



VIETNAM RUBBER GROUP- JOINT STOCK Co.
PANNATURE - OXFAM – VCCI COOPERATION
DEVELOP AND IMPLEMENT THE VOLUNTARY GUIDE
ON REDUCING ENVIRONMENT - SOCIAL RISK

Hanoi, 10 January 2019

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Deputy Head of Industry Department - Secretary of
Steering Committee for Sustainable Development



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- ▶ Introduction to Vietnam Rubber Industry's enterprises;
- ▶ On-going sustainable development programs;
- ▶ Cooperation of PanNature – Oxfam in Vietnam – VCCI and other stake holders;
- ▶ Achievements;
- ▶ Lessons learnt and Recommendations.



OVERALL INTRODUCTION

<i>HISTORY</i>	}	<ul style="list-style-type: none"> • Vietnam Rubber Corporation: 1995 • Vietnam Rubber Group: 2006 • Vietnam Rubber Group - Joint Stock Company: 2018
<i>DOMAIN</i>	}	<ul style="list-style-type: none"> • Planting, processing and trading rubber; processing wood; producing rubber industrial products; investing in infrastructure business of industrial zones and agricultural applications of high technology.
<i>AREA</i>	}	<ul style="list-style-type: none"> • The Southeast, Central Highlands, Central Coast, the North; Laos and Cambodia.
<i>SCOPE</i>	}	<ul style="list-style-type: none"> • Capital: VND 40,000 billion. Total number of subsidiaries: 99 companies including 65 level II companies are 65 (subsidiary companies 60, associates 5), 34 level III enterprises (subsidiaries of 30 companies, associates 4). Total number of employees: 42,770 people.
<i>HEAD QUARTER</i>	}	<ul style="list-style-type: none"> • 236 Nam Ky Khoi Nghia, Ward 6, District 3, HCMC
<i>WEBSITE & LOGO</i>	}	<ul style="list-style-type: none"> • www.rubbergroup.vn; www.vnrubbergroup.com

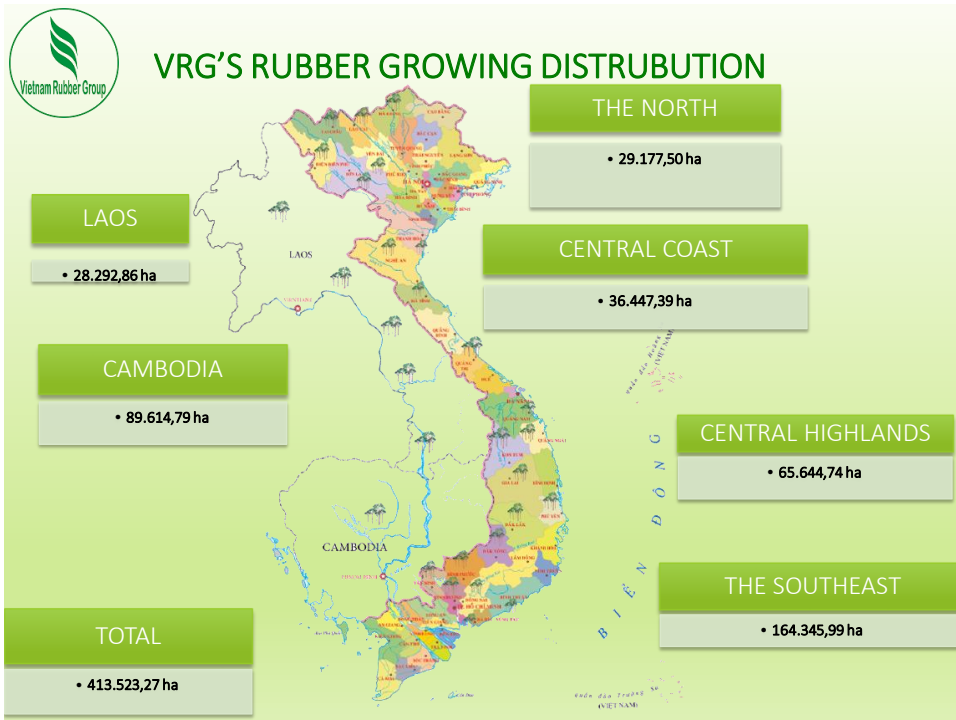


PRODUCTION OVERVIEW

Vietnam Rubber Group (VRG) is a public company, playing a core role in the development strategy of rubber trees in Vietnam.

VRG's total area of rubber growing area is now 413,523 ha, spreading from the Southeast, Central Highlands, Central Coast, Northern Vietnam to Laos and Cambodia. VRG's natural rubber products have been directly provided to domestic and foreign tire manufacturers such as Michelin, Bridgestone, Sailun, Kumho, Goodyear, Sumitomo, Cheng Shin, Casumina, DRC, Gold Star, etc. In addition, VRG provides goods to major global consumers and distributors, exporting to nearly 70 countries around the world.





