

**DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

## **DRI and the pilot application of voluntary guidelines and sustainable development program**



### **MAIN CONTENTS**

- *Introduction of Dak Lak Rubber Investment Joint Stock Company;*
- *Evaluation before and after participating in the pilot program co - implemented by PanNature - Oxfam Vietnam - VCCI;*
- *Achievements;*
- *Recommendations.*

**DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY**HEADQUARTER**

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Stock code: **DRI**

**DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY**MAIN BUSINESS ACTIVITIES**

- Investing in planting, caring, exploiting rubber trees;
- Processing and exporting products from rubber trees.



## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### MAIN BUSINESS ACTIVITIES

- Planting, tending, harvesting, processing, buying high quality bananas and other fruit trees for sale to supermarkets, retail chains and for exporting.



## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### Subsidiaries:

1) Dak Lak Rubber Company Limited (Short name: DAKLAORUCO) - 100% capital invested by DRI

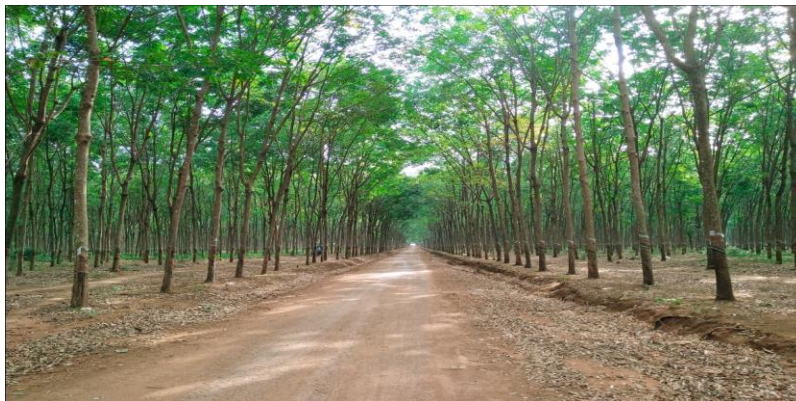
- Add: Tha Luong Village, Pakse District, Champasak Province, Laos



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The total areas under the company's management: 9,326.79 ha, of which:

- The rubber: 8.810,5 hectares, 90% area has been tapped
- Cashew: 498.64 hectares
- Eucalyptus: 17.65 hectares

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2) CNC-DRI Agriculture Company (DRI invests 75% of charter capital)

- Address: Cùk pò Commune, Krong Buk District, Dak Lak Province, Vietnam
- Total area of intercropped with banana, durian, rubber is 226 ha, among which 77.78 ha was cultivated in 2018.



## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### VISION

- By 2025, DRI will shape the business of some high-tech agricultural crops.
- By 2030 DRI will be a reputable company in the rubber industry in Southeast Asia.

### MISSION

- Towards of tsustainable development, bringing sustainable benefits to related stakeholders: the community, employees, customers, partners and shareholders he company.

## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### DEVELOPMENT STRATEGY

Good management of rubber projects in Laos

Development of high-tech agricultural production projects in Vietnam

Establishing a solid foundation for the development of products representing company's brand

Building a corporate culture with its own identity

Designing and implementing the roadmap for sustainable and environmentally friendly rubber development

## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### **DIFFICULTIES**

- The financial situation (high ratio of short-term debt with short-term assets);
- Laos does not have seaports for directly exporting, which leads to high logistics and material costs;
- Limited Infrastructure
- Incomplete policy system in Laos
- Low capacity of local workers in Laos
- Unstable price of rubber and the potential of alternative materials
- Trade war between America and China

## **DRI** DAKLAK RUBBER INVESTMENT JOINT STOCK COMPANY

### **ADVANTAGES**

- Long productive phase of rubber, new rubber variety, high productivity
- Compact management system, low cost (indirect rate <7.5%)
- Effective support of local authorities



## 1. LIMITATIONS BEFORE PARTICIPATING IN THE VOLUNTARY GUIDELINES

Limited understanding and access to international conventions on environment and human rights

The risks related to the culture and customs of the indigenous people have not been fully assessed

Requirements of NGOs on sustainable forest certification

Awareness of Sustainable Development

Uncomfortable when contacting and sharing information with NGOs

## 2. ACTION BEFORE PARTICIPATING IN THE VOLUNTARY GUIDELINES

- ➔ Select areas with climatic and soil conditions suitable to the development and growth of rubber trees

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- ➔ Agreement with people on compensation, priority of recruiting workers in the project area

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- ➔ Select the latest, most advanced varieties recommended by the Rubber Research Institute for Planting

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- ➔ Prepare environmental impact assessment report on latex processing plant

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- ➔ Taking care of the physical and spiritual life for workers

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- ➔ Support the community

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### 3. CHALLENGES

- Requirements of rubber consumers
- Requirements and criteria for sustainable development
- Limited resources to implement including financial and human resources
- Limited awareness of employees about sustainable development

