



International Rubber Study Group

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International Rubber Study Group (IRSG)
Voluntary Sustainable Natural Rubber Initiative

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Abbreviations

AIRIA: All India Rubber Industries Association

ANRPC: Association of Natural Rubber Producing Countries

ATMA: Automotive Tyre Manufacturers' Association

CRIA: China Rubber Industry Association

ETRMA: European Tyre & Rubber Manufacturers Association

GAPKINDO: Gabungan Perusahaan Karet Indonesia

IAP: Industry Advisory Panel

IRRDB: International Rubber Research and Development Board

IRSG: International Rubber Study Group

JATMA: Japan Automobile Tyre Manufacturers Association

KOTMA: Korea Tire Manufacturers Association

KPI: Key Performance Indicators

RMA: The Rubber Manufacturers Association

SNR: Sustainable Natural Rubber

SNRWG: Sustainable Natural Rubber Working Group

UNCTAD: United Nations Conference on Trade and Development

VSS: Voluntary Sustainability Standards

WRS: World Rubber Summit

1. Introduction

1.1. The International Rubber Study Group (IRSG)

The International Rubber Study Group (IRSG) is an inter-governmental organisation composed of rubber producing and consuming stakeholders. Located in Singapore, IRSG was established in 1944. In order to facilitate the interaction between the industry and the Group, a Panel of Associates with members of organisations involved in the rubber industry has been established. IRSG currently has 36 member countries and around 120 industry members. The Sustainable Natural Rubber (SNR) Initiative has been developed under the framework of the IRSG as a voluntary and collaborative industry initiative to ensure that the rubber industry can build on its best practices, demonstrate and communicate throughout the natural rubber value chain that Natural Rubber is Sustainable Rubber.

1.2. Framework for initiating the Sustainable Rubber Project

The initiation of a “Sustainable Rubber” project was recommended on a high priority basis by the Industry Advisory Panel (IAP) of the inter-governmental International Rubber Study Group (IRSG) in February 2012. The IRSG Secretariat then carried out an audit of what other international commodity bodies have achieved in the Sustainability arena; “lessons learned” from other sustainability initiatives were assessed at an IAP meeting in May 2012. The IRSG was invited to attend an UNCTAD working group meeting on natural rubber in Bangkok in July 2012, and a second meeting bringing UNCTAD and IRSG together took place in Singapore in September 2012. Representatives at both meetings expressed an interest in bringing their organisations’ rubber initiatives together to facilitate an exchange of project ideas/actions. Given the complexity of a Sustainable rubber initiative and the need for broad expertise and support, a Sustainable Natural Rubber Working Group (SNRWG)¹ was established. It comprises experts from across the natural rubber value chain, representatives of the interested inter-governmental bodies such as IRSG, ASEAN, the Association of Natural Rubber Producing Countries (ANRPC) and UNCTAD, as well as

¹ The sustainable rubber working group discussions started with a view to setting out voluntary sustainability standards regarding the broader rubber sector, comprising both natural and synthetic rubber. However, a prioritisation of the needs and potential benefits of a sustainable rubber initiative, not to mention the complexities of implementing a sustainability initiative across a number of countries with distinct producer and economic profiles, led the SNRWG to focus firstly on the natural rubber value chain.

