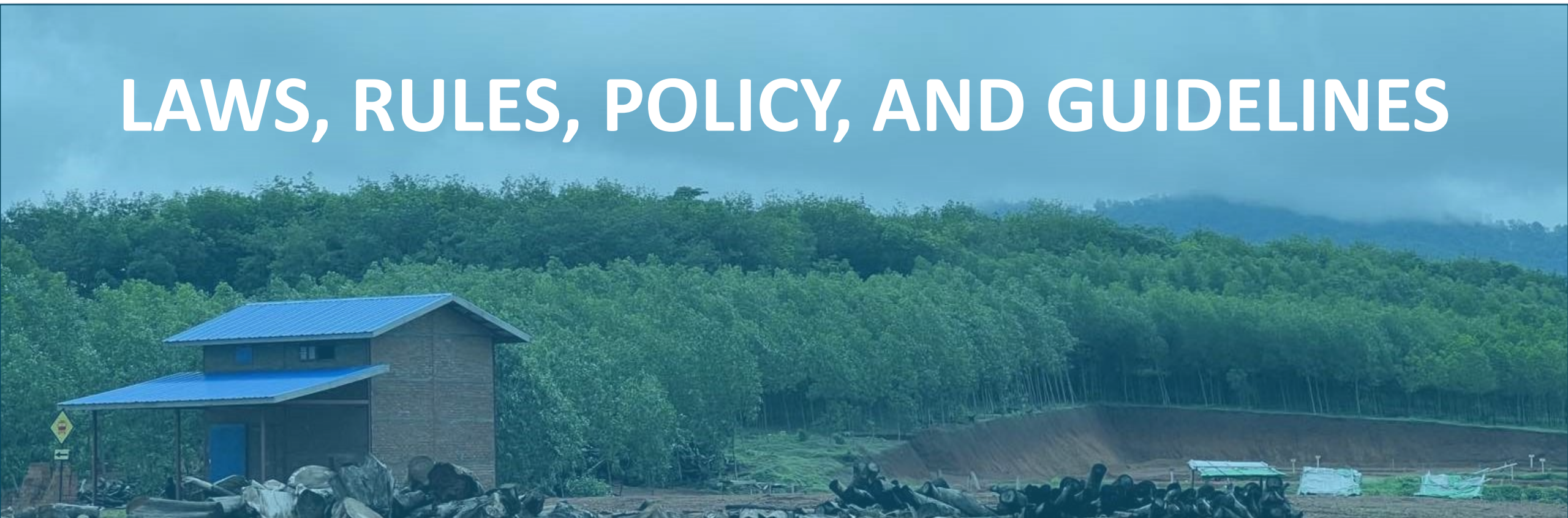


# Introduction to “Environmental and Social Good Practices in Myanmar Rubber Processing Industry”

## LAWS, RULES, POLICY, AND GUIDELINES



**Myanmar Koei International Ltd. (MKI)**

**August 16, 2023**

# Outlines of this Chapter

- Detailed description of the national policy, laws, rules and guidelines from relevant ministries such as MONREC, MOALI, MOC, MOI, MOLIP, etc. associating with rubber sector in Myanmar.
- Brief description of the international policy, laws, rules and guidelines focusing on sustainable rubber (e.g., SNR-i, IFC guidelines, etc.).

**Note:** MONREC- Ministry of Natural Resources and Environmental Conservation  
MOALI- Ministry of Agriculture, Livestock and Irrigation  
MOC- Ministry of Commerce  
MOI- Ministry of Industry  
MOLIP- Ministry of Labor, Immigration and Population

# Myanmar Rubber Sector Policy Support Framework

*Rubber plantation, rubber processing, trading and exporting activities will **have to comply** the **laws, rules, regulations, permits, roles and responsibilities** of the relevant departments from different Government sectors.*

- Ministry of Immigration and Population
- Ministry of Labor

Ministry of Natural Resource and Environmental Conservation

- Environmental Conservation Department
- Department of Forestry

Ministry of Agriculture, Livestock and Irrigation

- Department of Agriculture
- Department of Agriculture Land Management and Statistics
- Agriculture Research Department

Ministry of Industry

- No. 2 Heavy Industries Enterprise
- Central Department of Small and Medium Enterprises Development
- Directorate of Industrial Supervision and Inspection

Ministry of Commerce

- Myanmar Trade Promotion Organization
- Consumer Affairs Department
- Department of Trade

\* Ministry of Labor, Immigration and Population

- Department of Labor
- Social Security Board
- Department of Factories and General Labour Laws Inspection

Ministry of Planning and Finance

- Customs Department
- Internal Revenue Department
- Myanmar Foreign Trade Bank
- Myanmar Investment and Commercial Bank
- Myanmar Economic Bank
- Myanmar Agriculture Development Bank

