Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of DAI DUONG ENERGY IMPORT EXPORT COMPANY LIMITED

First Surveillance 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

Version 2.0	**Published 10 August 2023**
Version 2.1	Published 21 May 2025

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Table of contents

1 Overview **3**

2 Audit conclusions **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 5
2.3 Actions taken by Organisation Prior to Report Finalisation 5
2.4 Notes for the next Audit 5

3 Scope of the audit and SBP certificate **6**

3.1 Description of the company 7
3.2 Site details 7
3.3 Detailed description of the Chain of Custody system and Product Groups 7

4 Specific objective of the audit **9**

5 Evaluation process **10**

5.1 Timing and duration of evaluation activities 10
5.2 Auditor team qualification 10
5.3 Description of evaluation activities 10
5.4 List of forest management units and feedstock suppliers visited 11
5.5 Describe audit sampling methodology used 14
5.6 CB stakeholder engagement 14
5.7 Stakeholder feedback and response 14
5.8 Main strengths and weaknesses of the management system and operations 15
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 15
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 15
5.11 Summary of evaluation activities for chain of custody system per Standard 4 15
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 16
5.13 Summary of audit findings for competency of involved personnel 16
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 16

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable) **17**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 17
6.2 CB evaluation of specified risk indicators and mitigation measures 17

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:	Ai Pham Thi Ngoc
Audit team members:	Cu Ho Van Cu
Name of the Company:	DAI DUONG ENERGY IMPORT EXPORT COMPANY LIMITED
Company legal address:	L6-0.03, Ground Floor, HH5-2 Building, part of the Saigon – Ba Son Central Complex Project, No. 2 Ton Duc Thang Street, Sai Gon Ward Ho Chi Minh City, Viet Nam
Company contact for SBP:	Thi My Hoa Ta
Company contact email:	thanhthanhcoc@daiduongenergy.com
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-13-49
Date of certificate issue:	15 Oct 2025
Date of certificate expiry:	14 Oct 2030
Audit closing meeting date:	13 Aug 2026
Audit cycle:	First Surveillance 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):	Kersti Kuum
Date of decision:	06 Nov 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

Not applicable

2.4 Notes for the next Audit

The supply base comprises six provinces: Thanh Hoa, Nghe An, Ha Tinh, Quang Tri, Da Nang, and Dak Lak.

During this audit phase, the audit team conducted field evaluations in Thanh Hoa and Da Nang; the remaining provinces will be surveyed in the next phase.

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 Japan: Bridging Requirements for meeting Japanese sustainability, legality and GHG saving requirements v1.2; SBP Instruction Document EU RED: Bridging Requirements for Meeting EU RED v2.0
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	- Biomass producer and trader, with STD 1 and 2 added - Add one warehouse

3.1 Description of the company

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

DAI DUONG ENERGY IMPORT EXPORT COMPANY LIMITED is a producing wood pellet and trading in Vietnam. The main office is located in Ho Chi Minh City, and and the pellet plant is located at No. T5/9, Group 5, Binh Thuan 2 Quarter, Thuan Giao Ward, Ho Chi Minh City, Vietnam. Coordinates Latitude: 10.968029; Longitude: 106.721765

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
DAI DUONG ENERGY IMPORT EXPORT COMPANY LIMITED	12th Floor, TNR Tower, 180-192 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1 Ho Chi Minh	Head Office	☒
Binh Dinh Warehouse	Lot AI-4, AI-5, Long My Industrial Park, Quy Nhon Tay ward, Gia Lai province, Vietnam	Warehouse	☒
DAI DUONG ENERGY IMPORT EXPORT COMPANY LIMITED	No. T5/9, Group 5, Binh Thuan 2 Quarter, Thuan Giao Ward, Ho Chi Minh City, Vietnam	Production site	☒
Thanh Phuoc Warehouse	Plot No. 382, Map Sheet No. 3, Cay Cham Quarter, Tan Khanh Ward, Ho Chi Minh City	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 processing residues (shavings, sawdust) from sawmill/furniture factories within its defined supply base. The Chain of Custody system is based on the mass balance method with a three-month balancing period. One Product Groups have been defined: 40. The CoC system therefore relies exclusively on SBP requirements to ensure traceability and integrity of sustainability claims. The BP works with SBP-compliant biomass claims: 40 SBP-compliant. The BP will have an additional account for SBP-controlled biomass claims if required: 40 SBP-controlled. There are two storages in scope, as the organization

sells FOB at port facilities, operates strictly on a purchase-order basis, and maintains segregation throughout storage and dispatch.

