

No: 82/QD-HDQTCSVN

Ho Chi Minh City, 16 April 2019

DECISION

**Issuing the Sustainable Development Program 2019 – 2024 and the
Operational Plan 2019 of the Viet Nam Rubber Group**

**BOARD OF MANAGEMENT
VIET NAM RUBBER GROUP – JOINT STOCK COMPANY**

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

Pursuant to the Resolution No. 10/NQ-HDQTCSVN dated March 22, 2019 of the
Board of Management, Viet Nam Rubber Group - Joint Stock Company;

Considering the proposal of the Director General, Viet Nam Rubber Group –
Joint Stock Company at the letter No. 555/TTr-CSVN dated January 01, 2019, on the
issuance of the Sustainable Development Program 2019 – 2024 and the Operational
Plan 2019 of the Viet Nam Rubber Group,

HEREBY DECIDES:

Article 1. Issuing with this Decision the Sustainable Development Program 2019
– 2024 and the Operational Plan 2019 of Viet Nam Rubber Group – Joint Stock
Company (hereinafter referred to as VRG).

Article 2. The Sustainable Development Program 2019 – 2024 and the VRG's
annual operational plans will be reviewed and adjusted according to the requirements,
the conditions and the actual situation each year.

Article 3. Members of the Board of Management, Director General, Steering
Committee for Sustainable Development, Chief of Office, Directors of Specialized
Departments and Member companies of the Viet Nam Rubber Group are responsible
for implementing this Decision from the date of signing./.

Recipients:

- As Article 3;
- Supervisory Board;
- Board of Standing Party
Committee;
- Departments, Office of the Party
Committee;
- Executive Management Board;
- Vietnam Rubber Labor Union;
- Consultation team on sustainable
development;
- Departments, Office of VRG;
- Member Companies;
- IT Division;
- Stored at Administration
Department, Industrial Department.

ON BEHALF OF THE BOARD OF MANAGEMENT



Tran Ngoc Thuan

PROGRAM

**The Sustainable Development 2019 – 2024 and the Operational Plan 2019
of the Viet Nam Rubber Group – Joint Stock Company**

(Issued with the Decision No. 82/QĐ-HĐQTCSVN dated April 16, 2019 of Viet Nam Rubber Group – Joint stock company)

I. SUSTAINABLE DEVELOPMENT PROGRAM 2019 – 2024

Objectives: Develop a sustainable development orientation for VRG in the period of 2019 – 2024 and the annual plans, including successful implementation of FSC certificates and other sustainable forest management certificates in the shortest time, social security investment associated with the goal of environmental protection and social responsibility on the basis of increasingly effective production and business.

1. Implementing FSC certificates

- Develop and negotiate the VRG's roadmap to reassociate with FSC according to specific criteria;
- Implement and monitor in accordance with the roadmap to reassociate with FSC;
- Direct member companies to actively participate in and implement FSC certification programs after VRG reassociates with FSC;
- Supervise and support member companies to achieve FSC certificates with appropriate scales depending on market conditions.

2. Locating for regeneration and developing 20,000 ha of forests associated with rubber plantations

- Develop a plan to implement locating for regeneration and planting about 20,000 ha of large timber forests in association with rubber plantations in various forms, meeting the requirements of reassociation with FSC and responsibility for environmental protection, prioritizing the recovery of indigenous trees: Determining the scale, location, varieties, technical process, funding, organizing the implementation...

- Cooperate with domestic and foreign organizations on effective and practical solutions (technical, management, funding sources...);

- Develop a plan of locating for regeneration, annual restoration and development with a scale of about 5,000 ha/year of forest.

3. Participating in the Legal source Due Diligence System for rubberwood

- Participate in the HAWA DDS Project chaired by the Handicraft and Wood Industry Association of Ho Chi Minh City to develop the Legal source Due Diligence System for rubberwood;

- Build the VRG's database of traceability and information on rubberwood;
- Guide, support and participate in training for member companies of VRG.

4. Enhancing corporate social responsibility

- Comply with regulations on community consultation for investment projects; strengthen relations with local communities;
- Develop plans to organize the implementation of social security investment projects in accordance with the approved objectives for the project areas of member companies, with effective and practical investment roadmaps according to conditions and capabilities of each enterprise (priority on roads, schools, medical facilities, wells, spiritual works, livelihood supports for the communities, cultural exchanges...);
- Cooperate with domestic and foreign organizations to share experiences and resources to improve living standards and improve community livelihoods;
- Comply with the law, well implement labor policies, improve management and techniques to increase income for employees;
- Update data, disseminate information on social security investment of VRG and member companies.