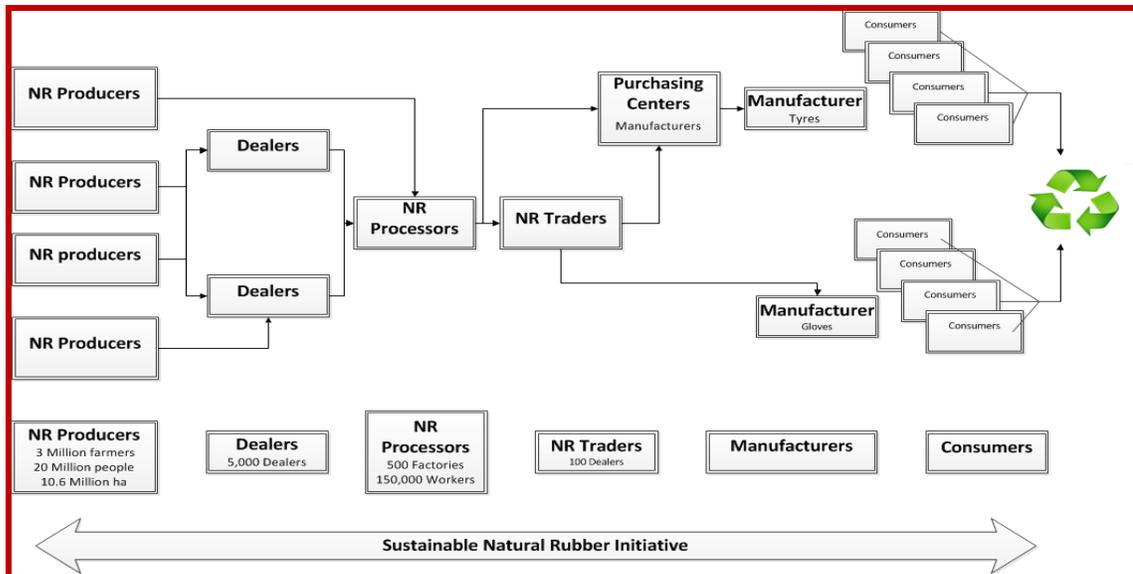
national/regional industry bodies representing rubber sector interests in China, Europe, India and Japan².

1.3. Phase 1: Sustainable Natural Rubber Action Plan

The SNR Action Plan was a first attempt by the SNRWG to explain the factors calling for this sustainability initiative and to bring proposals for its design and implementation. The SNRWG developed the Action Plan through discussions in its several working group meetings held between December 2012 and May 2013 (both tele-conferences as well as physical meetings). The Action Plan outlined the general principles and objectives; principal measures for implementation; constitutional & management issues; financing option and the roadmap for implementation the Action Plan. The primary objective of the SNR Action Plan was to promote the growth and use of sustainable natural rubber through multi-stakeholder commitment and participation, in the first instance to enable a process and the means to analyse and secure broad agreement on a set of voluntary sustainability standards (VSS) and a program of deployment whose wide and effective activation could help secure a global sustainable natural rubber economy that would provide benefits across the whole of the natural rubber value chain.

The SNR Initiative: Covering all natural rubber supply chain players

² The Sustainable Natural Rubber Working Group includes representatives from the following international organisations, national/regional industry associations, Member Governments and representative of tyre/non-tyre industries: Association of Natural Rubber Producing Countries (ANRPC); International Rubber Study Group (IRSG); International Rubber Research and Development Board (IRRDB); United Nations Conference on Trade and Development (UNCTAD); All India Rubber Industries Association (AIRIA); Automotive Tyre Manufacturers' Association (ATMA); China Rubber Industry Association (CRIA); European Tyre & Rubber Manufacturers Association (ETRMA); GAPKINDO; Japan Automobile Tyre Manufacturers Association (JATMA); Korea Tire Manufacturers Association (KOTMA); Malaysian Rubber Board; The Rubber Manufacturers Association (RMA); the Member Government representatives from India, Sri Lanka, Cameroon & Cote d'Ivoire; Bridgestone; Continental; Goodyear; Malankara Rubber Plantations; Michelin; Pirelli; Tong Teik; Von Bundit.



The Action Plan proposed a set of five value chain criteria for a voluntary verification system for the stakeholder participation. These criteria that evolved from SRWG meetings were intended to be a primary focus of follow-on consultation with stakeholders for purposes of further defining and refining the relevant criteria and performance indicators in Phase 2. The core implementation focus was to promote the development of sustainability practices in the natural rubber sector globally, with regard to stakeholders in all interested producer and consumer countries. Initial consultations were done to secure stakeholders' support on the principles and fundamentals. The road map for implantation of the Action Plan was announced by the IRSG during World Rubber Summit (WRS) May 2013 in Singapore. This roadmap was focussed on consultative meetings with the ANRPC/IRRDB/UNCTAD to further refine SNR criteria and potential mechanism for implementation to open the 'window' for commitments from stakeholders.

1.4. Purpose of the Sustainable Natural Rubber Initiative

Over the years it has been demonstrated that the Natural Rubber industry is one of very few industries that can claim to be sustainable with clear positive environmental and social impacts. Through the implementation of best practices, better productivity and natural rubber quality can be achieved which will lead to higher returns for producers, improvements in local economies, and the empowerment of producers that are more likely to continue managing natural rubber plantations and producing quality natural rubber in the future.