### 4. The process of participation in voluntary guidelines

8/2017	Signing memorandum between DRI, Pan Nature, Oxfarm, VRA
11/2017	Survey, assess the situation in Daklaoruco
7/2018	DRI Management Board issued the Sustainable Development Strategy and Action Plan for the period 2018-2021
11/2018	Issued detailed action plan for 2018-2019
10/12/2018	Meeting with NGOs in Vientiane Laos
11-14/12/2018	<ul style="list-style-type: none"> <li>- Sharing experiences with Lao and community workers about the Company's policies: Recruitment, discipline, training, social insurance, ... through infographic</li> <li>- Visiting latex receiving station of Viet-Lao Rubber Company</li> </ul>

**WORK WITH DAKLAORUCO IN THE FIRST SURVEY TRIP**



**CONSULTATION WITH LOCAL PEOPLE ON LAND POLICY**



**CONSULTATION WITH NOONG COMMUNE ON THE COMPANY'S POLICIES**



**CONSULTATION WITH THE WORKERS ON SALARY - INCENTIVES  
AND SOCIAL INSURANCE POLICIES**





**MEETING WITH NGOS IN VIENTIANE, LAOS**



### **INSTRUCTIONS ON THE COMPANY'S POLICIES IN NOONG NAM KHA COMMUNES**



### **ACTIVITIES BEFORE TRAINING FOR WORKERS IN RUBBER LOTS**



INFOGRAPHIC



Implementation Plan for sustainable development of Daklaoruco 2018 - 2019

#	Activities	Time					Note
		Q4.2018	Q1.2019	Q2.2019	Q3.2019	Q4.2019	
1	<b>Labor</b>						
1.1	<b>Improve working conditions for workers on rubber gardens</b>						
1.3.1	<b>Piloting the construction of a rubber collecting point at the Construction Site 1. Requirements:</b> <ul style="list-style-type: none"> <li>Construction of reservoirs for team leaders to collect rubber latex from farmers</li> <li>Equipment for pumping rubber latex from storage tanks to truck tank (assigned to drivers for management, operation and maintenance)</li> <li>The farm will take over and receive rubber latex from the team leaders Every day, 4 - 5 workers are arranged to put rubber latex on the car</li> <li>After pilot implementation in 2018 - 2019, review the process and replication in 2019 - 2020</li> </ul>						in the implementation Plan To be implemented
1.4	<b>Systematizing labor-related databases, preparing to apply internal labor management software</b>						
1.4.1	Connect all information about employees of different departments (administrative data connection, salary, labor discipline, insurance, medical station, medical service use)	x	x	x	x	x	Currently under monitoring but need more consultation to be completed based on regular communication among different units to ensure fast working progress and reduce paper work.
1.4.2	Additional information about labor needs to be followed on excel files (for example, ethnicity, address, type of contract, time of starting and ending contracts, salary, bonus, labor discipline, insurance, procedures for enjoying insurance)	x	x	x	x	x	

#	Activities	Time					Note
		Q4.2018	Q1.2019	Q2.2019	Q3.2019	Q4.2019	
1.3	<b>Monthly updated information on employers in villages</b>						
1.3.1	<b>Monthly report on the situation of employment to the commune leaders and put the information on the newsletter of the village</b> (Basic content: List of employees of the company in the company (by team, by farm), average wage received compared to the average of the group / farm / company, the situation of compliment reward and discipline of labor of the village, update new regulations on labor / recruitment information (if any), contact hotline of the farm)		x	x	x	x	<ul style="list-style-type: none"> <li>Administration Department monthly issues Vietnamese-Laos bilingual document, sending to the relevant villages in the project area and the Department of Human Resources Administration of Daklaoruco for monitoring.</li> <li>Implementation time: from 1/1/2019</li> </ul>
1.4	<b>Building a safe and friendly working environment</b>						
1.4.1	<ul style="list-style-type: none"> <li>To install struction board on the chemical use, machine operation (by infographic) and train the workers.</li> <li>Making warning signs for areas where accidents often occur;</li> </ul>	x	x				<ul style="list-style-type: none"> <li>Piloting at some checkpoints, replicate to the whole company in 2019</li> </ul>
1.4.2	Every year, Farms and Plants organize training on labor safety for workers.		x				Every year, the Administration Department of Daklaoruco coordinates with popular units at the beginning of the exploitation season, popularizing at the same time with the item 1.5.1.
1.4.3	The medical station organizes first aid and treatment of common diseases. Coordinate with functional agencies to deploy the community.	x	x	x	x	x	Making infographic tables pasted at medical stations according to the contents of section 1.5.1

