



Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Nhat Nguyet Anh Company
Limited

Second 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

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Hau Nguyen Van
Audit team members:	Ai Pham Thi Ngoc
Name of the Company:	Nhat Nguyet Anh Company Limited
Company legal address:	Tung Chanh, Hoa Hoi Commune Gia Lai Province, Viet Nam
Company contact for SBP:	Giang Ho Thi Truc
Company contact email:	trucgiangnguyetanh@gmail.com
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-10-85
Date of certificate issue:	28 Jun 2024
Date of certificate expiry:	27 Jun 2029
Audit closing meeting date:	15 May 2026
Audit cycle:	Second 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:	15 Jul 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

NC number 9328		NC Grading: Minor
Standard:	SBP Standard 1: Feedstock Compliance v2.0	
Requirement:	N/A N/A 2 22 Ecosystem productivity, functions, and services are maintained or enhanced. 223 Soil quality in the Supply Base shall be maintained or enhanced	
Description of Non-conformance and Related Evidence:		
While reviewing SBP-RRA-AS-VN-FOR v1.0, the risk assessment concluded specified risk related to short forest planting rotation and the widespread burning of vegetation. It was noted that practice of forestry activities within the supply base, the soil was plowed, the stumps were plucked; which may impact negatively the carbon stock below ground and soil quality; but BP recorded in the SBR that local authorities regularly promoted and encouraged smallholders to clear the roots by digging and hoeing, avoiding burning the ground cover, causing landslides, erosion, environmental pollution and easily leading to forest fires. The auditor considered the risk of negative impact on soil quality and raised a minor NCR for this practice.		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	
Evidence Provided by Company to close NC:	SBR updated, Training record	
Findings for Evaluation of Evidence:	Regarding NCR 2025-002997, the BP confirmed that she has given incorrect information on SBR. The soil was plowed and/or the stumps were plucked which happened for a small amount of smallholders. BP understands that these activities are not good for environmental values. BP has updated SBR without information and trained the smallholders about that. BP monitors these activities and when they discover in the plantation, soil is plowed and/or stumps are plucked, the BP shall remove them out of its supply chain.	
NC Status:	Closed	

NC number 9329		NC Grading: Minor
Standard:	SBP Standard 1: Feedstock Compliance v2.0	
Requirement:	N/A N/A 2 22 Ecosystem productivity, functions, and services are maintained or enhanced. 2211 The impacts of natural processes such as fires, pests and diseases shall be managed.	
Description of Non-conformance and Related Evidence:		
Though it was clear that BP took steps to check on the impact natural processes, the report was solely mentioned on fire. No such pest and diseases was mentioned. A minor NCR is raised.		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	
Evidence Provided by Company to close NC:	SBR updated	

Findings for Evaluation of Evidence:	Regarding NCR 2025-002998, the BP representative lacked mentioning pest and diseases in SBR. They updated SBR with all information of the impact of natural processes such as fires, pets and diseases. The auditor reviewed SBR and confirmed the compliance. Therefore, NCR 2025-002998 was closed.
NC Status:	Closed

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

N/A

3 Scope of the audit and SBP certificate

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

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.

Nhat Nguyet Anh is a biomass producer in Gia Lai Province and has been operating since November 2023. The BP will also source raw materials from Gia Lai Province, Vietnam, through VNRRRA and its RMMs to produce SBP-compliant biomass products. The finished products are sold to various end users worldwide.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Nhat Nguyet Anh Company Limited	Tung Chanh, Hoa Hoi Commune, Gia Lai Province, Vietnam	Biomass Producer	☒
No.2A Warehouse	02 Phan Chu Trinh, Quy Nhon ward, Gia Lai province, Vietnam	Warehouse	☒
Phu Loi Warehouse	P4GH+8VQ, Quy Nhon Tây, Gia Lai, Vietnam	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.

Nhat Nguyet Anh implements FSC Chain of Custody (CoC) for sourcing primary feedstock with the FSC 100% claim, applies DDS for FSC Controlled Wood (CW) claims in Vietnam, and manages the biomass production process accordingly. •

During the reporting period, the facility used primary feedstock only. • Tree species: Acacia (Acacia spp.). •

The same source is used for both production and burning. A mass balance system has been implemented, with certified production using the transfer system claim. Pellets are transported by truck to two warehouse near the Quy Nhon Port and at the delivery time, the wood pellet transported to Quy Nhon Port and loaded directly onto the vessel under the FOB Incoterm.

