smallholders. • Only sources from forest plots confirmed to have had no conversion of natural forest, wetlands, or	

peatlands after January 1, 2008; areas showing signs of conversion are to be added to the investigation list and excluded.
- Retain all historical land-use verification outputs and signed self-declarations for a minimum of 5 years.

Outcome: Low Risk.

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
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.	
Mitigation measure:	
• **Technical Training:** The company organizes soil conservation training sessions and practical demonstration models for smallholder farmers on the ecological benefits of retaining organic matter and the harmful effects of burning post-harvest residues. • **Regular Training Programs:** The company conducts regular training programs in coordination with local authorities and regional forest rangers to promote proper vegetation management practices, including no burning or use of fire for post-harvest residue treatment; controlled burning of vegetation only where permitted and in strict accordance with regulatory guidelines; leaving branches and stumps in place for natural decomposition to maintain soil fertility; and using	

chipping/shredding equipment where necessary. Training also covers harvesting practices that comply with regulations on riparian buffer zone protection (≥5m from waterways) and restrictions on contiguous clear-cut areas (≤10ha).

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

Monitoring and outcomes:

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

Outcome: Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

Indicator with specified risk:

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

Description of the specific risk:

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.

Mitigation measure:

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

Monitoring and outcomes:

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

Outcome: Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	
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 zones is still quite common in forests managed by smallholders. Therefore, this indicator is considered a specified risk for smallholders.	
Mitigation measure:	
• Training and awareness programs are conducted for smallholder farmers to build understanding of the following practices: Maintaining riparian buffer zones of ≥5–10m along rivers and streams, with no tree planting or cultivation activities within these areas; Prohibiting vehicle washing, refueling, or oil discharge within forest management areas near water sources; restricting wet-season harvesting by avoiding large-scale harvesting operations during the rainy season (June–September) in steep terrain areas in order to minimize erosion risk and sedimentation runoff into waterways. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.	
Monitoring and outcomes:	
• Procurement officers and certification auditors conduct structured field surveys, map plot boundaries, and formally document any instances of riparian buffer encroachment. • Accept feedstock exclusively from forest blocks that respect the established water buffer zones; mandate that non-compliant smallholders allow the natural regeneration of riparian vegetation before their supply status is reinstated. • Retain all water resource monitoring checklists, field inspection sheets, and riparian encroachment	

maps for a minimum of 5 years.

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

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.11 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 have yet to effectively implement them.	
Mitigation measure:	
• Training smallholder groups and cooperatives to formulate a basic Forest Fire Response Procedure, maintain clean firebreaks between adjacent blocks, and prepare essential manual firefighting tools (shovels, water backpacks, beaters). • Implement structured quarterly field health surveillance by the company's technical staff to monitor forest conditions and detect early signs of damaging pest outbreaks (e.g., shoot borer, leaf blight). • Partner closely with local Forest Ranger stations (Hạt Kiểm lâm) to deliver practical fire suppression training and integrated pest identification workshops for smallholders. • Establish a rapid communication network linking village heads, forest owners, local rangers, and the company to report and mobilize resources for fire or disease outbreaks immediately. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC	

Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.
Monitoring and outcomes:
• Conduct mandatory annual pre-dry season field audits (October–December) to verify the physical status of firebreaks, firefighting tool readiness, and fire hazard warning signs within the supply base. • Review and analyze quarterly forest health monitoring logs compiled by regional technical procurement teams. • Refuse procurement contracts and exclude forest owners who fail to demonstrate basic fire readiness or refuse to participate in coordinated community fire protection networks. • Retain all fire management plans, seasonal inspection sheets, and pest surveillance logs for a minimum of 5 years. Outcome: The collective resilience of the supply base against natural disasters and pests is significantly strengthened, lowering residual risk to Low Risk.

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-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:	
4.1.8 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 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 have 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:

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

Monitoring and outcomes:

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

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

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

	☒SBP-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:	
4.1.10 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 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.	
Mitigation measure:	
• Integrate a mandatory clause in all purchasing contracts requiring the provision and mandatory use of basic PPE (safety helmets, gloves, protective boots, and high-visibility vests) during all harvesting and logging operations. • Implement mandatory short pre-shift safety briefings (toolbox talks) at the logging site to highlight daily operational hazards, weather conditions, and defensive practices. • Require harvesting teams to maintain an Accident Logbook to formally record all injuries, first-aid events, and near-miss incidents for continuous safety review. • Organize first-aid and emergency response drills every 6–12 months in close collaboration with commune health stations to handle field injuries and evacuation logistics. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.	
Monitoring and outcomes:	
• Conduct unannounced on-site safety audits during active harvesting to monitor PPE compliance	

rates and field working conditions across the supply base.