4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the Biomass Producer's management system can ensure that all requirements of the specified SBP Standards Version 2.0, as well as the EU RED, Japan ID 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 and DDS;
- Interviews with responsible staff;
- Review of the records and calculations;
- Primary energy and carbon data collection evaluation.
- Evaluate SBVs, RMMs (using SBP-RED-AS-VN-FOR_v1.1) and Business integrity.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
2. On-site (excl. travel time)	Cu Van Ho	20.0
3. Report writing	Cu Van Ho	4.0
1. Preparation	Ai Phạm Thi Ngoc	4.0
2. On-site (excl. travel time)	Ai Phạm Thi Ngoc	8.0
3. Report writing	Ai Phạm Thi Ngoc	8.0
4. Other	Ai Phạm Thi Ngoc	4.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Cu Van Ho	Audit Team Member	Cu started to work with Preferred by Nature in August 2019. He has over 30 years of experience in the forestry sector in Vietnam and has acted as an FSC FM/CoC auditor in many countries including Vietnam, Laos, Cambodia, Thailand, Malaysia, Indonesia and China. 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
Ai Ngoc Pham	Audit Team Leader	Ai holds a Master of Arts in Development Economics and Bachelor's degree of Engineer Petrochemical and Organic Technology. Ai has qualified as the auditor for FSC CoC, SBP and has years of experience in wood pellet industry.

5.3 Description of evaluation activities

The audit was conducted on-site on 08-10 July 2026 and 13 August 2026. It was focused on management system evaluation: a division of the responsibilities, record keeping, input material classification (reception and registration), analysis of the existing certification management systems and CoC critical control points, energy and carbon data collection, and communication.
During the opening meeting on 08 July 2026, the audit team 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.

On 08-09 July, during interviews and documentation review, all applicable requirements of the SBP and CoC standards were evaluated. During the process, the person overall responsible 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 made. SAR, Japan ID and EU RED were also verified, visit processing residue suppliers .
On 09- 10 July 2026, storage, small forest owners and processing residues suppliers were visited and conducted a stakeholder consultation to:
- Evaluation of compliance of feedstock with the supply base and declared characteristics,
- Evaluation of compliance with the EU RED Level B Management system.
- During supplier evaluation, the implementation of control measures by BP within the CoC system was evaluated.
On the 13 August 2026, the auditor continued to review the documents. At the end of the audit, the findings were summarized, and preliminary audit conclusions based on the use of triangle evaluation method were provided to the BP's management and SBP responsible person.

5.4 List of forest management units and feedstock suppliers visited

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

Site name
PR2
Site location
Dong Nai
Site description
Wood Processing & Sawmill
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.
Description of audit activity
The supplier is certified It is a main supplier of Sawdust. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
PR3
Site location
Dong Nai
Site description
Wood Processing & Furniture and Plywood Manufacturer
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.

Description of audit activity
It is a main supplier of Shavings and Sawdust. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
PR1
Site location
Ho Chi MInh city
Site description
Wood Processing & Sawmill
Rationale and focus of visit
Audits of the feedstock suppliers to confirm that Biomass Producer system for feedstock verification is effective.
Description of audit activity
The supplier is certified It is a main supplier of Shavings. The supplier has signed a self-declaration, and their indicative volume of waste or residue (secondary). By reviewed document, interviewed and onsite inspected, the auditor confirmed that Biomass Producer system for feedstock verification is effective.

Site name
MU ID 01
Site location
Da Nang
Site description
Posted harvested Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
ID MU 02
Site location
Da Nang
Site description
Posted harvested Acacia plantation
Rationale and focus of visit

Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
ID MU 03
Site location
Da Nang
Site description
Posted harvested Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
ID MU 04
Site location
Da Nang
Site description
Posted harvested Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
ID MU 05
Site location
Thanh Hoa
Site description
Posted harvested Acacia plantation

Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

Site name
ID MU 06
Site location
Thanh Hoa
Site description
Posted harvested Acacia plantation
Rationale and focus of visit
Evaluation of risk mitigations about conversion, stumps and roots, burning practices, and watercourses.
Description of audit activity
The onsite verification involved a visual focus on the following aspects: - LURC issued before 2008 that is not related to conversion. - Harvesting practices, including stumps, roots, and site preparation without burning. - Buffer-zone management, such as watercourses and riverside areas.

