

DECISION
**Issuing the Sustainable Development Action Plan in 2021 of
the Viet Nam Rubber Group - Joint Stock Company**

BOARD OF DIRECTORS
VIETNAM RUBBER GROUP - JOINT STOCK COMPANY

*Pursuant to the Enterprise Law No.68/2014/QH13 dated 26November 2014;
Pursuant to the Charter of Organization and Operation of the Viet Nam Rubber
Group – Joint Stock Company;*

*Pursuant to the Resolution No. 16/NQ-HDQTCSVN dated 18October2018 of the
Board of Directors of Viet Nam Rubber Group - Joint Stock Company on Sustainable
Development Enterprise;*

*Pursuant to the Decision No.82/QD-HDQTCSVN dated 16April 2019 of the Board
of Directors of Viet Nam Rubber Group - Joint Stock Company on the issuance of
Sustainable Development Program for the period of 2019 –2024;*

*Pursuant to the Resolution No.18/NQ-HDQTCSVN dated 28April 2021 of the
Board of Directors of Viet Nam Rubber Group - Joint Stock Company;*

*Considering the Proposal Letter No. 1173/TTr-CSVN dated 22 April 2021 of the
Director General, Viet Nam Rubber Group – Joint Stock Company on the issuance of the
Program for Sustainable Development Action Plan in 2021 of Viet Nam Rubber Group -
Joint Stock Company.*

HEREBY DECIDES:

Article 1. Issuing with this Decision the Sustainable Development Action Plan in 2021 of the Viet Nam Rubber Group - Joint Stock Company (hereinafter referred to as the Group or VRG).

Article 2. The Sustainable Development Action Plan in 2021 of the Group will be reviewed and adjusted according to the actual requirements, conditions and circumstances and in line with the implementation schedule of the approved Sustainable Development Program of the Group in the period of 2019 - 2024.

Article 3. Members of the Board of Directors, Director General, Steering Committee for Sustainable Development and Member companies of the Group are responsible for implementing this Decision from the date of signing./.

Recipients:

- As in Article 3;
- VRG Supervisory Board;
- VRG Executive Management Board;
- VRG Specialized Departments, VRG Office;
- Stored at VRG Office, VRG Technology and Environment Department.

**ON BEHALF OF THE BOARD OF DIRECTORS
FOR CHAIRMAN
MEMBER**



Huynh Van Bao

PLAN

For the Sustainable Development Action in 2021 of the Viet Nam Rubber Group - Joint Stock Company

(Issued with the Decision No. 62/QĐ-HDQTCSVN dated 04 May 2021 of the Viet Nam Rubber Group – Joint Stock Company)

1. OBJECTIVES OF 2021

Continue to promote activities successfully implemented in 2020 and promote other activities in the Sustainable Development Program 2019 - 2024; strengthen environmental protection and corporate social responsibilities, contribute to national security and increase economic efficiency to improve workers' income, build a foundation for reassociation with FSC; gain sustainable development certificates from reputable domestic and international organizations, expand the coordination with stakeholders to accelerate progress and on the right direction of international integration.

2. PLAN OF ACTIVITIES IN 2021

2.1. Implementing national certificates on sustainable rubber forest management

Continue to assign target to the Group's member companies in the Southeast region, Central Highlands, Central Coastal region and Northwest region such that members in these regions shall expand areas of implementing sustainable forest management plans in accordance with the regulations of the Ministry of Agriculture and Rural Development; while choosing appropriate areas to implement Vietnam Forest Certification Scheme which was been endorsed by PEFC (VFCS/PEFC). By the end of 2021, the Group aims to have **254,817** hectares with sustainable forest management plans, more than **100,000** hectares achieving sustainable forest certificate VFCS/PEFC-FM and 36 rubber processing factories and 02 wood processing factories achieving PEFC Chain of Custody Certificates (CoC). Organize conference to assign sustainable forest management and forest certificate implementation plans to members implementing such plans for the first time.

