

# Sustainability Report 2021



**SOCFIN**  
— CAMBODIA —



## Foreword

The present report is the fifth edition of Socfin Cambodia's Sustainability report and gives an overview of the company's activities for 2021 in terms of sustainable development and responsible management.

Under the name "Socfin Cambodia", this report covers the activities of two registered companies: Socfin-KCD Co., Ltd. and Coviphama Co., Ltd.

In all aspects of its activities, Socfin Cambodia respects the Socfin Group's commitments, policies, charters and codes, which are detailed in the Socfin Group's 2021 Sustainability report and on its corporate website<sup>1</sup> and sustainability dashboard<sup>2</sup>.

This report is developed in addition to the Socfin Group's 2021 Sustainability report and focuses only on activities conducted through the year in Cambodia, and particularly on activities that are specific to the local context.

All reports related to the Socfin Group and to Socfin Cambodia are available on [www.socfin.com](http://www.socfin.com).

### **Enhancing rural livelihood**

By driving respectful  
tropical transformative  
agriculture.

<sup>1</sup> [www.socfin.com](http://www.socfin.com)

<sup>2</sup> [www.socfin.com/dashboard](http://www.socfin.com/dashboard)







## Message from the General Manager

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Socfin Cambodia's ambition is to promote a responsible agriculture that contributes to the improvement of rural livelihoods. Strongly anchored in our social and natural environment, we are deeply aware of the role we can play for local socio-economic development. For us, this development comes hand in hand with responsible management and we believe that our communities and environment should benefit from Socfin Cambodia's activities.

That is why we proudly applied the concept of sustainability since the beginning of our operations in the Kingdom of Cambodia. We believe that practises supporting sustainable agriculture are the only way to contribute to a better future for all and we are proud to drive the transition to a responsible and sustainable private sector.

For all around the world, 2021 was a challenging year. Cambodia has been no exception with the Covid-19 pandemic affecting the country. In this context, we have taken all necessary measures to protect our employees and we collaborated with the local health authorities to facilitate their vaccination. In this context, I can only salute the continuous devotion from our Medical department in caring for our workers and their families.

Our Agronomic and Industrial departments, along with supporting departments such as HR and Administration, have done an outstanding job in developing our company's activities while ensuring the quality of our processes.

Our company also reached an important milestone in 2021, with the conclusion of the mediation process solving land claims from the local communities in Bousra. We hope that what we have achieved together through this process can serve as a model for other communities and organisations facing similar challenges.

Our Corporate Social Responsibility (CSR) performance and leading role in social transformation and positive change were promoted this year, when Socfin Cambodia won the Award for the Business category, in the EuroCham Cambodia's 2021 CSR contest. This was a great achievement for all our teams, and I am honoured that our employees could receive this proof of appreciation for their concerted efforts to making our company the best version of what can be done in our sector.

Today, I am proud to look back at this past year through the fifth edition of Socfin Cambodia's Sustainability report.

Jef BOEDT  
General Manager

[info@socfin.com](mailto:info@socfin.com)



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# 1. Our company

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The agro-industry and rubber plantations in particular are considered a powerful vector for long term development by public authorities, especially in times of post-crisis national reconstruction. In this context, the Royal Government of Cambodia granted Economic Land Concessions in the 2000s and early 2010s to international agro-industrial companies with the objective to create employment, roads, public and administrative infrastructures in isolated areas.

Developping rubber plantations in the Kingdom is a long-term economic choice helping to develop the country economically and socially. Such a practice helps to bring foreign capital into the country, to ensure skills transfer locally and to bring long-term economic and social development in rural areas.



1.1 Our profile



1.2 Our ownership structure



1.3 Our key figures



1.4 Our organization



1.5 Our history



1.6 Our ambition: to develop a responsible tropical agriculture



1.7 Our governance system



1.8 Our responsible governance approach







## 1. Our company



## 2. For local development



## 3. For our employees and local communities



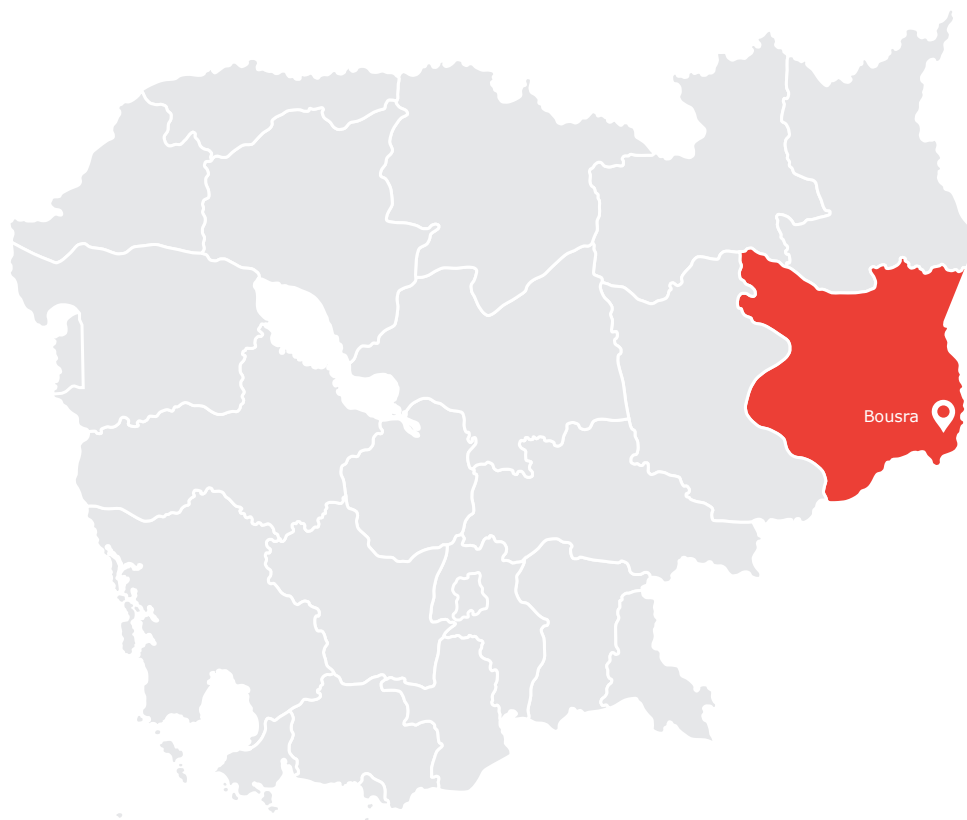
## 4. For our environment



### 1.1 Our profile

Socfin Cambodia is present in the Kingdom through two companies registered with the Ministry of Commerce: Socfin-KCD Co., Ltd. and Coviphama Co., Ltd. Both companies have their headquarter based in Phnom Penh.

Socfin-KCD and Coviphama develop and manage rubber plantations in Bousra Commune, Pech Chreada District, Mondulkiri Province.



Location of Socfin Cambodia's plantation in Mondulkiri Province

Socfin-KCD is operating through two Economic Land Concessions (ELCs): Varanasi and Sethikula. Coviphama is operating through one ELC of the same name.

**SOCFIN**  
**SOCFIN KCD**

**SOCFIN**  
**COVIPHAMA**

**SOCFIN**  
**SETHIKULA**

**SOCFIN**  
**VARANASI**

**SOCFIN**  
**COVIPHAMA**

Company

Economic Land Concession (ELC)

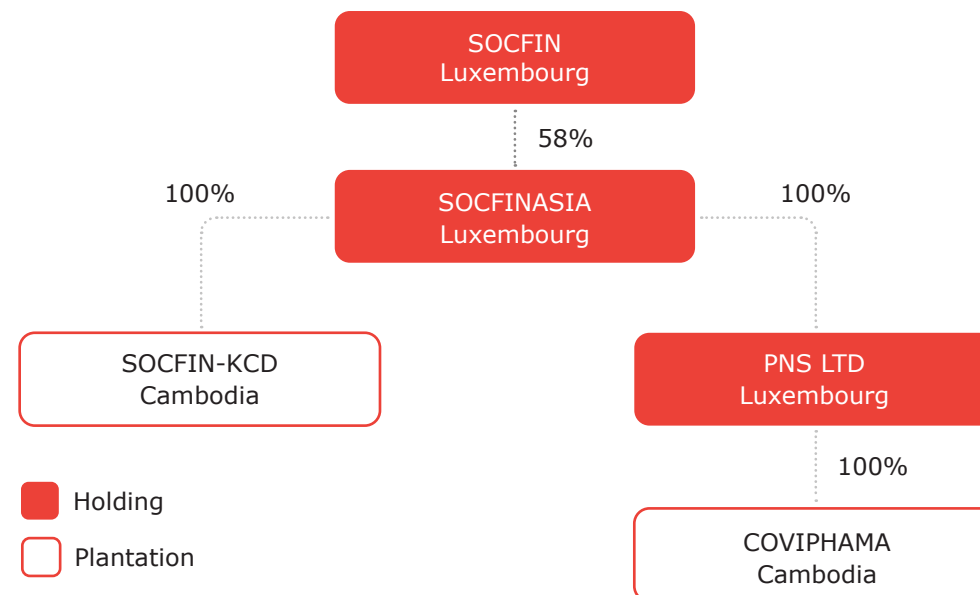
Socfin Cambodia operates its own rubber-processing factory located on Socfin-KCD's estate.