\* Ministry of Transport and Communication

- Myanmar Port Authority (Shipments and Clearance of commodities at port)

Ministry of Home Affairs

- Department of Fire Service

Ministry of Foreign Affairs

- International Organization and Economic Department (Commercial attachés / trade counsellors)

- Ministry of Health
- Ministry of Sports and Youth Affairs

\* Ministry of Health and Sport

- Department of Public Health

Ministry of Office of the Union Government

- General Administration Department

Key Ministries and Departments for Rubber Sector

Note: \* Reorganized the Ministries

# Key Laws, Rules and Regulations Relating with Myanmar Rubber Sector

No.	Keys Law, Rules and Regulations
<b>Ministry of Natural Resources and Environmental Conservation (MONREC)</b>	
1	The National Environment Policy (1994)
2	National Sustainable Development Strategy (2009)
3	Environmental Conservation Law (2012)
4	Environmental Conservation Rule (2014)
5	National Environmental Quality (Emission) Guidelines (2015)
6	Environmental Impacts Assessment Procedure (2015)
7	The Forest Law (1992)
8	The Forest Rules (1995)
<b>Ministry of Agriculture, Livestock and Irrigation (MOALI)</b>	
9	The Conservation of Water Resources and Rivers Law (2006)
10	The Conservation of Water Resources and River Rules (2013)
11	Bill for Myanmar Rubber Industry (Draft)
12	Farmers Rights Protection and Business Promotion Law (2013)
13	The Pesticide Law (2016)
14	The Fertilizer Law (2002) (Amendment in 2018)
15	The Plant Pest Quarantine Law (1993)
16	The Protection of Wildlife and Wild Plants and Conservation of Natural Areas Law (1994)
<b>Land Use</b>	
17	National Land Use Policy (2016)
18	The Land Acquisition Act (1894)
19	The Farmland Law (2012)
20	The Farmland Rules (2012)
21	The Vacant, Fallow and Virgin Lands Management Law (2012)
22	The Vacant, Fallow and Virgin Lands Management Rules (2012)
<b>Ministry of Industry</b>	
23	Private Industrial Enterprise Law (1990)
24	Small and Medium Enterprises Development Law (2015)
25	Small and Medium Enterprises Development Policy (2015)
26	The Prevention of Hazard from Chemicals and Related Substances Law (2013)
27	The Boiler Law (2015)
28	The Electricity Law (2014)



No.	Keys Law, Rules and Regulations
<b>Ministry of Commerce</b>	
29	The Foreign Investment Law (2012)
30	The Export and Import Law(2012)
31	The Myanmar Citizen Investment Law (2013/Amendment in 2015)
<b>Ministry of Labor, Immigration and Population</b>	
32	The Worker's Compensation Act (1923)
33	The Payment of Wages Act (1936)
34	The Payment of Wage Law (2016)
35	The Minimum Wage Law/Rules (2013)
36	The Factory Act (1951/Amendment in 2016)
37	The Leave and Holiday Act (1951, partially Amendment in 2014)
38	The Labor Organization Law (2011)
39	The Labor Organization Rule (2012)
40	The Social Security Law (2012)
41	The Social Security Rules (2014)
42	The Labor Dispute Settlement Law (2012/Amendment in 2016)
43	The Employment and Skill Development Law (2013)
44	The Occupational Health and Safety Law (draft) by the Ministry of Labor, Immigration and Population (2019)
<b>Ministry of Health and Sports</b>	
45	The Public Health Law (1972)
46	The Prevention and Control of Communicable Diseases Law (1995, revised in 2011)
<b>Others</b>	
47	The Natural Disaster Management Law (2013)
48	The Myanmar Fire-brigade Law (2015)

## Land Use

### ❑ Vacant, Fallow and Virgin Land

- The *Article 4 of Vacant, Fallow and Virgin Land Rules (2012)* stated that the central committee can grant permit to who wants to utilize land of vacant, fallow and virgin land in the country for doing Agriculture, Livestock Poultry Farming and Aquaculture, Mining and Government allowable other purposes in line with the law. The followings are the relevant Government authority who can grant permit for agriculture processes depending on the type of land use under the management of relevant Ministry and Government Department.

#### **Forest Land**



#### **Department of Forestry (DOF)**

Department of Forestry grants 30 years land lease for the rubber plantations. A person who wants to do rubber plantation business on forest land can apply for 30 years land lease to the Department of Forestry.

#### **Pasture Land**



#### **General Administration Department (GAD)**

The land management on the pasture lands is usually carried out by the relevant State or Division General Administration Department (GAD). It is necessary to get a permit from General Administration Department (GAD) if a person wants to work on the pasture lands.

