

2017

Sustainability Report

Sri Trang Agro-Industry Public Company Limited

The Green Rubber Company



“Passionately We Drive Possibility”

>> STA...The Green Rubber Company >>

SUSTAINABILITY REPORT 2017

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Message From Chairman and Managing Director



Dr. Viyavood Sincharoenkul
*Chairman of Sri Trang Agro-Industry
Public Company Limited*

In 2017 Sri Trang Agro-Industry Public Company Limited (STA) reached a milestone of having been in business for 30 years. We remain committed to strengthening our operations and being a pillar of Thailand's economy through job creation and community development initiatives. We are equally committed to operating as "the Green Rubber Company." This means that we conduct our operations with integrity and transparency and adhere to the principles of corporate governance to produce quality products that are friendly to the environment. We recognize the importance of all stakeholders and have in place a reliable risk management system that ensures the sustainability of our operations.

STA operates under the principles of corporate governance and puts a strong emphasis on research and development to stimulate innovation in our operations throughout the supply chain. It is our aim to create products that satisfy the demands of customers from all over the world.

We give a top priority to our human resources, who we believe are key to the long-term growth of STA. We also actively engage with the local communities in our areas of operations.

We recognize the importance of environmental sustainability and have instituted an environmental management system that focuses on conserving resources and energy and reducing green house gas emission, which is the main cause of global warming.

STA was included in the list of Thailand Sustainability Investment by the Stock Exchange and participated in the Department of Industrial Works' CSR-DIW. We are committed to strengthening our business operations with the "4 Green" strategy to maintain our position as the world's largest fully integrated rubber company.

Getting to Know Sri Trang

VISION

“Passionately We Drive Possibility”

>> STA...THE GREEN RUBBER COMPANY <<



Download here

Company Name : Sri Trang Agro Industry Public Company Limited

Stock Market Name : STA

Established : April 30, 1987

Headquarter :

Sri Trang Agro Industry Public Company Limited

10 Soi 10, Phetkasem Road, Hatyai, Songkhla, 90110, Thailand

Tel : 0-7434-4663

Fax. : 0-7434-4676, 0-7434-4677, 0-7423-7423



MISSION 2017

An inspiration and a common sense that was born out of the process of 2016 Standardization. 2016 Standardization has transformed Sri Trang Group into a very productive, one cost, one product and one technology powerhouse. Sri Trang Group is positioned for a bigger growth in coming years.

CORE VALUES

Specialist

We are specialized in our businesses.

Teamwork

We work as a team to defeat every difficulty.

Accountability

We work with honesty and business responsibility.

“

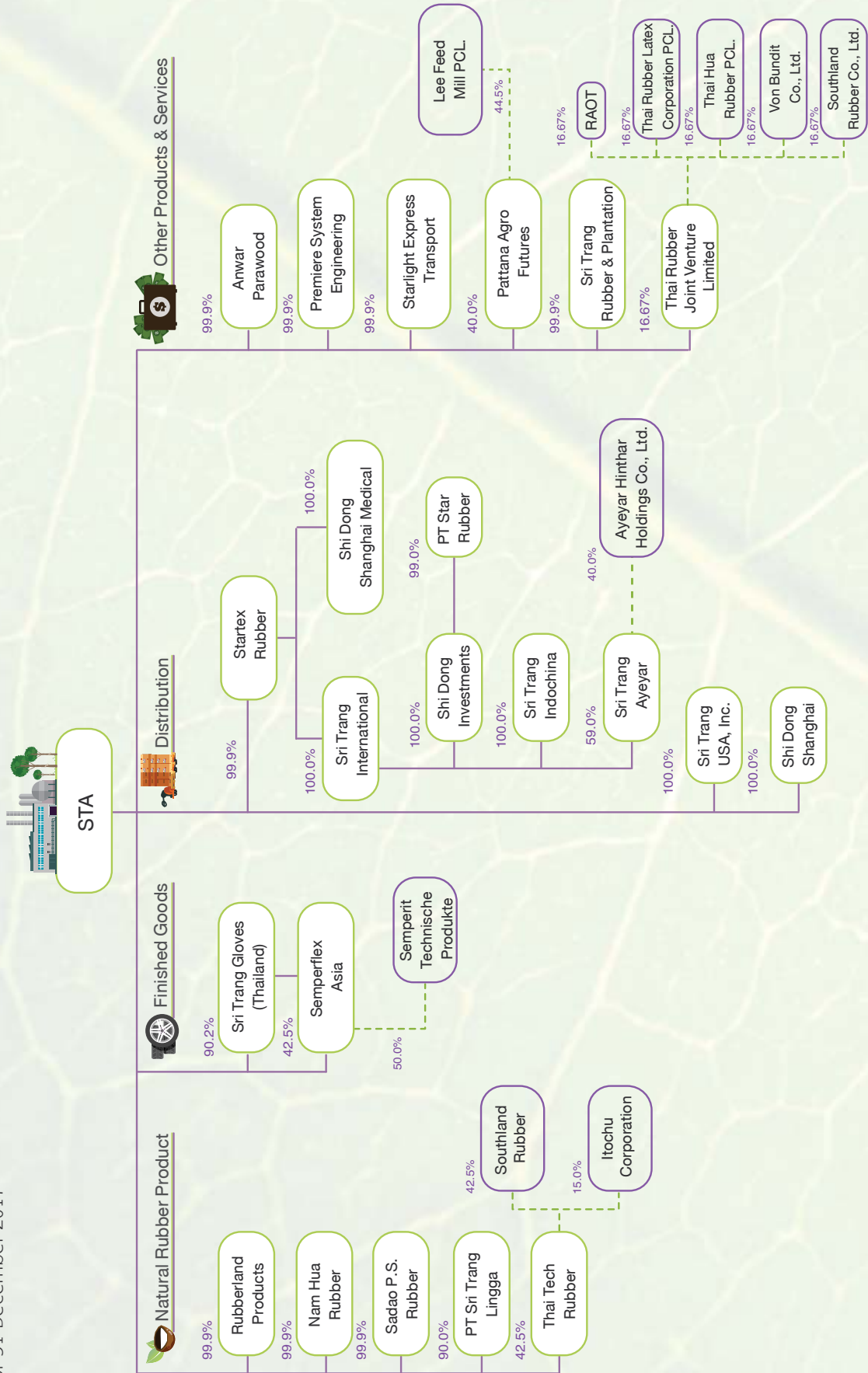
To ensure Sri Trang Group is on track to achieve STA 20, Sri Trang in-house creation and phenomenon Target 9.5, will be implemented across-the-board in 2017.

I believe our management will put in their best efforts to achieve this new challenge in 2017.

”

Shareholding Structure of Sri Trang group

As of 31 December 2017



Products and Services



UPSTREAM SECTOR



Rubber Plantations

As of 31 December 2017, Sri Trang Group obtained approximately 50,000 rai (8,000 hectares) of land suitable for the cultivation of rubber trees in 19 provinces of Thailand. 89% of the lot has already been planted with rubber trees and marginally out of which has been already started to provide yield since 2015. The majority of our rubber plantations are located in the northern and northeastern regions of Thailand. This shall be an advantage for our mid-stream business both for raw material procurement and NR production.

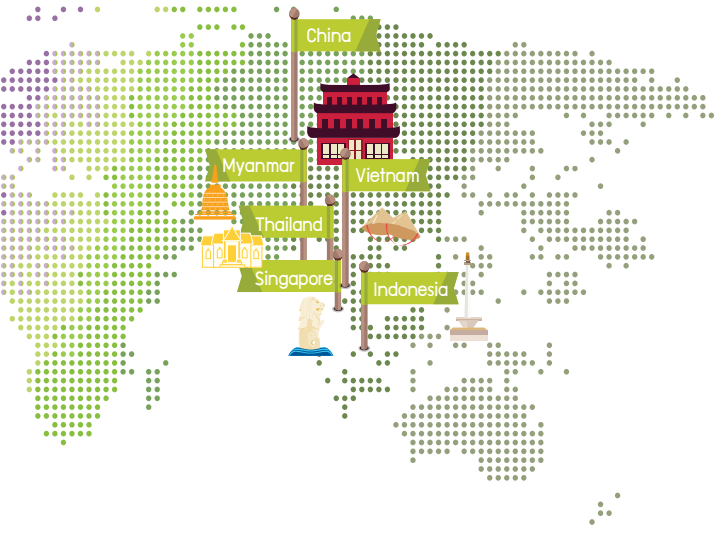
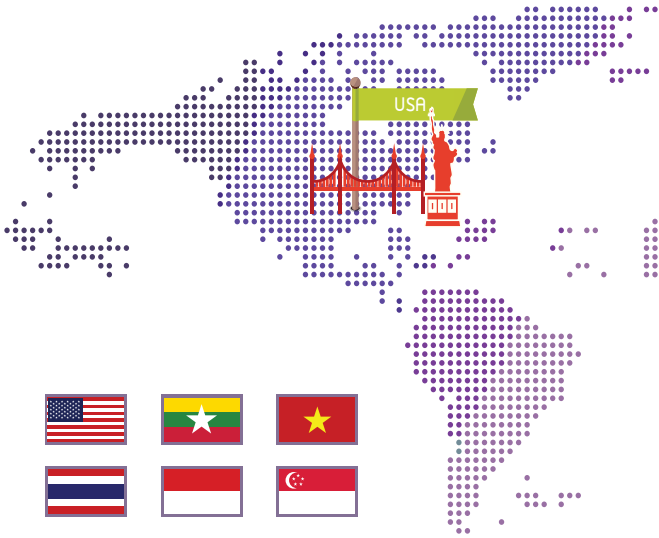
MIDSTREAM SECTOR



Natural Rubber Processing

As of 31 December 2017, STA Group had a total 36 production facilities, of which 32 are located in Thailand, three in Indonesia, and one in Myanmar. Altogether, the facilities provided a total production capacity of approximately 2.6 million tons per annum. In 2017, our utilization rate was at approximately 67% of total production capacity.

Natural rubber processing is the core business of Sri Trang Group, accounting for about 89% of the Group's total revenues in 2017. We produce a complete range of natural rubber products, namely, Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS) and Concentrated Latex to serve all types of demand including tires and gloves industries providing to our customers in Thailand and various countries.



DOWNSTREAM SECTOR



STA group has two finished downstream products including examination gloves and high-pressure hydraulic hoses.

Examination Gloves

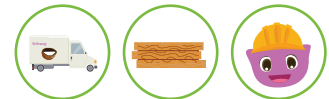
STA group manufacture and distribute disposable natural rubber and nitrile latex examination gloves both powder and powder-free grades for medical and industrial purposes to serve domestic and international customers. Our products are supplied to OEM (Original Equipment Manufacturer)'s customers as well as manufacturing and distributing products under our own trademark such as "Sri Trang Gloves" both domestic and international markets.

We have four manufacturing facilities located in Thailand providing a total production capacity of approximately 14.0 billion pieces annually. It is widely regarded as Thailand's largest manufacturer of examination gloves and one of the world leading glove manufacturers.

High-pressure Hydraulic Hoses

Semperflex Asia, jointly established by STA and an Austria-based company, is Thailand's largest producer of high-pressure hydraulic hoses, which are widely used in the heavy industry.

ANCILLARY DIVISION



Our subsidiaries within this division provide operational support to our primary operations

Sales and Distribution

We have established four trading and distribution centres of natural rubber and gloves in Singapore, PRC, US and Vietnam, under the operation of our subsidiaries namely Sri Trang International, Sri Trang USA, Shi Dong Shanghai, Shi Dong Shanghai Medical Equipment and Sri Trang Indochina.

Logistics

Starlight Express Transport is our subsidiary providing transportation and logistical services in Thailand and also handling export/import customs and documentation.

Engineering and Research & Development

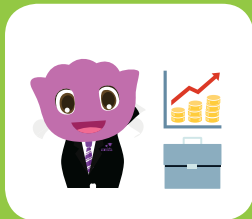
Premier System Engineering is our subsidiary providing machinery and equipment maintenance services to all of Sri Trang Group's production facilities and also conducts research and development activities including devising new technologies and customising products to customers' specifications.