Socfin Cambodia does not purchase rubber from outside sources yet.

The majority of the production is sold locally. In order to promote the company's product on the international market, a few exports have also been conducted in 2021.



### 1.2 Our ownership structure







## 1. Our company



## 2. For local development



## 3. For our employees and local communities



## 4. For our environment



### 1.3 Our key figures

#### 1.3.1 Areas

Company	Total ELC size (ha)	Planted area - rubber (ha)	Production area (ha)
<b>SOCFIN KCD</b>	6 659	3 796	3 529
+ Hectares for smallholders inside the ELCs		136	
<b>COVIPHAMA</b>	5 345	3 255	1 361

Data on 31.12.2021

#### 1.3.2 Dry rubber production (Tons)

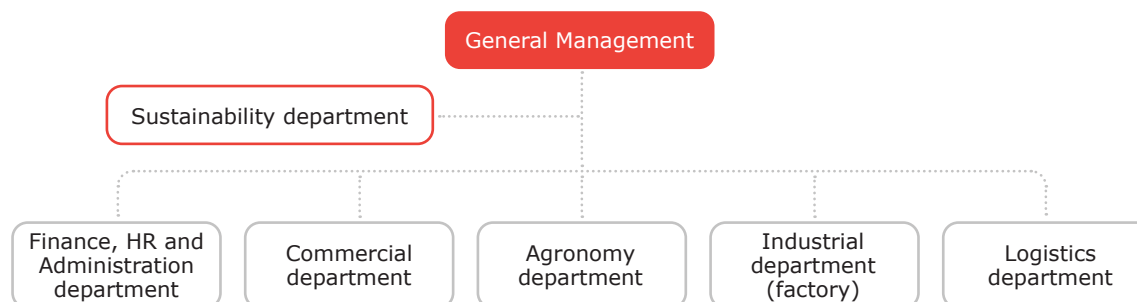
Company	2018	2019	2020	2021
<b>SOCFIN KCD</b>	2 760	3 510	4 779	5 825
<b>COVIPHAMA</b>	84	280	545	1 055

#### 1.3.3 Turnover and investments in 2021 (K USD)

	<b>SOCFIN KCD</b>	<b>COVIPHAMA</b>
Sustainability budget	573	266
Total investments	613	915
Consolidated net result	1 081	79
Turnover	9 371	1 394



### 1.4 Our organization



### 1.5 Our history



2007

Creation of Socfin-KCD (company)



2009

Acquisition of Varanasi (ELC)



2010

Acquisition of Sethikula (ELC)



2013

Acquisition of Coviphama (ELC)



2015

First harvesting in Socfin-KCD



2017

Publication of Socfin Cambodia's *Zero deforestation commitment*

First published Sustainability report



2018

Opening of the rubber factory in Socfin-KCD

First harvesting in Coviphama



2021

Conclusion of the mediation process solving land claims with the local communities

Winner of Eurocham Cambodia's CSR Award - Business category



## 1.6 Our ambition: to develop a responsible tropical agriculture

At Socfin Cambodia, we strive to produce rubber in a way that benefits our local employees and communities, helping them build a better life for future generations.

Our sustainability program focuses on three impact areas: local development, our workers and communities, and the environment. We implement key initiatives bringing long-term economic performance, respect for human rights, social welfare, health, security and natural resource management.

### 3 impact areas



For local development



For our employees and local communities



For our environment



## 1.7 Our governance system

Socfin Cambodia works under the authority of the Socfin Group and its board of directors. Locally, senior executives, reporting directly to the General Manager, are in charge of ensuring that the Socfin Group's standards and guidelines are implemented.

Socfin Cambodia's General Manager is responsible for the company's Sustainability department, which is piloted by a Sustainability Manager.

Socfin Cambodia works closely and in full transparency with external stakeholders on economic, environmental, and social topics including Non-Governmental Organizations (NGOs), civil society, government bodies, community representatives and local authorities.

<sup>3</sup> Available on [www.socfin.com/en/commitments](http://www.socfin.com/en/commitments)



## 1.8 Our responsible governance approach

### 1.8.1 Responsible management policy and code of ethics

In Cambodia, Socfin's activities are guided by the Socfin Group's responsible management policy<sup>3</sup>.

All employees are also required to respect the Group's Employee and corporate code of ethics, which applies to all subsidiaries of the Socfin Group.



*Tappers in Socfin-KCD's plantation*

### 1.8.2 Compliance with legal requirements

#### Environmental and social laws

Socfin Cambodia strictly follows the legal requirements under the authority of the relevant ministries that regularly audit its activities.

All activities of the company comply with national policies, laws and regulations related to environmental and social management.





## Labour laws

Socfin Cambodia strictly respects all applicable laws and regulations relevant to its sector concerning the conditions of employment.

The internal regulation has been agreed upon by elected staff representatives and officially approved by the Ministry of Labour and Vocational Training. The full document is publicly displayed at the company's office. It addresses working conditions and other issues such as human rights, sexual and workplace harassment, violence, security at the workplace, environmental protection, child labour or human exploitation.

All employees are fully informed about their conditions of employment and have signed contracts in Khmer language. Employees are free to terminate their employment contract at any time, by respecting the notice approved in the internal regulation.

Regular audits are conducted by the Ministry of Labour and Vocational Training to assess the compliance of company practices with national laws and no infractions has been reported during these audits.

### 1.8.3 Zero tolerance approach



#### Child labour

At Socfin Cambodia, we cannot tolerate that children are taken to work. Therefore, the company is committed to not employ or make use of any individual below the minimum employment age set by the local law or by international conventions.

While the minimum employment age under the national Cambodian law is 15, Socfin Cambodia does not hire direct employees under 18 years old.

This is clearly mentioned in the Internal regulation and in the Policy on child labour<sup>4</sup>. Through this policy, contractors must also ensure that all their workers are above the minimum age required by the applicable labour laws and regulations for their activity.



#### Corruption

All executive employees have signed and been trained on the Employee and corporate code of ethics which explicitly specifies that nobody may make illegal payments in name of the company.

It also clearly prohibits the use of company funds to make a payment, directly or indirectly, in money, goods, services or any other form to a government official or political representative, election candidate or political party, to convince them not to perform their lawful duty or to exert influence.



#### Forced or compulsory labour

All humans are free and equal and Socfin Cambodia does not tolerate forced or compulsory labour, including prison labour, indentured labour, bonded labour, slavery, servitude or any form of human trafficking.

The retention of travel documents, identification papers or any other type of bond from any of the employees is strictly forbidden.

No non-compliance in the fields of child labour, corruption or forced labour was identified in 2021. Any violation to these commitments from employees or third parties will lead to severe sanctions.

### 1.8.4 Monitoring from stakeholders

#### Government institutions

Socfin Cambodia receives regular visits and audits from the relevant government institutions monitoring its activities including MAFF (Ministry of Agriculture, Forestry and Fisheries), the Ministry of Labour and Vocational Training, the Ministry of Commerce and the Ministry of Environment (MoE). Regular progress reports on the company's activities are shared with these institutions.

<sup>4</sup> The policy on child labour is published in Socfin Cambodia's 2019 Sustainability report



## International clients

Socfin Cambodia's rubber factory has integrated processes adapted to the most demanding international standards from the beginning of its activities. The certification of the rubber factory against the ISO 9001:2015 standard for its quality management system is a required step to work with most international tire manufacturers.

We plan to obtain the certification in the first half of 2022.



*Socfin Cambodia's rubber factory team*

Through the company's commitments and policies, Socfin Cambodia's operations are also already in line with international customers' standards regarding responsible management such as: zero deforestation, no child labour, respect of human rights, etc.

