

# 2022

## Annual Report

In the last four years, almost 55% of the global natural rubber supply chain has come together to define and implement sustainability and equity in their unique context. This annual report encapsulates their effort and tenacity.



# Message from Stefano



## Dear Members, Supporters and Friends,

This is our first annual report since we began our work in 2019, so along with reflections on this year, I am also taking this opportunity to share my thoughts and emotions on the four very productive years that have gone by, as well as what lies ahead.

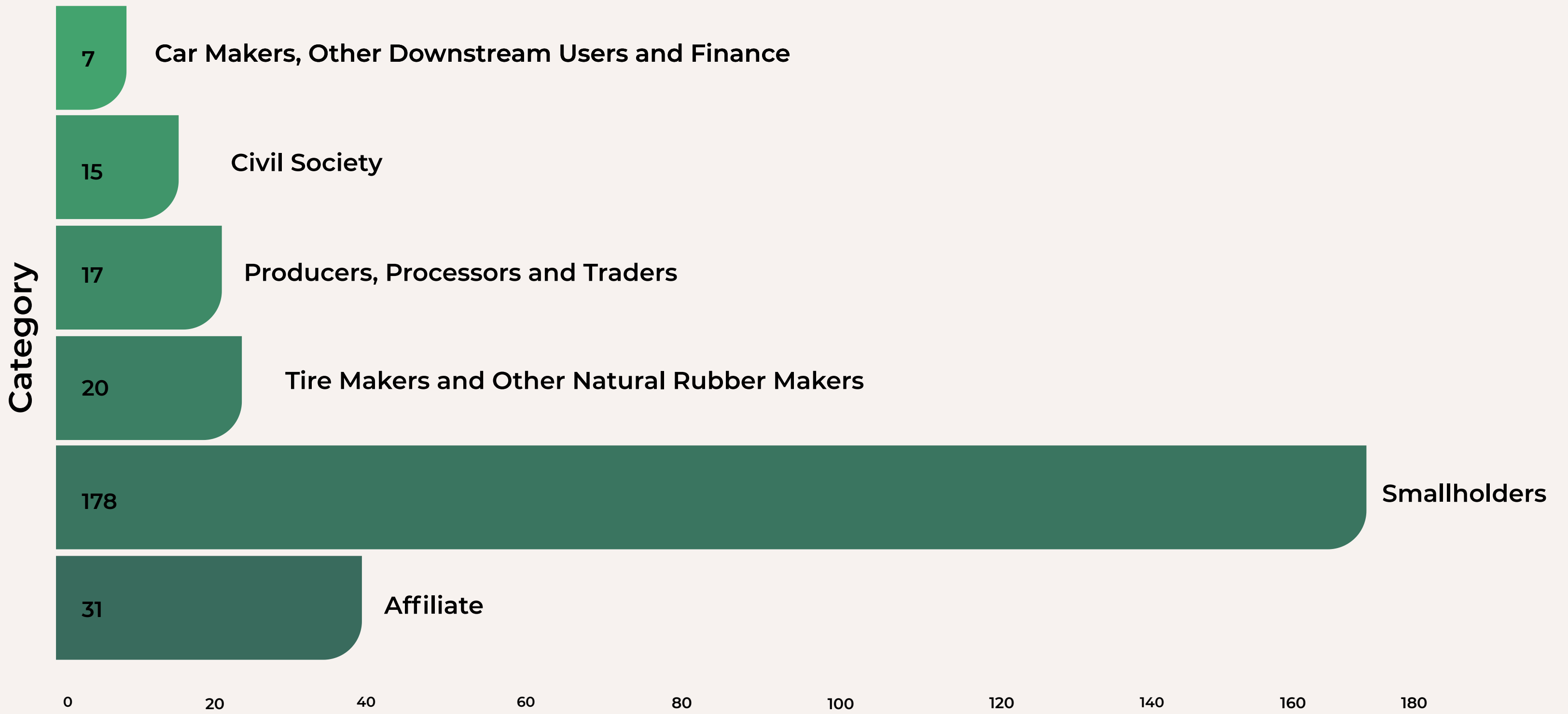
When we came together to define what “fair, equitable and environmentally sound” should mean for the Natural Rubber chain, we were only 12 members strong. We had no smallholder representation in our membership and our model of work, code of conduct, and membership statutes were yet to be designed. Almost four years and a life changing pandemic later, I am so proud that we have over 230 members, including 178 smallholders from 11 rubber producing countries, and companies representing over 55% of the global rubber demand. Our working groups, executive committee and general assembly have presided over our robust policy framework that all GPSNR members now adhere to and report on via our reporting requirements. Our capacity building work carries on in full swing in Indonesia, Thailand and Côte d’Ivoire now reaching thousands of farmers. Our shared responsibility framework was approved this year and continues in its implementation phase to ensure that costs and benefits of sustainability are distributed equitably across the supply chain.