### ❑ Farmland

- *Article 35 of Farmland Rules (2012)*, any person who get a permit to work on vacant, fallow and virgin land from the vacant, fallow and virgin land central management committee may apply to the central farmland management committee to designate the as farmland from vacant, fallow and virgin land (form-10). *Article 40 of Farmland Rules, form- 7* is generally issued for the farmland work permit the applicant after reclaiming the farm land from vacant, fallow, and virgin land. For the issues concerning with agriculture land ownership, Department of Agriculture Land Management and Statistics is responsible for the management of Agriculture land use.



## License, Registration and Permits

### ❑ Private Industrial License

- Any type of industry which uses the power of three horsepower and above or manpower of ten wage-earning workers has to register industrial license according to *the Private Industrial Enterprise Law (1990) Article (4)*. For the rubber production factories which meet minimum requirements for industrial enterprise, the relevant factory shall register in the Directorate of Industrial Supervision and Inspection (DISI) which is under the Ministry of Industry (MOI) for private industrial license. According to the *Private Industrial Enterprise Rules (1991)*, the classification of type are industrial enterprises are listed as below.

**Table 1- Definition of Small, Medium and Large-scale Enterprises under the Private Industrial Enterprise Rules (1991)**

N o	Classification of Industrial Enterprises	Wage- earning Workers	Energy Usage (Horse Power)	Amount of Investment (MMK Million)	Production Value (MMK Million)
1	Small Scale	≤ 50	≤ 25	≤ 1	≤ 2.5
2	Medium Scale	> 50 and ≤ 100	> 25 and ≤ 50	> 1 and ≤ 5	> 2.5 and ≤ 10
3	Large Scale	> 100	> 50	> 5	> 10

## ❑ Boiler Registration

- According to the *Article (2) of Boiler Law (2015)*, any closed pressure vessel of boilers which is equal and more than 25 liters or 5.5 gallons capacity of pressure vessel or which is equal and more than one kilogram per square centimeter or 14.2 pounds per square inch of pressure have to register. Registration must be applied to the respective Regional Boiler Inspection Departments under the Directorate of Industrial Supervision and Inspection (DISI).
- According to *Article (4) of Boiler Procedure (2016)*, the following requirements are needed to be attached when registering new boilers.
  - 1) Evidence documents related to boilers imported from abroad or boilers purchased locally;
  - 2) A certificate of production and testing standards followed in the manufacture of the boiler;
  - 3) A warranty certificate issued by the relevant country stating that the boiler has been inspected step-by-step until it is manufactured;
  - 4) A method of production of iron used in boilers, certificates of physical properties, chemical properties and industrial properties;
  - 5) Detailed drawing of the boiler, X-ray inspection of weld lines and thermal graphs;
  - 6) Brand and serial number of the boiler manufacturing company;
  - 7) design pressure; the amount of steam production and the fuel to be used;
  - 8) A detailed drawing of the installation and wiring of steam pipes used in conjunction with the boiler;
  - 9) Certificate or inspection records issued by Chief Inspector accordingly.

#### ❑ Small and Medium Enterprises (SMEs) Registration

- As per Article (2) of ***Small and Medium Enterprises Development Law (2015)***, the scale of Manufacturing Enterprises is again categorized based on its employees and capital investment as follows:

**Table 2- Scale of Manufacturing Enterprises under the Small and Medium Enterprises Development Law (2015)**

No	Classification of Industrial Enterprises	No. of Worker	Amount of Investment (MMK Million)
1	Small Scale	≤ 50	≤ 500
2	Medium Scale	≤ 300	> 500 and ≤ 1000

#### ❑ Small and Medium Enterprises (SMEs) Loan

- The SME loan can be applied up to 500 million Myanmar Kyats for the years of 1 to 5 years. The loan interest can be varied depending on the requirements of the Banks and the loan can be applied to Myanmar Economic Bank, AYA Bank, CB Bank, Myanmar Citizen Bank, First Private Bank, KBZ Bank and United Amara Bank. SME membership can apply online and the can be done at [www.moismeregister.gov.mm](http://www.moismeregister.gov.mm).

#### ❑ Exporters / Importers License

- As *Export/Import Law(2012)* stated that “Without obtaining license, no person shall export or import the specified goods which is to obtain permission”, a person who wants to trade his products directly to the other countries need Exporter/ Importer license and is needed to apply at Department of Trade which is the under Ministry of Commerce (MOC). In applying the silence, the exporter/ importer registration must be obtained beforehand as per the *Export/ Import Procedure (2015), article (47)*. After then, the exporter/importer must obtain the specific silences, permission for the respective issue. However, the organization who wants to register as an exporter/importer must have a Company Registration in prior according to *Export/Import Procedure (2015), article (4)*. Therefore, natural rubber manufactures who intend to export their products directly to the foreign countries require to obtain company registration.