## National quality standard

When selling their production on the international market, natural rubber producers must present results of quality testing on different components. For exports from Cambodia, these results must be certified by the Cambodian Rubber Research Institute (CRRI) to confirm that laboratory processes are compliant with the Institute's procedures. Socfin Cambodia's factory laboratory has been certified by the CRRI since December 2020.

Laboratory certified  
by Cambodia Rubber  
Research Institute

## 1.8.5 External grievance management system

This process is designed for external stakeholders. It is described in Socfin Cambodia's 2017 Sustainability report, which is available on [www.socfin.com](http://www.socfin.com).

Grievances from external stakeholders with the company can be addressed directly to the Socfin Group via email to: [transparency@socfin.com](mailto:transparency@socfin.com).

No external grievance was lodged with the company in 2021.

## 1.8.6 Recognition of our CSR performance

On 23<sup>rd</sup> November 2021, Socfin Cambodia won the prestigious CSR Award for the Business category, in the EuroCham Cambodia's 2021 Corporate Social Responsibility contest. This award recognized the company's CSR performance and leading role in social transformation and positive change.



*CSR Awards ceremony – 23.11.2021*





# 2 . For local development

Mondulkiri, where Socfin Cambodia's plantations are located, is the country's largest and most sparsely populated province. There, we strive to strengthen long term development for our host communities through training and employment, skill-transfer, development of best-practices for our sector and improvement of infrastructures.



## 2.1 Our local development plan



## 2.2 Our actions for local development







## 2.1 Our local development plan

Our development plan looks at strengthening local communities in the long-term and includes capacity building through training and employment, but also additional measures tailored to their specific needs.

We engage directly with the local authorities and with the elected as well as the traditional representatives of the local communities to identify, develop and carry development projects.

Monduliri Province still being a rural area, the development plan focuses mainly on supporting the creation and maintenance of public infrastructures that will support the entire community in the long term (schools, hospitals, roads, wells, etc.).



## 2.2 Our actions for local development

### 2.2.1 Local partners

#### Contractors

When a special expertise is needed, the company works with local contractors. We thus contribute to creating more employment and stimulating local entrepreneurship for our host population.

Providing additional employment through **11** local contractors

11 contractors, representing 117 indirect employees, worked with Socfin Cambodia in 2021, mainly for the security and agronomic activities.

#### Smallholders

**136**

hectares of smallholders' fields in the concessions

52 families are part of Socfin Cambodia's smallholder program, exploiting 136 hectares of rubber fields within the company's ELCs. All smallholders' plots have reached maturity and are producing rubber. They sell their production to local buyers.

As part of its agricultural extension services, Socfin Cambodia's technical department organised a free group training for these smallholders on how to care for broken trees and continue tapping after a strong wind event damaged some plots in July 2021.



Smallholders training on caring for trees damaged by the wind – 07.2021

Socfin Cambodia is also actively engaging with a smallholders group from Pu Luk community who asked for support to start their own rubber nursery in Bousra. Through the year, we provided them with technical assistance through field visits at the nursery and technical trainings on-site and at the company's office.

**50+**

hours dedicated to the support of a community rubber nursery



Field visit at Pu Luk's rubber nursery – 09.08.2021



*Diagnosis of fungus attack at Pu Luk's rubber nursery – 03.11.2021**Socfin Cambodia's Plantation Manager discussing with Pu Luk community leaders about fungus treatment – 25.11.2021*

### 2.2.2 Training programs to increase local skills

At Socfin Cambodia, a strong emphasis is placed on in-house training and skills improvement of local workers. Every year, the performance of each employee is evaluated against a standardized form by its direct manager. This allows discussion between employees and management on opportunity for career development and potential trainings.

For tappers, a one-month training is provided in our “tapping academy”. This program is designed to disseminate agricultural best practices. Each plantation has established its own tapping academy.

*Dry schools from Socfin Cambodia's two tapping academies (left: Coviphama – right: Socfin-KCD)*

341 students have successfully completed the one-month course from our two tapping academies in 2021.

# 341

students completing their tapping academy training in 2021

*Socfin Cambodia's tapping academy graduation – 07.2021*





UN Vanna

Purchase and Administration department



My name is Vanna. I started working for Socfin Cambodia as a daily worker in 2009. Back then, I was doing the agronomic maintenance on the field. After that, I became team leader and worked for one year on pruning activities.

At the time, salaries were paid every week to workers and, as a team leader; I would come to help the administration team for this. Company managers noticed my potential and good level in English and I was transferred to the Administration to control workers' attendance. After a while, I also became responsible for the fuel station of the company and for the purchasing process with suppliers in Monduliri province.

When joining the administration, I knew little about working with computers, so the IT technician was asked to teach me and help me improve my computer skills. Today it is my main work tool!

I am now in charge of conducting the whole procurement process, for purchases made both in Phnom Penh and in Monduliri province. This means that I follow purchase requests from all departments, find the appropriate suppliers, provide quotations and follow through until the items are delivered to our warehouses in the plantations.

I am also responsible for the distribution of rice to workers and their families in Socfin-KCD's villages and for the allocation of rooms to new workers in company villages.

I have a nice life here because I like the work I do, I have gained responsibilities, and I like the team I work with.

### 2.2.3 Facilitating local mobility

Free circulation of the local population is guaranteed within the plantations. The road through the concessions is often preferred to the national road, which is still under development and less convenient to access. The company's road also allows access for the local communities to the Phnom Nam Lear Mountain, located outside of the concessions, and which is an important cultural site for the Bunong indigenous people presenting a high potential for eco-tourism activities.

Socfin Cambodia also continuously contributes to the rehabilitation of roads and bridges outside its plantations. In 2021, our team spent more than 300 hours working to improve and maintain over 11 kilometres of roads and fix eight bridges for the communities.

**300+**

hours to improve community roads



*Socfin Cambodia working to fix a road in a local village*





*Worker's motorbike in Socfin-KCD's plantation*

The total budget invested in 2021 for the improvement of roads and bridges inside the plantations and in the local area represented USD 265 885.

For our employees, we are well aware that new recruits often do not have their own transport and acquiring a motorbike, which is often used to work on the field, might imply contracting debts for workers who do not yet have savings. This is why we offer financial support, in the form of a free of interest advance on salary for all new employees joining the tapping activities and wishing to purchase a motorbike.

## 2.2.4 Research and Development to improve local rubber quality and agricultural best-practices

When developing its plantations in Cambodia, Socfin set up a state of the art nursery, thus introducing new, more resistant clones in the country and contributing to the development of a better quality of rubber.

Since 2009, Socfin Cambodia is also working in a research partnership with the CRRRI by:

Permanently developing and maintaining a large-scale bud wood garden of 28 different types of certified clones of rubber trees.



*Bud-wood garden*

Conducting a field trial with eight clones planted in a plot of the plantation, which is maintained and tapped by the company.



*CRRRI team visiting the large scale field trial – 20.08.2021*

The field trial is designed to exchange experience between the CRRRI and Socfin Cambodia in all activities of a rubber plantation. The CRRRI visits the plantation periodically to observe the growth, the yield and the resistance to disease and wind on the different clones.



*CRRRI team visiting the large-scale field trial – 20.08.2021*

This partnership will also help Socfin Cambodia to choose the best clones when replanting in similar areas once the current plantation has passed its maturity.



*Team from the bud-wood garden*

In order to improve agronomic performances, soil moisture sensors have also been placed in one of the fields to analyse the water reserve for the trees. The data collected by the devices will be compared with observations from the field and with the trees' cycle to improve the management and the planning of future operations.



# 3. For our employees and local communities

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3.1 Our commitments for our local employees and communities



3.2 Our relations with the Bunong indigenous communities



3.3 Our support to communities livelihoods



3.4 Our social commitment to our employees







### 3.1 Our commitments for our local employees and communities

#### 3.1.1 Human rights

In Cambodia, Socfin has always conducted an open and transparent dialogue with the local population. Company management communicates in full transparency with the United Nations Office of the High Commissioner for Human Rights, Cambodia Country Office (OHCHR Cambodia) to make sure that activities are in full compliance with the relevant standards, including the UN Guidelines on Business and Human Rights and the UN Declaration on the Rights of Indigenous Peoples.

#### 3.1.2 Land rights

Socfin Cambodia does not own the land it works on, but leases it through ELC contracts with the Cambodian Government. Economic land concessions are, by decree, state private land, and as such fall directly under State Law and are governed by the relevant ministries.

Discussions on land use in the ELCs have been conducted with the local communities through an independent mediation process<sup>5</sup>.