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_v1.0-REDIII-Level-A-for-Vietnam-FOR_Draft)

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Hau Nguyen Van	2.0
2. On-site (excl. travel time)	Hau Nguyen Van	12.0
3. Report writing	Hau Nguyen Van	4.0
4. Other	Ai Pham Thi Ngoc	4.0
2. On-site (excl. travel time)	Ai Pham Thi Ngoc	12.0
3. Report writing	Ai Pham Thi Ngoc	12.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	Role	Qualification
Hau Nguyen Van	Audit team leader	Hau graduated with a bachelor's degree in Environment and Natural Resource Economic from the University of Agriculture and Forestry of Ho Chi Minh City, Vietnam and Advanced Diploma in Forest Management. He has over 10 years' working experience in Forestry, Community Development, Timber industry and supply chain. Hau is a qualified FSC FM, FSC CoC auditor, FSC trademark agent, PEFC auditor, SBP auditor and has conducted several audits across APAC region. He has worked with Preferred by Nature since November 2020
Ai Pham Thi Ngoc	Audit team member	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 and has years of experience in wood pellet industry

5.3 Description of evaluation activities

The audit was conducted on-site on 16 April 2026 and 15 May 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 16 April 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 16 April 2026 and 15 May 2026, 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.

On 16 April 2026, suppliers of primary feedstock (small forest owners) were visited and stakeholder consultation conducted to:

- Evaluation of compliance of feedstock with the supply base (Standard 1) 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.
- Visited the external storage sites.

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
MU ID: 01
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 02
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit

SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 03
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 04
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 05
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site

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

Site name
MU ID: 06
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 07
Site location
Gia Lai Province
Site description
Acacia plantation, Post harvested site
Rationale and focus of visit
SBE and EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 08
Site location
Gia Lai Province
Site description

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

Site name
MU ID: 09
Site location
Gia Lai Province
Site description
Acacia plantation, Active harvesting
Rationale and focus of visit
SBP SBE, EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 10
Site location
Gia Lai Province
Site description
Acacia plantation, Standing tree
Rationale and focus of visit
SBP SBE EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

Site name
MU ID: 11
Site location
Gia Lai Province

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

Site name
MU ID: 12
Site location
Gia Lai Province
Site description
Acacia plantation, Standing tree
Rationale and focus of visit
SBP SBE EU RED
Description of audit activity
Origin confirmation and relevant documentation check to confirm legality. Interviews and observations to evaluate rotation crops procedures, uses of fertilizers, chemicals or pesticides, soil management measures, buffer zones, and site preparation

5.5 Describe audit sampling methodology used

When preparing for the audit and during on-site work, a sampling has been implemented, based on the following criteria: - full review of procedures; - full review of training records; - sample review of information related to suppliers; - a review of SAR, SBR, Master datasheet, invoices; - interviews with staff to evaluate theoretical and practical experience of implementation. Under Standard 1 and EU RED framework and to evaluate company management system a desk revision of evidence and documents was conducted. Additionally, auditor visited a sample of Forest Management units to verify the compliance with Standard 1 and EU RED framework during the reporting period. During the reporting period, the BP purchase from 346 suppliers for feedstock. Based on that, the auditor apply the formular $0.6 \times \text{square root of the number of Mus}$ but randomly selected a sample of 12 MUs to conduct forest on site verification including: post harvested site, actively harvesting, standing trees, stream corridor etc that cover "specified risk" indicators and EU RED level B indicators.

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.

During the audit, the auditor also conducted in person interview with forest owners, forest ranger, People's Committee at commune level.

5.7 Stakeholder feedback and response

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

The results of the interviews showed that:

- The households in the area were granted land use right certificates
- The land area was planned and used for production of forest plantations
- There has been no conversion from natural forest to plantation forest since 2008
- Forest fires occurred on a small scale and were promptly handled
- There were no serious erosion or landslides recorded in the area

There were no negative comments or concern raised by the stakeholders received before, during and after the assessment

5.8 Main strengths and weaknesses of the management system and operations

Experienced in SBP, FSC CoC + CW certification for years.