#	Activities	Time					Note
		Q4.2018	Q1.2019	Q2.2019	Q3.2019	Q4.2019	
1.5	<b>Publicity and transparency in the company's policies on recruitment, reward and discipline of labor</b>						
1.5.1	<b>05 Infographic for employees about the company's policies including:</b> <ul style="list-style-type: none"> <li>Recruitment process for mining workers;</li> <li>Recruitment process for processing workers (factories);</li> <li>Process of labor discipline and complaints;</li> <li>Social insurance policies;</li> <li>Operation of the health station.</li> </ul>		x				<ul style="list-style-type: none"> <li>Piloting at some checkpoints, replicate to the whole company in 2019</li> <li>Implementing a training course in 2018, training for the remaining units at the beginning of the rubber scraping in 2019</li> <li>Training form &amp; time: + Administration - Personnel Department to train staff at units, unit officials responsible for training other workers;</li> <li>Integrating training with other contents, carried out at the beginning of rubber scraping season.</li> </ul>
1.5.2	Update ISO processes for management of the company according to the unified plan in Infographic	x	x				
1.5.3	Updating information on labor which shall be publicized through websites, databases on labor, message boards at villages, collecting points, farms, facebook	x	x	x	x	x	
1.5.4	Maintain the hotline, the process of receiving and processing information related to the company's project and publicize the cases handled	x	x	x	x	x	<ul style="list-style-type: none"> <li>Install landline phones at the administrative office at each unit</li> <li>Announcing the contact phone number (hotline) at the farm news, collection points, communes, website and fanpage of Daklaoruco;</li> <li>Contents related to the project, labor handling shall comply with section 1.3.1</li> </ul>

#	Activities	Time					Note
		Q4.2018	Q1.2019	Q2.2019	Q3.2019	Q4.2019	
2	<b>LAND</b>						
2.1	Information about the Company's land and associated land policies to be published on the website, fanpage of Daklaoruco and DRI	x	x	x	x	x	<ul style="list-style-type: none"> <li>Daklaoruco transfers information on land policies and associated land policies to DRI;</li> <li>DRI translates into English, Daklaoruco translates into Lao;</li> <li>Post on the website, fanpage of DRI, Daklaoruco.</li> <li>Distribute 01 copy to the relevant communes</li> </ul>
3	<b>COMMUNITY (Indigenous Culture / Ethnicity)</b>						
3.1	<b>Developing livelihood support program for the community</b>						
	<ul style="list-style-type: none"> <li>Prioritizing recruitment of workers in the project area, creating jobs and stable incomes for people, which is the most stable and long-term source of livelihood.</li> <li>For other types of livelihood, the company is ready to share, depending on the financial capacity, in the immediate future, the company will held meeting with the NGOs on how to cooperate and seek funding to develop community livelihoods and co - design a specific implementation plan.</li> </ul>						Appointing officials to attend meetings to report to the Board of Directors for decision.
4	<b>ENVIRONMENT</b>						
4.1	Making warning signs of wastewater treatment area in the factory area.	x					Immediate implementation at one point for the inspection team
4.2	Strictly comply with the regulations on environmental treatment to ensure that waste water is up to standards before discharging it to the outside.	x	x	x	x	x	
4.4	Hire consultants to build ISO 14000 system for environmental management in 2019		x	x	x	x	
4.5	Appointing / Recruiting officials in charge of environment in the company		x				
4.6	Enhance cooperation with the community in environmental issues (such as cooperation in water resources protection, forest fire fighting, garbage collection, ...)		x	x	x	x	
5	<b>RISK MANAGEMENT / DUE DILIGENCE SYSTEM (INTERNAL MONITORING SYSTEM)</b>						
5.1	Coordinate with consulting agency to design implementation plan	x	x	x	x	x	DRI and Daklaoruco coordinate to carry out the consultancy

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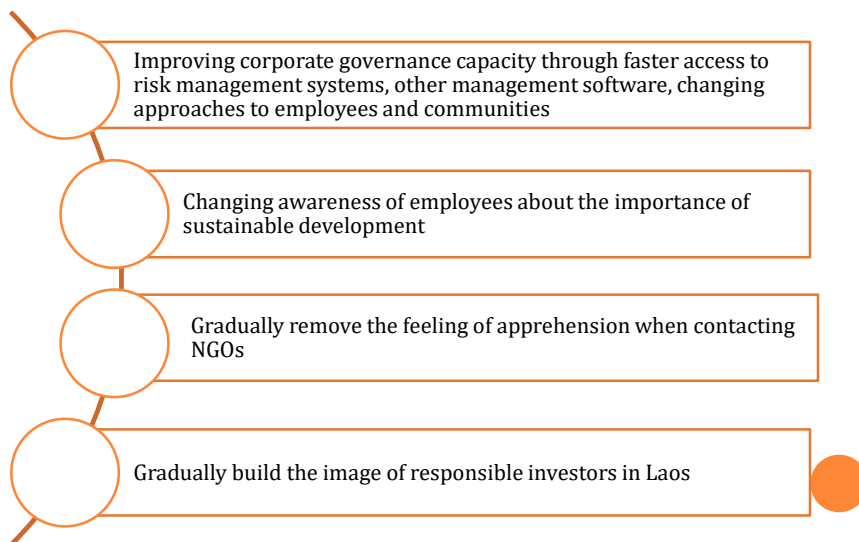
### 3. ACHIEVEMENTS

More comprehensive understanding of sustainable development and a concrete action plan, meeting the needs of the community, workers, businesses and stakeholders, to achieve the standards, requirements of organizations on sustainable development

Mobilize more resources to join hands with the company to build a better, fairer and more environmentally friendly society

Employees are supported with training on how to work with the community and to improve their qualifications and capacity

### 3. ACHIEVEMENTS



### 4. RECOMMENDATIONS



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***THANK YOU***

