

No: 145/QD-HDQTCSVN

Ho Chi Minh City, 04 May 2020.

DECISION

Issuing the Sustainable Development Action Plan in 2020 of the Viet Nam Rubber Group - Joint Stock Company

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 Decision No.82/QD-HDQTCSVN dated April 16, 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 and Sustainable Development Plan in 2019;

Pursuant to the Resolution No.13/NQ-HDQTCSVN dated April 3, 2020 of the Board of Directors of the 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.873/TTr-CSVN dated March 23, 2020, on the issuance of the Sustainable Development Action Plan in 2020 of the Viet Nam Rubber Group - Joint Stock Company.

HEREBY DECIDES:

Article 1. Issuing with this Decision the Sustainable Development Action Plan in 2020 of Viet Nam Rubber Group - Joint Stock Company (hereinafter referred to as the Group).

Article 2. The Sustainable Development Action Plan in 2020 of the Group will be reviewed and adjusted according to the actual conditions and situation 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 Management, Director General, Steering Committee for Sustainable Development and Member companies of the Group are responsible for implementing this Decision from the date of signing./.

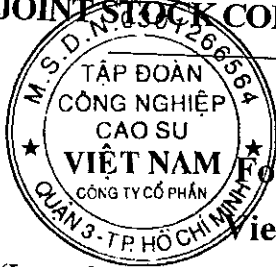
Recipients:

- As Article 3;
- Supervisory Board;
- Board of Standing Party Committee;
- Executive Management Board;
- Vietnam Rubber Labor Union;
- Departments, Office of VRG;
- Stored at Administration Department, Technology & Environment Industrial Department.

ON BEHALF OF THE BOARD OF MANAGEMENT



Tran Ngoc Thuan



PLAN

**For the Sustainable Development in 2020 of the
Viet Nam Rubber Group - Joint Stock Company**
(Issued with the Decision No. 145/QĐ-HĐQTCSVN dated May 04, 2020 of Viet Nam Rubber Group – Joint stock company)

I. OBJECTIVES OF 2020

Continue to promote activities successfully implemented in 2019 and promoting other activities in the Sustainable Development Program 2019 - 2024; strengthen environmental protection responsibilities, contribute to society, 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.

II. PLAN OF ACTIVITIES IN 2020

1. Developing an action plan

- Develop a specific action plan in 2020, including assignment of leadership and companies, units in charge, implementation, review, supervision and evaluation of the implementation process at the Group and company level.

2. Developing and implementing a Roadmap to reassociate with FSC

- Cooperate with supporting organizations to develop a roadmap to reassociate with FSC in high feasibility.

- Implement and monitor strictly the roadmap approved by FSC for reassociation with FSC. Strive to the end of 2020, FSC will evaluate the results of the roadmap and agree to end the disassociation with the Group.

- Organize internal assessments or pre-assessments of potential of 3 - 4 companies that can apply for FSC certificate right after successful reassociation.

3. Developing a plan to restore 5,000 hectares of forests and a Geographic Information System (GIS)

- Review reports on environmental impact assessment of projects in Cambodia and Laos, inventory of forest types before planting rubber and the actual status of these projects to have a basis for forest restoration plan.

- Develop a plan and fulfill the goal of restoring 5,000 hectares of forests associated with rubber areas, meeting FSC reassociation requirements, and prioritizing planting native trees and large timber trees: Determining scale, location, variety structure, technical process, funding, organizing the implementation...

- Develop and apply Geographic Information System (GIS) to manage rubber areas closely and transparently according to a maximum schedule of 3 years from 2020.

4. Strengthening of sustainability certificates

- Develop a due diligence system for legal rubberwood sources of companies in the Group.

- Develop a model plan for sustainable forest management for the companies to implement the sustainable forest management plan according to the Viet Nam Forest Certification System (VFCS) and deploy it to the Southeast region and other areas.

- Continue to expand the areas of Sustainable Forest Management Certificates under the VFCS for member companies in the Southeast region and other areas, with the following objectives: developing plans to manage the rubber areas of the above companies, implementing of VFSC/FM sustainable forest management certificates for about 51,500 ha and CoC Certificates for 21 rubber processing factories. Coordinate to promote products for 3 companies that achieved Viet Nam forest certificates in 2019.

