



2022

Annual Report

In the last four years, almost 60% 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,

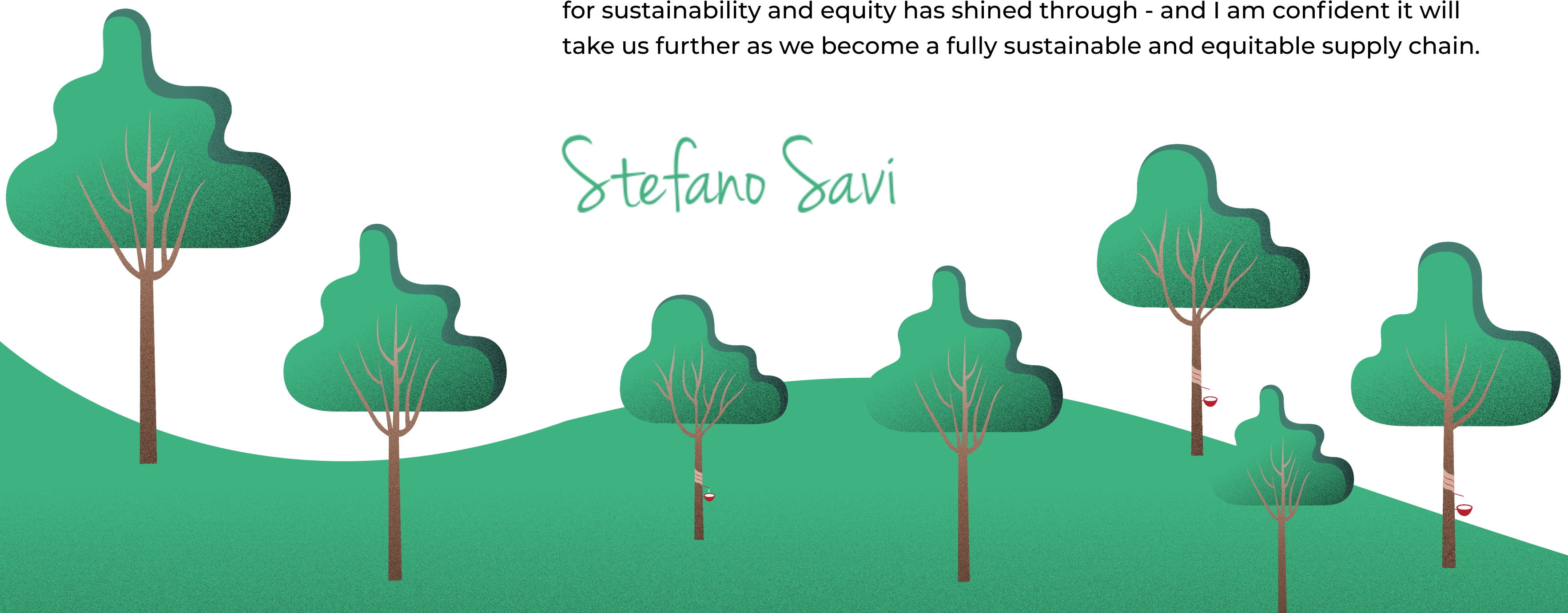
This is our first annual report since we began in 2018, so along with reflections on this year, I am also taking this opportunity to share my thoughts and emotions on the four very productive years that have gone by.

When we came together as an industry to define what sustainability and equity should mean to our supply chain, we were only xx 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 finalised. Almost five years and a life changing pandemic later, I am so proud that we have over 100 smallholders from 10 rubber producing countries and over 55% of the global rubber demand represented in our membership. Our working groups, executive committee and general assemblies have presided over our robust policy framework that all members adhere to within 6 months of joining us and strong reporting requirements. Our capacity building work carries on in full swing in Indonesia, Thailand and Côte d'Ivoire. **Our shared responsibility framework was approved this year and continues in its implementation phase to ensure that the cost or benefit of sustainability is distributed equitably across the supply chain.**

We are all working hard towards an assurance model - various structural components of this model work together to improve compliance across the supply chain and improve outcomes for all stakeholders.