Significant research by UNCTAD has demonstrated that natural rubber is an obvious and strong candidate for a successful sustainability initiative. "As a by-product of rubber

trees, natural rubber has the potential to generate a number of positive environmental benefits ... Most notable among these is the simple fact that natural rubber is a renewable resource... The renewable character of natural rubber, by definition, makes it physically possible to continue generating natural rubber indefinitely.... In addition to this basic characteristic, rubber trees offer a potential revenue stream in tropical biodiversity hotspots that help maintain and build carbon sequestration and biodiversity by protecting against land conversion to low biomass production systems...These basic characteristics position natural rubber as a potentially-sustainable source of economic productivity.”³

“In the mid-1990s, as part of its work to promote internalization of environmental costs, UNCTAD investigated some 30 commodities with a view to ascertaining the opportunities and challenges for unilateral internalization of environmental costs in the countries where they are produced. Natural rubber turned out to be the only of these commodities for which the chances of unilateral internalization appeared promising and realistic. This was due to three market characteristics: (i) the very low likelihood of tyres being replaced as a product and the absence of viable substitutes for natural rubber in the production of tyres in the wake of natural-rubber price increases; (ii) the overall low price-elasticity of demand for rubber, and; (iii) the high concentration of production capacity in only three countries located in one region.”⁴ “As a renewable resource with low price elasticity of demand, both public policy and private sector initiatives aimed at integrating sustainable (natural rubber) production practices face reduced hurdles for success.

Drivers for the implementation of the SNR initiative:

For value chain players:	Economic:	<ul style="list-style-type: none"> • Increased yield/ revenue • Reduced production costs • Reduce wastage • Reduce storage losses • Improved organisational structure • Improved access to reliable inputs • Improved access to market/ supply chain • More stable commercial relationships
	Environmental:	<ul style="list-style-type: none"> • Good agricultural practices leading to increased productivity • Healthier trees • Improved waste management • Carbon credits
	Social:	<ul style="list-style-type: none"> • Respect to human and labour right • Improved community and worker relations

3 Ulrich Hoffman and Jason Pitts, Natural Rubber in a Changing Market: The Opportunity for a Global Sustainability Framework, Entwined Issue Brief 10, 2011/09/01, p. 4. (hereafter “Hoffmann”).

4 Hoffmann, p. 5

For value chain players:		<ul style="list-style-type: none"> • Reduce storage losses • Reduce monitoring costs • Product differentiation • Securing a supply in quality • Higher transparency along the chain • Increased market efficiency • Corporate social responsibility (CSR)
For governments of commodity producing countries:		<ul style="list-style-type: none"> • Higher awareness for economic, environmental and social sustainability • Reducing monitoring costs • Increased attractiveness for support programmes and investment in the respective sector • Displaying commitment to future- oriented, long-term action
For governments of commodity consuming countries:		<ul style="list-style-type: none"> • Securing supply of sustainable products • Displaying commitment to future- oriented, long-term action • Coordinated strategy of economic support for producing countries and product sourcing interests

The objective of the SNR Initiative is to secure a global sustainable natural rubber economy that delivers benefits across the whole of the natural rubber value chain, through:

- Promoting the development of best sustainability practices in the natural rubber sector globally,
- Supporting the improvement of natural rubber plantations' productivity,
- Enhancing natural rubber quality,
- Supporting forest sustainability through the protection/conservation of protected areas,
- Demonstrating appropriate water management,
- Demonstrating the highest respect for human and labour rights, and
- Ensuring the satisfaction of consumers worldwide

2. Document for Stakeholder roll-out process

The aim of this document is providing a summary of the process followed to develop the proposed SNR Criteria, Indicators and KPIs and to provide the implementation framework that natural rubber organisations may want to follow to implement this IRSG SNR Voluntary Industry Guidance.