## ❑ **Company Registration**

- A company or entity can be registered via MyCO (<https://www.myco.dica.gov.mm/>) in accordance with the *Myanmar Companies Law (2017)* and the *Special Company Act (1950)*. New company registration has been allowing in new electronic platform called MyCo- Myanmar Companies Online with the commencement of the *Myanmar Companies Law (2017)*.

## ❑ **Business License (State/ Region Development Affairs Organizations)**

- According to the *Regional Development Law*, a newly established factory is required to get business license from respective Township Development Affairs Committee. To obtain a business license, the applicants provide a completed application form, a fee, an ID card copy, a household list, and a ward administrator's recommendation to the DAO. It is not always necessary to visit the Township DAO Office to obtain a license, as the required paperwork and fee collection can be done by DAO field staff. Licenses are renewed annually, again often by DAO field staff making visits to businesses.

## ❑ **Rules relating to the Supervision of Controlled Precursor (2004), Article (46)**

- The Ministry of Industry (Mol) have also announced list of *29 Controlled precursor chemicals and 65 banned chemicals*. But, formic acid, which is commonly used for latex coagulation is not included in both of the list.
- For the rubber industries which are associated with those chemicals, especially *sulphuric acid*, it is needed to obtain Form 28 which is issued by the Ministry of Home Affairs according to the Rules relating to the *Supervision of Controlled Precursor (2004), Article (46)*. Form (28) is permit for using the controlled precursor chemicals for household use, personal use, business use or for laboratory analysis which is more than 50 liters of sulphuric acid.

#### ❑ **Permit for Pesticide**

- According to *the Pesticide Law (2016), Article (13)*, a person desirous of importing or exporting prepared mixture of pesticide or toxic substance have to apply for any of the following type of registration to the Registration Board in prescribed form.
- The type of registrations includes; (a) registration for experimental use (2 years duration); (b) registration for provisional use (5 years duration); (c) registration for full use (10 years duration); (d) registration for special use (emergency use for 1-year duration). The registration has to apply at the Ministry of Agriculture, Livestock and Irrigation (MOALI).
- According to the Procedure Relating to Pesticide Law (1991), the applicant has to apply the registration for pesticide using Form No. (1).

#### ❑ **Registration of fertilizer storage for commercial purposes**

- According to the *Fertilizer Law (2002), Article (7)*, a person who is importing fertilizer for commercial purpose shall apply to the Fertilizer Committee to obtain the registration certificate in accordance with the stipulation.
- Moreover, according to the (Article 13), a person desirous of operating on the storage of fertilizer business for commercial purpose shall, in accordance with the stipulations, apply to the Department of Agriculture to obtain a business license.

## ❑ License and Registration for Rubber Industry

- According to the *Draft Rubber Law, Article (18 and 19)* the following business activities are needed to apply registration to Myanmar Rubber Board.

According to *Article 19*, any of the following business activities are needed to apply registration:

1. Plantation of rubber
2. Production of rubber products
3. Production of rubber wood and wood based products
4. Exporting rubber products

According to *Article 18*, any of the following business activities are needed to apply registration:

1. Plantation of rubber nurseries and cultivars
2. Rubber processing industry
3. Rubber Trading

## Required Inspections by Relevant Departments

### ❑ Inspection for Private Industrial License

- After the submission to Industrial license application to Directorate of Industrial Supervision and Inspection (DISI), the respective State or Divisional Officer In-charge will make scrutiny and necessary inspection according to the *Article (6)* of the Private *Industrial Enterprise Law (1990)*. The inspections are done by the co-operation of the departments under DISI such as Industrial Supervision Department, Industrial Inspection Department, Boiler Inspection Department and Electrical Inspection Department.
- Industrial Inspection Department will undertake physical inspections and environmental measurements such as Noise, odor and wastewater quality.

### ❑ Boilers Inspection

- The Inspections are carried out by Boiler Inspection Department according to the *Article (32)* of new boiler registration and also *Article (34)* of the *Boiler Law (2015)* for boiler license extension. The main functions of Boiler Inspection Department are the inspection for unregistered boilers to be registered, annual inspection for renewal of certificate for the use of boiler, subsequent inspection for boilers after being repaired and inspection for boiler accidents, deterioration, emergency cases and supervision and inspection at all stages of construction. Inspection and certification of boilers are made in accordance with the Boiler Law on yearly basis.