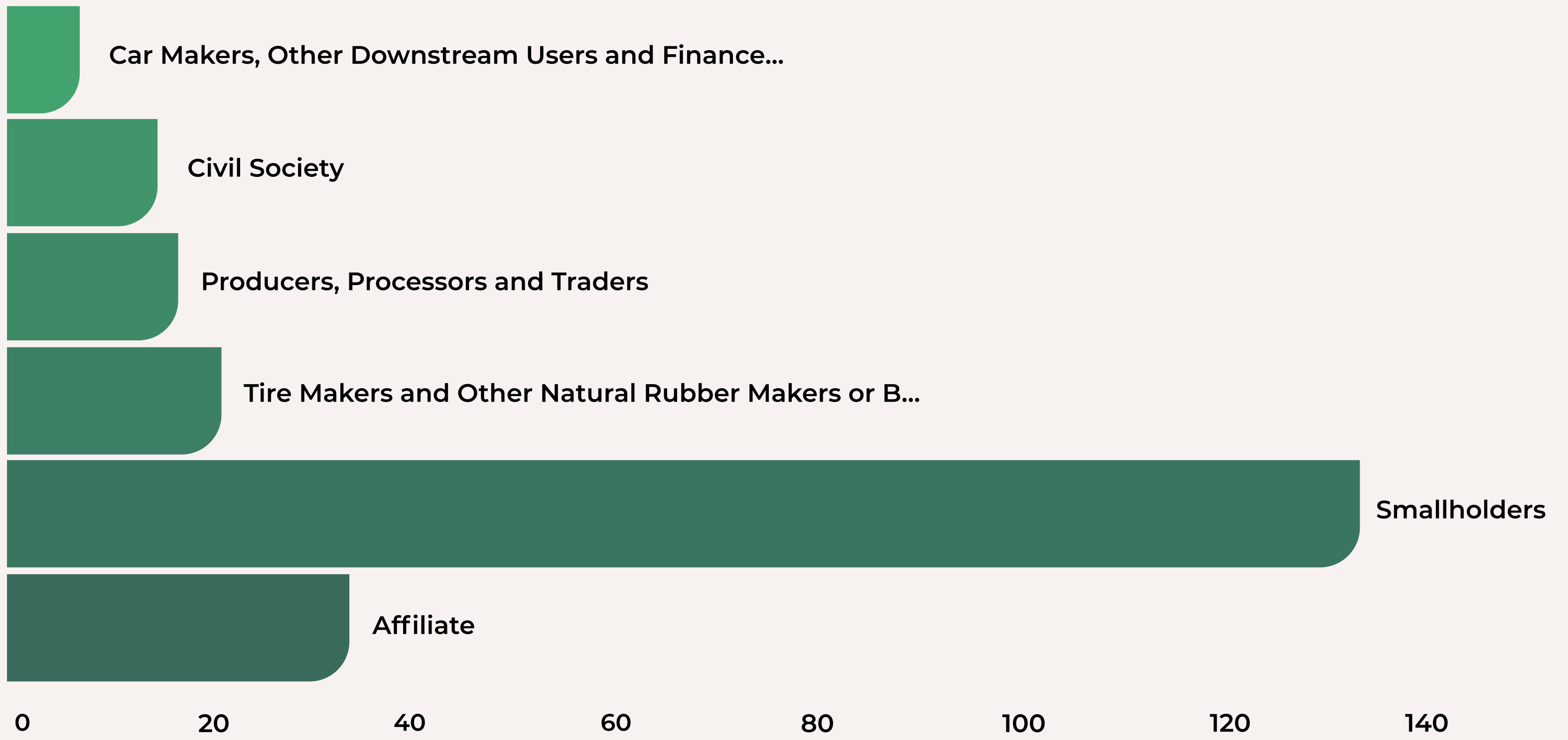
We have come a long way, and we have a long road ahead - but your intent for sustainability and equity has shined through - and I am confident it will take us further as we become a fully sustainable and equitable supply chain.