While we have come a long way, our work to switch “from commitment to implementation” has just started. We should congratulate ourselves for the work so far in these difficult times, but I want us all to look forward to our work this year. Our assurance model and shared investment mechanisms have the chance to make GPSNR and its members shine beyond the Natural Rubber sector, as a spearheader of innovation for collective action. So let’s take this opportunity to recommit to work together to improve transparency, assurance and shared responsibility across the supply chain, and improve outcomes for all stakeholders.

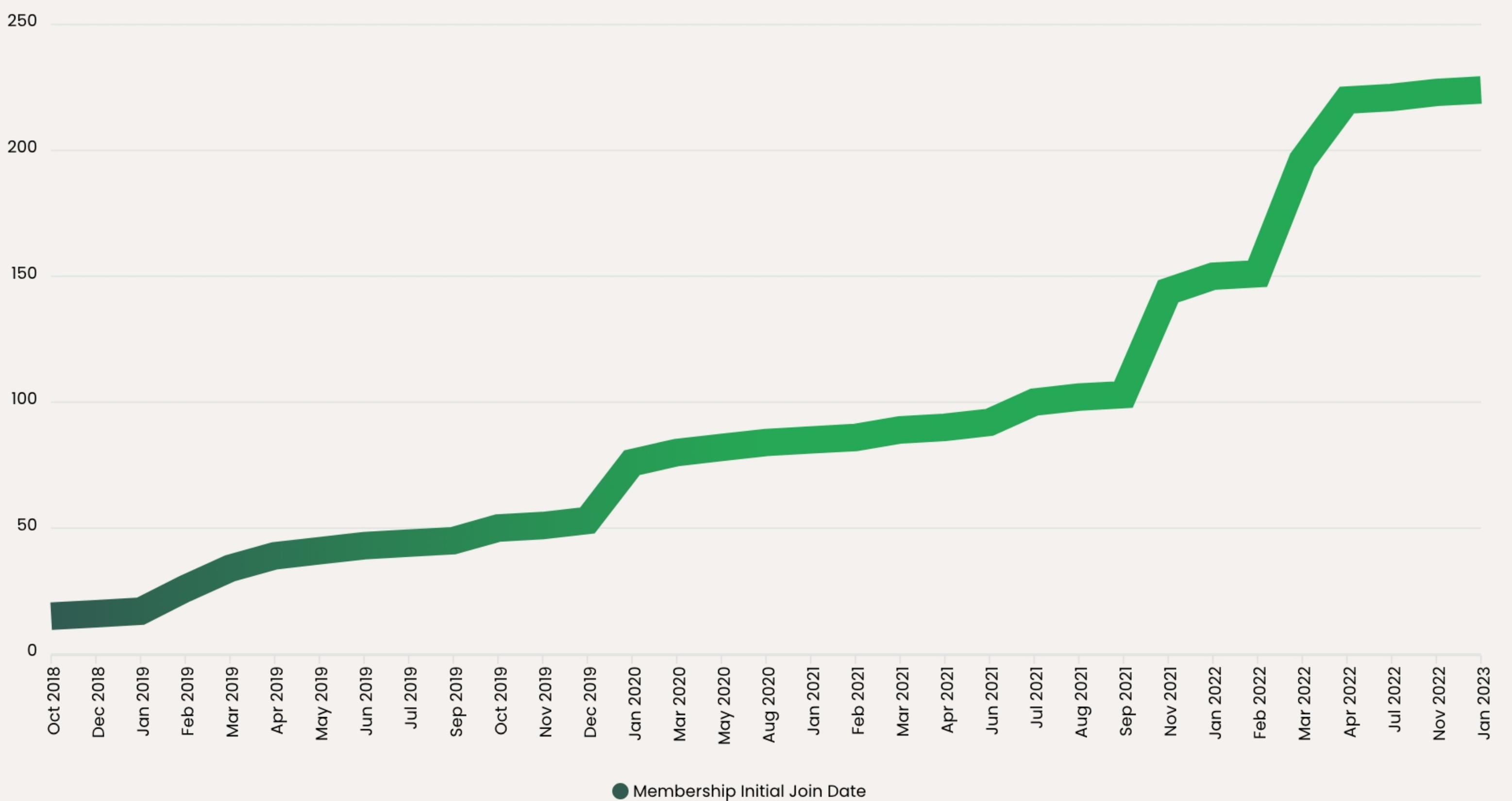
A handwritten signature in black ink, appearing to read "Stefano".