3. Sustainable Natural Rubber Criteria and Indicators

3.1. SNR Criteria and Indicators development process

The SNR Criteria, Indicators and KPIs were developed through the SNRWG and has involved wide and thorough stakeholder consultation process in order to ensure consensus and wide applicability of the SNR verification framework proposed. At the SNRWG meeting in January 2013, a set of five general sustainability criteria that could be applied across the natural rubber value chain were identified, as follows:

- **Criterion 1:** Support Improvement of Productivity
- **Criterion 2:** Enhance Natural Rubber quality
- **Criterion 3:** Support forest sustainability
- **Criterion 4:** Water management
- **Criterion 5:** Respect Human & Labour Rights

From September 2013 to April 2014, the SNRWG furthered the sustainability framework into practical performance indicators and clear implementation procedures while pursuing a wide ranging stakeholder consultation process, appropriate field testing of the proposed SNR Criteria, Indicators and KPIs, and ensuring industry consensus and buy-in the proposed SNR verification framework.

This second phase was designed to reach out to a broad range of interested parties in the natural rubber value chain and included the following activities in order to ensure that interested industry players and relevant national authorities were fully informed about and could actively engage in and support the SNR Initiative.

- In October 2013, a meeting with the ANRPC was organized by IRSG to present the SNR initiative to representatives of relevant national authorities. While the ANRPC did not choose to participate directly in the SNR Initiative, it encouraged its members, who chose to do so, to engage directly with the SNR initiative on an individual basis.
- In November 2013, a SNR Working Group meeting took place during which the mission of the SNR Initiative was clarified as follow: “*to establish the sustainability of the natural rubber value chain*”. During this meeting the process to develop SNR Indicators and KPIs was agreed together with a field testing process in 3 countries to take into account different local contexts; India, Indonesia and Cameroon.
- In December 2013, a first set of SNR Indicators and KPIs were presented to the SNR Working Group for discussion and endorsement. After an active discussion, a consensus was achieved on a specific set of SNR indicators and KPIs that were adopted by the SNR Working Group.

- Field testing of the proposed SNR Criteria, Indicators and KPIs was performed during four field visits that took place in the 3 countries mentioned above between December 2013 and February 2014. The field visits included a thorough stakeholder consultation process and confirmed that the proposed SNR framework was well adapted to different local contexts and field situations. None of the parties consulted during the field visits rejected the proposal and in many occasions the opportunity to include new indicators was discussed. Numerous proposals were made that were taken into account and resulted in a new version of the SNR Criteria, Indicators and KPIs.
- The final version of the proposed SNR Criteria, Indicators and KPIs was presented at a SNR Working Group meeting in February 2014. The suitability of each one of the indicators and KPIs proposed during the field visits were discussed. Revisions and improvements were proposed in order to reach broad agreement on the final SNR Criteria, Indicators and KPIs. However, it was also agreed during this meeting that at such early stage it was not possible to incorporate all proposals received in order to maintain the appropriateness of the proposed SNR framework. It was agreed during this meeting that these new proposals would be reviewed at a later stage, during the first official review of the SNR Criteria, Indicators and KPIs.

The process described above ensured the suitability of the proposed SNR verification framework and that consensus could be reached amongst all industry players who actively participated in this process and strongly supported the IRSG SNR Initiative.

Another important outcome of this process is the clear decision by all members of the SNR Working Group that the SNR Criteria, Indicators and KPIs should only be considered as voluntary industry guidance to be made publicly available by IRSG so that the SNR sustainability framework developed could be used on a voluntary basis by any organisation along the natural rubber supply chain to demonstrate the sustainable origin of the natural rubber and derived products.

The next phase of the process proposed by IRSG will correspond to the voluntary implementation of this voluntary industry guidance by any company that wishes to do so along the natural rubber value chain. IRSG and the SNRWG will support this process by ensuring that the SNR Criteria, Indicators and KPIs are publicly available and are periodically reviewed and updated to ensure that this industry guidance remains relevant, up-to-date and adapted to the evolving needs of the natural rubber industry while ensuring the sustainability of the natural rubber value chain.

