Vietnam Rubber Group (VRG)

Natural rubber assessment

Total score: 42.7%

Latest update: December 2019
Next scheduled: November 2020

Landbank: 407,977 hectares
Market cap: 2,140,514,413 USD
Bloomberg ticker: GVR VN
ISIN: VN000000GVR1
Activities: Natural rubber cultivation, processing, trading and distribution
Locations: Vietnam, Laos, Cambodia
Headquarters: Vietnam
Website: http://www.vnrubbergroup.com/


Total: 48.25 / 113 42.7%

Sustainability policy and leadership

5.5 / 10 55%

1. Sustainable natural rubber policy or commitment for all its operations? ✓ 1 / 1 Source

2. Sustainability natural rubber policy or commitment applies to all sourcing excluding smallholders? ✗ 0 / 1 No source

3. High-level position of responsibility for sustainability? ✓ 1 / 1 Source
Steering Committee for Sustainable Development which includes both senior managers and Board of Director members

4. One or more members within the board of the company have responsibility for sustainability? ✓ 1 / 1 Source
Steering Committee for Sustainable Development which includes both senior managers and Board of Director members

5. Percentage or number of women board members? 
0 - The company does not explicitly report the number of women board members

6. Percentage or number of women in senior management team? 
0 - The company does not explicitly report the number of women in senior management and the information provided is undated

7. Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with natural rubber production? ✗ 0 / 1 No source
1. The company cooperates with Oxfam and WWF on guidelines to sustainable natural rubber production and mitigating socio-economic impacts.

2. Collaboration with stakeholders to reduce negative environmental or social outcomes associated with natural rubber production?

3. Sustainability report published within last two years?

4. Climate risks assessment available?

5. Landbank, maps and traceability:

6. Lists countries and operations?

7. Total land area managed/controlled for natural rubber (ha)?

8. Total natural rubber planted area (ha)?

9. Scheme smallholders/outgrowers planted area (ha)?

10. Unplanted (areas designated for future planting) (ha)?

11. Conservation set-aside area, including HCV area (ha)?

12. Maps of estates/management units?

13. Number of company owned natural rubber processing facilities?

14. Names and coordinates of company owned natural rubber processing facilities?

The company has a plan to set aside and regenerate 20,000 ha of forests however it is unclear how much has already been established.

Maps of concessions are available only for the company's Cambodian operations.
20. Management plans for natural rubber production are available for all estates/management units?

- Source

21. Commitment to traceability of the whole supply chain?

- The company only has a traceability commitment in relation to rubberwood but not for natural rubber. Additionally, some of the company's subsidiaries implemented traceability measures to processing facilities level

22. Commitment to zero deforestation or zero conversion of natural ecosystems?

- Source

23. Commitment to zero deforestation or zero conversion of natural ecosystems applies to all sourcing excluding smallholders?

- No source

24. Evidence of monitoring deforestation?

- Source

25. Amount of illegal/non-complaint deforestation recorded in own operations?

- No source

26. Implementing a landscape or jurisdictional level approach?

- No source

27. Commitment to biodiversity conservation?

- Source

28. Identified species of conservation concern, referencing international or national system of species classification?

- No source

29. Examples of species and/or habitat conservation management?

- No source

30. Commitment to protect areas from illegal activities?

- Source

31. Commitment not to use genetically modified organisms?

- Source

The company has a commitment to the FSC Policy for Association which includes GMOs.
32. Commitment to conduct High Conservation Value (HCV) assessments?