5.5 Describe audit sampling methodology used

When preparing for the first surveillance and during on-site work, 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; - purchases and sales transactions confirmed that the system is effectively implemented for the current scope of activities. - 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 processing residues feedstock: Based on the list of suppliers, which included five (05) suppliers, the auditor selected three of them for a visit [sqrt (5)=3]. Six small forest owner sites (FMUs) that supplied logs to three processing residues suppliers were selected for onsite evaluation. FMUs were selected for logistical reasons and to ensure a representative sample. 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 interview results indicated the following:

- Households in the area have been issued land use right certificates.
- The land is designated and utilized for the production of forest plantations.
- Since 2008, there have been no conversions from natural forest to plantation forest.
- Forest fires have occurred on a small scale and have been addressed promptly.
- There have been no significant cases of erosion or landslides recorded in the area.

5.8 Main strengths and weaknesses of the management system and operations

Strengths: With the support of an external consultant from Biomass Consult in SBP, AVP managed a small group of people who will work with SBP-related activities, and the responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization.

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 beacuse 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

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

• The Organization has a structured system for verifying and monitoring suppliers. This system consistently applies supplier inspections, document reviews, and cross-checks with local authorities. Records of weight, moisture, and quality are maintained for each delivery, ensuring verification against invoices and mass balance documentation.
• Supplier audits are conducted annually, and signed statements of understanding formalize the sustainability obligations. During the assessments, inspection records, audit documentation, and supplier files were thoroughly reviewed.
• Visits to suppliers of processing residues confirmed that controls are effectively implemented and that the characteristics of feedstock are accurately classified and recorded upon receipt.
• The system was found to be effective, and no gaps were identified during the audit.

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

- BP has implemented a mass balance module that tracks input feedstock data and output biomass, ensuring they are equivalent. Positive balances are carried over to the next reporting period. The Chain of Custody (CoC) system is used to manage this mass balance, where critical control points (CCP) are monitored from the weighbridge to the biomass storage area. Identification signboards have been installed for clarity.

- Clear procedures are in place that cover the requirements outlined in version 2.0 of the SBP handbook. Training records, internal documentation, and both purchase and sale invoices are maintained and aligned with the annual

volume summary.

- Business integrity is firmly established, with a Red commitment signed by senior management. There is a strict policy against subcontracting activities.

- SEP has been established and implemented.

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

The Organization gathers data on energy usage, feedstocks, and transportation from various departments. This information is then consolidated and summarized in the SAR by the responsible individuals.
Most of the values are based on actual data, while some average values have been derived from sample measurements.
These estimations and averages are supported by documented justifications and align with operational records.
The data set has been found to be consistent and adequate, ensuring reliable reporting in accordance with ID 5E.

5.13 Summary of audit findings for competency of involved personnel

The organization has a documented management system that includes a set of procedures related to certification. Designated personnel are responsible for implementing and maintaining this management system. During the interview and documentation review, a strong awareness of the requirements was demonstrated.

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 the SBP Risk Assessment for Vietnam (SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim). The risk assessment concluded with 13 specified risk indicators for small forest owners. BP referred to the Sustainable Building Values (SBVs) and established appropriate Risk Mitigation Measures (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 strategies at the forest-sourcing area level (Level B).
• Relevant Vietnamese laws were considered, including the Forestry Law No. 16/2017/QH14, the Land Law No. 31/2024/QH15, the Labor Code No. 45/2019/QH14, Decree 156/2018/ND-CP, and Circular 13/2023/TT-BNNPTNT.
• Stakeholders were identified for the specified risk indicators pertinent to BP's Stakeholder Engagement Plan (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 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. Specific risks are detailed in the following indicators.
Detailed description of a mitigation measure
• Verification of the business registration certificate for the sawmill. • Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner. • Stakeholder consultation on land boundary disputes • Factory gate weighbridge ticket
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor analyzed a sample of entries received in the reporting period included Packing list (Bảng kê lâm sản 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 on-site 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
1.1.2 Legal ownership of land and resource use rights shall be respected.
Specified risk description
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.
Detailed description of a mitigation measure
• Verification of the business registration certificate for the sawmill. • Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner. • Stakeholder consultation.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The audit team analyzed a sample of entries received in the reporting period included Packing list (Bảng kê lâm sản in Vietnamese) purchase documents, delivery notes invoices, origin information in comply with all existing applicable laws and regulations. 2. Field visits were conducted to verify onsite 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
Refer SBP-RRA-AS-VN-FOR v1.0 Vietnam's forestry regulations mandate traceability and legality under Circular No. 26/2022/TT-BNNPTNT and Decree No. 102/2020/ND-CP (VNTLAS). Forest owners or authorized individuals must prepare packing lists for harvested, transported, or exported forest products. VNTLAS outlines criteria for managing timber legality, import/export regulations,

and origin tracing. Compliance with CITES and EUTR is required for endangered species, as specified in Decree No. 84/2021/ND-CP. https://thuvienphapluat.vn/van-ban/Tai-nguyen-Moi-truong/Circular-28-2018-TT-BNNPTNT-sustainable-forest-management-431327.aspx?tab=1 - Circular No. 26/2022/TT-B NNPTNT, dated 30/12/2022 on management and tracing of forest products. - Vietnam's forest management system is overseen by the Ministry of Agriculture and Rural Development (MARD), with provincial and district-level departments handling local governance. Specified risk for the small forest owner