3.2. SNR Criteria and Indicators

The Sustainable Natural Rubber (SNR) Criteria and Indicators developed under the leadership of the SNR Working Group are:

Criteria 1: Support improvement of productivity

Performance indicator 1.1: Optimizing the planting of recommended clones

Performance indicator 1.2: Optimizing planting density

Performance indicator 1.3: Optimizing fertilizers and chemical use

Criteria 2: Enhance Natural Rubber quality

Performance indicator 2.1: Commitment to natural rubber quality

Performance indicator 2.2: Compliance with testing and grading

Criteria 3: Support forest sustainability

Performance indicator 3.1: Compliance with relevant local legal requirements

Performance indicator 3.2: Protection/conservation of protected areas

Criteria 4: Water management

Performance indicator 4.1: Compliance with relevant local legal requirements and local customary water use rights

Performance indicator 4.2: Treatment of industrial waste water

Criteria 5: Respect human and labour rights

Performance indicator 5.1: Child labour and minimum age for workers

Performance indicator 5.2: Forced labour

Performance indicator 5.3: Freedom of association and collective bargaining

The complete SNR Criteria, Indicators and KPIs together with relevant references and definitions are available as a separate document.

4. SNR as Voluntary Industry Guidance

4.1. Governance

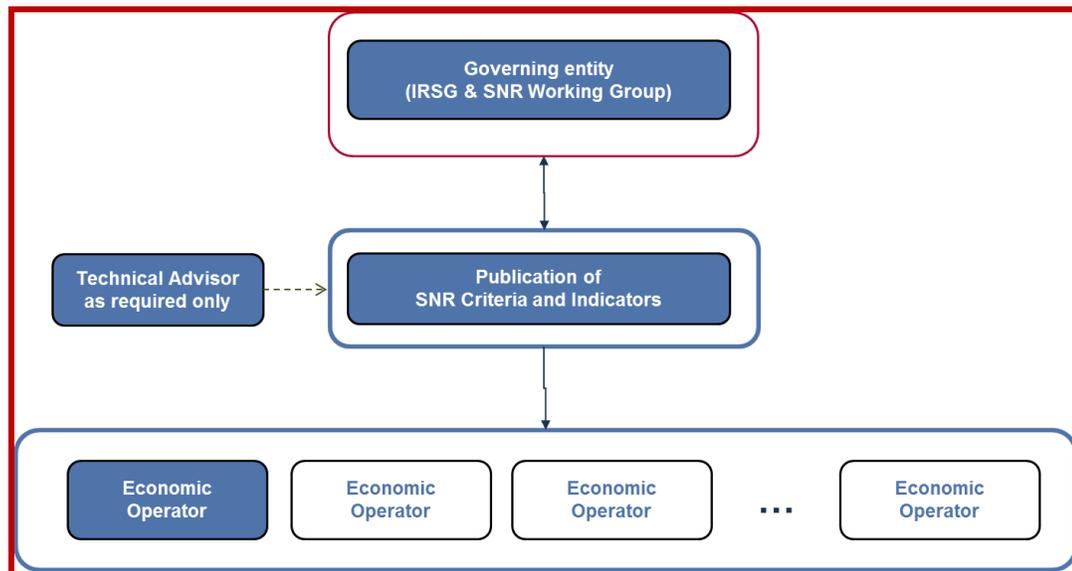
As a voluntary industry guidance, the final Sustainable Natural Rubber Criteria and Indicators approved by the SNR Working Group will be published on IRSG Website so that the document is publicly available free of charge to any interested entity.

The IRSG and SNR Working Group will act as the SNR Initiative Governing Entity and will be responsible for the publication of the finalized SNR Criteria and Indicators, the promotion

of the SNR Initiative and for reviewing, maintaining up to date and developing as required the Sustainable Natural Rubber Criteria and Indicators.

The IRSG and SNR Working Group will meet at least once a year to review the Sustainable Natural Rubber Criteria and Indicators and related procedures. During these annual meetings, the IRSG and the SNR Working Group shall review the development of the SNR Initiative, propose appropriate measures to ensure that it reaches the long-term objectives presented in this document, and propose any amendment required to maintain the Sustainable Natural Rubber Criteria and Indicators and related procedures up to date. During these annual meetings, decisions shall be based on consensus among all the participants physically present.

The Sustainable Natural Rubber Criteria and Indicators and related procedures shall be freely available to any interested entity along the natural rubber supply chain who wishes to verify compliance of its own operations or of its suppliers against the SNR Criteria and Indicators and related requirements.