## ❑ Electrical Inspection

- Electrical Inspection Department inspects and supervises electric power generation, transmission and distribution systems in private, cooperative and public sectors in accordance with the *Electricity Law (2014)*. The Electrical Inspection Department which is under the Directorate of Industrial Supervision and Inspection (DISI) performs inspection of electricity-related business and the electrical equipment in accordance with the electricity law Article (30) and existing regulations described in the website of DISI.

- Inspect the high and low power utilization, the internal wiring of the public buildings, electrical appliances such as battery chargers, heater, welder, generator, power meter and etc., elevator, escalator, high voltage line and sub-station and issue the certificate of electrical safety.
- Inspect the generation and utilization by using generator and issue the certificate of registration for power generation and distribution.
- Issuing the electrical professional certificate to the certified person.
- Issuing the certificate of conformity and certificate of electrical safety after testing the local & import electrical and electronic goods with International Electrotechnical Commission (IEC) Standards at laboratory.

## ❑ Fire Safety Inspection

- *Article (17) of the Myanmar Fire Brigade Law (2015)* stated that before granting permission for constructing factory, workshop, warehouse and storage tank the recommendation from fire safety inspection of Department of Fire Services have to be obtained. *Article (63)* stated that correspondent building layout and Emergency Escape and Fire safety system Layout and other require documentation are needed to be submitted to respective Township Fire Service Department Officer. The person-in-charge of the township Fire Service Department is responsible for the fire safety inspections to business activities in the township according to the *Article (16)* of law.

## ❑ Environmental Inspection

- After submitting IEE/EIA/ EMP reports to Environmental Conservation Department, environmental inspections are carried out in proposed factories. The environmental inspection and monitoring are carried out by respective Department Officers at national, regional, state or any consultant or both according to the *Article (111) of Environmental Impact Assessment Procedure (2015)*. The categories of inspections usually involve visual inspection, water quality measurement (tentatively every 6 or 3 months) and air quality measurement (annually).

## ❑ Pollution Control and Cleansing Department (Urban Environmental Conservation and Cleansing Department)

- If the factories are located in Yangon City Area, the Pollution Control and Cleansing Department will take inspection as per the Yangon City Development Law (2018), *Article (245,246,261)*. As the emissions, effluents, and wastes from the factories have possibly the adverse impacts on environment, the status of disposal/discharge is monitored by the Yangon City Development Committee.



## ❑ Occupational Health and Safety Inspection

- The Department of Factories and General Labour inspection had been inspecting the noise level, air quality, and temperature of working areas in factories before enacting The *Occupational Safety and Health Law (2019)*, as per the plan of Factories and General Labour Inspection Department. According to the *Article (17/d)*, the inspector who was assigned by the department has an authority to assess the levels of environmental pollution, radiation or harmfulness of hazardous substances and objects including temperature, noise, illumination, heat, dust and fumes in workplace.

## ❑ Inspection Upon Chemical

- The Inspection Team which is comprised with relevant Government Departments will carry out inspections upon chemicals and associated material such as regular inspection once in every 6 months, inspection upon information and surprise checking in the interim period of regular inspection according to the *Article (11 and 12)* of Prevention from Hazards of Chemicals and Other Related Substances Law (2013). The license holder has to follow the principles described in Article (16) intended for effective management for the workers' health, direct affecting of life and indirect affecting to health and safety of life for man and animal through the environmental pollution, in the chemical and associated materials business.

### ❏ Inspection Upon Pesticides

- The Department of Agriculture (DOA) will carry out the following inspections on pesticides according to the duty and rights of the inspector which is mentioned in Article (22) of Pesticide Law (2016).

- Inspecting whether or not it is complied with the provisions of Pesticide Law.
- Inspecting the enterprises dealing with the sale of pesticide and handling and use of pesticide in the region.
- Administering the disposal and destruction of containers, wrappers and packages of pesticide systematically;
- Inspecting whether or not packing, storage and distribution of the pesticides are consistent with the conditions described in the license;
- Inspecting whether or not the use of pesticide in crops is consistent with the conditions contained in the instructions;
- Inspecting the records of sale and purchase of pesticide;
- Taking a sample for analysis of the pesticides.

### ❑ Environmental Consideration

- *National Land Use Policy (2016) Article (32)/(g)* includes that suitable protection measures have to be implemented in the proposed grant or lease and surrounding areas, in order to avoid the loss of land use rights and negative impacts on the socioeconomic life of existing land users.
- *Private Industrial Enterprise Law (1990) Article (11/C)*, mentioned that there is consideration upon Community and Occupational Health and Safety of the industrial enterprises. The private industrial enterprises have to manage for environmental impacts described as below.