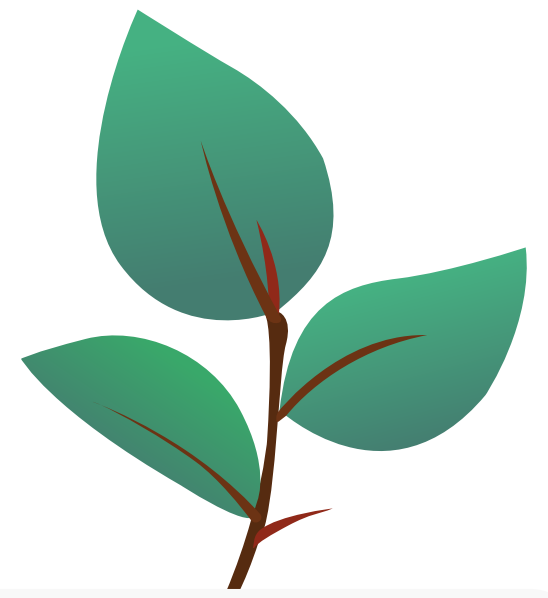
# Membership Growth

## Current Members By Category



## Membership Over Time





# Working Group Highlights

GPSNR is governed by a general assembly and an executive committee that is elected by members and the work is progressed through five member-driven working groups.



## Policy Toolbox

### Sub-working groups:

Transparent reporting roadmap, Implementation Guidance and RR Guidance & Tools

### Currently working on:

Finalising the Implementation Guidance and Reporting Roadmap



## Capacity Building

### Sub-working groups:

Indonesia, Thailand, Côte d'Ivoire, Malaysia, Liberia, Cambodia

### Currently working on:

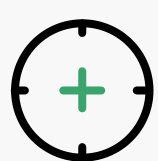
Smallholders Knowledge Sharing Platform, Pilot Income Diversification- Rubber Agroforestry Workshops, Country-specific Strategies and Projects



## Smallholder Representation

### Currently working on:

Smallholder Policy Equivalent HCSA-HCVN Field Trials Country Specific Smallholder Engagement Activities



## Strategy and Objectives

### Sub-working groups:

Risk, Assurance Model Task Force

### Currently working on:

Assurance model development roadmap, Strategy to address gaps found in the current work and the Theory of Change, Defining the risk based approach