Parawood Processing

Anvar Parawood produces rubberwood as well as other types of wood, which are assembled into pallets for use within Sri Trang Group.

Policy and guideline practices for CSR

Policy and guideline practices for CSR of Sri Trang Group, our core mission, lays on the 5 meaning of “GREEN” Natural Rubber



1. Good Corporate Governance

The company is dedicated to good practices of corporate governance focusing on the structure of the Board of Directors, management, and shareholders to create a competitive advantage which will build growth and increase value of shareholders in the long run. In addition, other stakeholders are also taken into consideration. The company adheres to the principles of good corporate governance 2006 suggested by the Stock Exchange of Thailand and Code of Corporate Governance 2012 suggested by Singapore Stock Exchange. Both principles are appropriately applied to our Group’s business operation in each circumstance

2. Responsibility to Supply Chain

Sri Trang Group’s core business is to produce primary natural rubber products (Midstream processing). Yet, the Company has extended business line to cover the whole supply chain right start from rubber plantations to the production of finished products. This allows the Company to strictly control the quality of products to respond downstream business who focus on the quality of the product at most. Another main concern of downstream businesses, whether latex examination glove producers or tyre makers, is to ensure the safety for users. Thus, our responsibilities through supply chain management cover;



2.1 Rubber farmers and rubber dealers

Our Group is strived for fair, transparent, clear principles, and accountability procurement of natural rubber which is the main raw materials for our production. We also encourage rubber farmers to produce high quality of rubber without contamination and to properly store the rubber so that the quality of raw materials will meet our factory's standard. Moreover, we support rubber farmers with knowledge to properly operate rubber plantations in order to increase yield which will in turn increase their revenues as well as sustainable quality of life.

2.2 Customer

Our Group is committed to producing high quality products and provide good services to create the highest satisfaction for the customers. We sincerely handle complaints from customers and promptly improve and correct flaws that might be caused from productions and/or services to create the highest effective and efficient production.

3. Environmental Friendly and Safety Operation

As our Group's nature of business is directly related to the natural and environment, we strictly adhere to environmental practices by implementing the effective environmental management systems. We also set up measures to prevent and minimize the environmental impacts caused by different activities from our Group to comply with laws and regulations. Furthermore, we aim to develop and promote more green areas within the factories to retain moisture, increase fresh air, and reduce unfavorable odors from production process. In addition, we reduce the use of chemicals in rubber plantation and production of natural rubber products as well as finished products since it might affect the environment and communities in the long run.

Aside from environmental-friendly production and being aware that we are part of community, we stick to practice guidelines to preserve and maintain the ecological and social environment of the surrounding communities which will not only create the livable community but also support companies to smoothly and steadily run the business in the long term.

In terms of health & safety, our Group fully complies with laws, regulations and other related requirements. We provide training, set up adequate and effective health & safety rules and plans in workplace, and create a safe working environment for employees, contractors, and the other related parties.



4. Engagement with Transparency

Our Group is committed to operating business with fairness, transparency, and accountability in all process. We believe that to operate business with fairness and ethic, comply with laws, and respect the rules of society could build confidence of stakeholders and reduce conflict of interest. This will benefit business operation of the company in the long run. We also encourage every level of our employees to work with integrity and adhere to ethic of business. Employees should not exploit benefits that may cause conflict of interest to the Company and its stakeholders and should not improperly indulge on business operation. We also have a policy against all forms of corruptions to establish standards of transparent business operation which will benefit the organization and rubber industry in the long run.

5. Nurture Sustainability Attitudes Towards Organization

The Company believes that effective and sustainable CSR practices is rooted from the awareness of employees in every level from all departments. They need to have a positive attitude to follow the policies and have responsibility to society and other related parties. Our people also volunteer to participate in the community development and of business partners' quality of life improvement. Moreover, they cooperate to change their working behavior and daily lifestyle in accordance with environmental conservation guidelines, to reduce energy consumption costs, and to enhance the effectiveness of organization.

The Company promotes and supports staffs to devote to social activity, for example, to volunteer and participate activities of community, alleviate natural disaster victims, appropriately and continuously support any kinds of shortages in the community, and create a benevolent society and social care for each other to remain forever.

“Green Rubber Company” principle, which focuses in four key areas as follow:



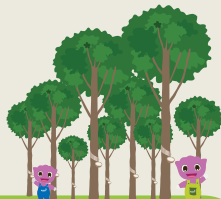
Green Company

An organisation which carries out its businesses with justice and transparency that could be fully inspected. The Company also commits to integrity that has created a sustainable growth and provided good returns to shareholders. The Company has abided by the Code of Good Corporate Governance for its roles and responsibilities, which cover anti-corruption, human rights and just treatments towards its employees. Furthermore, the Company has encouraged and supported all employees to work with honesty, moralities and business ethics which consciously prevented them from seeking personal interests that could conflict with the Company’s. Besides, the Company has been engaging their employees with activities that develop communities and the society as a whole.



Green Process

A factory that creates minimal effects on the environment and surrounding communities. Such methods include, providing environmental management system ISO14001, abide by the laws and regulations on environmental controls, improve operation processes to reduce the use of natural resources and energy, replace the use of LPG with biomass, set up an effective waste management system, rely more on the 3Rs of Reduce, Reuse, Recycle, while bearing in mind the continuous climate change as well as shaping up the environment and Safety at works. For the surrounding communities, the Company has organised proactive activities to create stronger relationships between the Company and communities as well as providing the communities with sustainable developments on the concept that the Company and communities must grow contingently.



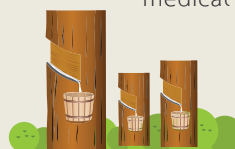
Green Supply

The supply and purchasing processes that are fair and transparent. These include the process of procuring clean raw materials, fair purchasing policies that promote equality between all business partners in all levels, starting from the raw materials suppliers, contractors and subcontractors. The Company also encourages partners to be aware of their business responsibilities, human rights considerations and non-child labor, particularly with raw material suppliers. On top of the just and standardised supply and purchasing processes, the Company also pays special visits to raw material suppliers to survey their satisfactions for the good relationship with the Company as well as to provide knowledge to produce and maintain high quality of raw materials and to urge for the reduce of environmental impacts from rubber businesses.



Green Product

The production of high quality and environmentally friendly. Such process begins from the upstream business, where rubber trees are planted free of chemicals and pesticides, rubber products that meet customers’ satisfactions under the Company’s standards to be raw materials for the tire industry of which ultimately to be provided for the best safety for the end-users in downstream business including high quality medical rubber gloves to meet international standards.



Dimension	Topic	Key success
Economic		
(Green Company) “Sustainable Growth”	<ul style="list-style-type: none"> • Good Corporate Governance • Increased production and Expand market share • Strengthen the stakeholders’ trust and the positive image • Focused on quality of products to satisfy customers • Educated supplier to make a good quality raw material • Purchasing raw materials quality • Create innovation and new technology 	<ul style="list-style-type: none"> • Economic Performance • Customer Satisfaction • Sri Trang Puan cho saun project (Rubber farmer project) • R & D / Innovation Project
Social		
(Green Supply) “Create happiness for increased internal and external society”	<ul style="list-style-type: none"> • Development and employees’ care • Human Rights and Fair Labor Practices • Establish responsible process to consumer care • Create system to support Supplier Evaluation partners’ social responsibility • Social and Community Development 	<ul style="list-style-type: none"> • Employee engagement • Turnover rate • Accident rate • Consumer compliant • Sri Trang Sri Bann Sri Meuang project • The “Bantookyang Tidrang Sangroyyim” project
Environment		
(Green Process, Green Products) “Focus on the effective environmental management system”	<ul style="list-style-type: none"> • Energy Management • Water Management • Oriented towards managing to reduce impacts of the production. • Develop the communities and share innovation of environmental responsibility • Planting and increasing the green areas in factory 	<ul style="list-style-type: none"> • Energy Conservation • Water and waste water management • Waste Management • Air quality management • Test kit on sulfate content in raw material

The Practices with Stakeholders

The Company concern to engage with stakeholders. Analyze and prioritize to meet the stakeholder expectation. Determine the department responsible for relevant operation. Review periodically to improve the respond appropriately.

Stakeholders	Communication Channel/Participation	Needs/Expectation	Responses to Expectation	Indicators
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> - Shareholder's meeting - Q&A by phone and email - Annual report - Company's website - Analyst's Meeting 	<ul style="list-style-type: none"> - Sustainable Growth - Good performance - Appropriate dividend - Accurate and timely information for decision - Fair Trade and good internal audit system - no news to make bad reputation 	<ul style="list-style-type: none"> - Corporate Governance - Strategically Business - Dividend policy - Conduct of responsibilities of shareholder - Accurate and timely information - Accurate & up-to-date website and easy to use 	<ul style="list-style-type: none"> - Consistently Growth - Shareholder understand about industry situation - Thailand Sustainability Investment list consecutive 3 years
 <p>Employees</p>	<ul style="list-style-type: none"> - Monthly meeting - Kaizen, QCC, 5s Activity - Suggestion box - Acknowledgement of employees' comments & complaints - Internal activities - Electronic channel : Intranet, e-mail, website, facebook and Line - Sri Trang News journey 	<ul style="list-style-type: none"> - Fair Remuneration Management - Respect in human rights and non-discrimination - Healthy, Safety and Good working environment - Good career path - Developing skills 	<ul style="list-style-type: none"> - Conduct of responsibilities of employees - Human right and non-discrimination policy - Implementation of standard system ISO 14001 and OHSAS 18001 - Whistleblower Policy -Training Plan - Internal activity : Happy workplace/ Activity Prize 	<ul style="list-style-type: none"> - Employees Engagement - Zero complaint - Turnover rate - Zero accident

Stakeholders	Communication Channel/Participation	Needs/Expectation	Responses to Expectation	Indicators
 Raw Material deliverer / Rubber Farmers	<ul style="list-style-type: none"> - Various channels of communication : phone, e-mail and website - Site visit - Activity 	<ul style="list-style-type: none"> - Quick and updated information within timeframe - Fair agreements - Fair & transparent competition in pricing - Received trading and rubber knowledge 	<ul style="list-style-type: none"> - Conduct of Relations with Business Partners - Raw material purchasing procedure - Anti-corruption policy and practices - Sri Trang Puen Chao Suan (Farmer 's friend project) 	<ul style="list-style-type: none"> - Quality raw material within requirement - Supplier evaluation
 Customers	<ul style="list-style-type: none"> - Various channels of communication : phone, e-mail and website - Customers satisfaction survey - Factory visit - Engage activities with customers - Customers meeting - Exhibition 	<ul style="list-style-type: none"> - Good products & services - Fair commercial condition - Keep confidential information of customer - Jointly in product development 	<ul style="list-style-type: none"> - Conduct of relation with Customer - Implementation of standard system ISO9001, 14001 and OHSAS 18001 - Research and development - Developing process to meet customers' requirement 	<ul style="list-style-type: none"> - Customer satisfaction - Market share - Sales volume
 Business partner / Supplies	<ul style="list-style-type: none"> - Various channels of communication : phone, e-mail and website - Suppliers audit - Meeting - Join an activities 	<ul style="list-style-type: none"> - Compliance with purchasing policy (transparent & fair) - Quick and updated information received in timeframe 	<ul style="list-style-type: none"> - Purchasing policies - Supplier development - Anti-corruption policy and practices 	<ul style="list-style-type: none"> - Delivery on time - Materials meet standard - Supplier evaluation

Stakeholders	Communication Channel/Participation	Needs/Expectation	Responses to Expectation	Indicators
 Community	<ul style="list-style-type: none"> - Participate activities with community - Community survey 	<ul style="list-style-type: none"> - Participation in community and society. - Support for community activities - No negative impact to community & society - Social and environment responsibility - Respect in human right 	<ul style="list-style-type: none"> - Social and community development project - Providing support for public activities - Recruit local employee - Building trust for community activity - Policy on Human Rights and Non Discrimination 	<ul style="list-style-type: none"> - Number of school for development - Number of social responsibility - Number of local employee - Accepted and trust in the operation of the factory.
 Creditors/Banks	<ul style="list-style-type: none"> - Annual report - Phone, e-mail - Company website 	<ul style="list-style-type: none"> - Fulfillment of contractual terms and conditions 	<ul style="list-style-type: none"> - Compliance with contractual terms and conditions - Answer clearly about financial question in timeframe 	<ul style="list-style-type: none"> - Confident in the business
 Government sector / Enterprise / private sector	<ul style="list-style-type: none"> - Company reports as per legal requirements - Various channels of communication : phone, e-mail and website - Factory visit 	<ul style="list-style-type: none"> - Being able to comply with state laws and regulations - No negative impact with society & environment - Support government project 	<ul style="list-style-type: none"> - Compliance with state laws and regulations - Right and fast information - Support and Participated in activities 	<ul style="list-style-type: none"> - Permission to operation

The preparation of the Sustainability Report

This is the fifth edition of the report, which aims to communicate to all stakeholders about the direction and process of sustainability, which consists of social, economic and environmental approach

This report, the Company has disclosed the operational data based on an approach compatible with GRI G4 (Global Reporting Initiatives Guidelines version 4.0) 'In Accordance' with the Core option. Including the Social and Environmental Innovation to comply with the guidelines of the Stock Exchange of Thailand.