Detailed description of a mitigation measure

- Stakeholder consultation
- Factory gate weighbridge ticket
- Verify the forest product packing list
- Procurement of tree species not from CITES list

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Field visits were conducted to verify on-site 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 measure

- Check if there was the land use right certificate issued before 2008. In this case, check the land use purpose;
- Interviewed competent authorities and landowners across all sourcing areas

Detailed description of CB evaluation of mitigation measure and its conclusions

1. During interview with local authority they confirmed that the area was allocated for

plantation since 2000, map of supply base area are available for cross-check,then 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
• Traceability Document Review: Verify traceability documents including Forest Product Packing Lists and Land Use Rights Certificates - LURCs to trace the origin of the roundwood back to the specific forest level. • Supplier Training: Conduct training for sawmills on sustainable soil management practices, and require them to disseminate these instructions to their roundwood suppliers. • Field Verification: Conduct field assessments to check for the absence of widespread burning of vegetation and verify the retention of harvest residues on-site after harvesting.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with local authority and forest protection dept (FPD) and direct interview farmers about soil quality management, the auditor advise that the farmer applied technic of maintenance and actively enhances soil quality by: - Implement conservation tillage and cover cropping - Use integrated nutrient management (organic + inorganic) - Avoid practices that lead to erosion. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner

Indicator
2.2.4 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
• Traceability Document Review: Verify traceability documents including Forest Product Packing Lists and Land Use Rights Certificates - LURCs to trace the origin of the roundwood back to the specific forest level. • Supplier Training: Conduct training for sawmills on the environmental protection measures outlined in Circular 13/2023/TT-BNNPTNT, and require them to disseminate these guidelines to their roundwood suppliers. This encourages them to voluntarily assess and minimize negative environmental impacts during forestry activities. • Field Verification: Conduct field assessments to check for the absence of widespread burning of vegetation and verify the retention of harvest residues on-site after harvesting
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 quality and quantity of groundwater, surface water, and water downstream shall be maintained or enhanced, the auditor recognized that to avoid harvesting of stumps and roots: No remove stumps and roots for acacia plantation, 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

- Stakeholder Consultation
- Supplier Training: Water Resource Protection (Stream Buffer Zones).
- Field Verification: Inspect for the presence of streams and rivers, and confirm the retention of appropriately sized, unharvested buffer zones.

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 quality and quantity of groundwater, surface water, and water downstream shall be maintained or enhanced, the auditor recognized that:
- The forest owner understands and follows the water management guidelines provided by local authorities, FPD
- Site surveys show that river corridors are protected.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

Small forest owner

Indicator

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

Specified risk description

Referred SBP-RRA-AS-VN-FOR v1.0, Forest fire and pest management in the forestry sector is implemented by the 2017 Forestry Law and related legal regulations. Vietnam's online forest fire monitoring system (referred to as FireWatch Vietnam) has also been established, which is an automatic system for early detection of fire spots (hotspots) throughout Vietnam from MODIS and AVHRR image data on TERRA, AQUA satellites and NOAA satellites regularly collected at the TeraScan receiving station located at the Forest Protection Department. Refer SBP-RRA-AS-VN-FOR v1.0 Result: Specified risk for the state organization and the small forest owner

Detailed description of a mitigation measure

- Supplier Training: Provide training to secondary suppliers on safe fire management and pest control techniques, requiring them to disseminate these guidelines to their roundwood suppliers.
- Field Verification: Conduct field assessments to verify safe burning practices, confirm the presence of firebreaks (where applicable), and inspect for evidence of severe pest outbreaks that indicate poor management

Detailed description of CB evaluation of mitigation measure and its conclusions

1. On-site visit and stakeholder consultation with local communities and authorities to confirm that fires, pests and diseases at plantations are well managed by small forest

owners with strong final support from local authority and BP.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
4.1.8 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 mediumsized 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
• Training of Direct Suppliers: The BP conducts annual training sessions for sawmill management and representatives covering SBP standard requirements, with a strong focus on technical guidelines and Occupational Health and Safety (OH&S). • Cascade Training Requirements: Through supplier agreements, the BP requires all supplying sawmills to conduct regular safety and technical training for their own enterprise workers. Furthermore, sawmills are required to act as an intermediary to disseminate these requirements to their roundwood suppliers
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviews training records at the company's office and interviews forest owners in the field, while also consulting with local authorities to confirm that relevant personnel have received adequate training on SBP standards. 2. Mitigation measures are assessed as sufficient to ensure that incoming feedstock is received at a low-risk level.