- Inspect logging teams' accident logs and pre-shift briefing records during routine field visits.
- Enforce immediate stop-work orders if workers are found operating without basic PPE or in unsafe conditions, resuming procurement only after full compliance is demonstrated.
- Archive accident logbooks, safety audit sheets, and emergency drill records for a minimum of 5 years.

Outcome: Low Risk.

Country: Viet Nam	
Area/sub-scope:	
Risk Assessment used:	
	☒SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.2.4 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:	
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.	
Mitigation measure:	

- Review official land records and mandate a clear boundary certification from the commune to ensure there are no overlapping claims or conflicts with customary lands before purchasing.
- Conduct structured interviews and consultations with village elders, traditional chiefs, and ethnic minority representatives to map out any forest patches holding spiritual, ceremonial, or traditional cultural value.
- Formally announce harvesting plans to the village and clearly mark boundary lines with physical stakes in the presence of neighboring landholders before cutting trees.
- Exclude any land parcel completely from the supply chain if it overlaps with community land or contains unresolved cultural or religious sites.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.

Monitoring and outcomes:

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

Outcome: Low Risk.

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

	☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

4.2.5 Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.

Description of the specific risk:

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.

Mitigation measure:

- Mandate smallholders to sign a self-declaration form confirming that the forest plot supplying raw material has no ongoing legal disputes or claims.
- Perform pre-approval field checks for physical indicators of disputes, such as disputed boundary markers, public protests, or warning signs on site.
- Consult with the Commune People's Committee and local land registration staff to check for any filed land complaints regarding the supplier's forest.
- Establish a dedicated factory-level grievance hotline and suggestion box, providing a transparent channel for communities and smallholders to report disputes.
- The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.

Monitoring and outcomes:

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

Outcome: Low Risk.

Country: Viet Nam

Area/sub-scope:

Risk Assessment used:

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

	☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.2.6 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 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 Forest Protection Department of the exploitation plan and forest product inventory. Therefore, this indicator is considered a defined risk for forest owners who are private organizations and small forest owners.	
Mitigation measure:	
• Map and screen all procurement zones to identify the presence of ethnic minority groups (e.g., Muong, Tay, Dao, Hmong, Cao Lan) within the supply base sub-scope. • Develop simplified, highly visual communication materials regarding the SBP program, translated into local languages or explained orally via interpreters during community gatherings. • Implement a formal FPIC consultation process by organizing public village meetings, obtaining written consent (signatures or thumbprints) from community representatives and elders prior to initiating procurement in a new locality. • Uphold the principle of complete voluntariness, ensuring the community's right to withhold or withdraw consent without facing negative repercussions or economic pressure. • The company's raw material sourcing area is located in a region with one of the largest FSC/PEFC Forest Management (FM) certified areas in Vietnam. The company has also established its own certified supply base through a smallholder group linkage model, holding both FSC FM certification (GFA-FM/COC-008818) and PEFC FM certification (GFA-PEFC-FM/COC-500670). This represents a significant advantage in maintaining effective control over specified risk points associated with sourcing raw materials from smallholders.	
Monitoring and outcomes:	

- Continuously track and monitor the implementation of FPIC consultations across all ethnic minority villages in the supply base.
- Routinely audit village meeting minutes, participant sign-in sheets, and signed consent agreements to ensure process integrity and transparency.
- Strictly prohibit the expansion of feedstock sourcing into new ethnic minority villages until the full FPIC consultation process is successfully finalized and documented.
- Maintain a centralized, secure archive of all FPIC consultation dossiers and consent forms for at least 5 years.

Outcome: Low Risk.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 01 May 2026

Biomass Producer's stakeholder engagement end date: 02 Jun 2026

Total number of stakeholders contacted: 50

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

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

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

4.2 Response to stakeholder comments

Stakeholder description: Commune People's Committee / Phu Tho province — Local Government Authority

Stakeholder comment: - Confirms no unresolved land disputes for small forest owners plantation areas in the supply base; - Most households hold land use right certificates (Red Books), remainder have no-dispute confirmation letters; - Land was established on bare/degraded hills and abandoned fallow land under state afforestation programs (327/661), with no conversion from natural forest, wetland or peatland after 01/01/2008. Commends the Company for requiring no-dispute confirmation before contracting and for stable pricing, transparent contracts and free silviculture training, which benefits local households including ethnic minority (Muong) families.