SNR Initiative proposed Governance Structure

5. Implementation

5.1. Implementation Procedure

Whenever an organisation within the natural rubber value chain wishes to verify compliance against the SNR Criteria and Indicators, the organisation shall implement the following SNR verification procedure to demonstrate the sustainable origin of natural rubber products:

- develop and implement as part of its quality management system a documented procedure to verify its compliance and the compliance of its suppliers with the SNR Criteria and Indicators. Such documented procedure shall cover the following aspects:
 - sourcing of SNR including a clear description of the process followed by the company to ensure that any natural rubber sourced as SNR is from verified sustainable origin in conformity with the SNR Criteria and Indicators. Sourcing of SNR can be ensured through a SNR self-declaration signed by the supplier(s)⁵ or through the review of documents and records, field visits, and/or supplier audits to verify conformity with the SNR Criteria and Indicators,
 - processing of SNR from the reception of the raw material to the storage of the final SNR product. Procedures shall cover all aspects of the processing activities to demonstrate how the SNR material will be handled and ensure, whenever relevant, the segregation between verified SNR and non-verified natural rubber,
 - segregation between verified SNR and non-verified natural rubber can be achieved through physical separation or through the implementation of a credit system (also called mass balance system)⁶, such that a proportion of the natural rubber outputs to be sold as a SNR verified product corresponds to a related quantity of SNR verified inputs.
 - selling of SNR to ensure that commercial declaration(s) regarding the sustainable origin of the natural rubber can be demonstrated. The procedure shall describe how the company ensures that only natural rubber verified to be in compliance with the SNR Criteria and Indicators is sold as SNR. Whenever a credit system is used, the SNR commercial declaration shall indicate the % of SNR used in the SNR product.
- ensure that any person involved in the verification of compliance with the SNR Criteria and Indicators has been adequately informed and/or trained about the objectives, requirements and intent of the SNR Criteria and Indicators.
- monitor the compliance of its suppliers of SNR against the SNR Criteria and Indicators. The organisation can choose the most appropriate procedure to monitor and verify compliance against the SNR requirements such as based on SNR self-declarations whenever risk of non-conformity against the SNR Criteria and Indicators is negligible, and through the review of documents and records, field visits, and/or supplier audits whenever there a potential risk of non

⁵ SNR self-declaration shall cover all the SNR requirements. A SNR template self-declaration is available that can be freely translated in the appropriate local language

⁶ A credit system/mass balance system can only be applied on the level of a single, physical (processing, storage, distribution, manufacturing, etc.) site. SNR credits can only be transferred from one site to another site if it relates to a physical transaction of the related SNR product.

conformity against the SNR Criteria and Indicators has been identified by the organisation.

- maintain records of the measures implemented to verify and monitor compliance with the SNR Criteria and Indicators.
- only make SNR commercial declarations for natural rubber products that are from sustainable origin and for which compliance with the SNR requirements can be demonstrated.
- maintain a list of SNR suppliers, SNR clients and related volumes of SNR sourced, processed and/or traded using the SNR list template. Such list shall be sent to the IRSG on an annual basis so that statistics on Sustainable Natural Rubber can be maintained.

5.2. SNR Group Procedure

As industry guidance developed by the IRSG and its SNR Working Group, the SNR Criteria and Indicators can be implemented on a voluntary basis by any legal entity along the natural rubber value chain to demonstrate the sustainable origin of natural rubber products.

However, as the reality of the natural rubber industry does not currently make it practical for small natural rubber growers to directly implement the SNR Criteria and Indicators, the SNR Working Group proposed that a SNR group procedure should be available for any legal entity that wishes to set up a SNR group of natural rubber growers in order to verify and demonstrate the sustainable origin of natural rubber.