This report presents 2017 operating data of the Company identify and reporting comply with materiality covering the activities of all business of Natural Rubber and some activity of Finished Products. Covering period 1 January to 31 December, 2017

For questions or recommendations, please contact

- 📍 Sustainability Development Office
12th Floor, Park Venture Ecoplex Unit 1203-1206 57
Wireless Road, Lumpini, Pathumwan, Bangkok, 10330,
Thailand
- ☎ Phone: (66) 0-2207-4500 ext. 3811
- 📠 Fax: (66) 0-2108-2241-44
- ✉ E-mail : information@sritranggroup.com

The company has disclosed to shareholders via CD-ROM and can download a report year 2559 and this from the Company Website www.sritranggroup.com

Key sustainability issues (Materiality)

In addition to engagement with stakeholder. The Company has identify and prioritization material issues which effect to business .Including risk and emerging risk with impact the Company in order to find the right approach and set a proper management planning ,as the following

1. Identification

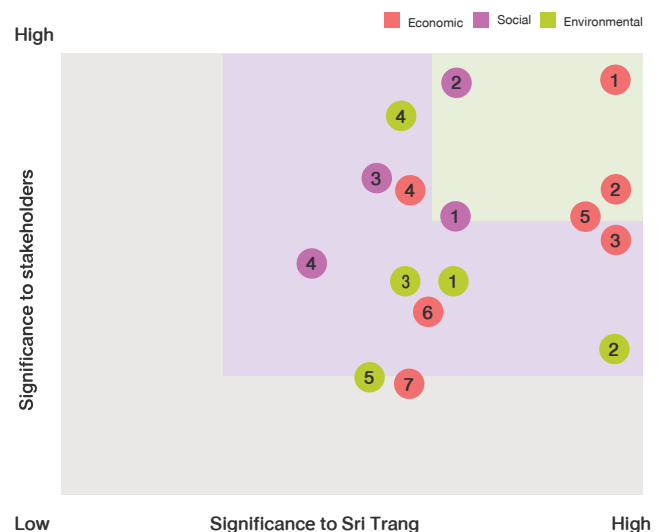
The Company collects important information both from internal and external factors. Based on a survey of stakeholders' needs or expectations derived from the participation of each stakeholder By analyzing the impact of internal operations and external context changes (sustainability trends and stakeholder expectations for organizational performance).

2. Prioritization

The company brings the key points of the organization to prioritized by using the Materiality Matrix as a ranking tool. The horizontal axis represents economic, social and environmental issues which Important to the company. The vertical axis represents the significance to stakeholders.

3. Validation

Material issues from the analysis and ranking. Presented the Sustainability Working Group and the Board of Directors for approval. It was close to the issue last year. Some issues still need to be addressed in order to respond. Result of the considering and reviews, the key issues in 2017 are :



Key Sustainability Issues



Economic

Key sustainability

1. Good performance
2. Good Corporate Governance
3. Risk management and Business continuity
4. Customer relations
5. Responsible for procurement
6. Providing knowledge to rubber farmer
7. Research and development

Report topic

1. Business overview and economic performance
2. Good Corporate Governance
3. Risk Management
4. Responsible for customer and consumer
5. Business partners practice
6. Partnership development

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Social

Key sustainability

1. Development and Employees' care
2. Health and Safety workplace
3. Complaints management
4. Supporting and Participation with communities

Report topic

1. Human Right and Employees' care
2. Occupational Health and Safety
3. The Whistleblower Policy
4. Participation of communities and society development

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Environmental

Key sustainability

1. Policy and Environmental Management system
2. Energy
3. Water Consumption
4. Emission
5. Waste

Report topic

1. Environmental Management system
2. Energy Conservation
3. Water resource management
4. Emission Management
5. Waste Management

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Participation with external agencies in the economic, social and environmental

The Company has participate with external agencies. In the economic, social and environmental development of the rubber industry. Including to be members of the various organizations to sustainable the rubber industry.



Economic

- Thai Rubber Association
- Thai Latex Association
- Thai Rubber Glove Manufacturers Association, TRGMA
- Thai Hevea Wood Association
- The Federation of Thai Industries
- Wood Processing Industry Club , The Federation of Thai Industries
- The Federation of Thai Industries Provincial Chapter
- International Rubber Association (IRA)
- Association of Natural Rubber Producing Countries (ANRPC)
- The Natural Rubber Committee , Ministry of Agriculture and Cooperatives
- International Rubber Consortium Limited (IRCO) established by the Government of Royal Kingdom of Thailand, Government of Republic of Indonesia and Government of Malaysia
- SGX Rubber committee member, Singapore
- Rubber Trade Association member of Singapore
- Authorized Economic Operator member, Customs standard procedures and valuation bureau
- Thai National Shippers' Council



Social

- Unicef Thailand (CRBP)
- CSR club, Thai Listed Company Association
- Department of Empowerment of Persons with Disabilities
- STEM Education Thailand



Environment

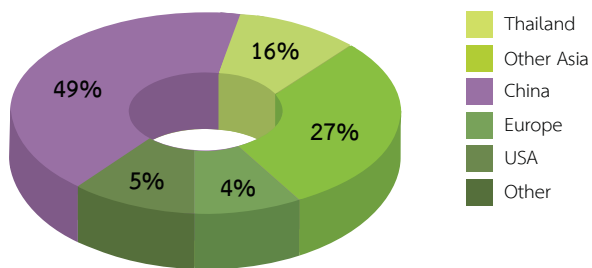
- Water Institute for Sustainability, The Federation of Thai Industries
- SNRI Member of Sustainable Natural Rubber Initiative (SNR-i)

Business Overview and Economics Performance

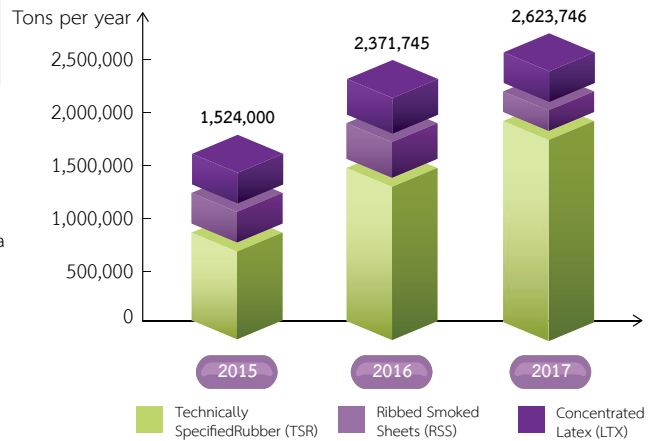
2017

Dividend to be paid to shareholders at 0.4 per Share. Totalling of Baht 512 Billion from the company performance in 2016.

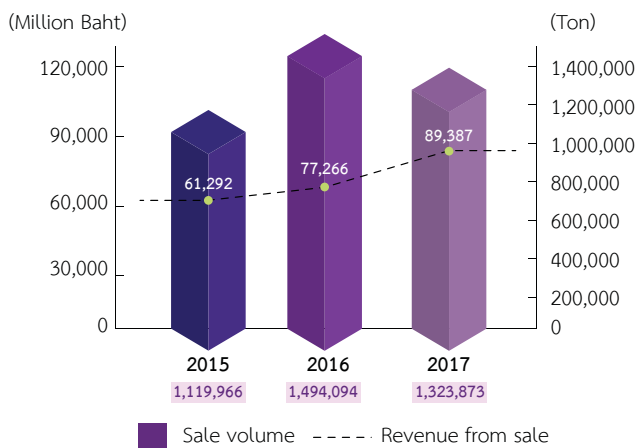
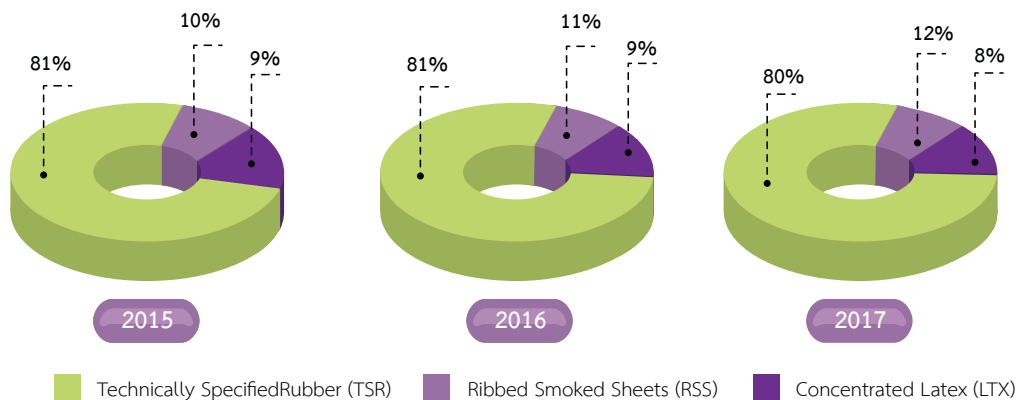
Sales volume by geography



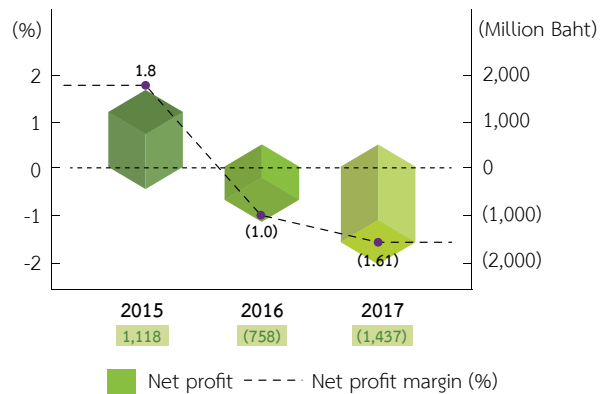
Production Capacity of Natural Rubber



Production Ratio by Product Category



Income



Net Profit

For more information please see in Annual report 2017

Good Corporate Governance

The Board of Directors of STA has conducted the business operation appropriately and effectively in accordance with its objectives by utilising expertise, diligence, and due care to protect the interests of the Company and to comply with the laws, objectives, and the Articles of Association of STA. The Board of Directors of STA has also followed the Principles of Good Corporate Governance for Directors of Listed Companies and the Principles of Good Corporate Governance for Listed Companies 2017. The roles and responsibilities of the Board of Directors of STA are all managed with due care, in particular in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders.