Stefano Savi

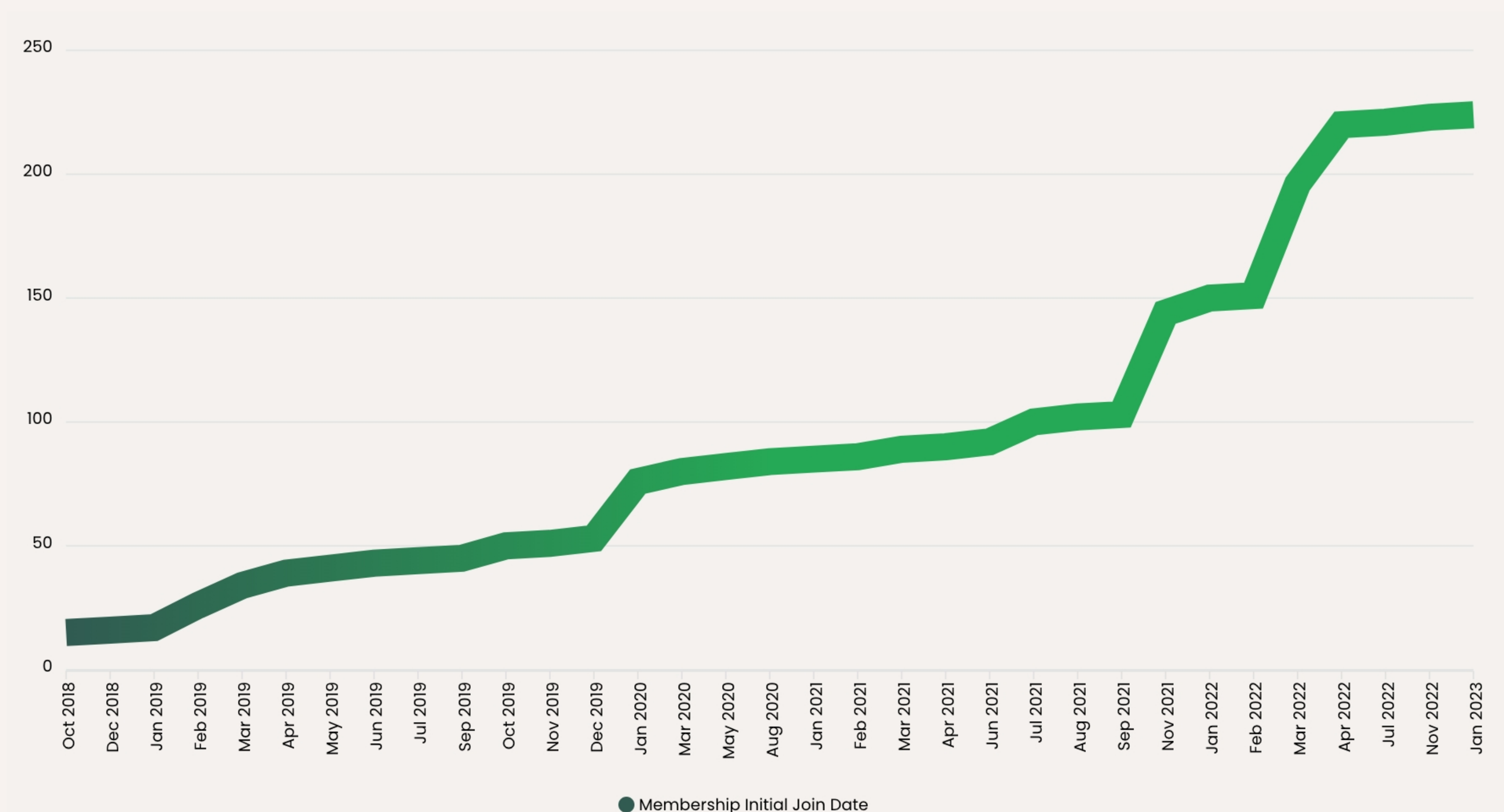


Membership Growth

Current Members By Category

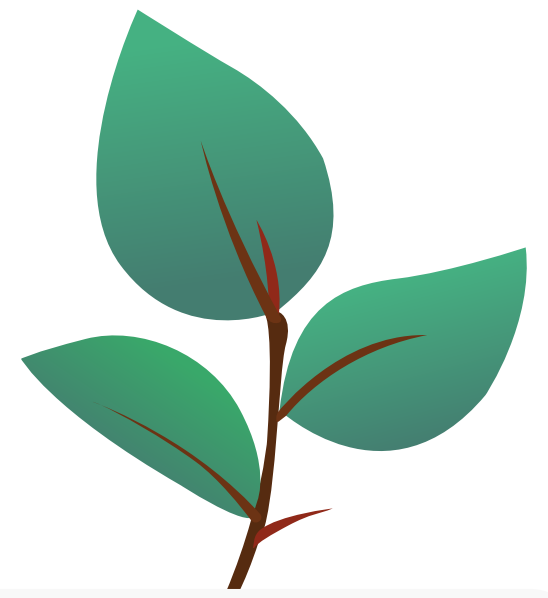


Membership Over Time



● Membership Initial Join Date

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 Sub working group

Currently working on:

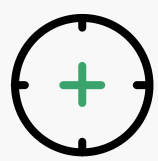
Knowledge Sharing Platform, Capacity Building plans for Indonesia, Thailand and Côte d'Ivoire



Smallholder Representation

Currently working on:

Smallholder Policy Equivalent Country Specific Smallholder Engagement Activities



Strategy and Objectives

Sub-working groups:

Risk

Currently working on:

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



Shared Responsibility

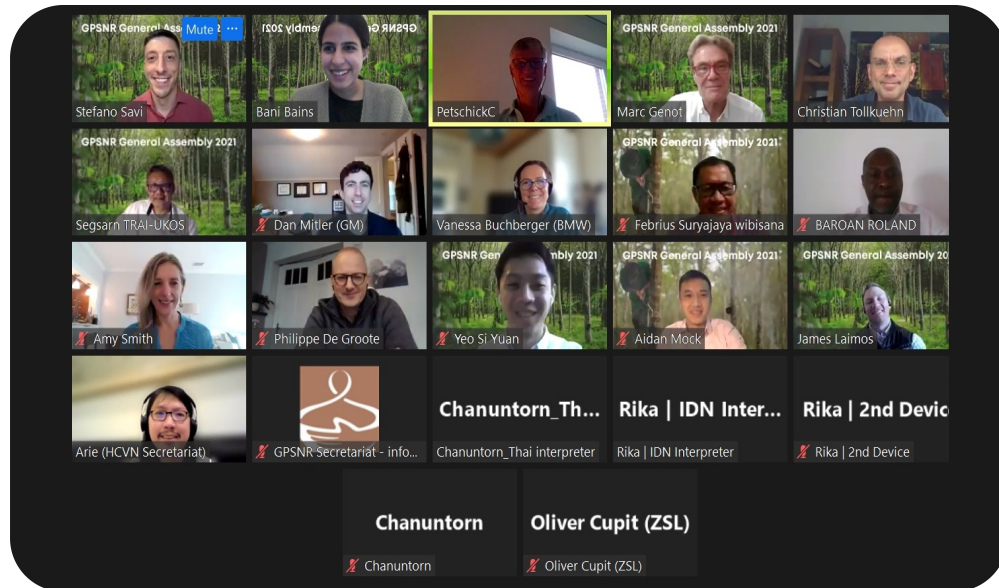
Co-chairs:

Ana M Arce (Bridgestone),
Samantha Morrissey (Rainforest Alliance)

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

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.

Capacity building projects kicked off in Indonesia

In 2022, we have worked with xx smallholders across 3 projects in Indonesia. These include a pilot on agroforestry, a disease fighting project with SNV and IRRI and Good Agricultural Practices or GAP with Koltiva, SNV and Michelin.



Agroforestry in Thailand

The Thailand Agroforestry Capacity Building project will begin on-the-ground activities in December 2022, 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 concept 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 SW 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 Baron 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

Our Donors



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.

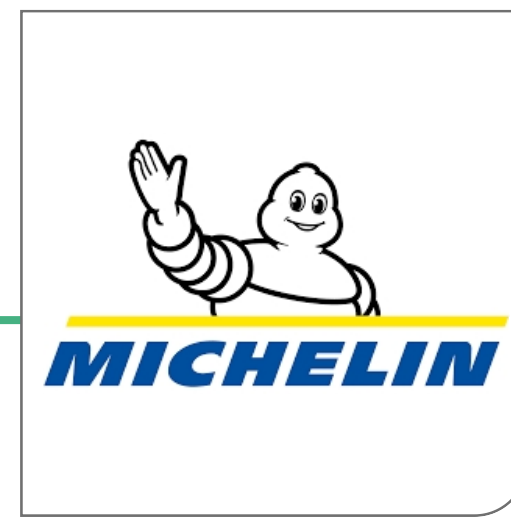
—**Soontorn Rakrong, Thailand**

Smallholder Focus



Goodyear

While Goodyear has been a GPSNR member since its inception, being involved in the pilot capacity building work, particularly on the Good Agricultural Practices (GAP) in Indonesia has given us the opportunity to work with smallholders on designing and delivering GAPs trainings that can be implemented practically and are useful for years to come. **We look forward to taking this work to greater heights in the next year.**



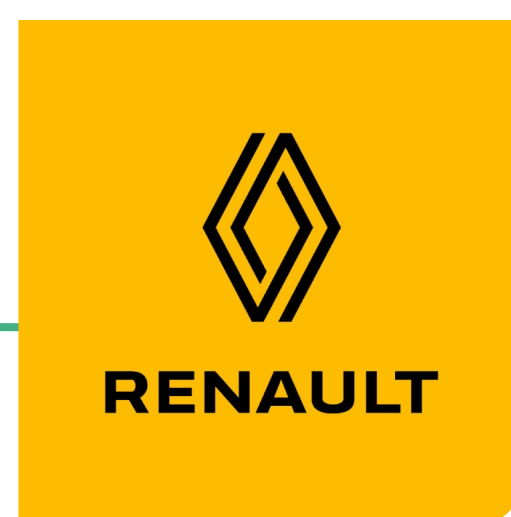
Michelin

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.



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.



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.

Smallholder Focus



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.



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".



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.



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.



Financials

Statement Of Financial Position

Source	Total Money Received	Projected Spend (2022)	Spend (2022)	Balance
Donors(GIZ)	177,370	1,602,286	343,915	552,842
Member Companies (P4F)	99,842	395,299	202,457	202,457
Donors (Members Capacity Building)	381,772	279,566	—	312,832
Member Companies	1,462,953	3,169,484	1,265,305	1,448,903



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 COP 27 in 2023.