A SNR group entity can be set up by any legal entity that sources, trades and/or processes natural rubber from small natural rubber growers and that wishes to verify and demonstrate the sustainable origin of the natural rubber. A SNR group entity can be set up by any of the following type of organisation:

- SNR growers
- SNR dealer of raw rubber
- SNR processing company or processing center
- SNR traders
- SNR downstream users
- SNR producers societies
- SNR growers cooperatives
- SNR governmental organisation
- Similar SNR legal entity

This SNR group procedure makes a clear difference between the role and responsibilities of the two different types of participants in a SNR group scheme:

- The SNR group entity

-The SNR group members

The division of responsibilities between SNR group entity level and SNR group member level is defined as follow:

-The SNR group entity is the entity that sets up the SNR group. The SNR group entity is responsible to verify and ensure that the SNR Criteria and Indicators are being implemented by all group members. The SNR group entity is responsible for:

- i. Implementing the SNR group management requirements described below;
- ii. Developing and implementing a procedure to select and accept group members after having verified compliance with the SNR Criteria and Indicators;
- iii. Communicating with all group members to ensure that SNR Criteria and Indicators are well understood;
- iv. Ensuring that through a documented self-declaration, each SNR group member formally accepts to comply with the SNR Criteria and Indicators requirements;
- v. Maintaining an up to date list of SNR group members;
- vi. Providing group members with relevant best practices regarding the management of natural rubber plantation, related to compliance with the SNR Criteria and Indicators;
- vii. Implementing monitoring procedures at the level of the group to ensure that compliance with SNR Criteria and Indicators is maintained. Monitoring should take place through the monitoring of a sample of group members every year. The following sample of group members should be monitored annually through field visits: $\sqrt{0.8 \times \text{number of group members}}$;
- viii. Addressing complaints received from group members, clients or other relevant stakeholders.

-SNR group members are natural rubber growers that have joined an SNR group established by a SNR group entity. Group members are responsible for:

- i. Formally agreeing to comply with the SNR Criteria and Indicators through a documented self-declaration;
- ii. Complying with all relevant administrative and group management requirements as defined by the SNR group entity, including monitoring requirements;
- iii. Complying with the SNR Criteria and Indicators requirements.

For SNR group entities that are membership organisations, membership to the organisation may not necessarily be required to joining the SNR group itself and non-

members may be allowed to join that SNR group at the discretion of the group entity. Also an individual or organisation may be a member of such membership organisation without necessarily joining the SNR group. In order to join the SNR group, each SNR group member should have formally accepted to join the SNR group, signed appropriate self-declaration and be subject to periodic monitoring by the SNR group entity.

5.3. Guidance for SNR performance indicators

Criteria 1: Support improvement of productivity

Performance indicator 1.1: Optimizing the planting of recommended clones

Guidance: The Organisation should ensure that only clones recommended by the relevant authority, or clones recommended by a research or development institute, are being planted when establishing a new plantation or renewing an existing plantation. Adoption of this best practice will strongly support improvements in productivity as selected and recommended clones are likely to result in increased productivity throughout the rotation of the natural rubber plantation.

Performance indicator 1.2: Optimizing planting density

Guidance: The Organisation should ensure that the planting density recommended by the relevant authority is followed (generally between 420 to 600 plants per hectare) and that the saplings/trees/plantlets that do not survive within 12 months after planting are replaced with new plants as soon as possible in order to ensure that once mature the plantation is homogeneous and can reach optimum productivity. This requirement will ensure that once mature, the productivity of the rubber plantation will be optimum considering the specific context and location (subject to normal weather conditions).

Performance indicator 1.3: Optimizing fertilizers, and chemical use

Guidance: The Organisation should ensure that the use of natural fertilizers is optimized, that biological pest and disease control methods are used and that the use of chemicals is minimized. The objective of this requirement is to ensure the appropriate use of chemicals to ensure that the growth and productivity of the rubber plantation is optimized while ensuring that pest and diseases are being controlled while preventing or minimizing any potential environmental impact.

Criteria 2: Enhance Natural Rubber quality

Performance indicator 2.1: Commitment to natural rubber quality

Guidance: The Organisation should ensure that a clear and transparent commitment to produce and source quality Sustainable Natural Rubber has been formalised. Quality is key to ensuring that higher returns can be achieved by local growers leading to improvements in local economies, and ensuring the empowerment of local growers that are more likely to continue managing natural rubber plantations and producing high quality natural rubber for many years to come. A formal commitment is the most practical way to ensure that all industry players along the SNR supply chain are collaborating to achieve high natural rubber quality.