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

According to SBP-RRA-AS-VN-FOR v1.0 and national statistics (2023), forestry is not among the sectors with the most serious fatal occupational accidents in Vietnam. However, the wood processing industry still faces significant challenges in labor compliance. Most enterprises operate with outdated machinery, low technology, and a workforce that includes a high proportion of seasonal workers (40–45%). Despite having around 4,500 enterprises and 500,000 workers, compliance with occupational safety and labor regulations remains limited. In particular, small and micro enterprises (approximately 93%) often use outdated equipment, leading to inadequate control of occupational hazards such as dust, noise, and slipping risks, which increases the likelihood of workplace accidents and occupational diseases. Specified risk for the state organization and the small forest owner

Detailed description of a mitigation measure

Mitigation measure	Implementation in Vietnam
Establish an OHS policy	Require feedstock suppliers, harvesting contractors and processing facilities to adopt a written OHS policy appropriate to their operations.
Conduct workplace risk assessments	Identify hazards associated with chainsaws, falling trees, loading, timber transport, machinery, dust, noise and fire.
Provide personal protective equipment (PPE)	Ensure workers have suitable helmets, safety boots, gloves, eye and hearing protection, and chainsaw protective clothing where appropriate.
Provide OHS training	Organise training on safe harvesting, machinery operation, emergency response, first aid and fire prevention.
Implement safe operating procedures	Establish procedures for harvesting, log loading, transportation, sawmilling, chipping and pellet production.
Provide emergency preparedness measures	Ensure first-aid supplies, emergency contacts, evacuation arrangements and appropriate fire-fighting equipment are available.
Monitor working conditions	Conduct periodic safety inspections at harvesting sites, collection points and processing facilities.
Establish accident reporting procedures	Require reporting and investigation of workplace accidents, injuries and near misses.
Communicate safety requirements	Provide understandable safety instructions, including Vietnamese-language instructions and other languages where needed.
Verify effectiveness of mitigation	Conduct risk-based supplier assessments and field verification to confirm that safeguards are implemented in practice.

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor reviews procedures of CH, interviews and on-site verification to confirm that:
Training of forest owners made by the BP's supplier and harvesting teams on health and safety provisions during the harvesting activities; and provision of personal protection equipment (PPE) to harvesting teams the auditor interviewed the harvesters, observed onsite and confirmed they workers use PPE (Helmets, protective footwears, gloves).
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
4.2.4 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/TTBNNPTNT, 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
• Authentication of the Land Use Rights Certificate (LURC) or land allocation records of the forest owner • The company maintains a publicly accessible grievance mechanism (via website, hotlines, or local community channels) allowing local communities, ethnic minorities, or stakeholders to report any land disputes or violations of traditional rights related to the company's supply chain. • Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify that smallholders' forestry activities respect traditional customary rights and that no unresolved land tenure disputes exist
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Interviews small forest owners, local people on-site as well as local authorities, to confirm that no adverse impacts occurred.

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

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
4.2.5 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
• Grievance Mechanism: The company establishes and maintains a documented, publicly accessible Grievance Mechanism (e.g., via company website, public hotlines, or email). This mechanism allows any stakeholder to raise complaints or disputes regarding land tenure, forest ownership, and use rights related to the BP's supply base. All received grievances are recorded, investigated, and responded to systematically. • Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify the absence of ongoing, unresolved tenure disputes in the harvesting areas supplying the sawmills
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviewed LURC and confirmed that tenure and use rights of the forest and other land management practices have been officially indicated in LURC 2. Interviewed farmers and local people on-site, as well as local authorities, to confirm that farmers in the region have granted LURC. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
Small forest owner
Indicator
4.2.6 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

Field Verification and Stakeholder Consultation: Conduct on-site assessments and consult with relevant stakeholders to verify that the harvesting activities of the supplying forest owners did not negatively impact local communities.

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Interviews farmers, local people on-site as well as local authorities to confirm that farmers in the region have granted LURC.
2. FPIC has been in practice for the CH in any proposed and planned activities.
3. Mitigation found sufficient to ensure that the feedstock is received as low risk