5. Enhancing responsibility for environmental protection

- Contribute to the development and protection of forests, conservation of biodiversity, non-encroachment of forests, no harm to forests;
- Apply advanced technologies on clean production, reduce emissions, treat wastes, control the use of chemicals, do not cause environmental pollution in production;
- Comply with national and international regulations on environmental protection.

6. Improving economic efficiency

- Apply sustainable rubber production techniques for natural rubber and rubberwood, according to the Technical Guidelines for implementing the Decision 419/QD-TTg (2017) on the National REDD+ Program;
- Improve the efficiency of land use and economic efficiency of rubber trees through diverse crops in the region, intercropping, application of high-tech agriculture, integrated farming;
- Promote the practice of thrift and anti-wastefulness, ensure product quality and increase added value in the supply chain of natural rubber and rubberwood to ensure economic efficiency, construction and development of VRG brand, technology applications and progressive management solutions.

7. Implementing solutions, national/international certificates for sustainable development

- Apply (i) Sustainable rubber management handbook in accordance with the international forest certification standards, published by WWF, VRA, VRG; (ii) Sustainable production technical manual for natural rubber and rubberwood under UN-

REDD+ (VN) Program; (iii) Guidelines of PanNature, Oxfam, VCCI for minimizing social and environmental risks for enterprises investing abroad;

- Encourage member companies to participate in the annual title of 100 sustainable enterprises recognized by VCCI; Voluntarily participate in the sustainable natural rubber initiative recognized by the International Rubber Study Group (IRSG);

- Participate in training courses on sustainable national forest management plans as the basis for successful implementation of national forest certificates for member companies.

8. Managing rubber plantation data by information technology, digital maps, towards the application of geographic information system (GIS)

- Select partners, develop plans for managing rubber plantation data by information technology, digital maps, geographic information system (GIS);

- Apply the geographic information system (GIS) for all the rubber plantations of VRG.

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

- Raise awareness and compliance with national and international laws on sustainable development: Collect and disseminate legal documents, monitor and evaluate;

- Organize workshops and training courses through coordination with organizations and experts;

- Update information, plans and results of sustainable development to relevant member companies and individuals; announce the information on media, the VRG's website, Vietnam Rubber Magazine...

10. Cooperating with domestic and international organizations on sustainable development

- Maintain and develop international relations with ANRPC (Association of Natural Rubber Producing Countries), IRSG (International Rubber Study Group) ... to update market information, statistical data, strategies and solutions to develop sustainable rubber industry, training for managers and senior staff...;

- Continue to cooperate with non-governmental organizations (NGOs, such as NEPCon, WWF, Oxfam, PanNature...) to develop and implement a roadmap for reassociation with FSC, consult and coordinate to organize workshops about sustainable development;

- Cooperate with domestic and international organizations to develop about 20,000 hectares of large timber forests associated with rubber plantations;

- Implement production and business cooperation with enterprises that have strong potential in economic efficiency, enhancing VRG brand and ensuring sustainable development objectives;

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

- Cooperate with organizations to propose appropriate policies on sustainable development for VRG and rubber industry, policies to facilitate legal rubberwood...

II. SUSTAINABLE DEVELOPMENT PLAN 2019

Objectives: Kick off initial step as a basis for the Sustainable Development Program 2019 – 2024 to build implementation resources throughout VRG; combine with a network of organizations and domestic and international experts to support the process of successful reassociation with FSC and promote sustainable development.

1. Implementing sustainable forest management certificates

- Cooperate comprehensively with the Vietnam Administration of Forestry, directing member companies to implement certificates of sustainable forest management in accordance with national and international criteria, striving in 2019 at least 2 – 3 units with about 10,000 hectares of rubber are granted the Vietnam forest certificate or another certificates;

- Develop and negotiate with FSC on the VRG's roadmap to reassociate with FSC according to specific criteria, through coordination with consulting firms;

- Implement and monitor in accordance with the roadmap to reassociate with FSC according to the plan approved by FSC.

2. Locating for regeneration and developing 20,000 ha of forests associated with rubber plantations

- Develop a plan to implement locating for regeneration and planting about 20,000 ha of large timber forests in association with rubber plantations, meeting the requirements of reassociation with FSC, prioritizing the recovery of indigenous trees: Determining the scale, location, varieties, technical process, funding, organizing the implementation...