Principles of Good Corporate Governance

STA has established and reviewed principles for good corporate governance in accordance with the Principle of Good Corporate Governance for Listed Companies as prescribed by the SET. The details of 5 principles of good corporate governance areas that are appropriate for current business environment are as follows:

1. Rights of Shareholders

STA always realises that the main factors for building shareholders' trust and confidence for investing in the businesses of STA are the application of policies and operations that protect the fundamental rights of the shareholders as well as the equality of all shareholders as prescribed by the laws, and encouraging the shareholders to exercise their fundamental rights.

2. Fair Treatment of Shareholders

STA has the policies of fair and equitable treatment to all groups of shareholders including institutional investors, foreign investors, and retail shareholders.

3. Role of Stakeholders

STA fully realises that the growth and development of STA has resulted from the full support given by all interested parties. STA places importance on the rights

of all stakeholders, both internal stakeholders such as personnel, staff members, and the Executives of STA and the subsidiaries and external stakeholders such as commercial partners ranging from the suppliers of raw materials to various groups of customers of finished products, financial institutions, government agencies that provide close co-operation, and finally, the shareholders of STA. In this regard, STA realises its responsibilities towards the above-mentioned stakeholders. The Board of Directors of STA has reviewed stakeholder engagement policy and established the policies concerning the non-infringement of intellectual property such as copyright, patent, and trademark as well as the whistleblower policy which has specified the channels of notice or complaint, operating procedure, and guidelines for the protection of claimer(s) in the Company's website. The Board of Directors has also established the anti-corruption policy to build a good conscience and right core value in order to prevent any type of corruptions in the organisation.

STA is aware of the principles and standards on human rights. As such, STA has established human rights and non-discrimination policy focusing on the equitable treatment to all stakeholders. Such policy was disseminated to all employees for their adherence.

4. Information Disclosure and Transparency

STA discloses significant information in Thai and English through website that is updated regularly. The Investor Relations Office at Bangkok Branch can be contacted at: Tel: +66-2207-4500, Fax +66-2108-2244, or at www.sitrangroup.com.

5. Responsibility of the Board of Directors

(1) The Structure of the Board of Directors

The Board of Directors of STA, consisting of directors who have knowledge, competence, profession or expertise in various areas dedicating their experiences in business, has the duty to determine policies, visions, strategies, goals, missions, business plans and budgets of STA, as well as to monitor the management team to effectively and efficiently manage the business of STA in

accordance with the policies under the legal framework, objectives, the Articles of Association of STA and the resolutions of the shareholders meeting and the Board of Directors Meeting. Such duties must be performed with responsibility, due care and loyalty under the principles of good corporate governance in order to increase the best economic value for the business and the highest stability for the shareholders.

(2) Sub-committees

To comply with good corporate governance, the Board of Directors of STA has appointed four sub-committees namely the Audit Committee, the Executive Committee, the Remuneration Committee, and the Nominating Committee to scrutinize specific matters thoroughly and effectively

(3) Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors of STA oversees the business operation and the mission of STA to be in accordance with the approval given by shareholders, applicable laws, objectives, the Articles of Association of STA, and resolutions of the Board of Directors meeting and the shareholders meeting. The Board of Directors of STA must exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company.

(4) The Board of Directors Meeting

According to the Articles of Association of STA, the Board of Directors shall hold a meeting at least once every three months and any additional meetings as necessary. The meeting schedule shall be prepared in advance throughout the year and notified to all directors for their acknowledgement on yearly basis. A meeting notice will be delivered to directors at least seven days prior to the date of the meeting, except in the case where it is necessary or urgent to preserve the rights and benefits of STA.

5) Remuneration

The remuneration as being a Director must be approved by the shareholders. The remuneration is specified annually to the Chairman of the Board of Directors, Executive Directors, Non-Executive Directors, the Chairman of Audit Committee, and Audit Committee Members with no additional meeting allowance. In this regard, the Remuneration Committee has a duty to propose a framework and criteria of remuneration for the Directors to the Board of Directors' meeting to agree with before proposing to the Shareholders' meeting to approve. The remuneration is considered based on the Company's performance, the director's responsibility and compared with the other listed companies in

SET that have similar market capitalization as well as other listed companies in the same industry. This shall support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of Directors that shall lead the Company to be achieve in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

(6) Training for the Directors and the Executives

STA usually provides an orientation to the newly appointed director so that such Director can discharge his/her duties effectively. The Company Secretary will liaise with the Directors in any matters such as affidavit, Articles of Association, manual of director in Annual Registration Statement (Form 56-1), working system information within the Company, and other related laws and regulations.

The Board of Directors has a policy to enhance and accommodate the provision of training on good corporate governance. Regular and continuous training programs are provided to directors so that they can improve their knowledge. STA has the policy to support the Directors and the senior management at least one person a year to join any training programs that equip them with knowledge to support their duties.

(7) Assessment of the Directors' Performance

STA has conducted the Directors' Self-Assessment where the assessment form is in accordance with the good corporate governance so that the assessment results can be further used to develop the performance of the directors. Four types of assessment form are;

- The Board Assessment Form (Assessment of the Board as a whole)
- Individual Board Member Assessment Form (Self-Assessment)
- Sub-committee Assessment Form (Self-Assessment of the Sub-committee comprised the Audit Committee, the Nominating Committee, the Remuneration Committee, and the Risk Management Committee)
- Chief Executive Officer (CEO) Assessment Form

The Company Secretary is to prepare and review assessment forms in accordance with the related rules to ensure the accuracy and completeness before presenting to the Board for a recommendation. The assessment form will be then passed to the directors to evaluate. The Company Secretary will summarize the assessment results.



The Anti-Corruption

The Board of Directors of STA has established the anti-corruption policy and communicated with employees to provide better knowledge and understanding for the prevention of corruption. This is to build a good business conscious, right core value, and good corporate culture.

In October 2016, STA signed a declaration of intention to join a Collective Action Coalition of Thailand's private sector for the anti-corruption and proclaimed its intention in January 2017.

In addition, the Company has publish the anti-corruption policy and roles in www.sritranggroup.com

The Whistleblower Policy

The Company has committed to conduct auditable business properly, transparency, fairly in compliance with Good Corporate Governances. The Company also expects all groups of stakeholder are able to report some events which may conflict with such Good Corporate Governances or Code or conducts in order to have the correct next.

This Whistleblower Policy from all groups of stakeholder regarding invalid or inappropriate action which may cause the damage to the Company including protective measures for claimer who is in good faith.

The Company has established a channel of communication for shareholders or any stakeholders to directly report to the directors. The Audit Committee assigned to receive these complaint reports will investigate and report to the Board of Directors.

The Whistleblower Policy of Sri Trang Group can be reached through these following channels;

1. **By Letter:** either by post or by hand directly
 - 1.1 The Corporate Secretary Office
Sri Trang Agro-industry Public Co.,Ltd.
17Fl, Park Ventures Ecoplex, Unit 1701, 1707-1712
57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
2. **By Telephone number:** 02-207-4590
3. **By E-mail Address:** corporatesecretary@sritranggroup.com
 - 3.1 The Audit Committee, E-Mail Address:
auditcommittee@sritranggroup.com
 - 3.2 The Company Secretary, E-Mail Address:
corporatesecretary@sritranggroup.com
 - 3.3 The Investor Relations Office, E-Mail Address:
ir@sritranggroup.com
4. **By directly report:** to the units responsible for that issue.

Channels



Risk Management

Sri Trang Agro-Industry Public Company Limited realizes the importance of good practices for sustainable achievement; in addition, we are able to cope with any changeable environments both internal and external that affect the accomplishment.

As business environment is complex and unpredictable, STA Group concerns Risk Management to be the tool for supporting strategy, manages and improves operation to enhance the potential, adds values, and supports achievement. Therefore, all employees in any levels should be aware of roles and responsibilities in risk management activities together as it is an important part of the organization.

Objective of Risk Management

1. To adopt risk management for the company as a part of decision making process, defining policy, developing plan and operation of STA.
2. To develop solution to handle residual risks by considering reduce opportunity and/or impact of risks in order to achieve objective of corporate and function.
3. For top managers and risk management committee to get the important risk information, trend of risks and overview in order to be able to effectively control risks of STA group.
4. For all departments to identify, assess, and manage importance risks by being aware of the risk appetite level and be able to implement a realistic implementation.
5. To transfer risk management knowledge to all employees who have the potential risk.

Vision of Risk Management

STA Group implements the enterprise risk management for supporting management and value adding activity.

Risk Management Policy

STA group highly concerns the importance of risk management as we define risk management policy:

1. Risk management is responsibility of all employee in any levels and be concerned with operating in own department.
2. To promote risk management to be the management tool that any employee will understand and adopt the use of risk management to make the good corporate image, support good corporate governance, and create trust for the stakeholders.
3. To support an information technology for risk management process in STA group. Every employee can access the risk information and top managers can use information to support management effectively.

The Company has adopted an enterprise-wide COSO: ERM as tools for its risk management system. Four sets of risks have been identified:

1. Strategic Risk
2. Operational Risk
3. Financial Risk
4. Legal and Regulatory Risk



Risk Management Performance

The Company has launched a series of measures to minimize risk exposures and mitigate potential impacts together with respective response plans to alleviate investment concerns in the company's businesses as follows:

Topic	Impact	Management
Economic		
<ul style="list-style-type: none"> Fluctuations in rubber prices (supply and demand of natural rubber and speculative activities in the futures market) Currency fluctuations 	<ul style="list-style-type: none"> Increased production costs Decreased sales volume and profits 	<ul style="list-style-type: none"> Raw material management Use of hedging tools Use of financial derivatives
<ul style="list-style-type: none"> Supply chain management 	<ul style="list-style-type: none"> Sub-standard raw materials The delay in raw material delivery causes production disruption 	<ul style="list-style-type: none"> Creation of procurement network Educating suppliers
Social		
<ul style="list-style-type: none"> Accident or emergency 	<ul style="list-style-type: none"> Employee safety and stakeholder trust 	<ul style="list-style-type: none"> Contingency plan
<ul style="list-style-type: none"> Laws and regulations 	<ul style="list-style-type: none"> The imposition of fines or loss of business opportunities 	<ul style="list-style-type: none"> Analysis and monitoring
<ul style="list-style-type: none"> Products that do not conform to standards 	<ul style="list-style-type: none"> Consumer safety 	<ul style="list-style-type: none"> Internationally accredited laboratory Quality assurance
Environmental		
<ul style="list-style-type: none"> Climate change 	<ul style="list-style-type: none"> Disruption caused by natural disasters 	<ul style="list-style-type: none"> Energy conservation Business continuity plan
<ul style="list-style-type: none"> Air quality management 	<ul style="list-style-type: none"> Complaints from communities 	<ul style="list-style-type: none"> Consistent Monitoring Research and development to improve the system




For more information please see in Annual report 2017



Social and Environmental Innovation



ENCOURAGE SUPPLIERS TO MEET SRITRANG TRANSPORTATION STANDARD.