2.2. Developing and implementing a Roadmap to reassociate with FSC

- Continue to cooperate positively with independent consulting firms and supporting organizations to assist VRG in developing, implementing, and monitoring the Roadmap to reassociate with FSC. The aim is the Group be able to reassociate with FSC as soon as compliance with the requirements stipulated by FSC is demonstrated and independently verified.

- Continue to develop a plan, implement and achieve the goal of zoning for natural regeneration at least 5,000 forest hectares of forests associated with rubber areas.

- Apply Geographic Information System (GIS) to define boundaries and land coverage of rubber plantation projects as the basis for developing restoration solutions in the Roadmap to reassociate with FSC.

2.3. Strengthening of sustainability certificates

- Develop a due diligence system of rubberwood legality for member companies in the Group to comply with Vietnam Timber Legality Assurance System (VNTLAS);

- Continue to participate in the Sustainable Companies Program of the Business Council for sustainable development of Viet Nam. The aim is to have 15 companies in the Top 100 Sustainable Companies Certification and that companies which have participated in the year 2020 have their ranking improved in 2021.

2.4. Evaluating economic efficiency of sustainable development solutions

- Estimate the economic efficiency of some of the sustainable development activities such as reducing costs and increasing profit in sustainable rubber forest management, intercropping combining biodiversity and income sources, applying high-tech agriculture, energy saving, treatment and reuse of waste and water waste, applying ISO international standard in factories, consumption of products with certification and VRG branding.

- Recommend sustainable development solutions with high economic efficiency.

2.5. Strengthening corporate social responsibility

- Comply with regulations on community consultations for new investment projects. Strengthening relations and connection with local residential communities in projects in Viet Nam, Laos and Cambodia. Apply "The Handbook for community engagement in sustainable forest management" issued by the Group;

- Continue to implement social security investments in accordance with the approved plans for the project areas of the member companies and in combination with the requirements of the Roadmap to end disassociation with FSC, priority is given to projects in Cambodia and Laos. The investment progress is in line with the practical conditions and capacity of each company, and effective and practical on the basis of community consultations (prioritizing roads, schools, health facilities, wells, supporting community livelihoods, cultural exchange ...);

- Ensure compliance with the laws on labor responsibilities and the rights of local people and stakeholders in accordance with the national laws, improve in management and techniques to increase workers' income;

- Cooperate with domestic and international organizations to share experiences and resources to improve the living standards of the communities.

2.6. Strengthening responsibility for environmental protection

- Implement the Group's environmental protection activities in accordance with the laws, international commitments and FSC Roadmap requirements. Promote the implementation of forest conservation and restoration projects, improve biodiversity at the landscape and project levels, in association with socio-economic development and upgrading people's livelihoods;

- Encourage member companies to continue to apply advanced solutions on reducing chemicals, water and electricity saving, using renewable energy, treating waste

thoroughly, not polluting the environment in the production process, not creating negative impact on the living environment of the communities;

- Maintain the application of ISO 14001 environmental management system for 25 member companies that have been certified; Guiding and requiring member companies who are required to set up ISO 14001 environmental management system as prescribed in Decree No. 40/2019/ND-CP dated 13 May 2019 and eligible for implementation in 2021. The remaining member companies continue to strive to apply the ISO 14001 environmental management system in the following years.

2.7. Implementing solutions for sustainable development

- Continue to apply the Manual of sustainable rubber plantation management according to international standards compiled by WWF, VRA, VRG; the Technical Manual for sustainable production of natural rubber and rubberwood, constructed by VRG, VRA, RRIV with the assistance UN-REDD (VN);

- Apply the Group's Technical Process of Rubber 2020 edition issued by the Group to implement sustainable production solutions;

- Apply the Handbook for community consultation and engagement in sustainable rubber forest management, compiled jointly by VRG and Oxfam for the Group's member companies in Viet Nam.

- Implement development solutions for latex-timber models and diversity incomes in combination with biodiversity.