#### 3.1.3 Free, Prior and Informed Consent: FPIC

Enshrined in Socfin Cambodia's core commitments is the respect of the right of indigenous population and local communities to give or withhold their FPIC to all operations affecting the land and resources on which they have legal, community or customary rights.

Socfin Cambodia always maintained an open and respectful dialogue with the local communities.



### 3.2 Our relations with the Bunong indigenous communities

#### 3.2.1 Context

97.6% of the population in Cambodia is Khmer. The remaining is composed of various indigenous groups amongst which the Bunong (or Phnong) Indigenous People. The Bunong communities are mainly present in Mondulkiri Province, have their own only-spoken language and are mainly animists although a growing number follows Roman Catholicism. They traditionally believe in the spirits of all

things (minerals, animals, objects, etc.) and of spirits who can have an impact on human lives. They practice shifting agriculture based on the slash and burn practice.

Bousra commune, where Socfin Cambodia's activities are implanted, is composed of seven traditionally Bunong villages (or communities). Data from the Commune office indicate that the total population is composed of 7 622 people in 2021. 56% of the families living in the Commune are reportedly Bunong (decreasing from 97% in 2002)<sup>6</sup>.

#### 3.2.2 Engagement mechanisms

##### In house community liaison department: the Bunong Administration

In order to facilitate interactions, and ensure the possibility of a dialogue respecting the local traditions of the Bunong population, the Bunong Administration was created at the beginning of the activities of Socfin Cambodia. One employee from the local community, who speaks the Bunning language, heads the department.

##### External platform of dialogue: the tripartite committee

Socfin Cambodia participates in the tripartite committee composed of elected representatives of the population from five villages, local authorities and representatives from the company. The tripartite committee met once in 2021 to discuss fire prevention in the plantations and development projects in the Commune.

##### Independent mediation

Some claims from the local population related to land ownership, resurfacing mainly in 2015, have been addressed with third parties to ensure a transparent and effective process. In 2016 and 2017, we collaborated with GIZ, an organisation specialised in land rights in rural areas to map conflict areas. Together with the local communities, we then engaged in a mediation process, conducted by IMG - Independent Mediation Group, a team of professional mediators.

Discussions were organised depending on the land-tenure type to facilitate the sharing of information and understanding of issues. Negotiations were then organized on:

- communal land,
- individual fields cleared on environmental areas within the company's concessions,
- smallholders' agreements,
- and compensations received in the past by community members.

<sup>5</sup> See in 3.2.2 Engagement mechanisms

<sup>6</sup> Commune statistics (2022)



## 1. Our company



## 2. For local development



## 3. For our employees and local communities



## 4. For our environment

On 10<sup>th</sup> August 2020, representatives from the Bunong communities in Bousra and from the company signed agreements on communal land (sacred forests, spirit forests, cemeteries and reserve land located in the ELCs managed by the company).

Agreements covering resolutions for the three last topics of negotiations were signed in September 2021, which concluded the mediation process with both parties finding mutual agreements for all land-related grievances.

### 2021

Completing the mediation process to solve all land disputes with the local communities

I am happy with the mediation result because we were not pressured or intimidated by any party. It was a mutual agreement between us (the communities) and the company. If it were not up to our satisfaction, the negotiation would not have ended today<sup>7</sup>.

NGANN Yin

Pu Teut community representative

This process is a pilot project in Cambodia and aims to serve as an example for other companies and organisations to replicate. It was conducted in full transparency with the UN OHCHR and other international organisations acting as witnesses.



Signing of mediation agreements – 20-21.09.2021

<sup>7</sup> Source: online article - *The mediation between Bousra Indigenous Communities and Socfin Cambodia concludes with agreements to end long-standing land dispute* – MRLG

The completion of the mediation represents the end of a five-year long process through which both parties were able to address some very complex issues. This mediation gave us a platform to expose, understand and discuss grievances from both parties and come to mutual agreements settling all claims. This achievement is the result of a collective effort, and we thank the donors to this project, legal advisors to the communities and the team of mediators for providing both the time necessary and a safe space to engage discussions and find acceptable solutions for all. We hope that what we have achieved together can help other communities and organisations facing similar challenges. We see this process as a pilot project showing that peaceful negotiations and efforts put to understanding each other can provide mutual benefits for all. Socfin Cambodia's mission is to contribute to the long-term socio-economic development of isolated rural areas, while strengthening and protecting communities' rights, their quality of life and the environment. This is why, for us, the process does not end with the signing of the agreements, but we see this milestone as a foundation for the work Socfin Cambodia will continue to do with the local communities, so both parties can implement these agreements together in the future.

Jef BOEDT

Socfin Cambodia's General Manager

### 3.2.3 Access to land

#### Farmland

Although local villages are located outside the concessions area, the land within the ELCs managed by Socfin Cambodia is composed of a patchwork of various land-use: environmentally protected, population (communal and individual land), and business land.

Today, the local population cultivates fields within the ELCs, in community areas or on individual plots located across the plantation.

Individually owned land titles cover 570 hectares of the concessions. Other individual fields, not recognized by land titles, are also being cultivated inside the ELCs.



Cattle grazing in land used by the community in Socfin Cambodia's estates





## Cultural and communal land

Integral to the Bunong traditional livelihoods are their communal land, including spirit forests, sacred forests, cemeteries and reserve land. All communal land located inside the company's ELCs has been identified, mapped and preserved in cooperation with elected representatives from the local communities.

# 560+

hectares of Bunong communal land protected

Today the company is protecting over 560 hectares of Bunong communal land in its concessions.

Type of land	Communal land inside the concessions (ha)
Sacred forests and spirit forests	196.6
Cemeteries	112.58
Reserve land	254.63
Total	563.81

*Repartition of communal land in Socfin Cambodia's ELCs by type*

Socfin Cambodia is strongly committed to support the local communities in protecting these areas. 138 information boards with the names of the areas and protection rules are placed on-site by the company's Bunong Administration to demarcate them.

In addition, the Bunong Administration and security team of the company patrol these areas to prevent and detect infractions. All infractions, such as logging or clearings are notified to the local authorities and representatives of the communities.

On 19<sup>th</sup> July 2021, the Bunong Administration organised a field visit for community representatives to control encroachments from nearby fields on their sacred forests. This was also the occasion to discuss prevention measures as well as ways to increase community involvement in protecting their ancestral lands.

In 2021, we also collaborated with community members from Pu Char village to demarcate and create a 4-kilometer protective drain around their reserve land located in one of the concessions.



*Joint demarcation of Pu Char's reserve land – 10.08.2021*



## 3.3 Our support to communities livelihoods

### 3.3.1 Community access to water supply

Socfin Cambodia supports the local communities' requests for access to safe sources of water.





Following discussions during the mediation process, we collaborated with Bunong indigenous representatives to donate two water wells with hand-pumps to Pu Teut community in September 2021. The company thus supported over 100 community members to get better access to water sources.

**100+**

community members provided with new access to water



Water well donated to Pu Teut community - 09.2021

### 3.3.2 Community healthcare

The Covid-19 pandemic has been a strong reminder that health can be a critical issue for communities in remote areas. This is why we also support local health campaigns for our host population.

The Ministry of Health, together with the local authorities rolled out massive vaccination drives for the District's population in July and August 2021. We supported them by donating a total of USD 1 000 to support the organisation of the campaigns for the distribution of the two doses of vaccine for the local population.



Donation of USD 500 for the 1<sup>st</sup> vaccination campaign – 27.07.2021  
Donation of USD 500 for the 2<sup>nd</sup> vaccination campaign – 27.08.2021



To ensure that local authorities could receive the public in the best conditions possible, we also provided trash bins to the District office where the vaccination centre was set-up.



Donation of trash bins for the vaccination centre – 08.2021





NET Lavy

Roads and Bridges Supervisor for Socfin Cambodia

My name is Lavy. I work for Socfin Cambodia since 2009 and I am the Supervisor for the Roads & Bridges team in Coviphama.

I am originally from Pu Teut Village in Bousra. My father is Khmer and my mother is Bunong. I speak Khmer, Bunong, I have learned English by myself by talking with other people and I have also learned Vietnamese.

I live in one of the company villages with my wife and three children. Today I still have a house in Pu Teut Village and, with the money I saved by working for the company, I was able to buy land to create my own farm where I grow coffee, cassava and avocado.

People in the community say to me that Socfin Cambodia is a good company because it helps them by supporting

development projects like roads or giving water wells.

I am also thankful that the company came to Bousra. Because I stopped school in Grade 9, I would not have been able to find a good job easily. Only Socfin Cambodia could give me work with a good income here. Now I have a good position with responsibilities, I could learn more by working with the company, I can afford to do my own farm and I have improved my livelihood.