33. High Conservation Value (HCV) assessments available?

34. High Conservation Value (HCV) management and monitoring plans available?

35. Commitment to the High Carbon Stock (HCS) approach?

36. Commitment to conduct social and environmental impact assessments (SEIAs)?

37. Social and environmental impact assessment (SEIAs) undertaken, and associated management and monitoring plans?

38. Commitment to no planting on peat of any depth?

39. Landbank or planted area on peat (ha)?

40. Implementation of commitment to no planting on peat of any depth?

41. Commitment to best management practices for soils and peat?

42. Evidence of best management practices for soils and peat?

43. Commitment to best/sustainable tapping practices?

44. Evidence of best/sustainable tapping practices?

45. Commitment to zero burning?
<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>46. Evidence of management and monitoring fires?</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>47. Details/number of hotspots/fires in company estates/management units?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>48. Time-bound commitment to reduce greenhouse gas (GHG) emissions intensity?</td>
<td>0</td>
<td>Source</td>
</tr>
<tr>
<td>The company only has a general commitment to reduce emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49. GHG emissions intensity?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>50. Report GHG emissions from land use change?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>51. Methodology used to calculate GHG emissions?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>52. Progress towards commitment to reduce GHG emissions intensity?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>53. Time-bound commitment to improve water quality (BOD and COD)?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>54. Progress towards commitment on water quality (BOD and COD)?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>55. Treatment of effluents from processing facilities?</td>
<td>P</td>
<td>Source</td>
</tr>
<tr>
<td>56. Percentage of processing facilities with closed-loop water treatment system (100%)?</td>
<td>P</td>
<td>Source</td>
</tr>
<tr>
<td>57. Time-bound commitment to improve water use intensity?</td>
<td>0.5</td>
<td>No source</td>
</tr>
<tr>
<td>The company commits to follow the UN REDD guidance on sustainable natural rubber production which has targets however it is unclear what the timeline is and which targets are relevant for the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>58. Water use intensity?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>59. Progress towards commitment on water use intensity?</td>
<td>0</td>
<td>No source</td>
</tr>
<tr>
<td>60. Commitment to protect natural waterways through buffer zones?</td>
<td>✓</td>
<td>1/1 Source</td>
</tr>
<tr>
<td>61. Implementation of commitment to protect natural waterways through buffer zones?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Reducing odours from natural rubber processing facilities?
- **Status:** ✗ 0 / 1  No source

### Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers?
- **Status:** ✓ 1 / 1  Source

   The company commits to follow the UN REDD guidance on sustainable natural rubber production which includes minimising the use of fertilisers and pesticides.

### Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides?
- **Status:** ✗ 0 / 1  No source

### Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention?
- **Status:** ✗ 0 / 1  No source

### Implementation of commitment to reduce chemical usage?
- **Status:** ✗ 0 / 1  No source

### Integrated Pest Management (IPM) approach?
- **Status:** ✗ 0 / 1  No source

### Chemical usage per ha or list of chemicals used?
- **Status:** ✗ 0 / 1  Source

### Waste management system in place to avoid negative impacts?
- **Status:** ✗ 0 / 1  No source

### Community, land and labour rights

#### 2 media reports

| 70. Commitment to human rights? | ✓ 1 / 1  Source |
| 71. Commitment to human rights applies to all sourcing excluding smallholders? | ✗ 0 / 1  No source |
| 72. Commitment to respect indigenous and local communities' rights? | ✓ 1 / 1  Source |
| 73. Commitment to respect legal and customary land tenure rights? | ✓ 1 / 1  Source |
| 74. Commitment to free, prior and informed consent (FPIC)? | ✓ 1 / 1  Source |
| 75. FPIC commitment applies to all sourcing excluding smallholders? | ✗ 0 / 1  No source |
76. Details on Free, prior and informed consent (FPIC) process available?  X  0 / 1  No source
77. Examples of local stakeholder engagement to prevent conflicts?  X  0 / 1  No source
78. Details of process for addressing land conflicts available?  X  0 / 1  No source
79. Commitment to support the inclusion of women across natural rubber operations, including addressing barriers faced?  V  1 / 1  Source
80. Commitment to mitigate impacts on food security?  X  0 / 1  No source
81. Progress on commitment to mitigate impacts on food security?  P  0.75 / 1  Source
82. Commitment to provide essential community services and facilities?  V  1 / 1  Source
83. Progress on commitment to provide essential community services and facilities?  P  0.75 / 1  Source
84. Commitment to provide business/work opportunities for local communities?  V  1 / 1  Source
85. Commitment to respect all workers’ rights?  V  1 / 1  Source
86. Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles?  V  1 / 1  Source
87. Commitment to eliminate gender related discrimination with regards to employment and occupation?  V  1 / 1  Source
88. Percentage or number of temporary employees?  
This indicator is disabled as the company has informed ZSL that it does not have any temporary employees
89. Percentage or number of women employees?  V  1 / 1  Source
33,234 (40.6%)
90. Commitment to pay at least minimum wage?  V  1 / 1  Source
91. Progress on commitment to pay at least minimum wage?  P  0.5 / 1  Source
The company only states that the average wage was higher than the minimum wage
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<tbody>
<tr>
<td>92. Reporting of salary by gender?</td>
<td>× 0 / 1</td>
<td>Source</td>
</tr>
<tr>
<td>93. Commitment to address occupational health and safety?</td>
<td>✓ 1 / 1</td>
<td>Source</td>
</tr>
<tr>
<td>94. Time lost due to work-based injuries?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>95. Reduction of time lost due to work-based injuries?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>96. Number of fatalities as a result of work-based accidents?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>97. Zero fatalities as a result of work-based accidents?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>98. Provision of personal protective equipment and related training?</td>
<td>× 0 / 1</td>
<td>No source</td>
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</table>