-  COVERED WITH CANVAS
-  INSTALL TANK
-  INSTALL GUTTER

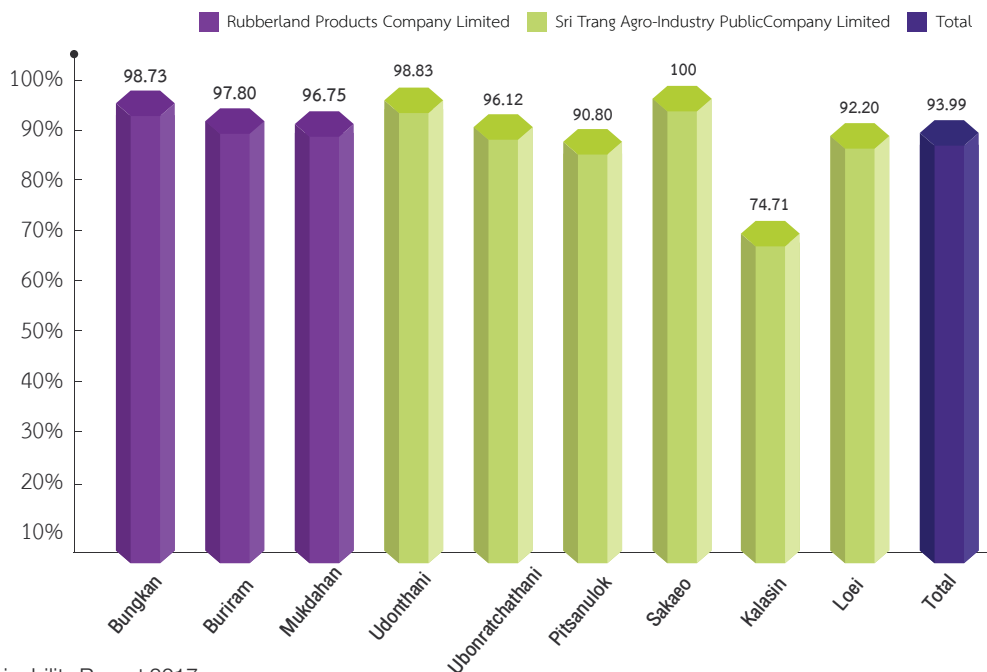


In accordance with our objective to foster the development of rubber farmers and the local communities, the Company has come up with the “Bantookyang Tidrang Sangroyyim” project to encourage our suppliers and rubber farmers to transport rubber in vehicles that meet our standards, which means vehicles that are equipped with a canvas to cover the rubber and whose water tank and trough are properly installed to prevent serum from cup lump from leaking onto the roads during transportation. The Company hopes that the project will reduce the frequency of accidents and bring happiness to the communities.

Project Results

In the initial stage of the project, the Company assigned 9 facilities to participate in the project, starting from June 2017 until December 2017, and received full cooperation from suppliers. The Company plans to expand the scope of the project to include all facilities.

Table: Percentage of suppliers who participated in the project and satisfied the criteria.



Social



Human Rights and Employees' Care

The Company respects and promotes human rights and equality and has announced human rights and non-discrimination policy. The Company subscribes to the fair treatment of all employees in accordance with the principles of business ethics and promotes the employment of the underprivileged and the disabled. In 2017, the Company employed a total of 36 disabled employees.

In addition, the Company respects and promotes the 10 principles of children's rights, which encompass practices in the workplace, the marketplace and in the community and the environment. The Company has applied the relevant principles such as.

No.3 The gainful employment of minors, as well as parents and guardians. The Company provides a child care corner for employees with infants to promote breastfeeding.

No.9 The provision of emergency aid to children who are affected by a calamity or natural disaster.

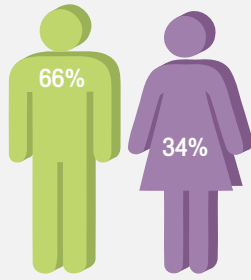
No. 10 The promotion of the roles of the public and the community in the protection of children's rights, through such projects as STEM and the building of playground and library for children in the community.

Employees' Care

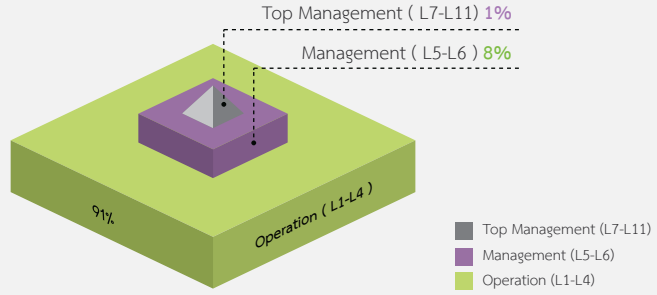
The Company's employees are instrumental in driving the Company toward long-term success. The Company therefore gives priority to human resources management, from employee recruitment, fair compensation, training programs to develop skills and opportunities for career advancement, as well as the health and safety of all employees.

Aside from legal entitlements such as provident fund and workman's compensation fund, the Company's employees are remunerated in the form of overtime payment, extra payment for employees who perform a hard shift and yearly bonus. The employees are also entitled to benefits such as uniform, rent subsidy, accommodation, per diem, health insurance and accident insurance, emergency aid, education and training programs, etc.

As of December 31 2017, the Company employed a total of 13,482 employees.

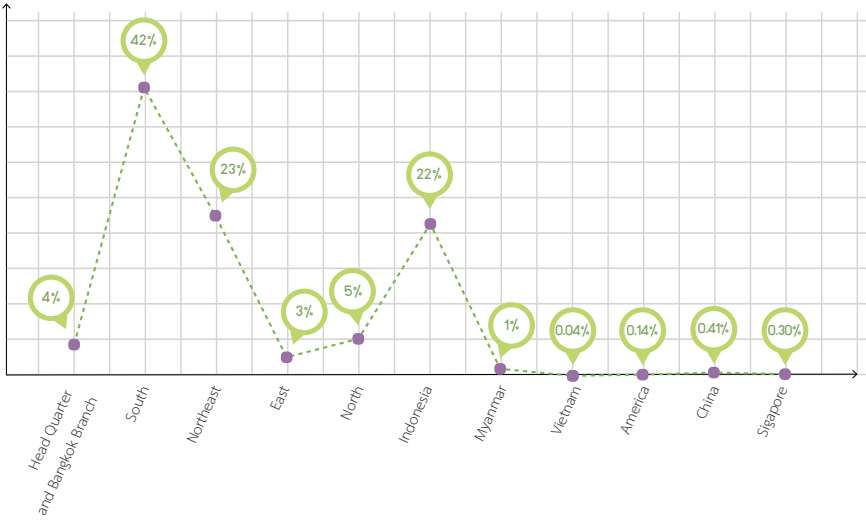


By Sex (G4-10)

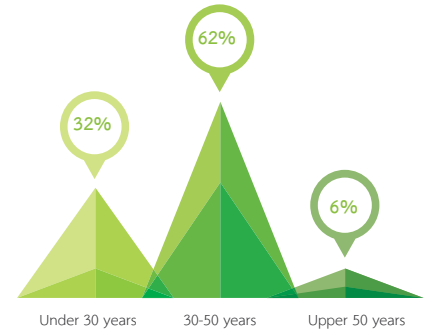


By Level

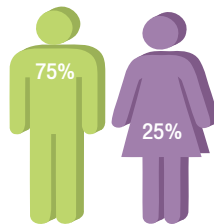
By Area (G4-10)



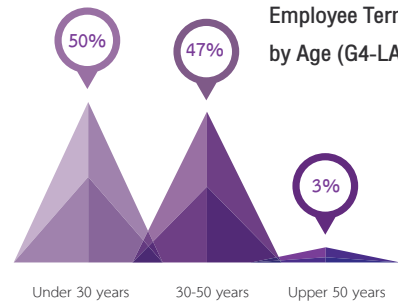
By Age



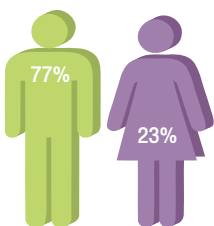
Employee termination by sex (G4-LA1)



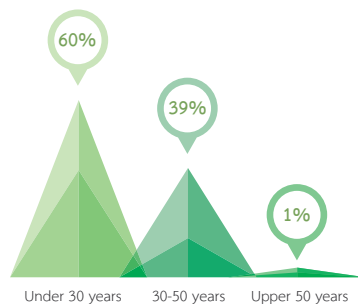
Employee Termination by Age (G4-LA1)



New Employee (G4-LA1)



New Employee (G4-LA1)



Maternity leave (G4-LA3)
Maternity leave after childbirth
76%



Employee Recruitment

The Company recruits potential employees without discrimination and also recruits employees internally through a change of positions for professional advancement. As for external recruitment, the Company seeks to recruit persons who are professionally competent and morally upstanding. The Company clearly provides recruitment details through various channels of communication.

Employee's Remuneration

The Company determines the remuneration of employees at the appropriate rate according to the professional position. And are equal to men - women. The Company also is exploring for compensation and benefits comparable to similar industries for appropriate remuneration.

The Company has an evaluation committee to review employees' performances as well as uses the Key Performance Index (KPI) system to evaluate each employee for its standard rewards and bonuses. Daily workers undergo evaluation every months, while permanent employees are subjected to an evaluation every 6 months under the system analysed by the Key Performance Index and personal behavior.

Trainings and Employee Developments

STA recognizes that human resources are our most valuable asset. We have accordingly developed a well-rounded employee development program that provides training to develop various skills and knowledge, as well as seeks to instill environmental awareness. Our Employee Development Center is responsible for providing all our employees with suitable training programs to help them develop and enhance the skills relevant to their lines of work.



KPI's Composition



Following are the employee development programs organized by our Employee Development Center:

1. In-house training in the fundamentals of the employee's respective lines of work, for example, production, services, technology and management.

2. Various development activities, such as 5 S, Quality Control Circle (QCC), Kaizen, One Point Lesson (OPL), that seek to develop and improve the skills employees can utilize in their daily work assignments, for example, the use of new technologies and how to simplify work processes.



3. STA Culture is a program that seeks to instill in new recruits the core values of STA, as well as to forge a bond between new recruits and STA employees who work in different positions or in different locations.



4. Various leadership training programs, for example, STA Development Program for Management and STA Young Leadership Development Program, that seek to prepare our management for the business expansion of STA.

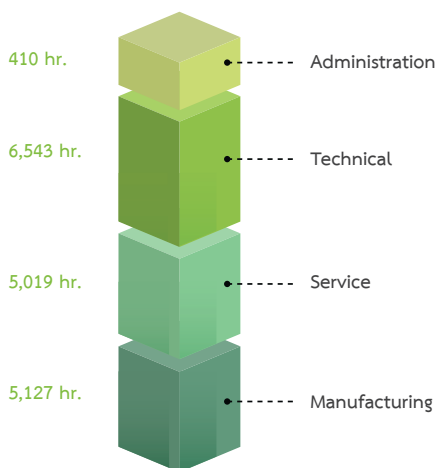


5. Through STA Share & Learn, STA selects our employees who are proficient in their respective lines of work to impart their knowledge to and share their experiences with other employees at various organized events such as Sri Trang Smart Trainer, STA Talks and Sri Trang Conversations.

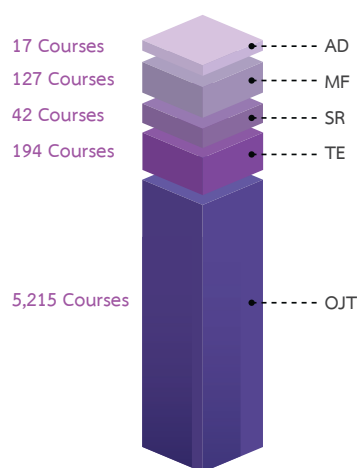


6. Employees of STA are regularly taken on field trips, both in Thailand and overseas, as well as field trips to learn about the operations within Sri Trang Group, so that they can acquire new knowledge and be exposed to new experience that may be useful in their respective lines of work.

STA has established “Sri Trang Champion” for our employees to showcase their skills and accomplishments with their colleagues, so that they will be inspired that they too can achieve what they set their mind as well.



The proportion of training by category



The number of courses by type

Training hours average per man per year = 38.51

Development by Kaizen and QCC activity

The Company encourage employee to create innovation by kaizen and และ Quality Control Circle (QCC) activities. Not only determined to KPI but also set the contest to award and promote employee. For example in 2017, the winner as below;



Subject : Wood Cutter machine

Department : Boiler engineering



Before



After

Cause

The workers had to cut woods which a diameter greater than 0.30 m. with sawing machine before put into woods splitters (Size is not more than 1.20 m in length, 0.30 m in height). At once use 5-7 workers within 80 hours or 10 days ,the cost is five thousands baht.