I can also see that Socfin Cambodia cares about our local environment because we pay a lot of attention in our work to cleaning plastics that people leave in natural areas and to patrolling and protecting the forests. I hope that local people in the area would also help to protect the wildlife more.



### 3.4 Our social commitment to our employees

#### 3.4.1 Employees social protection

##### National Social Security Fund (NSSF)

Socfin Cambodia contributes to its employees' government-managed NSSF, which provides them with work accident insurance and free nationwide health care.

Every year, we collaborate with the regional office of the NSSF to organise a registration session at our office in Bousra, thus ensuring that all workers have access to their benefits.

On 3<sup>rd</sup> December 2021, over 100 employees joined to enrol in the scheme. Special measures were adopted to respect social distancing and ensure full compliance with government recommendations to protect employees and NSSF representatives from Covid-19.

As only workers registered through a company can benefit from the NSSF plan, Socfin Cambodia still provides free basic healthcare for its employees and their families at the plantations' health facilities.



NSSF registration for workers at Socfin Cambodia's office – 03.12.2021

#### Social dialogue

Staff representatives are key elements to carry the voice of employees within the company and to pass on information between the management and the workers. Regular meetings are organized between the company and the seven elected staff representatives, during which they are informed and consulted on the company's activities and can raise questions and concerns.

**7** staff representatives carrying the voice of employees





## 1. Our company



## 2. For local development



## 3. For our employees and local communities



## 4. For our environment

Although union representation is very low in the agricultural sector in Cambodia, all employees are informed of their right to join the union of their choice and to bargain collectively. Socfin Cambodia enjoys relations with its employees and there has been no incident where the right to exercise freedom of association or collective bargaining has come under threat or has been reported to the company.

### Internal grievance procedure

This procedure is to report concerns from the company's employees. It aims at identifying, managing and resolving all grievances that might occur in the workplace. This process is described in a written form and communicated to make sure all employees fully understand their rights and responsibilities when dealing with grievances.

Employees can report grievances, anonymously or not, individually or as a group, through their elected staff representatives, locked mailboxes placed in each company village, or directly via their line managers. The Human Resources (HR) department is in charge of collecting and addressing these grievances.

One internal grievance was recorded in 2021. It was resolved within one month.

### Zero tolerance for workplace violence or harassment

As indicated in its Code of ethics, Socfin Cambodia is committed to protect its employees from workplace violence and harassment. All employees can and must report any incidence of such behaviours happening at the workplace but also in company villages through the different channels made available to them.

In 2021, no complaint regarding such behaviours has been reported to the company.



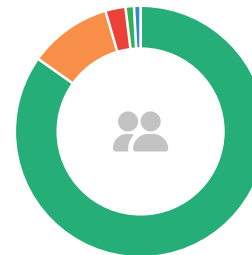
Tapping teams from Socfin-KCD

### 3.4.2 Key human resources figures (direct employees)

Total workforce (direct employees)	SOCFIN SOCFIN KCD	SOCFIN COVIPHAMA	SOCFIN — CAMBODIA —
	789	190	979

Data: 31.12.2021

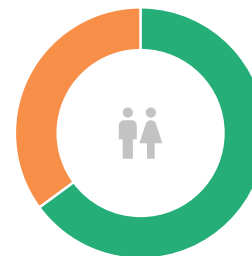
#### Distribution by department



Data: 31.12.2021

824	Agronomy	4	Sustainability
116	Industrial and logistics	3	General management
32	Finance, commercial, HR, and administration		

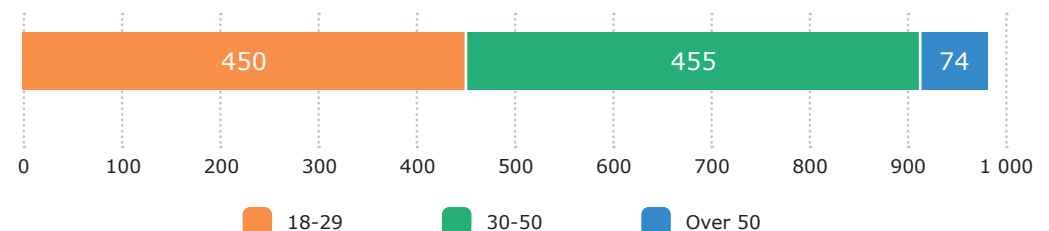
#### Distribution by gender



Data: 31.12.2021

60%	Male
40%	Female

#### Repartition by age



Data: 31.12.2021





### 3.4.3 Occupational Health and Safety (OHS)

#### Our OHS policy

Each department has identified its specific safety risks and the prevention measures that can be applied under the supervision of the Department Manager. All employees are made aware of these risks through Standard Operating Procedures (SOPs) and the appropriate Personal Protective Equipment (PPE) is distributed and controlled regularly.

Safety instructions are displayed using visual signs that are easy to understand for all, along with mentions in Khmer language.

All activities are supervised by the company's medical team, which is available at all time during working hours and can quickly reach work locations in case of emergency. The HSE department also conducts regular inspections to ensure safety guidelines are respected.



*Socfin-KCD's Roads & Bridges team*

#### Training and sensitization

Training is regularly disseminated to our employees to ensure they apply the appropriate safety procedures in their tasks.

A specific program of training on field and forest fires is conducted from December until April every year. At this time, departments organise sessions on fire prevention and fire-fighting procedures to ensure the safety of all employees that could come across a fire while working in the plantations.



*Fire prevention training – 12.2021*

Another program, consisting of Safety minutes, has been designed for workers of the factory. These Safety minutes are informal safety meetings focusing on topics related to the employee's specific work tasks.

10 Safety minutes sessions were conducted in 2021 to discuss topics such as the proper use of PPE, basic first aid at the workplace or directions to use fire-fighting equipment.





## 1. Our company



## 2. For local development



## 3. For our employees and local communities



## 4. For our environment

Other departments also regularly organise internal trainings for their workers.

In May 2021, contractors and agronomic supervisors participated in a training on *protective equipment and safe operation for chemical spraying activities*.

In July 2021, the Sustainability department conducted a training for storekeepers on *Health and safety guidelines for general and chemical stock keeping*.



Stock keeping team – Socfin-KCD

### Monitoring

The company's Doctor keeps detailed records of work accidents involving employees when they require a medical consultation. These records are shared with the HSE department and analysed with regards to the number of employees, type of recurring accidents, and impacted departments and activities.

In 2021, Socfin-KCD recorded an accident rate of 3.47/200 000 hours of work and Coviphama 2.67/200 000 hours of work.

### 3.4.4 Health policy for employees

#### Health services

In addition to contributing to the NSSF for employees, Socfin Cambodia manages one clinic and one health outpost in the plantations where basic healthcare is free for all employees and their registered dependants. Our company Doctor manages both facilities. An ambulance is also available at all times for emergencies.

**10 800+**  
free medical consultations

In 2021, the Medical department conducted 10 864 free health consultations at the company's medical facilities.

### Disease prevention, detection and treatment

Socfin Cambodia's doctor provides health check-ups upon recruitment to all new employees and follows them regularly afterwards. This allows the Medical department to detect any health problem early on and to facilitate further treatment.

In order to raise awareness from the company's employees and their families on important health issues, the Medical and HSE departments conduct regular campaigns through group discussions and open meetings in company villages.

A total of 53 meetings were organised in 2021 on topics such as Covid-19 prevention, rabies, mosquito-borne diseases and village cleanliness. The Medical department is particularly attentive to the prevention and treatment of mosquito-borne diseases, especially as Cambodia experienced outbreaks of chikungunya fever in 2021. This is why 20 of these meetings were dedicated to discussing the fever's symptoms and how to control mosquito populations around living areas.

**26**  
hours of health prevention  
activities in company villages



Meeting on dengue fever conducted by Socfin Cambodia's doctor in a company village – 05.2021





Our Medical department also collaborates with the Public Department of Health (PDoH) on their national efforts to eradicate mosquito-borne diseases. Company employees living in the plantations are registered with the health authorities in order to regularly receive free insecticide-treated mosquito nets. In November 2021, the company's Medical Department thus distributed 131 mosquito nets given by the PDoH.



*Mosquito nets distribution to employees – 11.2021*

As a result of prevention efforts conducted over the years by our Medical department, no dengue fever, no chikungunya and no malaria cases were diagnosed in the plantations in 2021.