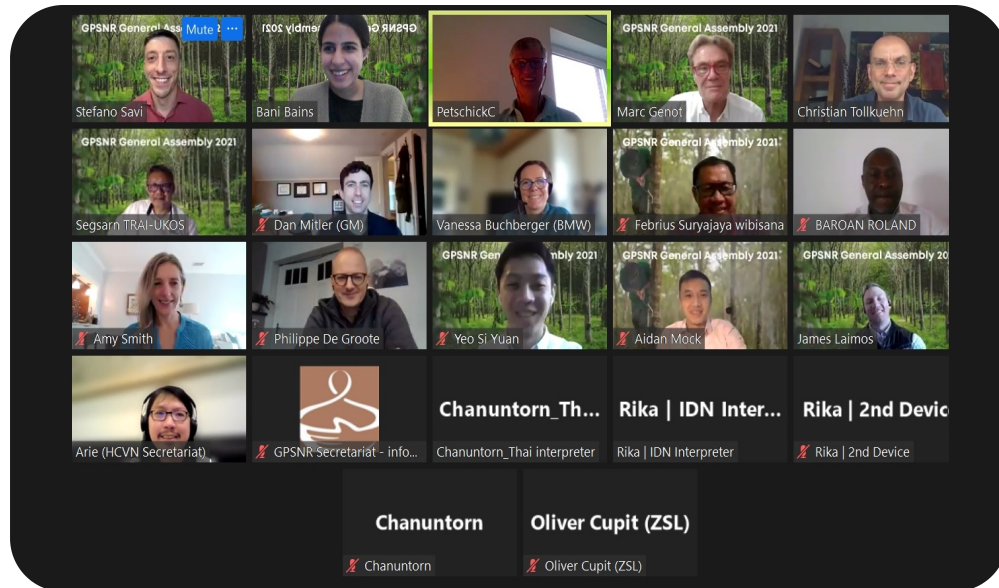


## Shared Responsibility

### Currently working on:

Shared Responsibility Framework

# Key Impacts



## The reporting requirements were approved in December 2021!

In December 2021, the GPSNR General Assembly voted in favour of some standardised reporting requirements across the industry for us to start collecting the data we need for the right type of monitoring and evaluation.



## Our first in-person meeting after COVID-19 happened in May 2022

Meeting GPSNR members in person in May 2022 took our work many steps forward on issues of shared responsibility, transparent reporting and our approach to risk in the natural rubber supply chain.



## The Shared Responsibility Framework was accepted by all members in July 2022

This concept acknowledges the lack of equity in the natural rubber supply chain and charts out a mechanism where the costs and benefits of the platform's sustainability initiatives will be equitably distributed across all actors within the supply chain.



## Capacity building projects kicked off in Indonesia

In 2022, we began work with project implementers and smallholder communities across 4 projects in Indonesia. These include a pilot workshop on rubber agroforestry, a disease fighting project with SNV and IRRI, and two Good Agricultural Practices Coaching projects with Koltiva and SNV-Proforest.



## Agroforestry in Thailand

The Thailand Agroforestry Capacity Building project kicked off in December 2022 with preparatory and strategic work streams, towards initiating on-the-ground activities in Q1 2023, with Renault Group joining to fund the project alongside Michelin. The project will seek to engage 1,000 smallholder farmers in south Thailand by 2025, and aims to improve their income resilience and food security while yielding additional environmental benefits.



# Key Impacts



## Pilot Agroforestry Workshop in Cambodia

GPSNR, working with experts Dr Eric Penot and Maria Wang, also conducted a pilot workshop to discuss and introduce rubber agroforestry concepts to smallholders and extension officers in Cambodia, with support from the Cambodia Rubber Research Institute and WWF Cambodia, and funded by P4F. The pilot workshop opens the door for further engagement with smallholders in Cambodia, on agroforestry and other natural rubber best practices.



## Smallholders discussed capacity building projects in detail and in person

With support from P4F, GPSNR was able to facilitate strong representation of our smallholders globally in 2022. In May, the EC smallholder representatives participated in stakeholder meetings in Singapore.



## GPSNR Smallholder efforts represented at the P4F Forum in London

In June, Febrius Wibisana represented GPSNR smallholders at the P4F Forum in London, while speaking at a panel on the importance of engaging upstream last-mile actors across the natural rubber value chain.



## COP 27 and the GPSNR commitment to shared responsibility

GPSNR director Stefano Savi and Smallholder EC representative Roland Baroan were at a panel at the UK Pavilion at COP 27 on 8th November 2022 at Sharm El-Shaikh. They represented our smallholder inclusion work and shared responsibility framework to a diverse audience of corporate sustainability leaders and government officials. Stefano spoke to the gathering about the workings of our shared responsibility framework and the unique place it holds a long term solution for nature based climate mitigation and adaptation efforts by our supply chain. He also secured the opportunity to present the framework in its entirety at the next COP in Dubai in 2023.

# Smallholder Focus



Being a GPSNR Member has introduced me to other smallholders across the globe, voice on-ground learnings from my work in important decision making that impacts the entire industry and learn from different parts of the supply chain. I look forward to continuing my participation, particularly in the Smallholder Inclusion and Capacity Building Working Groups.

—**N'guessan Akissi Jacqueline, Smallholder,**  
Côte d'Ivoire



GPSNR has set up a program exclusively for small producers, which is called capacity building. This program enables us to adopt best practices in our rubber plantations.