- Small number of management staff and clearly designated procedures
- OHAS in place
- Robust recordkeeping system, ensuring transparency
- Experienced and dedicated staff, well planned.

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. The risk assessment concluded with 15 specified risk indicators for small forest owners with for all types of planation. BP referred to SBVs and established adequate RMMs for each indicator to reduce risk to a low level.
- The BP only used feedstock from small forest owners (Acacia), there are only 13 specified risk indicators.
- 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

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

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

BP implemented mass balance module in which input feedstock data and output biomass are kept track and equivalent.

COC system is utilized by the FSC COC module, in which CCP is controlled from weighbridge point to biomass storage. Identification signboards in place.

Clear updated procedures covering requirements version 2.0 in SBP handbook, training records, internal records, purchase and sale invoices (FSC claim) are kept and matched with the annual volume summary, business Integrity is documented, RED commitment is signed by Senior management, and no sales with SBP claim during reporting period. SEP is established and implemented.

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

Standard 5 and ID5E are included in the scope of certification. The Organization collects and provides data correctly on SAR.

There was no SBP claim on SAR during the audit period; however, the SBP manager has access to all the required data to communicate further energy and carbon information to customers.

5.13 Summary of audit findings for competency of involved personnel

Personnel performing critical tasks (e.g. quality control, safety, sustainability) meet defined competency standards

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

☒ N/A – Standard 6 not in the scope

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

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

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

- BP's SBE is based on SBP-RRAS-VN-FOR_v1.0-RRAS-for-Vietnam-FOR_Interim. The risk assessment concluded with 15 specified risk indicators for small forest owners with for all types of planation. BP referred to SBVs and established adequate RMMs for each indicator to reduce risk to a low level.
- The BP only used feedstock from small forest owners (Acacia), there are only 13 specified risk indicators.
- 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.
- For the indicator related to maintaining soil quality and biodiversity, the Organization implemented risk assessment and risk mitigation at the forest sourcing area level (Level B).
- System is implemented for all indicators under EU RED with Level B. Legality issues are handled by reviewing land use rights, land disputes, location, boundaries, and forest product inventory.
- Soil quality and biodiversity is ensured through a number of measures starting with training and instructions to forest owners and monitoring of harvesting activities, conversion issues are also evaluated through stakeholder consultation, land use right documents, forest maps, etc.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Viet Nam
Area/Sub-Scope
N/A
Indicator
1.1.1 Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Specified risk description
Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal rules for some aspects is still inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all smallhouse plantation.
Detailed description of a mitigation measure
- Land Use Right Certificate or equivalent - The management contract or other agreements with the owner shall indicate clear management rights. - Valid business registration documents shall exist if supplier is company. - Inspections of harvesting sites shall confirm that harvesting takes place within property limits (including felling, extraction, and log landings)

- Stakeholder consultation.
- Site verification

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor analyzed a sample of entries received in the reporting period from primary feedstock included Packing list (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

N/A

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

FSC CW/Controlled materials :

- Document reviewing: Checking land use right certificates (LURCs), land title deeds, or equivalent documents
- On-site inspection
- Consultation with relevant parties