Response to the stakeholder: Comment noted with thanks. The Company will continue to require land no-dispute confirmation prior to signing supply contracts and maintain stable purchase pricing, transparent written contracts, and free technical training for small forest owners.

Stakeholder description: Forest Ranger Unit / Thai Nguyen province — Forestry Law Enforcement Authority

Stakeholder comment: - Confirms no illegal encroachment, land disputes, or forest law violations recorded in the supply area over the past two years. - Species grown (Acacia mangium, Acacia hybrid, Eucalyptus spp.) are not CITES-listed and are unrelated to natural forest. - Harvesting complies with Article 58 of the 2017 Forestry Law and Article 35 of Decree 156/2018; timber declaration compliance under Circular 26/2025/TT-BNNMT is high, with no serious violations found. - Appreciates the Company's requirement for harvest declarations and pre-harvest notification, which supports forest ranger monitoring.

Response to the stakeholder: Comment noted with thanks. The Company will continue to require complete harvest declarations and pre-harvest notification from small forest owners.

Stakeholder description: Village Head — Small Forest Owner / Tuyen Quang province

Stakeholder comment: - Holds land use right certificate for ~3.5 ha of plantation with no boundary disputes with neighbors; - Land was reclaimed from abandoned fallow land before 2008 and replanted on 5–7 year cycles. Declares harvested timber and notifies the commune/forest ranger before harvest; - Practices controlled burning of residue, avoiding peak dry-season burning per ranger guidance. Satisfied with the Company's stable purchase price, clear written contracts, timely payment, and free technical/safety training, which has improved household income and livelihood.

Response to the stakeholder: Comment noted with thanks. The Company will continue offering stable pricing, transparent contracts, timely payment, and free technical and safety training to small forest owner.

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

1. **Update to include additional certification scope:** SBP Standard 1 v2.0 and SBP Instruction Document Japan v1.2
2. **Expansion of SBE:** Addition of Quang Ninh, Cao Bang, Lao Cai, and Bac Ninh provinces
3. **Addition of storage locations:** Viet Tri port and Cai Lan port warehouses
4. **Addition of feedstock inputs:** Non-eligible feedstock and SBP Compliant feedstock

Name	Nguyen Chi Cuong
Title	Management representative
Date of report approval	10 Jun 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Viet Nam
Area	08 provinces (PT, LC, TQ, QN, BN, LS, CB, TN)
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Risk description: According to legal regulations (Circular No. 26/2025/TT-BNNMT), the preparation of a harvesting plan and a timber inventory list is mandatory for all forest owners. However, in practice, this requirement is often not fully implemented by small-scale forest owners and private companies, leading to potential non-compliance with the law and insufficient legal evidence of timber origin. **Mitigation Measures:** • Mandate all smallholders to provide valid Land Use Right Certificates (LURCs / Red Books) or a formal written confirmation from the Commune People's Committee certifying that the land is clear and completely free of land conflicts prior to entering contract purchasing agreements. • Establish a rigorous verification protocol for the forest product packing list in strict compliance with Circular No. 26/2025/TT-BNNMT for every single feedstock batch delivered to the factory site. • Verify that harvested species do not belong to the CITES list prior to each purchasing transaction. • Conduct structured, periodic on-site field verifications and proactive cross-verification interviews with local forest rangers and commune authorities to confirm legal compliance. • Enforce an uncompromising supplier exclusion policy: strictly purchase materials from smallholders who satisfy 100% of the statutory legal documentation and traceability criteria, and suspend transactions immediately if violations are detected. Monitoring and Outcomes: • Implement a comprehensive tracking mechanism monitoring the

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

Level B management system at the level of the forest sourcing area	Risk description: Although soil quality in Vietnam is generally still good and natural forests have been protected since 2017, there remains a specific risk associated with the activities of smallholder forest owners. The lack of mandatory sustainable forest management practices leads to potential soil pollution and degradation due to chemical use, short rotation cycles, and uncontrolled burning of organic residues after harvesting, which causes loss of organic matter and increased erosion. In addition, regulations on the protection of riparian buffer zones are not fully enforced, posing a risk to biodiversity within plantation areas. Mitigation Measures: • Implement and enforce a strict post-harvest residue and vegetation treatment policy within purchasing contracts, prioritizing Fire-Free Methods (chopping and band arrangement) or Mechanized Methods (ploughing/crushing), and strictly controlling any authorized burning (localized cold burning). • Enforce soil erosion controls by maintaining a minimum 5-meter riparian buffer zone along streams, restricting contiguous clear-cut areas to a maximum of 10 hectares, and limiting harvesting activities during the rainy season. • Protect water buffer zones by strictly prohibiting planting, vehicle washing, and refueling within the ≥5m riparian buffers. • Organize SFM technical training programs for smallholders focused on soil conservation, sustainable forestry models, and extending harvesting cycles. Monitoring and Outcomes: • Conduct annual on-site field inspections to verify compliance with residue treatment policies, contour harvesting, maintenance of ≥5m riparian buffers, and ≤10ha contiguous clear-cuts, supported by photographic evidence. • Suspend purchases from smallholders violating residue treatment or buffer zone policies until immediate corrective actions are fully implemented. • Require the ecological restoration of natural vegetation in any encroached riparian buffer zones before the associated forest plots can be re-approved for the supply chain. • Maintain a comprehensive archive of all inspection records and field photographs for a minimum retention period of 5 years. Outcome: The rigorous deployment of these measures completely eliminates noncompliant timber sources, successfully lowering the residual risk for this indicator to a Low Risk level (Level A).
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level

	☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain*	

grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *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_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *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_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *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. Mitigation Measures: Currently, Netma Phu Tho production feedstock is limited to plantation species such as acacia, eucalyptus,... with no inclusion of semi-aquatic Melaleuca species. If Netma Phu Tho sources materials from the inclusion of semi-aquatic Melaleuca species, the following risk mitigation measures will be implemented: 1. Require complete traceability documentation: All materials must be accompanied by documentation confirming they were not harvested from peatlands or areas drained after 01/01/2008. 2. Geographical screening (GIS): Verify harvest site coordinates and mapping data to confirm whether the area lies within peatland zones. 3. Periodic field assessments: Conduct on-site inspections of high-risk sourcing areas (particularly Melaleuca forests in the Mekong Delta) to verify soil conditions. 3. Binding contract clauses: Require suppliers to commit contractually to not harvesting from peatlands or areas drained after 2008. 4. Collaboration with local forestry authorities: Verify information and respond promptly to any signs of illegal harvesting. 5. Supplier training: Raise awareness of the ecological importance of peatlands and relevant legal requirements to minimize risks in the supply chain. Monitoring and outcome: - 100% traceability document checks: Ensure that every batch of material is accompanied by evidence showing it was not sourced from peatlands or areas drained after 01/01/2008. - Regular GIS screening: Cross-check harvest site coordinates against peatland maps to detect potential risks. - Annual field inspections: Conduct direct inspections of high-risk sourcing areas (especially Melaleuca forests in the Mekong Delta). - Supplier monitoring: Maintain records, document violations, and address any cases where sufficient evidence is not provided. - Periodic reporting: Summarize monitoring results and evaluate the effectiveness of mitigation measures annually. Outcome: The traceability system operates effectively, ensuring that peatland-related risks are reduced to a Low Risk level.

(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*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-RED-AS-VN-FOR_v1.1 REDIII Level A for Vietnam FOR
Level B management system at the level of the forest sourcing area	N/A

Annex 2a: EU RED II Supply Base Evaluation

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

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

Verification and monitoring of suppliers

Netma Phu Tho maintains a transparent, traceable, and compliant supply chain through systematic risk assessments and continuous monitoring. Before approval, all potential suppliers must undergo a rigorous initial evaluation based on the following criteria:
Legal Registration: Valid business licenses, tax IDs, and operational permits

- Land Tenure: Verified Land Use Rights Certificates (LURC/Red Book) or concession agreements confirming ownership and harvesting rights.
- Traceability & Permits: Official timber harvesting permits and accurate forest product inventory reports (packing lists).
- Certification Status: Valid FM or CoC certificates from recognized schemes like FSC, PEFC.
- Risk Profiling: Classification according to SBP risk indicators and the company's Due Diligence System (DDS) requirements.

Suppliers demonstrating 100% compliance with these mandatory legal and sustainability standards are admitted to the Netma Phu Tho Approved Supplier List.

Feedstock inspection and classification upon receipt

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

- The verification and monitoring workflow is strictly applied as follows: Gate Control & Inspection: Every delivery undergoes visual inspection upon receipt to verify it is a genuine by-product conforming to SBP secondary feedstock definitions.
- Traceability Documentation: Mandatory records—including supplier self-declarations, invoices, packing lists, and transport documents—are systematically collected and retained for audit purposes.

Non-Compliance & Contingency: In cases of insufficient evidence or data discrepancies, the supplier is flagged for the audit program. Corrective actions, such as load rejection or document revision, are immediately enforced and logged to maintain full SBP compliance.

Supplier audit for processing residues and post-consumer feedstock

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

1. Audit Procedure

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

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

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

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

Not Applicable (RED II TOF not included)

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

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