Socfin Cambodia also works directly with the PDoH to bring national health campaigns to workers and their families. Vaccination sessions are regularly organised in the plantation villages for the children of our workers. In May 2021, the PDoH and our Doctor organised the vaccination of 26 children of employees against diseases such as polio, tetanus, measles or meningitis.

### Management of the Covid-19 pandemic

After a first year of the pandemic with relatively low numbers of Covid-19 cases in Cambodia, a larger outbreak started in February 2021 and triggered series of containment measures including lockdowns, travel restrictions, closure of educational facilities, and strengthened isolation procedures.

We have maintained efforts all year round and mobilised our teams and resources to ensure we could handle any local outbreak and protect our employees and their families. The company has strictly complied with all Government recommendations and regulations to help curve the spread of the pandemic.

All employees were promptly informed of applicable measures through various channels such as department meetings, village meetings or internal memos.



*Informing Village Coordinators on new Covid-19 government regulations and prevention measures – 03.2021*





## 1. Our company



## 2. For local development



## 3. For our employees and local communities



## 4. For our environment



*Meeting on Covid-19 prevention measures at the workplace for employees of the Garage – 03.2021*

Awareness campaigns were also conducted in company villages to share information on the evolution of the pandemic, prevention measures, detection and follow-up of potential cases.

It was also important to ensure that children attending classes in the plantations' schools would be sensitised to prevention measures and could pursue their education in a safe environment when schools were allowed to be opened. In March 2021, the HSE department organised a distribution of soap with an activity on hand washing at one of the plantation's school. When schools re-opened in October 2021, after being closed for several months, teachers received masks and disinfectant from the company to ensure they could conduct classes while respecting Government procedures.



*Handwashing activity at Socfin Cambodia's school – 03.2021*



*Donation of masks and disinfectant to the plantation's school teachers – 10.2021*

Our doctor received all necessary protective equipment as well as testing kits in order to detect any potential case and conduct contact tracing with our employees.

The country started rolling out a massive vaccination campaign in February 2021, starting with Phnom Penh and extending to the provinces later in the year. We continuously engaged with the health authorities to ensure all employees who desired to do so could receive their full vaccination scheme. Transport to the vaccination centre was organised by the company for our employees. 745 workers thus received their two doses of government-approved Covid-19 vaccine in Bousra.

As a result of these continuous efforts, only seven Covid-19 cases were detected in the plantations in 2021.



*Socfin Cambodia's doctor testing employees for Covid-19*





Dr. CHHIM Sovanny

Socfin Cambodia's company doctor

I am Socfin Cambodia's Doctor since October 2016.

I come from Battambang Province and I studied medicine in Thailand and Cambodia. Before joining the plantation, I was a Medical Doctor for an emergency hospital in Battambang.

My mission with Socfin Cambodia is to take care of the health of employees and their families. When patients come to see me with symptoms such as fever, I screen for serious diseases such as Covid-19, malaria, typhoid or typhus fever. After checking the symptoms, I give them a diagnosis and a prescription for treatment. The consultation and medication are free at the company's health centre for all employees and their direct dependents.

When new employees join the company, I conduct a health check-up to make sure they are in good health and can safely start working in their new position.

I also collaborate with the Public Department of Health

to conduct campaigns such as vaccination for children, malaria prevention, or distribution of free mosquito nets to employees.

Finally, I conduct campaigns in company villages to raise awareness from employees and their families on prevention measures for diseases such as malaria, common cold or diarrhoea.

In the 1980's I worked for three years as a doctor for the Cambodian army. During that time, I learned a lot about the diseases that you can find in the forests and in rural areas. This is very useful in my work for the plantations because I know how to detect diseases that doctors from urban areas are not familiar with like typhus fever.

It can be difficult to find medical employees to work in a rural area. I like my work here very much and I would be very happy to welcome new nurses and medical employees to join the team and help me in my mission to care for the health of Socfin Cambodia's employees.

### 3.4.5 Our education policy for the children of our employees

#### Education services

Socfin Cambodia offers a free access to primary schools located in the plantations for the children of all permanent employees. We work together with the Royal Government of Cambodia to ensure that children can benefit from a quality education.

**100+**  
children at the company's  
primary schools

For the school year covering 2021, 108 children were attending classes from grade 1 to 6 in two plantation schools, supervised by seven state teachers.

#### School transport

Schools are situated in central locations in the plantations, which allows easy access for most children. For company villages that are located in more remote areas of the plantations, we provide free transportation in tuk-tuks, in order to ensure all children are given the same chances to benefit from a free education.

#### Support to quality education

Socfin Cambodia supports the salaries of the teachers working in the plantation schools and provides them with supplies at the beginning of the academic year to support teaching in the best conditions possible.

As is the tradition in Cambodia, the three best students of each grade are rewarded for their performance every year. In January 2021, we distributed gifts in the form of quality school supplies to these students in our primary schools.



Donation of gifts to the best students of each plantation's school – 12-13.01.2021  
(left: Socfin-KCD – right: Coviphama)





### 3.4.6 Infrastructures for our employees

#### Villages

Socfin Cambodia provides free housing for permanent employees and their families in villages located in the plantations.

All rooms or houses are provided with a free access to electricity and water through shared boreholes with hand-pumps or tap water. Villages are equipped with night lighting in outdoor spaces to guarantee security.

In December 2021, 1 272 people, including employees and their families, were living in the villages constructed in the two plantations.

**1 200+**  
people living for free in  
company villages



Employee's housing unit

	SOCFIN SOCFIN KCD	SOCFIN COVIPHAMA	SOCFIN — CAMBODIA —
Villages	5	3	8
Total population	991	281	1 272
Houses / Rooms	557	280	837
Kitchens	557	256	813
Latrines	492	256	748
Water access points	68	37	105

Data: 31.12.2021

In 2021, Socfin Cambodia constructed two new buildings of four housing units along with sanitary blocks to house the growing workforce of the factory.

Through the year, Socfin Cambodia invested over USD 171 000 for the construction and maintenance of its company villages.



Construction of new buildings for factory workers in Ochhel village – 02.2021

Each village is supervised by a Village Coordinator, a position specifically created to ensure good communication between the company and the employees and their families living in the plantations and to maintain a peaceful and good quality of life in the villages.



**SOEURN Chhaira**

Village Coordinator and Tapping Team  
Leader for Socfin Cambodia



My name is Chhaira, I am 35 years old and I am a tapping team leader for Socfin Cambodia.

In addition to my work on the field, I am the Village Coordinator for one of the company's villages. This means that I am the link between the employees and their families living in the village and the company's administration. Every day, I control that the village is clean, that equipment such as water pumps are not broken and that the maintenance is good. For example, I check that there is no overgrown vegetation that could present the risk of insects or snakes coming too close to the houses.

I also facilitate the organisation of activities such as meetings with the company's Doctor for awareness campaigns. Finally, I work with the security team when there is a problem in the village and I make sure that the villagers respect the rules of good neighbourliness such as not making too much noise at night.

It is sometimes challenging to be a Village Coordinator,

because all villagers do not always understand why I ask them to respect instructions such as keeping the area around their house clean. However, it is a very important role because it contributes to maintaining good living conditions for employees and their families.

Today I live in the company's village with my wife, who stays at home, and my two daughters aged 10 and 4 years old.

Compared to other companies, I am happy to work for Socfin Cambodia because I get a good salary, a nice house with free electricity and access to water. I also get free rice for me and for my family; and my children can go to the company's school for free. Transportation from our village to the school is even organised by the company.

I like to live in this village, because we are well integrated and have a good life here.

### Leisure infrastructures

In addition to personal housing, Socfin Cambodia is developing infrastructures to improve the day-to-day life in its villages and support their social development.

Employees and their families have access to sports fields located in the villages. In March 2021, each village also received sports balls from the company.

Socfin Cambodia is also supporting the development of a dynamic social and economic life in its villages by constructing and maintaining gathering places, clubhouses, and supporting the installation of shops. Employees can organise events such as weddings in the villages and can request free use of gathering places for these occasions. Following requests from employees living in company villages, Socfin Cambodia constructed two new covered gathering places in 2021.

In order to improve families' livelihoods in its plantations, Socfin Cambodia is also developing a program of family gardens through which employees and their families living in company villages are allocated a plot of land to grow vegetables and fruits.



Football and volleyball balls donated to company villages – 03.2021



**KON Koy**Roads and Bridges worker for Socfin  
Cambodia

My name is Koy. I am a chainsaw operator for the Roads and Bridges team and I live in one of the company villages in Coviphama plantation.

I come from another province so I do not have land in Bousra Commune. However, when the company started its family garden program, I got a small plot to grow fruits and vegetables. Because some people did not want to use their own plots, they agreed, under the supervision of our Village Coordinator, to let me cultivate them.