Improvement

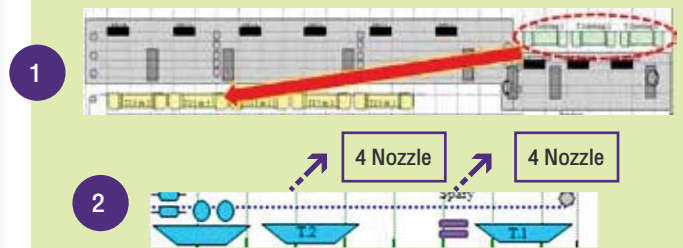
- To make wood cutter machine by materials are available in the department, such as steel base, wood cutter, hydraulic cylinder (Using energy from motor oil tank)

Benefits

- Reduced work time from 480 hours per year to 96 hours per years
- Reduce worker from 5-7 persons to 1 person
- Save labor cost 291,936 baht per year
- Saving cost 50,000 baht per time

Subject : Saving water

Department : Production



Cause

Resource and energy saving policy, In the production line use more water and chemical

Improvement

- Reuse water from Tank 1-3 to Leaching Tank 4
- Changing the size of spray Nozzle from no.3 to no.2

Benefits

- Reduce water 24,883,220 Litres per year per 6 lines of production
- Reduce chemical 9,953.28 Kgs. per year per 6 lines of production

**Conclusion saving cost 1,120,386.82 baht
Per year per 6 lines of production**

Occupational Health and Safety

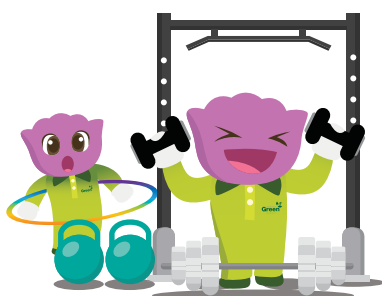
The Company always adheres to the regulations concerning occupational health and safety, paying extra attention to the health and safety of all employees as the Company realizes that every employee is the most important resource for the Company and is one of the main contributors to the organization. To fulfill the obligation of making sure that all employees are healthy and safe, the Company has provided the employees with health insurance, regular medical checkups, safe working atmospheres along with a frequent inspection of the environment within working areas, risk assessments, emergency plan and preparation for emergency preparedness.

The company has continuously and consistently improved the safety, health and environment in the workplace. By defining the objectives, Target and action plans. Management review and annual performance audits.





Occupational health and safety policies are necessary to be aware of and strictly taken into an action in order to create quality living by the following practices;

- Compliance with state laws and regulations concerning safety, occupational health and working environment
- Improvement, prevention and development for any risky tasks that may cause injuries or harms to employees and other people.
- Improve and develop a continuous and consistent management system for safety, occupational health and working environment by internal audit for qualities' system
- Providing resources by means of personnel, time and budget
- Proper and sufficient communication and training for safety, occupational health and working environment for employees

Exercise



In term of safety management system, the Company have monitoring with indicators as follow;

	Injury Frequency Rate (IFR) 5.57
	Injury Severity Rate (ISR) 175.77
	Total Recordable Injury Rate (TRIR) 22.30
	*Illness and death on duty ...0...

*Employee and contractor



Health and Safety Activities

In addition to staff orientation and training as provided by the Occupational Health and Safety Program, the Company has organized activities to create a culture of safety and health for employees.

1. SAFETY TALK & KYT
2. Ergonomics exercise
3. SET WEEK / Safety data board / Occupational Health and Safety exhibition visits
4. SAFETY BOX

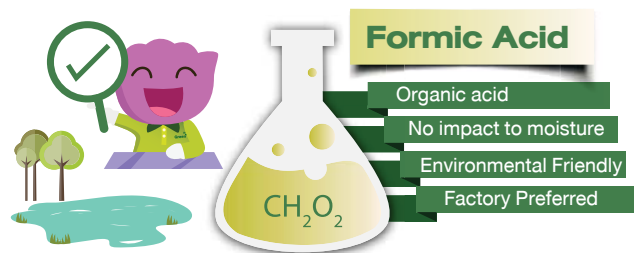
Supply chain Management

Responsibility to business partners and competitors

The Company believes that doing business with integrity would create confidence from the relevant agencies, including, governmental agencies, shareholders, business partners, competitors, suppliers and customers. The Company has strictly uphold business ethics in dealing with business partners and competitors, so as to make sure that the Company would not destroy the reputations of those who are in the same industry.

When dealing with raw material suppliers, the Company has abide by regulations for a fair and transparent treatment between the Company and suppliers or rubber dealers, where the Company provides “free trading” with suppliers, meaning that anyone is welcomed to become the supplier of the Company. However, to become one of the Company’s suppliers, one must follow the standard of operation specified in the Company’s agreement strictly.

Our procurement department has trading systems for the purchasing of raw materials is high standards, which evaluated each supplier with stringent criteria that could be inspected. As for the purchasing price of raw materials, the Company has always referred to market prices quoted at SICOM, which is a very liquid marketplace for RSS and TSR actively driven by players worldwide.



Partnership Development

From the idea of Green Supply, we focus on transparent and fair purchasing processes, the sourcing of clean raw materials, and giving importance to creating sustainability for partners and communities, especially those of raw material suppliers.

The Company believes that by providing knowledge and understanding for suppliers and rubber farmers on how to efficiently carry out a rubber business would create sustainable income and good quality of life. The Company, then, has made regular visits to suppliers and rubber farmers. Upon every visit, the Company could promote more knowledge of quality rubber and inquire about the satisfaction of the suppliers towards the Company.

The company has come up a project of Sri Trang farmer’s friend to educate and promote rubber suppliers and farmers to improve the quality of cuplump by campaigning for the use of formic acid and taking care of social and environmental responsibility through the “Bantookyang Tidrang Sangroyyim” project.



Purchasing

The Company's central purchasing unit has set up purchasing policies in line with corporate social responsibility. The unit has been carrying out its operations in accordance with the Company's purchasing policies as well as business ethics concerning the relationships between business partners, competitors, and trade creditors, so as to prevent unfair business competitions and monopolisation whereas to promote the creation of new suppliers. The Company also set up internal

policy to select only partners that operate the business with the concerns of corporate social responsibility such as green purchases scheme, the use of energy saving equipment, the promotion against child, forced labors as well as human rights, along with their mindset in looking after the environment. The Company also gives support to create understanding and cooperation on social responsibility with clients and partners.

In 2018, the Company is involved in creating local economies as below;

Topic	Group	Unit (Million Baht)
Purchasing local products and services	Natural Rubber	387.09
	Finished Product	2,788.25
	Total	3,175.34
Proportion of local purchasing of products and services	Natural Rubber	12%
	Finished Product	88%

Customers and Consumers

The sales and marketing department of the Company has been abiding by the Company's business ethics concerning customer relations, with an aim to create the best satisfaction and confidence with the customers in receiving the best quality products and services, with the right prices. The department also provides complete and correct information about every product, on-time delivery, product guarantees as well as sufficient communications channels for customers to make complaints about the Company's products and services. Moreover, The Company is responsible for keeping customers' confidential information private and secured, organized visiting trips to the Company's factories for customers to create better understandings about the Company's operations and products.

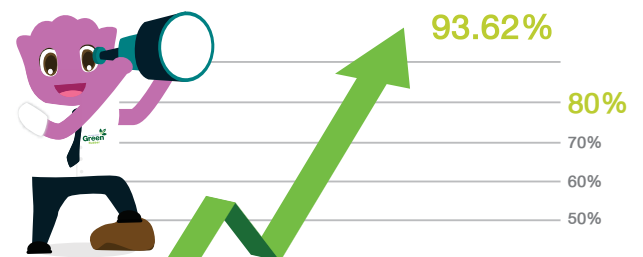
The Company thrives to strengthen the relationships with the clients, by organising annual meet up, while also establishing an evaluation system for customers to obtain feedbacks of their satisfaction towards the Company.

In the case of medical gloves, the company has provided education to consumers through Facebook Sri trang Gloves Thailand and educate customers and consumers in the medical exhibition is held annually.

For group of natural rubber ,the customer's satisfaction target is Grade A and B are more than 80% ,the result year 2017 is 93.62%



For group of natural rubber, the customer's satisfaction target is Grade A and B



Participation of communities and society development

The Company realizes that sustainable business operation, should include the participation of communities and society development in the Company's plans. Apart from improving each community's economy, the plan to development the community should also improve the quality of lives to the people, which the Company value as a vital goal. Since the Company's establishment, numerous activities and projects has been initiate. As well as responding the stakeholder.

Since 2015, the Company has set up a CSR team that responsible for community relations. In order to support and coordinate with factory in social and community development especially in the Northeast and the North area.

Children

This project is support to build, renovate library buildings, playgrounds, and provide necessary sports equipment to the needy school in the area where the factory is located. As well as the scholarship is available for children in need. Its' also encourage employees to participate through the Sri Sritrang BBL Playground Project. STEM Education.

Quality of life and well-being

Otherwise, we hire the people from the community to working with us, we also give priority to support and promote the creation the job in the community that are considered from their needs and ability of the community for the well-being.



Catching fish festival

In the north and northeast's factory we constructed ponds to reserve water for using in the production and released fish to the pond as also indicators of water quality. We founded that every 3 years when the fish have reproduce themselves to sufficient amount, the company will organize an event to the local people in the area to join the fishing activity. Revenues from activity as a fund for community activities.

"A fight drought" Project

Every year the company in the northeast such as Rubberland Products, Buriram branch will pump the water from the pond which are reserved rain water into the irrigation canals of nearly communities in order to they can use the water in the dry season.

“Making sediment to quality fertilizer” Project

Sediment, which stems from water treatment system, has been sent for analysis to find heavy metal contamination, following the law on 2005’s industry waste. The analysis finds that there isn’t heavy metal contamination. Also, it found that there is nitrogen which is an essential nutrient for plant growth, considered as fertilizer to grow stems and leaves. It was experimented in Thungsong factory and later was expand to implement in the others factory.

Sri Trang Puen Chao Suan (Farmer’s friend project)

To encourage farmers to produce quality rubber. How to store the rubber stock in order to prevent contamination and increase the quality to meet the quality of rubber needed by the factory. It also encourages farmers to have a better understanding of rubber business. Increase productivity, increase revenue. As well as environmental protection. To develop the quality of life and living in a sustainable, consisting of 3 main projects as follows:

- the “Bantookyang Tidrang Sangroyyim” project to encourage our suppliers and rubber farmers to transport rubber in vehicles that meet our standards
- The right coagulant agent to be use, the consequence of wrong usage of coagulant product and test kits to differentiate the contaminant coagulant agent
- Knowledge to Sritrang privilege member



Healthcare

Apart from employees’ welfare and health care program, The Company also contribute to health care of the community. We contribute Examination gloves to district health hospital and Ruamkatanyu foundation to use to help patients and victims.

Contribution to the cultural of the local

Sri Trang group continuously support to local culture in every location we operate. Local culture such as Long tail boat racing, local fire work, food offering to the monk and merit flower offering ,activity in the year of Ramadan, Muslims in order to keep local culture and conserve their culture.

Contribution to sport activities

Sri Trang group believe sport help contribute to better society. We contribute the budget to support the sport activities, sport equipment, sport cloth and joint local community sport. In 2017, the Company sponsored the “Anti-Narcotics Sports Ground” and sponsored the athlete’s costume for athletes of Sritrang Agro-Industry Public Company Limited, Huay Nang Branch. At the 35th National sport competition, Samila Games and can grab one bronze medal from Petanque.



Contribution to natural disaster victim and Unfortunate People

To support and contribute to help the victim of Natural Disaster is the activity that comply with the CSR policy that the Company continuously practice toward our stakeholder both local and worldwide.



Good Environment

The Company had co-joined the environmental activities as following;



Aquatic life Conservation

To support the concept of “Green Rubber Company” which focus on environmental care. Every year, the Sri Trang Group will have a project. Release the fish to the river. To help restore the ecosystem and maintain food chain.