### Certification standards/Sustainability initiatives

#### 2 media reports

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>99. Member of the Global Platform for Sustainable Natural Rubber (GPSNR)?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>100. Submitted self-declaration form for the Sustainable Natural Rubber Initiative (SNR-i)?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>101. Commitment to become 100% certified under voluntary sustainability certification scheme?</td>
<td>✓ 1 / 1</td>
<td>Source</td>
</tr>
<tr>
<td>The company is currently disassociated from the FSC however it made a commitment to become 100% FSC certified by 2024 and the company is currently working on the Roadmap of reassociation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102. Certified under voluntary sustainability certification scheme?</td>
<td>✓ 0.5 / 1</td>
<td>Source</td>
</tr>
<tr>
<td>Some of the company's operations are ISO 14001 certified</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103. Percentage area (ha) FSC certified?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
<tr>
<td>The company is currently disassociated from the FSC however it made a commitment to become 100% FSC certified by 2024 and the company is currently working on the Roadmap of reassociation</td>
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### Smallholders and suppliers

#### 2 media reports

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<thead>
<tr>
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<th>Score</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>105. Smallholder participation in the decision-making process?</td>
<td>× 0 / 1</td>
<td>No source</td>
</tr>
</tbody>
</table>
### 104. Commitment to support smallholders?

- Status: ✔ 1 / 1

### 105. Programme to support scheme smallholders / outgrowers?

- Status: ✔ 1 / 1

This indicator is disabled as the company has informed ZSL that it does not source from scheme smallholders/outgrowers.

### 106. Percentage of scheme smallholders / outgrowers involved in programme?

- Status: ✔ 1 / 1

This indicator is disabled as the company has informed ZSL that it does not source from scheme smallholders/outgrowers.

### 107. Programme to support independent smallholders?

- Status: ☑ 0.75 / 1

The company provides seeds, training in good agricultural practices and access to markets.

### 108. Percentage of independent smallholders involved in programme?

- Status: ⚠ 0 / 1

No source.

### 109. Percentage of supply from smallholders?

- Status: ✔ 1 / 1

- 60,000 (19.5%) - The company states that it used 60,000 tons of rubber from smallholders out of 307,000 tons and plans to increase the amount sourced from smallholders to 105,000 tons by 2020.

### 110. Percentage of supply coming from agroforestry?

- Status: ⚠ 0 / 1

No source.

### 111. Process used to prioritise, assess and/or engage non-smallholder suppliers on compliance with company's policy and/or legal requirements?

- Status: ⚠ 0 / 1

No source.

### 112. Number or percentage of non-smallholder suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements?

- Status: ⚠ 0 / 1

No source.

### 113. Suspension or exclusion criteria for non-smallholder suppliers?

- Status: ⚠ 0 / 1

No source.

### 114. Process used to engage smallholder suppliers on compliance with company's policy and/or legal requirements?

- Status: ⚠ 0 / 1

No source.

### 115. Number or percentage of smallholder suppliers engaged on compliance with company's policy and/or legal requirements?

- Status: ⚠ 0 / 1

No source.

### 116. Commitment to ethical conduct and prohibition of corruption?

#### Governance and grievances

- Status: ⚠ 1.75 / 5 35%

- 3 media reports
<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>The company only mentions anti-corruption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>117. Progress on commitment to ethical conduct and prohibition of corruption?</td>
<td>0.75</td>
<td>Source</td>
</tr>
<tr>
<td>118. Whistleblowing procedure?</td>
<td></td>
<td>No source</td>
</tr>
<tr>
<td>119. Own grievance or complaints system open to all stakeholders?</td>
<td></td>
<td>Source</td>
</tr>
<tr>
<td>The company states to have a grievance system however limited details are provided on the process and it is unclear if the system is accessible for external stakeholders</td>
<td></td>
<td>No source</td>
</tr>
<tr>
<td>120. Details of complaints and grievances disclosed?</td>
<td></td>
<td>No source</td>
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