

# Guidance for Sustainable Natural Rubber

With the increasing demand from the world due to its rapid economic growth, the sector of natural rubber faces unprecedented challenges. As a key producer, leading importer and growing investor of rubber industry, China needs to pay attention to Environmental, Social and Governance (ESG) risks/sustainability issues in the activities of investment and supply chain management.

Deforestation, the loss of the habitats endangered animals depend on, the disruption of the biologic chain leading to environmental issues (climate change, soil erosion and vegetation degradation, et cetera), land grabbing and human rights violations, the livelihood of smallholders, local communities and indigenous people are the main environmental and social issues related to natural rubber investment in natural rubber producing countries, including the natural rubber producing regions in Africa.

**CCCMC** Since 2014, with the active engagement of stakeholders, China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) has led the development of a comprehensive risk-based

Guidance for Sustainable Natural Rubber (rubber guideline) and its implementation tools under the China-UK Collaboration on International Forest Investment and Trade (InFIT) Programme which is supported by the Ministry of Commerce of the People's Republic of China, the China National Forestry and Grassland Administration (NFGA) and UK Department for International Development. The rubber guideline aims to provide the companies engaging in natural rubber investment, planting and processing with business policies, management frameworks, risk analysis, evaluation references and implementing methods for identifying, preventing and managing ESG risks, so as to help them incorporate risk-oriented due diligence systems into their daily management activities, and achieve business compliance and sustainable development.

The rubber guideline was officially issued in October 2017 at the Association of Natural Rubber Producing Countries (ANRPC) conference in Vietnam.<sup>1</sup>

The Guidance is the first comprehensive and risk-oriented guideline to the natural rubber industry that fills in the void of non-sustainability standards for natural rubber growing and processing industries. The rubber guideline got the attention and recognition of the rubber companies and stakeholders. For example, the rubber guideline was listed as a reference in the Pirelli's Sustainable Natural Rubber Policy Implementation manual<sup>2</sup> and introduced in the The Natural Rubber Supply Chain, How companies can identify and resolve sustainability issues, published by Global Nature

<sup>1</sup> <http://www.cccmc.org.cn/docs/2017-11/20171107204714430892.pdf>

<sup>2</sup> [https://s3.eu-west-1.amazonaws.com/psi-dotcom-prd/corporate/4423\\_Pirelli\\_Sustainable\\_Natural\\_Rubber\\_Implementation\\_Manual.pdf](https://s3.eu-west-1.amazonaws.com/psi-dotcom-prd/corporate/4423_Pirelli_Sustainable_Natural_Rubber_Implementation_Manual.pdf)

Fund and Suedwind institute and judged as “The guidelines are voluntary, but they offer a sound basis for adoption as mandatory standards”.<sup>3</sup>

To implement the rubber guideline, cooperating with domestic and international stakeholders widely, CCCMC is conducting works on the development of implementation tools, awareness and capacity training, a sustainable natural rubber demonstration project, smallholder support and industry organization initiatives.

**PILOT PROJECT** CCCMC collaborates with the global leading natural rubber company Halcyon Agri (HAC) to conduct a Sustainable Natural Rubber pilot project. Halcyon Agri is a subsidiary of Sinochem International Corporation – a Chinese listed corporation –, and has invested in natural rubber

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production in Africa. In the collaboration project, CCCMC will assess Halcyon Agri's policy, procedures and practices against CCCMC's rubber guideline and international best practice. CCCMC will also assist to develop practical and systematic solutions to improve Halcyon Agri's sustainability systems and practices, with the objective of advocating Halcyon Agri's development toward sustainability as industry reference. Halcyon Agri operates its own integrated natural rubber supply chain, and has control over how its natural rubber is grown, sourced, produced, and distributed. CCCMC seeks to identify the applicability of its Guidance and implementation tools from this exercise, to build a sound foundation to provide standards and tools for natural rubber companies more widely.<sup>4</sup>

<sup>3</sup> The paid link is <https://suedwind-institut.de/alle-verfuegbaren-publikationen/naturkautschuk-in-der-lieferkette-wie-unternehmen-nachhaltigkeitsprobleme-erkennen-und-loesen-koennen.html>

<sup>4</sup> <https://www.halcyonagri.com/news/halcyon-agri-collaborate-cccmc/>



With the rubber industry organizations in Mekong region, CCCMC is exploring to launch an initiative towards building a sustainable natural rubber value chain in the Mekong region, to make contributions to the balanced development of the environment, society and economy. Industry organizations are between the government and enterprises. Connecting participants in different links of the value chain, industry organizations can mobilize all stakeholders to participate, in various aspects including service consultation, technology introduction, building communication platforms, formulating regulations, and policy recommendations. The experiences of this collaboration model among industry organizations could be taken as references for driving sustainable natural rubber in Africa and other regions/countries around the world.

**SDGs** CCCMC will continue to cooperate with global and regional partners to work as impact-oriented partnership to promote collaboration from various stakeholders, to enhance sustainability in the natural rubber value chain, contributing to achieve the 2030 Agenda for Sustainable Development and the United Nations Sustainable Development Goals (SDGs).

Source: CCCMC.

<http://en.cccmc.org.cn>

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