Weir Construction

The Company promotes and supports the repair and construction of dams, which have been implemented jointly with the community and environmental network. In order to retain water and restore the natural of the area. And also to prevent the flood.



Green area

The Company is committed to maintaining the environment and enhancing the space to absorb carbon dioxide which is the causes of global warming. The Company set up a tree planting activity both within the company and joint with government agencies every year.

Sri Trang Volunteer

The Company promote employees to have a public mind by improve and develop nearby communities activities such as community roads, temple, and schools to improve and rebuild good environmental in the areas as well as to grow the unity among employees. Moreover, the participation showed the Company’s sincerity to live sustainably with surrounding communities.

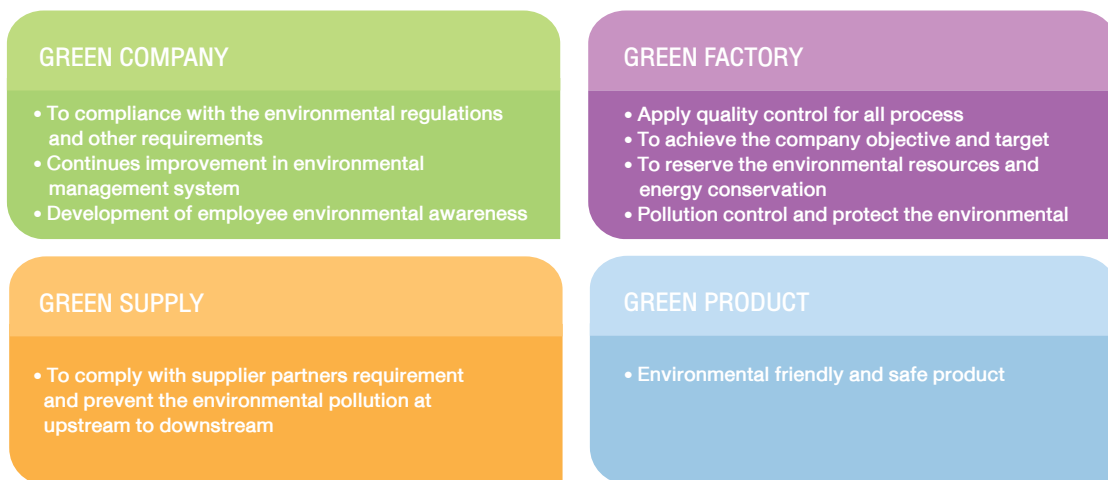


Environment

While growing the business profitably, STA realizes that a fundamental mission to remains the environmental quality and to make people's lives better. STA strives to deliver the excellent and environmental friendly product as well as to conserve our natural resources, energy usage to make the world a better place for social, environment and people's lives.

In 2016 our management have committed to continues improvement in the management system by integrated the environmental and quality management system to align with company strategy "to be leader of green rubber company"

Environmental Policy



Environmental Management System

STA implements the environmental management system to develop and continues Improvement of Company's environment as well as to manage the environmental risk from assessment process for STR plant. The target has been established to certify the environmental management system ISO 14001 within one year after certified quality management system ISO 9001 for STR Greenfield plant.

2018 Environmental Management System ISO 14001:2015 certification Plan

1. Sri Trang Agro-Industry Plc's Sakaeo Branch

Environmental committee

The environmental committed has been established to implement the environmental management system ISO 14001. The committee includes the representative from different departments and management representative is overlook all of environmental activities and direct report to top management.

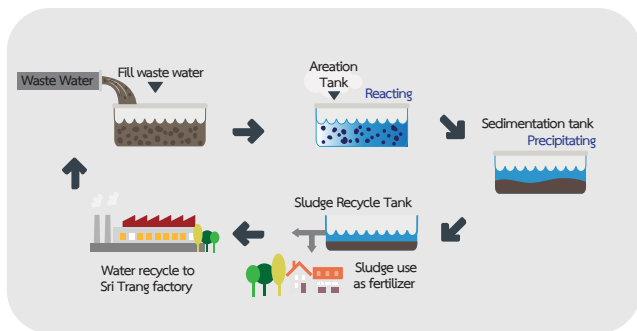
STA has been certified the ISO 14001: 2015 for 10 STR facilities.

1. Sri Trang Agro-Industry Plc's Trang Branch
2. Sri Trang Agro-Industry Plc's Hat Yai Branch
3. Sri Trang Agro-Industry Plc's Tung Song Branch
4. Sri Trang Agro-Industry Plc's Sikao Branch
5. Rubbberland Products Co., Ltd's Buengkan Branch
6. Rubberland Products Co., Ltd's Buriram Branch
7. Rubberland Products Co., Ltd's Mukdahan Branch
8. Sri Trang Agro-Industry Plc's Udon Thani Branch
9. Sri Trang Agro-Industry Plc's Ubonratchathani Branch
10. Sri Trang Agro-Industry Plc's Pitsanuloki Branch

Water Resource Management

Managing of water resource is the one of our water strategy. At STA, we use water in the main process of ripped smoke sheet and STR factory which require to provide adequate, accessible sanitation, and focus on responsible water stewardship in our operations. The water strategy and policy is established by top management as following

- Management of water resource to supply to production with good water quality and to prevent effect to community around the factory
- More efficiency on water usage and implement the 3R (reduce Reuse and Recycle) at the plant.



Co-operation Development in Water Management

The water management project has been established by cooperation of Water Institute of Sustainability since 2016. Sikao plant has been selected to be 1 of 16 pilot factory to implement water footprint project and we continue to expand knowledge to our group with Sritrang : Smart Water for Sustainable Development project. The internal STA pilot factory has been selected and report out the water reduction from 3 factory as follow

1) Sritrang Agro Industry Public Company Limited Sikao Branch

Average water usage per product (cu.m/month)	
2016	2017
170,166	128,535

2) Sritrang Agro Industry Public Company Limited Chomporn Branch

Average water usage per product (cu.m/month)	
2016	2017
2,919	2,407

3) Sritrang Agro Industry Public Company Limited Beungkarn Branch

Average water usage per product (cu.m/month)	
2016	2017
46,888	45,637

Wastewater Management

In STA we have invested the wastewater treatment facilities to treat the wastewater from the production and office to compliance according to the regulation. The management of wastewater are identified to compliance with the following,

- Maintain efficiency of its operation
- Continues improvement in wastewater treatment technology
- 100% of treated gray water at facility is recycled and reused within the property
- Develop the emergency plan and test periodically

The average of treated wastewater cu.m / day (reference from Tor Sor 1. Report)

Group of Facility / Treatment Technology	2015	2016	2017
STR / Aerated Lagoon	6090	6719	4232
STR / Activated Sludge	2196	1553	1700
Latex / Activated Sludge	400	400	442
Ripped Smoke Sheet / Aerated Lagoon	150	125	250

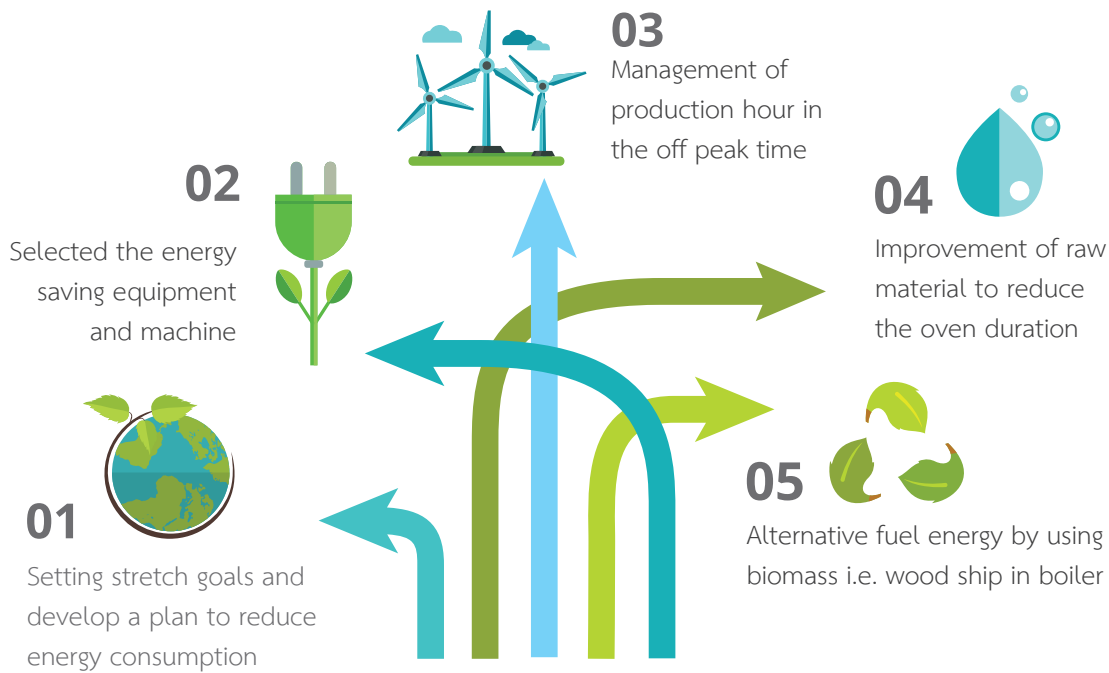
(The information from reading meter of water usage)

Climate Change and Energy Conservation

Climate change is having a significant impact on the planet from continuously emit the greenhouse gases. Everyone has to work together and do their part to bring about real change. STA realizes that climate change is more challenging and decided to participate the carbon footprint project. This is to calculate and improve of Carbon Dioxide emission in Ripped smoke sheet, STR and Latex operation and transportation. The 3 Natural Rubber Product from 5 Facilities are certified of Business to Business Carbon Label from Thailand Greenhouse Gas Management Organization (Public Organization) and certified of wooden box packaging for STR product.

Energy Conservation

STA has a comprehensive approach focusing on facility improvements to increasing of Energy Efficiency, looking for alternative and clean energy as the following



The average energy consumption from product* (Unit: KwH / Ton)

	2558		196.09
	2559		197.02
	2560		218.44
	2558		96.72
	2559		95.31
	2560		95.85
	2558		10.06
	2559		10.68
	2560		11.03

The percentage of energy consumption from Natural Rubber Product*

	2558		65%
	2559		65%
	2560		67%
	2558		32%
	2559		31%
	2560		30%
	2558		3%
	2559		4%
	2560		3%

*the information from ISO 14001 certified facility

EXAMPLE OF ENERGY SAVING PROJECT

Project: Reduce energy consumption is STR
Facility: STA-SG



Improvement method:

1. Identified the efficient operation time
2. Set the minimum 95 rubber boxes for every oven
3. Increase the CP duration and set the new bypass

Before improvement	After Improvement
63.13 KwH / Ton	50 KwH / Ton

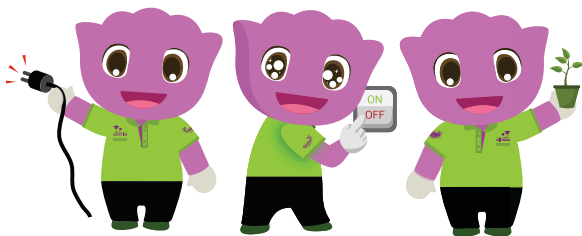
Result:

Economic

Cost saving 172,820 THB/Month

Social

Encourage employee and awareness increasing on energy saving

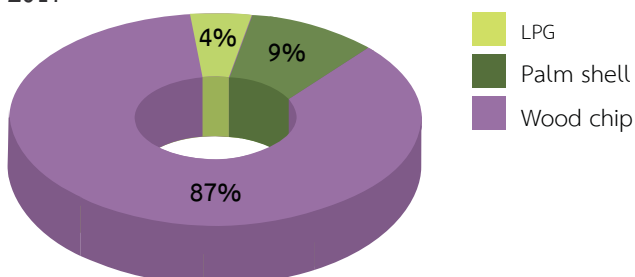


Fuel Consumption

The alternative fuel by using bio mass from Palm Kernel Shell and wood ship to be a fuel for boiler. The trend is continue increasing of biomass.