1. No cause of being injurious to the health of the public residing in the vicinity of the private industrial enterprise;
2. Being safe from the danger of fire;
3. No cause of being a nuisance to the environment and no cause of there being any pollution;
4. No cause of being injurious to the health of the workers of the private industrial enterprise and no likelihood also being any danger;
5. Being also in compliance with the existing laws.

- The *Hazardous Occupations (Rubber) Rules, (1937)* declares that “working on a rubber mixing machine and the use of any organic solvents in the manufacture of goods containing rubber” as hazardous operations when carried on factory. The rule considers the Occupational Safety by saying that “an efficient draughts shall be provided by mechanical means for any process in which an organic solvent is used in the manufacture of goods containing rubber” in *Article (4)*.
- *Tanintharyi Region Development Law (2017), Article (21/M)*, expresses that if a rubber factory affects the nearby residents’ health or makes any disturbance, that factory shall not be operated any longer or shall be renovated/managed well for preventing such impacts. In other words, all rubber factories in Tanintharyi Region shall not be operated at the place where it affects nearby resident’s health or makes any disturbance.

### ❑ Implementation of IEE/ EIA/ EMP Reports

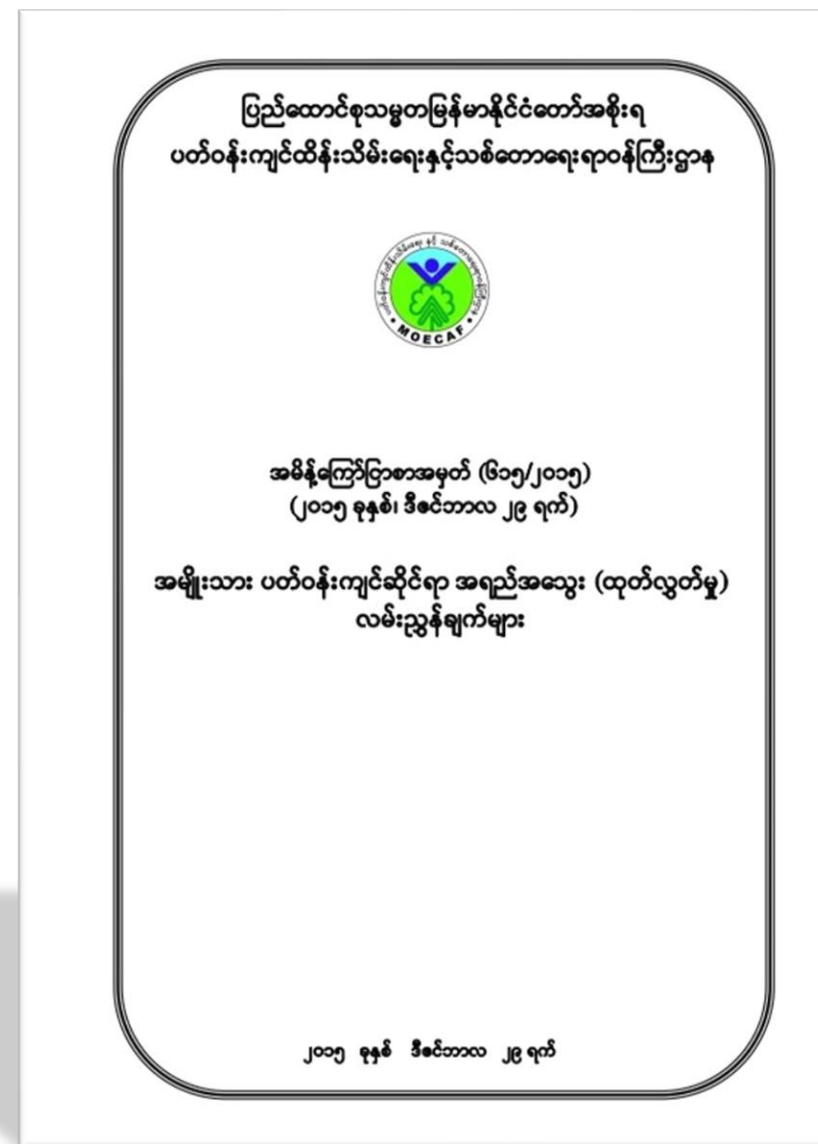
- According to the *Environmental Impact Assessment Procedure (2015) Article (8)*, the plantations and factories implemented after the issuance of the Environmental Conservation Rule (June 2014) have to develop IEE/EIA report and submit to ECD. All existing factories which meet the stipulations of *EIA Procedure (2015) Annex (1)* and is established before June 2014, have to submit Initial Environmental Examination (IEE) or Environmental Impacts Assessment (EIA) or Environmental Management Plan (EMP) report to ECD as it described in the Article (8) of EIA Procedure (2015).
- When the IEE report is approved, the ECD will issue ECC (Environmental Compliance Certificate) which included environmental monitoring plans to carry out regularly according to the *Article (106) of EIA Procedure (2015)*.

