



# Dutch Good Growth Fund

## Part of DGGF

Investing Dutch Entrepreneurs executed by Invest International Public Programmes B.V.

## Title

Vietnam - Expansion of assembly facility / DGGF122VN1

## Company

Royal van der Leun Groep B.V.

## Country

Vietnam

## Sector

99810 - other

## Amount of the investment

EUR 1,550,000

## Period

22 December 2022 – 01 September 2033

## Involved parties

n.a.

## Short description

With a DGGF loan Royal van der Leun Groep B.V. will be able to build a new facility that will meet their high environmental standards in Hai Phong, Vietnam.

Van der Leun (since 1920) is an electrical engineering specialist for maritime, offshore, dredging and construction industries. Van der Leun Vietnam is established in 2014. The core focus of Van der Leun Vietnam is to produce switchboards (main distributor of electricity).

Currently Van der Leun Vietnam is located at an older part of the main industrial park in Hai Phong renting an office and a workshop. The workspace is relatively small and not up to Van der Leun's standards anymore. In 2014 the focus was mainly on production, but through the years an engineering department has been set up and Van der Leun is slowly building up a software department locally. A well-equipped workshop and office with a good working environment is a necessity to grow the business further.



The company decided to lease 5.000m<sup>2</sup> land. On this plot of land a new office and workshop will be build.

This project will contribute to the Sustainable Development Goals: 8 (Decent work & Economic growth) and 9 (Industry, Innovation & Infrastructure).



### **Development impact / Economic impact**

SDG 8: Decent jobs. Van der Leun Vietnam has currently 35 full time employees and 4 part-time workers, totalling 37 FTE. These includes 12 electricians and 9 engineers. With the investment, it aims to employ an additional 21 full-time and 5 part-time employees. Currently all employees receive living wages according to the WageIndicator benchmark for this region. Besides good salaries, the company pays lunch and transport allowances and all type of bonuses. They create a safe working environment, work with performance evaluations and have a good HR policy. We can conclude the company creates decent jobs.

SDG 9: Industry, innovation and infrastructure.

SDG 9 is triggered as the project supports local technology development through its close relations with vocational training institutes where they provide training and their commitment to support local suppliers to upgrade their skills.

SDG 13: Climate change.

Van der Leun strives to become an energy neutral company and is committed to minimise its carbon footprint as they have included solar panels on the roofs of the newly to be constructed halls and will electrify their carpark. By working with 100% Vietnamese staff they reduce the number of flights from the Netherlands.

Impact on the Dutch economy:

In the Netherlands already 12 direct jobs were generated as a result of the activities in Vietnam, of which 4 women. This investment will lead to 6 more FTEs of which 2 additional women. Further, Van der Leun Vietnam sources large part of their components from Van der Leun in the Netherlands and it is able to produce switchboards for the Dutch entity in case Dutch capacity urges, so the Dutch entity can always deliver to its Dutch clients. Next to that, as the company works partly on a cost+ basis most margin is created in NL leading to a positive impact on the NL economy.

### **ICSR**

The investment is scaled in category B in terms of CSR-risk. An Environmental and Social Action Plan (ESAP) will be drafted, which is based upon the OECD and IFC performance standards, which aims to reduce the risk of non-compliance with these standards.