Detailed description of CB evaluation of mitigation measure and its conclusions

1. Auditor analyzed a sample of entries received in the reporting period from primary feedstock 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
N/A
Indicator
1.1.3 Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Specified risk description
The primary feedstock in Vietnam is mainly sourced from planted production forests. The main species used for forest plantations include Acacia, Eucalyptus and Rubber, which are in the list of major forestry species (Circular 22/2021/TT-BNNPTNT dated 29/09/2021) and not listed under CITES. Harvesting permits are required for state-owned forest owners but not for households and individuals, while forest product inventory is mandatory for all forest owners. In practice, state owned organizations fully comply with the requirements for approving harvesting plans and forest product inventory. Smallholders mainly sell standing trees to intermediaries or traders. Therefore, filling in the forest product inventory is delegated or assigned to intermediaries or traders. Intermediaries or traders are not allowed to fill in the forest product inventory, which does not comply with current laws (Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). In addition, the implementation and control of forest inventory for private forest owners has yet to be fully implemented. Therefore, specific risks are identified for feedstock originating from small forest owners and private organizations related to the requirement of forest inventory.
Detailed description of a mitigation measure
FSC CW/Controlled materials : - Check CITES and EUTR lists - Consult with relevant parties - Inspect the site to determine if the species to be purchased, or the timber collection area, is on the CITES list to implement appropriate zoning and harvesting methods
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
N/A
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 land title certificate, land use rights certificate, or equivalent documents - Consult with relevant parties
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Map of supply area is available, during interview with local authority they confirmed that the area was allocated for plantation since 2000, then mitigation is accepted. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
N/A
Indicator
2.2.2.3 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
FSC CW/Controlled materials: - Consultation with stakeholders - On-site inspection of logging operations - Interviews with forest owners
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with 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
N/A
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
FSC CW/Controlled materials: - Consult with stakeholders - Site verification
Detailed description of CB evaluation of mitigation measure and its conclusions
1. By conducting on-site visits and consultation with the local authority and the forest protection dept (FPD) and direct interviews with farmers about quality and quantity of groundwater, surface water, and water downstream shall be maintained or enhanced, the auditor recognized that: - Avoids harvesting of stumps and roots: No remove stumps and roots for acacia, eucalyptus. 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
N/A
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

FSC CW/Controlled materials:

- Stakeholders consultation
- Site checking

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 the group manager.
 - Site surveys show that river corridors are protected, and native species are planted.
 - This approach is described in the environmental impact assessment (EIA) of group management
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

N/A

Indicator

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

Specified risk description

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

Detailed description of a mitigation measure

FSC CW/Controlled materials:

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

Detailed description of CB evaluation of mitigation measure and its conclusions

1. 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
N/A
Indicator
4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.
Specified risk description
Vietnamese law has policies and regulations on vocational training and education for small and medium-sized enterprises in all production sectors. Training facilities in the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance for enterprise workers has yet to be fully implemented. For small forest owners, production activities are mainly based on practical experience without training. Therefore, this indicator is assessed as a specified risk.
Detailed description of a mitigation measure
FSC CW/Controlled materials: - Consultation with stakeholders - On-site inspection of logging operations - Interviews with forest owners and logging workers
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviews training records at the central office of CH and on-site at the plantation camp and staff interviews to confirm that the relevant staff have provided adequate training on SBP standards 2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
N/A
Indicator
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Specified risk description

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

Detailed description of a mitigation measure

FSC CW/Controlled materials:

- Consult with stakeholders
- Site verification
- Interview forest owners and logging workers

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor reviews procedures of CH and staff interviews on-site at the plantation camp to confirm that the relevant staff clearly understand of it.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country

Viet Nam

Area/Sub-Scope

N/A

Indicator

4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.

Specified risk description

Regarding traditional customary ownership, the State always has a preferential policy for local communities and ethnic minorities in granting forest land use rights. The legal use rights according to traditional customs of local communities are also protected by the provisions of the Forestry Law and Circular 28/2018/TT BNNPTNT, Circular 13/2023/TT-BNNPTNT on sustainable forest management. Still, the identification of forests with significance in customs, practices and beliefs has only been well implemented by forest owners who are state organizations. For forest owners who are private organizations or small forest owners, the identification of forests with significance in customs, practices, and beliefs has yet to be fully implemented or has only stopped at the identification stage without solutions to ensure respect for traditional use rights. Thus, this indicator is assessed as low risk for state organizations and specified risk for private organizations and small forest owners.

Detailed description of a mitigation measure

FSC CW/Controlled materials:

- Consult with stakeholders
- Interview with local people

Detailed description of CB evaluation of mitigation measure and its conclusions

1. The auditor reviews procedures of CH and staff interviews on-site at the plantation camp to confirm that the relevant staff clearly understand of it.
2. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
N/A
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
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
FSC CW/Controlled materials: - Stakeholders consultation - Site checking
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The auditor reviewed the FMP of the group and confirmed that tenure and use rights of the forest and other land management practices have been officially indicated in LURC 2. Interviews farmers, local people on-site at the plantation camp, as well as local authorities, to confirm that farmers in the region have granted LURC. 3. CH also undertakes SIA annually to identify any negative impact, 4. Mitigation found sufficient to ensure that the feedstock is received as low risk

Country
Viet Nam
Area/Sub-Scope
N/A
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

FSC CW/Controlled materials:
- Consultation with stakeholders

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