My work with the Roads and Bridges team starts at 6.00 am, so I finish quite early and I can work in my garden a few hours every day. Today I grow many fruits and vegetables: watermelon, eggplants, pumpkin, cabbage, yams...

In my free time, I can go and sell some of my products to the market in Bousra so I also get an extra income from my garden.

I like to work in the garden because I think it is a healthy activity. It is better than to stay home and drink beer in the evening. Not to mention that I can produce food for myself and get some money from it!

When people see the garden plots that are not maintained they do not want to start cultivating them because it is a lot of work. But when they see my garden, they want to do like me!

Living in Socfin Cambodia's village means freedom for me: I can work, live with other people around, grow my own garden and get a better livelihood from it.



# 4 . For our environment

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4.1 Our commitment to protect the environment



4.2 Our commitment to environmental standards



4.3 Our natural resources management system







## 4.1 Our commitment to protect the environment

Socfin Cambodia applies the Socfin Group's policies and guidelines, including its Policy for responsible management, which details environmental best management practices.

This policy was reinforced in January 2017 by Socfin Cambodia's Zero deforestation commitment developed with external stakeholders.



## 4.2 Our commitment to environmental standards

Socfin Cambodia will implement the High Carbon Stock (HCS) approach for any new development as defined by the HCS Approach Steering Group and the HCS toolkit.

Socfin Cambodia is also committed to identify, maintain, and protect HCV (High Conservation Value) areas. To fulfil this commitment, the company announced that it would commission an HCV assessment covering its full estates in 2020. This study requires field surveys conducted by international specialists during a timeframe allowing for reliable data collection. This work had to be postponed due to travel restrictions in 2020 and 2021, and the field survey is scheduled for the first semester of 2022.

It should be noted that no further development is planned in the concessions.



## 4.3 Our natural resources management system

### 4.3.1 Water

Water is an essential asset and its sustainable management is a key concern for Socfin Cambodia. We are committed to minimize water consumption, maintain water purity and safeguard water sources.

Procedures, developed for all operations, aim at avoiding damage to natural water sources. Safe facilities are constructed with containments bunds for industrial and storage areas. Watercourses in the plantations are protected through the preservation of natural vegetation along waterways also called river corridors. However, some of these corridors have been illegally cleared through time by external individuals to develop fields.

The rubber trees in the plantations do not need to be irrigated. Water is consumed, from various sources, for the irrigation of the bud wood garden, factory process, fire-fighting activities, and for domestic use in the villages and offices. In the rubber factory, water is used mainly to clean the raw product, a step that is required to meet quality standards. In 2021, the factory used an average of 19.33 m<sup>3</sup> of water per ton of dry rubber produced. This includes water used in the production process as well as for cleaning facilities and equipment. It represents a reduction of 11% compared to 2020 (21.66 m<sup>3</sup>), and shows that efforts have been put into fine-tuning the process and adopting a more conservative approach for water use.

Two water treatment facilities (biological effluent ponds) treat water effluents from the factory process. Water from the factory ponds and from nearby rivers (upstream and downstream from the factory area) is regularly tested by an external laboratory.



*Collection of water samples in Socfin Cambodia's water treatment pond by an external laboratory – 03.09.2021*

### 4.3.2 Soil

In the plantations, cover crops are used to prevent erosion and improve soil fertility with a supply of organic matter and nitrogen thus reducing the use of fertilizers.

When establishing its plantation in mountainous areas, Socfin Cambodia planted in contour lines to follow the natural elevation in order to preserve the natural topography of the area and prevent erosion and gullies.





### 4.3.3 Waste

We follow the Socfin Group's procedure for waste management, which ensures compliance with best practices and national legislation and aims at minimizing both hazardous and non-hazardous waste generation.

Waste from the plantations is collected and transported to our waste management centres. All handling operations of waste are conducted following HSE guidelines to ensure that operations are conducted in a safe manner.

In company villages, Socfin Cambodia organizes two waste collection campaigns every week, provides waste bins for free, and the HSE and Medical departments conduct regular awareness activities about household waste management and plastic disposal in particular.



*Waste clean-up activity in Socfin-KCD's Oreth Village – 12.2021*



*Clean-up activity in a company village - 09.2021*

### 4.3.4 Protection of biodiversity



*A swarm of bees in Socfin Cambodia's plantation*

Socfin Cambodia is committed to minimize its environmental impacts and to ensure that its operations do not effect vulnerable species or areas. Environmental and biodiversity assessments have been conducted by third parties and the plantations have originally left out over 3 000 hectares from exploited areas specifically for environmental purposes, including natural vegetation areas, water corridors and other protected forests.

Environmental areas in the plantations are marked with over 200 information boards designed in appropriate language (Khmer, Bunong and Vietnamese depending on the location) to inform on protection measures. All boards are controlled monthly and replaced when damaged.



*Bird in Socfin Cambodia's environmental area*

The company's Security department regularly patrols these areas and a reporting system has been set up to inform the relevant authorities of any infraction to the national environmental law committed by outsiders.





Officials from the PDoE and Socfin Cambodia's security collaborating to confiscate wood on a logging site in Socfin Cambodia's concession – 20.06.2021

All employees of the company are required to respect the environmental laws applicable in the Kingdom of Cambodia. As such, wild-meat trade, illegal logging, clearing of natural areas and poaching are strictly forbidden. This is clearly stated in the company's Internal regulations and any infraction can lead to sanctions.

**195**  
people sensitized on  
environmental protection

In 2021, 195 people (workers and their family members) joined meetings organized in company villages to discuss wildlife protection in the plantations.



Collaboration between Socfin Cambodia, the Ministry of Environment, local conservation organizations and the police to confiscate a wild animal kept as a pet in a workers' village – 15.03.2021

#### 4.3.5 Air quality

Fires started by local residents to collect honey, clear land in forests or on existing fields have a high impact on the air quality in the area during the dry season. By conducting fire prevention and fire-fighting activities, but also by monitoring natural areas to prevent land clearing and monitoring fires in population fields in its plantation, Socfin Cambodia contributes to reducing the impact of these activities on the air quality.

During the dry season, company drivers are asked to reduce their speed in order to minimize dust generation.

#### 4.3.6 Energy

All consumption of fuel and electricity is closely monitored and followed-up by the company and reports are made daily in order to reduce usage.

Preventive maintenance of equipment and modern installations ensure better functionality and minimal energy consumption.

Solar panels provide outside lighting for the factory and the company is gradually connecting its facilities to the national grid in order to reduce its dependence on fossil fuels.

#### 4.3.7 Trainings

Regular visits are organized in the company's villages to disseminate best practices on resources and waste management.

Trainings disseminated in all departments include sharing best practices on environmental topics such as managing accidental spills, reducing water consumptions, etc.



Socfin-KCD's tapping school team organizing a cleaning activity – 09.2021





#### 4.3.8 Fire prevention

Fire is a risk on the plantation during the dry season when forest fires and field fires can spread quickly to the rubber plots. Specific rules apply to all during this season and are communicated to the local communities in collaboration with the local authorities.

The risk is at its highest during the “slash and burn” months due to traditional agricultural techniques used by the population. Socfin Cambodia, in collaboration with local representatives and authorities, has established a “fire calendar” to better monitor and schedule fires in the villagers’ fields. In addition, contractors provide a permanent surveillance of the estate during this period and can intervene if necessary, with fire-fighting equipment provided by the company.



*Fire monitoring in Socfin Cambodia’s estates during the dry season*

#### 4.3.9 Reporting on environmental non-conformities

The company’s monitoring system for external infractions documents infractions to the environmental law from outsiders and facilitates the communication between all departments involved. It ensures all cases are fully investigated, documented, and local authorities promptly receive the necessary information to take actions according to the law.

This monitoring has shown that environmental areas initially separated from development areas in the concessions are under an increasingly high pressure from illegal logging activities and land encroachment driven by a growing land speculation in the area. This trend is not specific to Socfin Cambodia’s sites, but is observed at a large-scale in the area and in the country in general.

In 2021, through this system, we have documented 95 infractions in environmental areas which have all been notified to the relevant authorities to engage with follow-up actions respecting the legal structure in place.

A monitoring system for environmental accidents has also been set up to document all incidents resulting from the company’s operations such as fuel leakage. The Sustainability department collects and records all information when an environmental incident happens and shares corrective actions with the relevant departments to prevent future negative impacts.