—**Roland Baroan, Côte d'Ivoire**



Small farmers really hope that GPSNR can play a role in the welfare of small farmers who are increasingly depressed due to low rubber prices. Real action from GPSNR in capacity building such as GAP training on rubber plantations, handling rubber diseases, and also agroforestry has really helped rubber farmers, especially in Indonesia.

—**Febrius Wibisana, Indonesia**



I would like to see a clear policy and plan of the GPSNR to promote sustainable rubber plantation, which is an innovation in rubber plantation management. To raise income and improve the quality of life of rubber farmers responsible for society and the environment targeting the SDGs and the BCG model.

—**Soontorn Rakrong, Thailand**

# Our Donors



## Sumitomo

The Sumitomo Rubber Group is honored to take part in GPSNR's Capacity Building Project, which is designed for and developed together with smallholder farmers.

Contributing to this project, which aims to achieve income diversification and disseminate Good Agricultural Practices in Thailand, aligns with the Sumitomo Rubber Group's Corporate Philosophy Structure—"Our Philosophy"—and "Sustainable Natural Rubber Policy".



## Bridgestone

As part of our broader work with GPSNR, our funding for capacity building projects on agroforestry gives us great pride. We are also excited to be at the forefront of identifying a long term funding model via a shared investment framework from the industry, which will help us scale these efforts further.



## Goodyear

In addition to being a GPSNR founding member, Goodyear continues to be an active member. Our involvement with the GPSNR capacity-building work — specifically the Good Agricultural Practices (GAP) in Indonesia — has given us the opportunity to work with smallholders to design and deliver GAP trainings that can be implemented practically and remain useful for years to come. We look forward to taking this work to even greater heights in the future.



## Pirelli

Aside from supporting capacity building work financially, we are proud to give our time to developing capacity building frameworks and designing projects as an important part of the smallholder inclusion and capacity building working groups at GPSNR. We look forward to continued engagement with our industry and other stakeholders.



# Our Donors

## Renault Group



### Renault

We are proud to support, alongside Michelin, the GPSNR capacity building work on agroforestry trainings in Thailand to empower over 1000 smallholder farmers. This financial support is simply a reflection of our larger commitment to working with the natural rubber supply chain on environmental sustainability achieved fairly.



### Michelin

Michelin is glad to support the GPSNR Agroforestry Project to empower 1,000 smallholders in Thailand to implement rubber agroforestry systems. We believe that inclusive progress that improves smallholder livelihoods is essential for sustainable natural rubber value chains. We are also excited by the potential that agroforestry systems have in enabling climate-smart rubber farming, and hope this project can consolidate and scale up progress.

GIZ



### P4F

A core part of the Partnerships for Forests (P4F) strategy is to support and strengthen the implementation of corporate supply chain commitments, existing public procurement policies and developing new responsible sourcing guidelines and implementation tools. P4F has supported GPSNR for more than three years, in enhancing their strong focus on smallholder participation in decision-making and representation. This work, which has contributed to bringing smallholder farmers directly into the platform, demonstrates the importance of setting up long-term structures for producers and upstream stakeholders in the natural rubber industry.



### GIZ

GIZ is proud to be an active supporter of various GPSNR work streams over the last few years. From environmental and social risk studies, to capacity building for smallholders, and more recently on developing GPSNR's sustainable financial model. Working with GPSNR allows us to contribute towards addressing immediate needs, as well as to build long-term structures, for the natural rubber value chain.

# Financials

Statement Of Financial Position			
Source	Income	Expenses	Surplus
Institutional Donors	634,765	634,765	—
Members capacity building pledges	462,709	98,386	364,322
Membership fee	788,132	532,154	255,979
<b>Totals</b>	<b>1,885,606</b>	<b>1,265,305</b>	<b>620,301</b>

*All figures are in Singapore Dollars (SGD)*  
*The surplus from member capacity building pledges is earmarked for projects starting in 2023*



## A vision for the **FUTURE**

**In the next year, GPSNR aims to have a functional model for assurance based on a risk based approach.**

This means that various structural components of this model work together to improve compliance across the supply chain and improve outcomes for all stakeholders. Through GPSNR’s collaborative structure, members are now in a position to move towards a “shared responsibility model”: this means ensuring that benefits, risks and improvement investments are equitably distributed across the actors in the natural rubber value chain, which we hope to present at COP28 in 2023.