DEVELOPMENT ORIENTATION

VISION	MISSION	COMMITMENT
<ul style="list-style-type: none"> *Being a leading enterprise in the field of agricultural production in terms of efficiency, scale, product quality, high technology application and eco-friendliness in Vietnam and region; and affirming Vietnamese brand in global market. 	<ul style="list-style-type: none"> *Providing domestic and foreign markets with agricultural, industrial and service products of competitive prices, safe for users, eco-friendly and socially responsible. *Building and developing corporate culture: inheriting, uniting, harmonizing interests, and respecting the law. Building a team of managers and employees who are competitive, creative, and loyal to the Enterprise. 	<ul style="list-style-type: none"> *Satisfying highest demands from customers. *Continuously improving the Management System and Production Process and Standards to ensure the supply of quality, stable and sustainable products. *Developing investment, organizing production while ensuring sustainable development, eco-friendliness and social responsibility.



IMPLEMENTED PROGRAMS

7/2014	8/2016	7/2017	11/2017	10/2018	11/2018
Promulgate "Regulations on receiving and handling feedback & recommendations, and provide information for individuals and organizations on issues related to VRG's rubber development project in Laos and Cambodia"	Collaborate with Oxfam, PanNature and VCCI to carry out the "Voluntary guidance for enterprises investing abroad"	Develop a roadmap and solutions to implement FSC certification	VRG's Sustainable Development commitment will be published on Website	Have written requests for members to apply the "Handbook of sustainable management of rubber forests according to international forest certification standards" developed by WWF, VRA and VRG.	Establish the Steering Committee for Sustainable Development at the Group, its member companies, and the Community Consultation Group

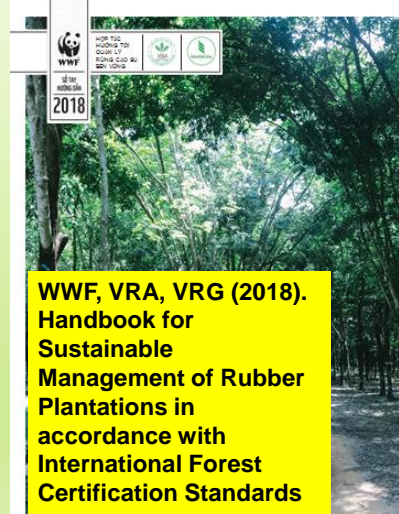
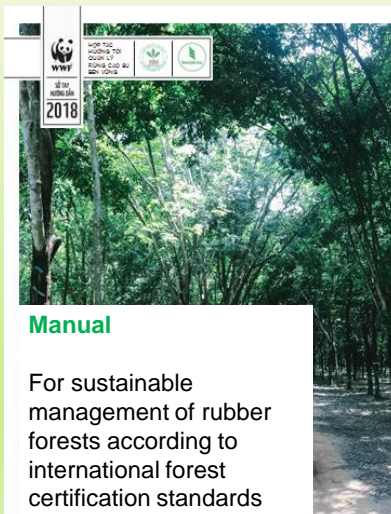


Sustainable Development Commitment Nov 2017

https://rubbergroup.vn/media/phattrienbenvung/camketphattrienbenvung_vn_final.pdf



Application requirement of the Manual for Sustainable Rubber Forest Management





Coordination between VRG, Vietnam Rubber Association and WWF-Vietnam in organizing the Conference



Organization of Consulting conference



Vietnam Rubber Industry Group

WORKSHOP

CONSULTATION ON THE DOCUMENT OF SUSTAINABLE RUBBER PRODUCTION TECHNIQUES

UN-REDD
PROGRAMME



Seminar: Opportunities and challenges for Vietnamese cross-border investment in agricultural sector



5 August 2016, in HCMC;

- Sharing Results of research on opportunities and challenges of Vietnam's investment in agriculture in the Mekong sub-region;
- Introducing and calling for Enterprises and Business Associations' participation in the Initiative to develop Voluntary Guidelines to Reduce Environmental - Social Risks for Vietnamese Enterprises' cross-border investment agricultural sector
- Mr. Vo Sy Luc – Group's Chairman participated and shared experiences.