2.8. Strengthening the economic efficiency of Viet Nam Rubber Group

- Develop and recommend solutions for sustainable rubber production combined with the application of advanced science - technology and advanced management to improve business efficiency, reduce production cost, increase labor productivity, ensure quality, diversify income sources in conjunction with biodiversity, protect the environment, prevent soil erosion and not creating negative impacts on the communities.

- Enhance effective and sustainable solutions in production such as high-tech agriculture application, integrated farming; continue to propose to state agencies to consider rubberwood as the main product of rubber trees in addition to latex.

- Promote thrift practice and wastefulness combat, ensure product quality and raise added value in the supply chain of natural rubber and rubberwood to ensure economic efficiency, build and develop VRG brand.

- Develop diversified products on rubber areas through intercropping, integrated farming, animal husbandry ... to increase income, reduce market risks and improve biodiversity.

2.9. Propagandizing, communicating, training, capacity building on sustainable development

- Promote communication activities; disseminate information and legal documents, inform official and accurate data, provide training on sustainable development activities;

- Continue to provide information to participate in the World Forestry Congress 2021 for VRG brand promotion.

2.10. Cooperating with domestic and international organizations on sustainable development

- Maintain and develop international relations with ANRPC (Association of Natural Rubber Producing Countries), HAWA DDS (due diligence system for legal timber source), Viet Nam Rubber Association ...and NGOs in order to update market information, statistical data, support strategies and solutions for sustainable rubber industry development; comply with wood legality assurance regulations; provide training and capacity building on sustainable development;

- Continue to coordinate with Vietnam Administration of Forestry, Vietnam Forest Certification Office (VFCO) in order to assist member companies in the implementation of Sustainable rubber management plans, forest certificates in accordance with Vietnam Forest Certification Scheme (VFCS);

- Continue to coordinate with PEFC in order to assist member companies in PEFC logo usage, product labeling, in achieving the most effective product marketing and other relevant aspects to the Group;

- Cooperate with organizations, connect to relevant enterprises to promote, expand the market for forest certified products and VRG branding;

- Cooperate, consult to build and implement the roadmap for ending disassociation with FSC;

- Cooperate in livelihood support for local communities in combination with forest protection;

- Continue to cooperate with Oxfam Vietnam to run a pilot application of the Handbook for community engagement in sustainable rubber forest management at the Group's member companies and striving towards scaling workshop;

- Cooperate with Oxfam Cambodia in the aspects of: (i) Develop, train and run pilot application of the Handbook for community engagement in sustainable rubber forest management; (ii) Provide training on the application of "Voluntary Guidelines on mitigating socio-environmental risks for Vietnamese outward investors in agriculture in the Mekong subregion"; (iii) Coordinate with concerned member companies to build Terms of Reference (ToR) for a research related to women in the working place and build a set of recommendations to improve business operation processes of some of VRG members in Cambodia.

2.11. Strengthening the Group's internal management system

- Continue to review, supplement and update the regulations and guidelines to comply with the sustainable development program, adhere to the current laws and the Group's commitments.

3. ORGANIZING THE IMPLEMENTATION, MONITORING AND SUMMARIZING RESULTS

-The Executive Management Board of the VRG is responsible for directing the Units and Specialized Departments to plan the activities, supervise and monitor to achieve the objectives under the approved Sustainable Development Program;

-The Steering Committee for Sustainable Development of the Rubber Industry and VRG is responsible for leading and coordinating closely with the Specialized

Departments, relevant organizations and member companies to implement the approved Program for Sustainable Development Action Plan in 2021;

-Build a network of association with organizations, experts supporting and cooperating to implement projects on sustainable development;

-Periodically review, summarize, evaluate the implementation results, propose remedies, scale up and develop the next plans;

-Collect, store, process data, synthesize, disseminate information, perform operations according to VRG's regulations related to sustainable development tasks./.

**ON BEHALF OF THE BOARD OF DIRECTORS
FOR CHAIRMAN
MEMBER**



Huynh Van Bao