- Continue to participate in the Sustainable Companies Program of the Business Council for Sustainable Development of Viet Nam. Encourage 13 companies that have attained the certificate to maintain this title and increase by 7 companies, including 10 companies in the Top 100.

5. Strengthening corporate social responsibility

- Comply with regulations on community consultations for new investment projects. Strengthening relations with local communities in projects in Laos and Cambodia.

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

- Participate in supporting localities to build public works in the conditions that are allowed and conformed to the Group's policy.

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

- Develop and publish regulations to resolve conflicts and complaints of the communities.

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

6. Strengthening responsibility for environmental protection

- Implement the Group's environmental protection activities in accordance with the laws, international commitments and requirements of FSC for reassociation Roadmap. Promote the implementation of forest conservation and restoration projects, improve

biodiversity at the landscape and project levels, in association with socio-economic development and improving people's livelihoods.

- Coordinate in the implementation of biodiversity protection works.
- Encourage member companies to continue to apply advanced solutions on reducing chemicals, using renewable energy, treating waste thoroughly and not polluting the environment in the production process.
- Maintain the application of ISO 14001 environmental management system for 12 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 May 13, 2019 and eligible for implementation in 2020. The remaining member companies continue to strive to apply the ISO 14001 in the following years.
- Update data, disseminate information, summarize report on environmental protection of the whole Group and member companies.

7. Implementing solutions for sustainable development

- Apply the Manual of sustainable rubber plantation management according to international standards, compiled by WWF, VRA, VRG;
- Apply the Technical Manual for sustainable production of natural rubber and rubberwood, compiled in the framework of the UN-REDD Vietnam.
- Apply the Voluntary Guidelines on mitigating socio-environmental risks for Vietnamese outward investors in agriculture on the Mekong subregion, compiled by PanNature, Oxfam and VCCI;
- Participate in relevant training courses on sustainable development;
- Develop and apply reduced-impact logging procedure in rubberwood harvesting and replanting to enhance environmental protection responsibilities in the Group's Technical Process 2020.
- Cooperate to develop a handbook of community consultation and engagement.
- Cooperate in developing forest conservation solutions and techniques for forest rehabilitation and restoration to meet FSC conditions.
- Cooperate in developing solutions to develop latex-timber models.

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 be included in the Group's Technical Process 2020 to improve business efficiency, reduce costs, increase labor productivity, ensure quality, diversify income sources in conjunction with biodiversity, protect the environment, prevent soil erosion and not causing 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 economic practice and waste 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.

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

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

- Inventory completely the Group's social security investment results, update the progress of the plan and periodically report the results. All social results are aggregated and published in the media to affirm the social responsibility of the Group and member companies with accurate information.

- Promote communication activities; update completely information, provide official and accurate data; make publicly available reviews and feedback documents from relevant organizations.

- Raise awareness and compliance with national and international laws on sustainable development: Collecting and disseminating legal documents, monitoring and evaluation.

- Enhance the training combined with information dissemination within the Group, raise the awareness of managers and employees about the sustainable development program of the rubber industry to participate in the implementation.

- Participate in seminars, training through cooperation with relevant organizations and experts;

10. Cooperating with domestic and international organizations on sustainable development

- Maintain and develop international relations with ANRPC (Association of Natural Rubber Producing Countries), PEFC, Vietnam Administration of Forestry and NGOs in order to update market information, statistical data, strategies and solutions for sustainable rubber industry development; cooperation in developing sustainable development solutions; and training and capacity building on sustainable development.

- Maintain and cooperate with relevant domestic organizations to develop solutions for sustainable rubber development and forest certification; promote and expand the market for forest certified products.

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

- Cooperate in production and business with strong enterprises that are potential in economic efficiency, enhance the brand of VRG and ensure the goal of sustainable development;

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

- Connect with customers who need to buy natural rubber and rubberwood with sustainable development certification.

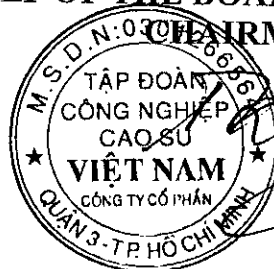
11. Strengthening the Group's internal management system

- Review, supplement and update the regulations and guidelines to comply with the sustainable development program, in accordance with the current laws and the Group's commitments.
- Assign and implement specific regulations on rights, obligations, and monitoring criteria for key positions in the Group's Sustainable Development Program.

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 Plan in 2020;
- 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