Initiative for the Voluntary guidelines on reducing environmental - social risks



Mr. Pham Van Thanh - Head of Planning and Investment Department, Member of the Member Board, Vietnam Rubber Group joining the Pioneer Enterprise Group

06/2017: VRG signed the Memorandum of Cooperation for Pilot Implementation of Voluntary Guidelines

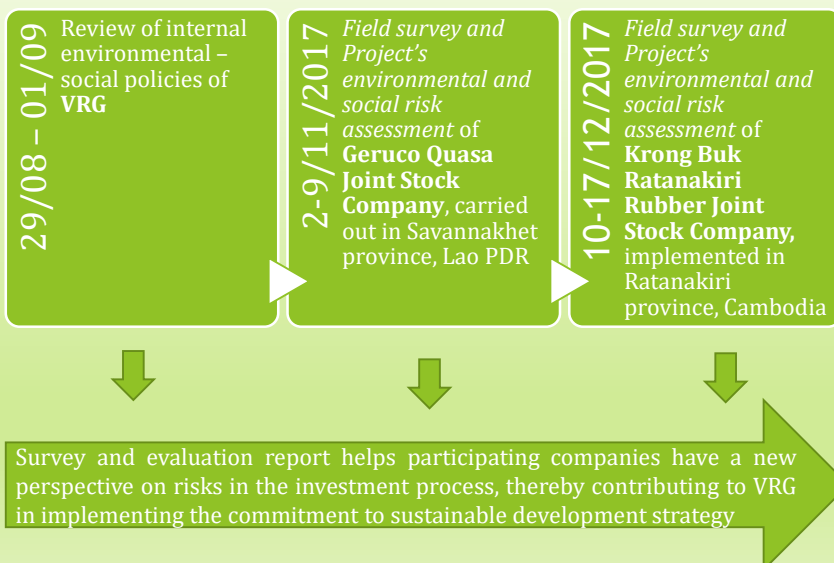


Participating in the pilot Prospective Program:

1. Krongbuk - Ratanakiri Rubber Development Joint Stock Company in Ratanakiri Province, Cambodia;
2. Geruco Quasa Rubber Joint Stock Company in Savannakhet province, Laos;

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Policy review and field survey





Cordinating programs with PanNature, VCCI and Oxfam

- Contribute to the voluntary environment and social risk reduction guidance framework for Vietnamese enterprises in cross-border agricultural investment.
- Implement a pioneering business program to apply the voluntary piloting guidelines.



Participating in Trainings in 2018



Participating in ""*Environment and Ecology: Foundation for Sustainable Agricultural Enterprises*"" training on 6 July 2018, organized by **PanNature**, having 15 representatives of companies in Cambodia and Laos.



Participating in "*Land-related investment risk: Risk identification, crisis prevention and remediation mechanism*" training, on 19 July 2018, organized by **PanNature**, having representative companies in Laos and Cambodia.



Participating in Trainings in 2018

Participating in "Effective community access approach on responsible investment" training on 2 October 2018, organized by Oxfam in Laos on September 18, 2018 and in Cambodia on 2-4 October 2018 for the companies.



Meeting with NGOs in Vientiane, Laos on 10 Dec 2018.

5 organizations, 8 participants



Meeting with NGOs in Phnom Penh, Cambodia on 18 Dec 2018.

13 organizations, 15 participants

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Activities in 2018 (cont)



Referring the coordination model between Birdlife International and the local community to preserve Lumphat national forest: protect the forest, preserve the Phoenix bird and the Sarus Crane. Forest protection and forest use in a sustainable way



Meeting and consulting villages around the 2 companies Krong Buk Ratanakiri and Quasa geruco to assess the impact and their satisfaction of the companies.



PanNature participated in a meeting with the company's production team, and learnt about policy regimes and living of company workers.

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Evaluation of the cooperation program between enterprises and NGOs

- ▶ The cooperation program helps the enterprises be more aware of environmental and social risks when investing abroad;
- ▶ The long process of cooperation (mutual understanding, working together) brought about positive results: voluntary guideline development, trainings, skills support for the company, consultation community ... Will be the premise for specific actions later on.
- ▶ Cooperation process: NGOs and enterprises do not have specific solutions and actions to support the community.
- ▶ Some programs protecting the environment and supporting the community need more determination from all sides.

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Lessons learnt

- ▶ Economic development of enterprises must go along with community development and environmental protection
- ▶ Need to improve understanding capacity, especially international laws, and listen to comments from stakeholders to make appropriate adjustments;
- ▶ The gap in opinion between businesses and NGOs is increasingly narrowed thanks to better understanding of each other;
- ▶ The relationship between enterprises and NGOs "is closer and warmer", creating "trust" for the purpose of community development and environmental protection in addition to stable economic development;
- ▶ Building corporate responsibility on environmental and forests protection, developing and supporting community livelihoods ...should be the companies' ethics.



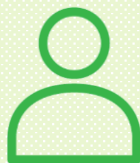
Future coordination and cooperation

- ▶ Accompanying Vietnam Rubber Group in minimizing environmental risks and for community development
- ▶ Continuing to support the Group in connecting with NGOs and domestic and foreign organizations with goodwill, to protect the environment and support livelihoods of the community.
- ▶ Supporting the Group more deeply in implementing policies to strengthen sustainable development in production in Vietnam and the Mekong region, training to improve public relations capacity, understand local and international laws, coordinate in forest protection and development ...
- ▶ Wishing to approach and learn new perspectives on risk management in production development investment, in association with social responsibility and environmental protection.

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Thank you!



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