Performance indicator 2.2: Compliance with Testing and grading

Guidance: The Organisation should ensure compliance with relevant grading and testing industry standards (i.e. Greenbook and/or similar national standard) and should ensure that appropriate testing and grading is carried out before shipment. Testing and the systematic respect of appropriate quality standards throughout the natural rubber value chain will ensure the quality of final rubber products while ensuring that local growers can also benefit through higher returns linked to the quality of the products made of Sustainable Natural Rubber.

Criteria 3: Support forest sustainability

Performance indicator 3.1: Compliance with relevant local legal requirements

Guidance: The Organisation should demonstrate compliance with relevant local legal requirements and ensure that rubber tree plantations are only established on land that has been officially identified as suitable for rubber plantations or agricultural purposes. The Organisation should ensure that legally protected areas and protected species habitats are respected. This requirement will ensure that the establishment of new rubber plantations will not result in negative environmental or social impacts and that new rubber plantations will only be established on land that has been identified as being suitable to the establishment of natural rubber plantations.

Performance indicator 3.2: Protection/Conservation of protected areas

Guidance: The Organisation should ensure that new natural rubber plantations are not established within protected areas. The Organisation should ensure that a suitable buffer zone is established and maintained around these areas in order to ensure that such area is not disturbed by any of the management activities taking place within the rubber plantation. This requirement will ensure that

sustainable natural rubber plantations are not impacting protected areas and therefore will not result in negative environmental impacts through the loss of biodiversity and potential release of CO₂ in the atmosphere that may result from the degradation or conversion of protected areas. The State may use different legal terminologies to name and define protected areas covered under relevant national legal requirements and protected areas may encompass a number of different types of ecosystems based on relevant national legislation as well as bindings international agreements including, but not limited to, primary forests, protected species and related habitats, high conservation values areas, high biodiversity areas, areas of special cultural interest, etc.

Criteria 4: Water management

Performance indicator 4.1: Compliance with relevant local legal requirements and local customary water use rights

Guidance: The Organisation should ensure compliance with all relevant legal requirements and customary rights regarding water use. The Organisation should ensure that industrial wastewater is not discharged in the environment without demonstrating that it complies with all relevant legal requirements. Water management and the prevention of potential environmental impacts related to the discharged of waste water is necessary to ensure that the rubber industry can demonstrate full compliance with relevant legal requirements and avoid any potential environmental or social impact.

Performance indicator 4.2: Treatment of industrial waste water

Guidance: The Organisation should ensure that Industrial waste water is treated in full compliance with all relevant administrative and legal requirements (and whenever possible that it is recycled). This requirement is more specific to the natural rubber industry, including natural rubber processing facilities and manufacturing facilities. This requirement will ensure that all SNR processing and manufacturing facilities are adequately managing all industrial waste water and whenever possible have developed appropriate infrastructure for the recycling of waste water.

Criteria 5: Respect human and labour rights

Performance indicator 5.1: Child labour and minimum age for workers

Guidance: The Organisation should ensure that children below the age of 15 are not employed, whether as permanent, seasonal or casual workers. If the local legislation has established a minimum age higher than 15 years of age, the legal requirement should be complied with. The Organisation should ensure that minors of age (below 18 years old) do not conduct hazardous work or any work that may jeopardize their physical, mental or moral well-being. They should not work in dangerous locations, in unhealthy situations, at night, or with dangerous substances or equipment, nor should they carry heavy loads. They should not be exposed to any form of abuse. This requirement is based on one of the key ILO Conventions and ensures that sustainable natural rubber is not associated in any way with child labour.

Performance indicator 5.2: Forced labour

Guidance: The Organisation should ensure that no forced or bonded labour is used at any stage of production, including plantation management, processing and/or manufacturing activities. This requirement is based on one of the key ILO Conventions and ensures that sustainable natural rubber is not associated in any way with forced labour.

Performance indicator 5.3: Freedom of association and collective bargaining

Guidance: The Organisation should ensure that all workers involved in plantation management, processing and/or manufacturing activities have the right to establish and/or join an organisation of their choice. The Organisation should ensure that workers' Unions or similar organisations are not under undue pressure and that representatives of such organisation are not subject to discrimination and have access to all their members in the workplace. The Organisation should ensure that all workers have the right to collective bargaining. This requirement is based on one of the key ILO Conventions and ensures that sustainable natural rubber is clearly supporting the freedom of association and workers' collective bargaining rights whenever relevant.