**Table 3- IEE/EIA Classification under Annex-1 of the EIA procedure (2015)**

No.	Type of Economic Activity according to EIA Procedure (2015)	Criteria for IEE Type Economic Activities	Criteria for EIA Type Economic Activities
29	Plantation Industrial/Crop Production (e.g. rubber, palm oil, cocoa, coffee, tea, bananas, sugar cane)	≥ 200 ha but < 500 ha	≥ 500 ha
91	Metal, Plastic, Fibre and Rubber Products Manufacturing Plants (material processing operations common to multiple industries engaged in the manufacture of metal, plastic, fibre, and rubber products)	≥ 5,000 m <sup>2</sup> production area, or ≥ 6 kg/h consumption of organic solvents	All activities where the Ministry requires that the Project shall undergo EIA
92	Rubber and Latex Processing Plants	≥ 2,000 t/a	All activities where the Ministry requires that the Project shall undergo EIA

## ❑ Environmental Standards (National Environmental Quality (Emission) Guidelines)

- According to the *Environmental Impact Assessment Procedure (2015) Article (8)*, the plantations and factories implemented after the issuance of the *Environmental Conservation Rule (June 2014)* have to develop IEE/EIA report and submit to ECD. The type of reports is classified according to the *Annex (1)* of economic activity no. (29) Plantation Area, no. (91) Production area and (92) production capacity.
- Whatever all existing factories which meet the stipulations of *EIA Procedure (2015), Annex (1)* and is established before June 2014, have to submit Initial Environmental Examination (IEE) or Environmental Impacts Assessment (EIA) or Environmental Management Plan (EMP) report to ECD as it described in the *Article (8) of EIA Procedure (2015)*.



## Labour Affair

### ❑ Social Security Board (SSB)

- *Social Security Law (2012), Article (11)* mentioned in of the Law are compulsory to register for social security systems and benefits from this law.

### ❑ Employment and Labour Skill Development

- According to *Article (15) of the Employment and Labour Skill Development*, it is said that the employer has to provide trainings such as on-job training, training systematically at worksite, or sending outside training to enhance the employment skill of the workers. Moreover, the youths of 16 years can be employed as apprentice in accordance with the regulations prescribed by the skill development team.

### ❑ Occupational Health and Safety

- As per *Article (8) of the Occupational Health and Safety Law*, factories mentioned in 1951 Factories Act and other manufacturing industry shall apply for permission for the purpose of safety and health to the Factories and General Labor Laws Inspection Department.



## Others

### ☐ Fire Safety

- The relevant Government department or organization have to obtain the recommendation of the inspection on fire safety of the Department of Fire Services before granting permission according to the activities and enterprises described in *Article (17) of the Myanmar Fire-brigade Law (2015)*.

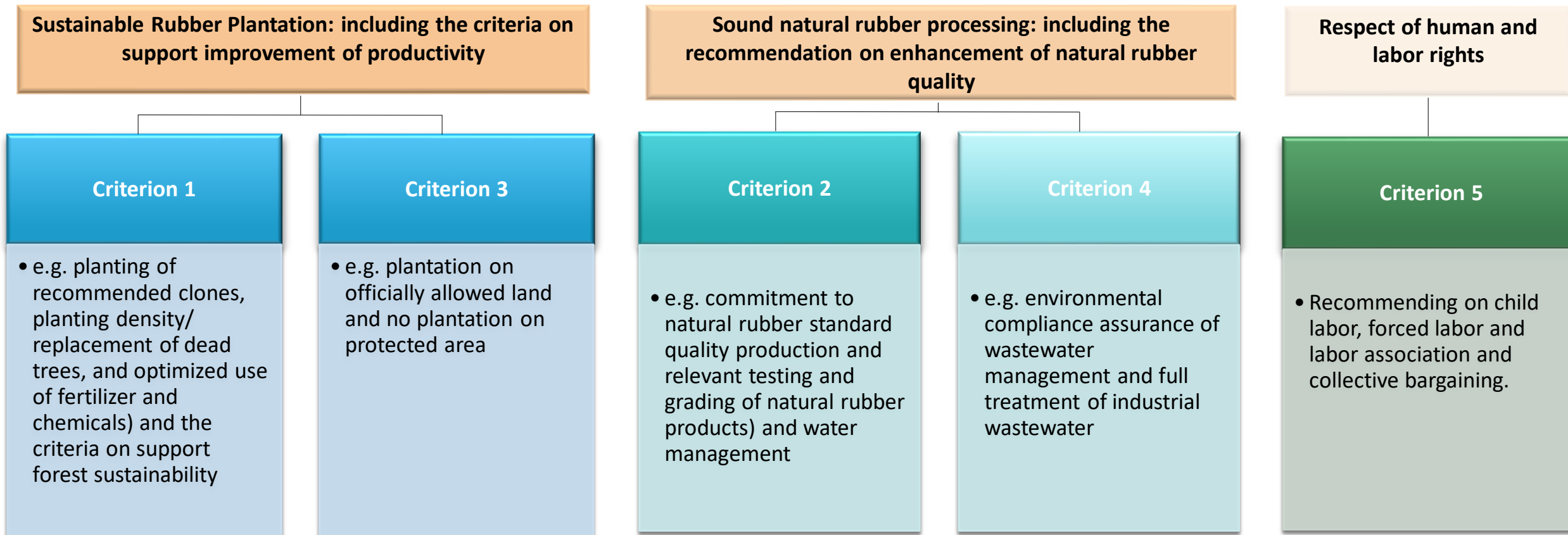
### ☐ Recommendation by Fire Service Department