The percentage of Fuel consumption

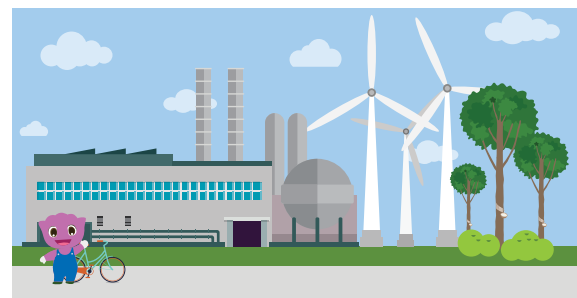
2017



Employee awareness



Using a cloths bag instead of a plastic bag



Cycling

In addition to the energy saving policy in the production, the Company also motivated employee to develop themselves on using energy in daily life, such as using a cloth bag instead of a plastic bag ,reduce paper usage by using 2 pages paper, avoid using foam container, Bike instead of using motorbike. Waste segregation campaign to increasing reused and recycle amount of waste and reducing of waste disposal. Includes increasing the green area within the factory as well as the engagement program with community and government agencies to planting trees.

Emission Management

STA has invested for the emission control unit to reduce the potential effect from process. The emission control units has different technology depend on the category of gas from the process.

Latex process has install the ammonia control tower to reduce ammonia at the workplace

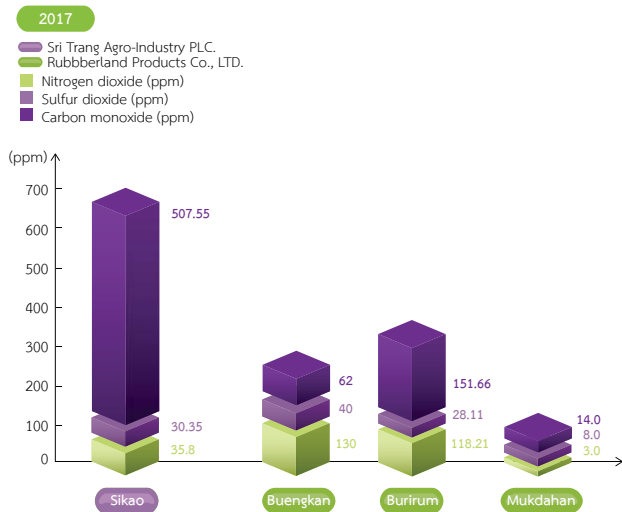
The emission control units from 3 different processes at STR Factory

1. Emission control from oven
2. Emission control from mixer product
3. Emission control from Boiler

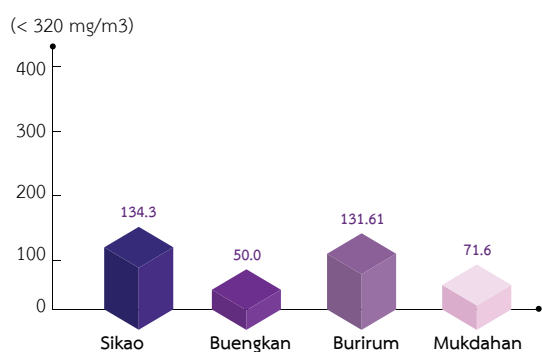
There are compliance with the regulation and all emission parameters are met the Thailand emission standard.

Emission

STR Factory / Boiler Stack



Total Suspended Particulate (TSP) (Std;< 320 mg/m3)



STA realizes that our challenge on odor management from pile of raw material which has no proper technology to control the odor. However we continue to research and improvement the method to reduce odor from raw material as following

- Odor from a collection of cup lump, with a solution by spraying wood vinegar in order to reduce its odor
- Enhance on good practice to control odor from cuplump storage i.e. spray deorub after cuplump movement every time.
- Maintain the emission control unit to operate in a good condition
- Examine efficiency of the odor treatment system from rubber smoking by setting up a team which is trained by the Pollution Control Department (PCD) and receives a certification to examine odor following the PCD procedure. This working committee will examine a degree of odor concentration of the block rubber plant, which installs the air treatment system, following a specific period of time of air quality check in airflow from the chimney during 2013 – 2016

Research and development of emission control

STA continue to do research and development for odor management for sustainable improvement. We have signed MOU with the government and private sector working on this research

- Project improvement to enhance using of Formic Acid instead of Sulfuric to be a coagulant agent and also provide the test kit to monitor and check the pollutant from using of sulfuric
- Improvement of wet scrubber to be a Bio - scrubber which is can increasing of treatment efficiency and 10% of water saving.



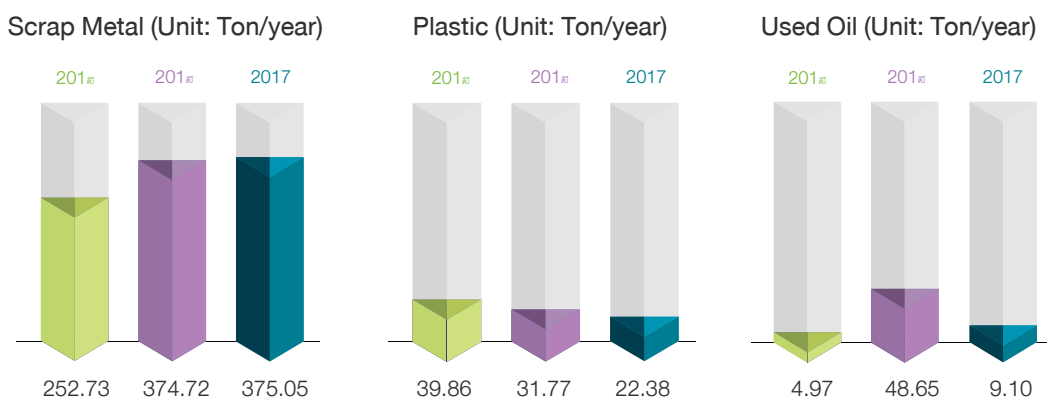
Waste Management

STA implements the 3R : Reduce Reuse Recycle to managing of waste and unusable material in our group of company as following

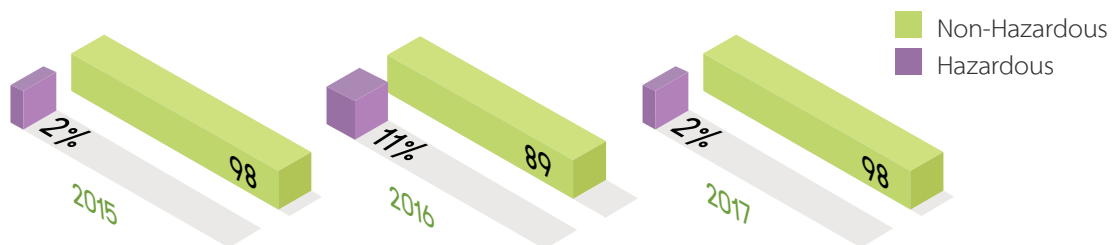
- Concentrate to reduce an impact on environment by maximizing benefits from the use of raw materials and materials for development and building values of materials used in the whole system from production to delivery to consumers
- Segregation and reuse in our production
- Improve the working process to help reduce an amount of the hazardous and non-hazardous waste from the plants at the lowest level

Result

Recycle Waste



Percentage of Hazardous and non-hazardous waste



The unused materials project

- Styrene-Butadiene Rubber (SBR) which contains synthetic rubber as raw material in the company's rubber compound production, or broken wooden pallet from work will be turned into shelves, shoe racks, tables, chairs, bookcases for internal use and giving to schools and communities which are short of equipment
- Bring sediment from rubber cup lump cleaning and microorganism sediment from water treatment with aeration system to turn it into microorganism for planting
- Destroy the former to be used to produce rubber gloves, which is ceramics to be sent to a small crushing machine. Ceramic pieces are analyzed. When finding nothing about hazardous materials or heavy metals contamination. It is used to fill road around the water treatment area and bring it to be a mixture of cement in casting pole, pouring concrete floor and putting into bag as big bag to prevent from flood
- The unused material project such as tape nylon to be turned into bag, steel scrap from maintenance to be turned into robot, plastic bottles to be turned into bin, wooden box to be turned into table for work and used fuel tank turned into chair.



Awards and Pride in 2017



Thailand Sustainability Investment 2017 (THSI)

Being included on the list of Thailand Sustainability Investment 2017 (THSI) for the third consecutive year as a listed company that is mindful of the environment, society and corporate governance (ESG)



AMCHAM'S CSR Excellence (ACE) Award 2017

EN- AMCHAM'S CSR Excellence (ACE) Award 2017 From (The American Chamber of Commerce in Thailand: AMCHAM) as a socially responsible company.



Quality Award 2018

Sri Trang Gloves (Thailand) Company Limited received the quality award 2018 for the 7th consecutive year from the Food and Drug Administration (FDA). The award is given to companies that are mindful of the health and safety of consumers and are socially responsible.



Environmental governance

Sri Trang Agro-Industry Public Company Limited (Pitsanulok, Sakaeo and Kalasin Branches) Certificate of Good Environmental Governance From the Ministry of Industry. Grant to environmentally conscious factories along with community care.



ECOVADIS 2017

The Company received the 60th ranking, the second in Thailand, from EcoVadis Supplier Sustainability Ratings, which evaluates the economic, social and environmental sustainability of an organization.



ECO INDUSTRIAL TOWN

Sri Trang Agro-Industry Public Company Limited (Hat Yai Branch), Sadao P.S. Rubber Company Limited and Nam Hua Rubber Company Limited received the ECO INDUSTRIAL TOWN certificate and award. The certificate and award are aimed at to improving the environmental management, the production safety, the energy conservation in the Songkla area as well as promoting environmentally friendly production process and the efficient utilization of resources. It is the ultimate objective to encourage the growth of the local economy in tandem with the development of the local community and the preservation of the environment by the cooperation of all stakeholders.



CSR-DIW Beginner, CSR-DIW Award and CSR-DIW Continuous Award 2017

CSR-DIW Beginner Award 2017

Anvar Parawood Company Limited

CSR-DIW Award 2017

- Sri Trang Agro-Industry Public Company Limited (Pitsanulok, Chumphon and Trang Branch)
- Rubberland Products Company Limited
- Nam Hua Rubber Company Limited
- Sadao P.S. Rubber Company Limited

CSR-DIW Continuous Award 2017

- Sri Trang Agro-Industry Public Company Limited (HatYai, Sikao, Tung Song and Kanchanadit Branches)
- Rubberland Products Company Limited (Bungkan and Buriram Branches)



Green Industry Project

Sri Trang Agro-Industry Public Company Limited is committed to operating as a green company with an eye toward balanced and sustainable development. The Company's facilities that have been certified are as below:

Green Industry Level 1

Sri Trang Agro-Industry Public Company Limited (Kalasin, Sakao and Loei Branches)

Green Industry Level 2

Sri Trang Agro-Industry Public Company Limited (Huai Nang and Ubonratchathani Branches)
Anvar Parawood Company Limited

Green Industry Level 3

Sri Trang Agro-Industry Public Company Limited (Hat Yai, Trang,

Sikao, Tung Song, Udonthani, Pitsanulok, Chumphon, Suratthani and Kanchanadit Branches)

Rubberland Products Company Limited and Rubberland Products Company Limited (Bungkan, Buriram and Mukdahan Branches)

Num Hua Rubber Company Limited

Sadao P.S. Rubber Company Limited

On process for Green Industry Level 4

Sri Trang Agro-Industry Public Company Limited (Tung Song Branches)



MOU with Prince of Songkla University

Sri Trang Agro-Industry Public Company Limited signed the Memorandum of Understanding on Research and Development of Rubber Innovation with Prince of Songkla University.

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SRI TRANG GROUP
Green
Rubber



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