- Organize the implementation of locating plan for regeneration and development about 5,000 ha of forest in 2019.

3. Participating in the Legal source Due Diligence System for rubberwood

- Participate in the HAWA DDS Project chaired by the Handicraft and Wood Industry Association of Ho Chi Minh City to develop the Legal source Due Diligence System for rubberwood of member companies;

- Guide, train and monitor the performance of member companies.

4. Enhancing corporate social responsibility

- Comply with regulations on community consultation for investment projects; strengthen relations with local communities in projects in Laos and Cambodia;

- Develop plans to organize the implementation of social security investment projects in accordance with the approved objectives for the project areas of the member companies, with effective and practical investment roadmaps according to conditions and capabilities of each enterprise (priority on roads, schools, medical facilities, wells, spiritual works, livelihood support for the communities, cultural exchanges...);

- Cooperate with domestic and international organizations to share experiences and resources to improve the life of communities;
- Comply with the law, well implement labor policies, improve management and techniques to increase income for employees;
- Update data, disseminate information on social security investment of VRG and member companies.

5. Protecting Environment

- Expand the application of ISO 14001 system for environmental management for 3 companies;
- Update data, disseminate information and reports on environmental management and protection of the VRG and member companies.

6. Improving economic efficiency of VRG

- Apply sustainable rubber production techniques for natural rubber and rubberwood, according to the Technical Guidelines for implementing the Decision 419/QĐ-TTg (2017) on the National REDD+ Program, by UN-REDD construction financing;

- Increase the efficiency of land use and economic efficiency of rubber trees through intercropping, application of high agricultural technology, integrated farming;

- Promote the practice of thrift and anti-wastefulness, ensure product quality and increase added value in the supply chain of natural rubber and rubberwood to ensure economic efficiency, construction and development of VRG brand, technology applications and advanced management solutions;

- Update data, disseminate information about economic efficiency of the VRG and member companies.

7. Implementing solutions, national/international certificates for sustainable development

- Apply a sustainable rubber management forest handbook in accordance with international forest certification standards published by WWF, VRA, VRG;

- Apply sustainable production manual for natural rubber and rubberwood under the UN-REDD+ (VN) Program;

- Apply guidelines to reduce social and environmental risks for enterprises investing abroad under the guidance of PanNature, Oxfam, VCCI or other NGOs;

- Encourage participation in the certification of the title of 100 sustainable enterprises recognized by VCCI; In 2019, at least 2 or 3 companies will be recognized by VCCI as sustainable enterprises;

- Encourage voluntary participation in the sustainable natural rubber initiative recognized by the International Rubber Study Group (IRSG);

- Participate in training courses on the national sustainable forest management plan as the basis for national forest certification.

8. Managing rubber plantation data by information technology, digital maps, towards the application of geographic information system (GIS)

- Select partners/consulting firms, develop plans for managing rubber plantation data by information technology, digital maps, geographic information system (GIS);
- Apply the geographic information system (GIS) all the rubber plantations of the VRG in Cambodia and Laos.

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

- Raise awareness and compliance with national and international laws on sustainable development: Collect and disseminate legal documents, monitor and evaluate;
- Organize workshops and training courses through coordination with organizations and experts;
- Update information, plans and results of sustainable development to relevant member companies and individuals; announce the information on media, the VRG's website, Vietnam Rubber Magazine...

10. Cooperating with domestic and international organizations on sustainable development

- Maintain and develop international relations with ANRPC (Association of Natural Rubber Producing Countries), IRSG (International Rubber Study Group...) to update market information, statistical data, strategies and solutions to develop sustainable rubber industry, opportunities to train managers and senior staff ...;
- Continue to cooperate with non-governmental organizations (NGOs, such as NEPCon, WWF, Oxfam, PanNature...) to develop and implement the reassociation roadmap with FSC;
- Implement production and business cooperation with enterprises that have strong potential in economic efficiency, enhancing VRG brand and ensuring sustainable development objectives;
- Cooperate in livelihood supports for local communities in combination with forest protection.

III. 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 Units and member companies to implement the approved Sustainable Development Program 2019 - 2024 and Sustainable Development Plan 2019 of the Vietnam Rubber Group;
- 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 solutions to overcome, adjust 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 MANAGEMENT



Tran Ngoc Thuan