## Our vision for the future

At Socfin Cambodia, we concur with international conservation organisations in believing that *"When done responsibly, rubber production increases biodiversity and carbon sequestration, and reduces carbon dioxide emissions from deforestation. It also avoids human and labour rights violations, as well as land grabs"*<sup>8</sup>.

This is why sustainability will continue to be a governing principle for all our activities; and, we are convinced of it, it will be a contributing factor to our success in the future.

Socfin Cambodia's projects are still in their development phase and each year brings new activities for the plantations. We will keep increasing our workforce on the field and in the Industrial department in order to absorb a growing production and strengthen our economic performance.

An increased population in the plantations will also require strong social services and infrastructures and we will keep paying a strong attention to health and education.

In parallel, we are also working towards the certification of our product and management systems. Internationally recognized certifications could open new market opportunities for our company as well as new partnerships to develop our future CSR programs.

Our commitment to sustainable practices will support the very purpose of our presence in the Kingdom of Cambodia: to enhance rural livelihoods by driving a respectful agriculture.

<sup>8</sup> Source: [www.worldwildlife.org/projects/transforming-the-global-rubber-market](http://www.worldwildlife.org/projects/transforming-the-global-rubber-market)



## Annex 1 – Key figures

	Unit	Objective	Socfin-KCD	Coviphama
Financial data (expenditures)				
General infrastructures	USD		336 976	122 642
Health	USD		27 514	21 329
Education	USD		4 906	3 941
Environment	USD		129 194	60 228
Occupational health and safety	USD		8 920	2 151
Framework	USD		65 363	55 224
Workforce (on 31.12.2021)				
Permanent employees	nb		789	190
Permanent employees of which are female	nb		317	70
Contractors	nb		72	45
Total workforce	nb		861	235
Area				
Concession size	hectares		6 659	5 345
Rubber planted	hectares		3 796	3 255
Heath and safety				
Total hours worked	nb		1 729 540	374 194
Work-related fatalities	nb		0	0
Work-related injuries	nb		30	5
Injury rate per 200 000 hours	nb/200 000 h		3.47	2.67
Occupational injuries or illness resulting in DART	nb		15	2
DART incidence rate per 200 000 hours	nb/200 000 h		1.73	1.07
Lost days	nb		26	2
Lost day rate per 200 000 hours	nb/200 000 h		3.01	1.07



## Annex 1 – Key figures

Consumption indicators				
Factory				
Fuel use per processed ton of fry rubber	L/T dry		34.78	N/A
Water consumption per processed ton of dry rubber	m³/T dry		19.33	N/A
Electricity use per processed ton of dry rubber	kWh/T dry		123.48	N/A
Workshops and garages				
Average fuel consumption – light vehicles	l/100 km	< 14.5	10.60	10.40
Average fuel consumption - trucks	l/100 km	< 55	19.90	15.70
Average fuel consumption - tractors	l/h	< 4.0	3.20	3.20
Average fuel consumption - gensets	l/kWh	<1.8	0.56	0.65
Agricultural data				
Toxic products used				
Use of Aldicarb	kg		0	0
Use of Paraquat	kg		0	0
	l		0	0
Use of Carbofuran	kg		0	0
Other WHO 1a/1b	kg		0	0
Medical data				
Hospitals	nb		0	0
Clinics	nb		1	0
Health outposts	nb		0	1
Ambulances	nb		1	Shared
Doctors	nb		1	
Consultations	nb		9 343	1 521



## Annex 1 – Key figures

Villages data (only for plantation villages)			
Plantation Villages	nb		8
Population - Housed employees	nb		848
Population - Dependents	nb		424
Total - Population	nb		1 272
Housing	nb		837
New housing	nb		8
Kitchens	nb		813
New kitchens	nb		8
Latrines	nb		748
New Latrines	nb		8
Showers	nb		220
New showers	nb		4
Water points	nb		105
Sports fields	nb		9
Shops	nb		6
Gathering places	nb		5



## Annex 2 – Glossary

CRRRI	Cambodian Rubber Research Institute
CSR	Corporate Social Responsibility
ELC	Economic Land Concession
FPIC	Free, Prior and Informed Consent
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI	Global Reporting Initiative
HCV	High Conservation Value
HCS	High Carbon Stock
HR	Human Resources
HSE	Health, Safety and Environment
IMG	Independent Mediation Group
ISO	International Organization for Standardization
MAFF	Ministry of Agriculture, Forestry and Fisheries
MoE	Ministry of Environment
NGO	Non-Governmental Organization
NSSF	National Social Security Fund
OHS	Occupational Health and Safety
PDoE	Provincial Department of Environment
PDoH	Public Department of Health
PPE	Personal Protective Equipment
SOP	Standard Operating Procedure
UN	United Nations
UN O.H.C.H.R	The Office of the United Nations High Commissioner for Human Rights



## Annex 3 – GRI index

Disclosure		Chapters
General elements of information		
102-1	Name of the organization	Foreword 1.1 Our profile
102-2	Activities, brands, products and services	1.1 Our profile
102-3	Location of headquarters	1.1 Our profile
102-4	Location of operations	1.1 Our profile
102-5	Ownership and legal form	1.2 Our ownership structure
102-6	Markets served	1.1 Our profile
102-7	Scale of organization	1.3 Our key figures 3.4.2 Key human resources figures
102-8	Information on employees and other workers	3.4.2 Key human resources figures Annex 1 – Key figures
102-9	Supply chain	1.1 Our profile
102-10	Significant changes to the organization and its supply chain	1.5 Our history
102-12	External initiative	1.8 Our responsible governance approach 4.2 Our commitments to environmental standards
102-14	Statement from senior decision-maker	Message from the General Manager
102-16	Values, principles, standards, and norms of behaviour	1.8 Our responsible governance approach Socfin Group - Sustainability report 2021
102-17	Mechanisms for advice and concerns about ethics	1.8.5 External grievance management system 3.4.1 Employees social protection
102-18	Governance structure	1.7 Our governance system
102-19	Delegating authority	1.7 Our governance system
102-20	Executive-level responsibility for economic, environmental, and social topics	1.7 Our governance system
102-21	Consulting stakeholders on economic, environmental and social topics	1.7 Our governance system
102-31	Review of economic, environmental and social topics	1.8 Our responsible governance approach

## Annex 3 – GRI index

102-43	Approach to stakeholder engagement	2.1 Our local development plan 3.2 Our relations with the Bunong indigenous communities
102-41	Collective bargaining agreements	3.4.1 Employees social protection
102-45	Entities included in the consolidated financial statements	Socfinasia - Financial report 2021
102-50	Reporting period	2021
102-51	Date of most recent report	2021: Socfin Cambodia 2020 Sustainability report
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	<a href="mailto:info@socfin.com">info@socfin.com</a>
102-55	GRI Content Index	Annex 3 - GRI Index
Economic performance		
201-1	Direct economic value generated and distributed	1.3 Our key figures Socfinasia - Financial report 2021
201-4	Financial assistance received from government	Socfinasia - Financial report 2021
Indirect economic impacts		
203-1	Infrastructure investments and services supported	2.2 Our actions for local development 3.3 Our support to communities livelihoods 3.4.6 Infrastructures for our employees Annex 1 – Key figures
Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	1.8.3 Zero tolerance approach
205-3	Confirmed incidents of corruption and actions taken	1.8.3 Zero tolerance approach
Anti-competitive behavior		
206-01	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	0
Energy		
302-1	Energy consumption within the organization	Annex 1 – Key figures
Water and effluents		
303-1	Interactions with water as a shared resource	4.3.1 Water



## Annex 3 – GRI index

303-2	Management of water discharge- related impacts	4.3.1 Water
Biodiversity		
304-2	Significant impact of activities, products and services on biodiversity	4.3 Our natural resources management system
304-3	Habitats protected or restored	4.3 Our natural resources management system
Effluents and waste		
306-1	Water discharge by quality and destination	4.3.1 Water
Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	1.8.2 Compliance with legal requirements
Occupational Health and Safety		
403-2	Hazard identification, risk assessment, and incident investigation	3.4.3 Occupational Health and Safety (OHS)
403-9	Accidents at work	3.4.3 Occupational Health and Safety (OHS) Annex 1 – Key figures
Training and education		
404-2	Programs for upgrading employee skills and transition assistance programs	2.2.2 Training programs to improve local skills
404-3	Percentage of employees receiving regular performance and career development reviews	2.2.2 Training programs to improve local skills
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	3.4.2 Key human resources figures Annex 1 – Key figures
Local communities		
413-2	Activities with actual or potential negative impacts on communities	3.2 Our relations with the Bunong indigenous communities







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