- According to the *Myanmar Fire Brigade Law (2015) Article (17)*, it is necessary to obtain the recommendation of the inspection on fire safety of the Department of Fire Services before granting permission for the activities such as construction three-stored and above, factory, workshop, warehouse and storage tank, operating transport business by using vehicles and so on.

## International Policy, Laws, Rules and Guidelines

### ❑ Sustainable Natural Rubber Initiative by IRSG

- The International Rubber Study Group (IRSG), an inter-governmental organization composed of rubber producing and consuming stakeholders, has developed Sustainable Natural Rubber Initiative (SNR-i) (2014) which is to establish the sustainability of the natural rubber value chain. The SNR-i guideline has set criteria and indicators towards sustainable production of natural rubber. The guideline's content includes the **three** following main aspects:



## Guidelines of International Financial Organizations

### ☐ IFC Environmental, Health and Safety Guidelines (EHS)

- International Finance Corporation (IFC) EHS guidelines (2016) for Perennial Crop Production focus on environment, health, and safety for rubber plantation. Environmental issues in plantation crop production are described, including:

- ☐ Soil conversion and management,
- ☐ Nutrient management,
- ☐ Crop residue and solid waste management,
- ☐ Water management,
- ☐ Pest management,
- ☐ Use and management of pesticides,
- ☐ Fertilizers,
- ☐ Biodiversity and ecosystems,
- ☐ Genetically modified crops,
- ☐ Energy use,
- ☐ Air quality, and
- ☐ Greenhouse gas emissions.

## Guidelines of Some Countries

### ❑ **Guidance for Sustainable Natural Rubber by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC)**

- This Guidance for Sustainable Natural Rubber (SNR) mainly applies to businesses which invest in, plant or process of natural rubber. The guidance provides instructions on the following issues:
  - ✓ selection of land for rubber plantation (e.g. land right, land transfer and restoration) with consideration of natural environment (topography, landform, underground water, surface water, wetlands, rivers, meteorological conditions, soil types, biodiversity, forest);
  - ✓ site selection for construction of natural rubber processing plant (terrain, landform, meteorology, hydrology, geology, transportation, energy, labor and other socio-economic conditions);
  - ✓ social responsibility (during operation stage): including rights of indigenous people, labor right, cooperation with civil society organizations;
  - ✓ environmental responsibility (during operation stage) for rubber plantations;
  - ✓ environmental responsibility for the operation of rubber processing plant: availability of water resources, effluent treatment, reuse of water, gas emission control, disposal of solid waste;
  - ✓ economic responsibility (e.g. paying tax and fee) during the operation stage.

## ❏ Policy of Rubber End Users

- The international tyre companies, for example, Goodyear establishes natural rubber procurement policy for procurement supply chain for natural rubber which is long and fragmented involving smallholder growers, industrial plantations, intermediate dealers, processors, trading companies. Typically, the major contents of the policy are to support and protect the rights of workers, land owners, and local people;
  - ✓ promote responsible acquisition and management of land utilized for growing natural rubber;
  - ✓ promote practices that lead to the ability to trace natural rubber through the entire supply chain;
  - ✓ promote practices that lead to the ability to trace natural rubber through the entire supply chain;
  - ✓ promote the use of responsible and sustainable production techniques;
  - ✓ promote the best available growing and harvesting techniques;
  - ✓ support the livelihoods of smallholders; and
  - ✓ regular audit and work with our supply chain on policy compliance

