



The Green Rubber Company

# 2019

## Sustainability Report

Sri Trang Agro-Industry Public Company Limited

"Passionately We Drive Possibility"

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



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## Message from Chairman and Managing Director

“ We seek to gain the trust of all stakeholders through our corporate social responsibility and environmental practices. ”



**Mr. Viyavood Sincharoenkul**  
Chairman and Managing Director  
Sri Trang Agro Industry Public  
Company Limited  
February 2020

In 2019, Sri Trang Group continued to engage in the sustainable development and expansion of our operations, particularly in our downstream business. The amalgamation of Sri Trang Gloves (Thailand) Company Limited and Thaikong Public Company Limited was completed on 1 April 2019 and resulted in the present Sri Trang Gloves (Thailand) Public Company Limited (STGT). As a result of the amalgamation, our glove production capacity increased to 27 billion pieces per year at the end of 2019. Going forward, we remain committed to further capacity expansion and to using innovation and technology, together with our expertise, to improve our glove operations and broaden our customer base to over 130 countries around the world.

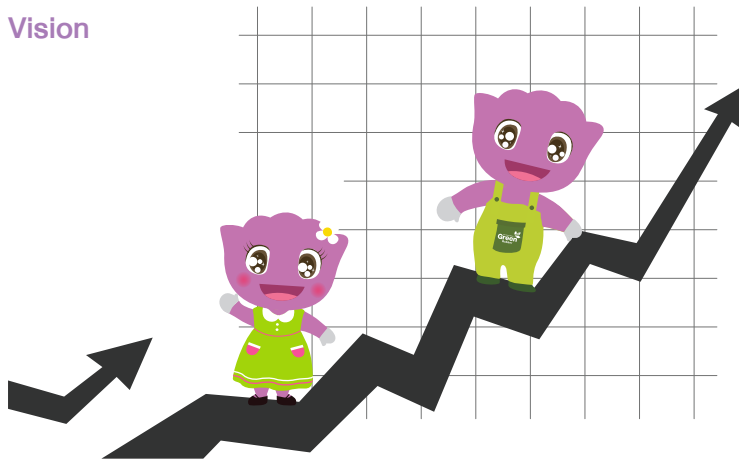
In today's challenging economic landscape and changing environmental climate, it is important that we are able to adapt our business strategies to various uncertainties. We have used technology to improve our operations and placed a strong focus on sustainable development, taking into account the impact on the surrounding communities and the environment of our operations throughout the supply chain. To that end, we have set up a system to monitor and

evaluate the potential risks and impact of our operations throughout Sri Trang Group, in addition to our ongoing commitment to improving environmental management at all our production facilities. At the same time, we have organized various projects aimed at improving the quality of life for people in the surrounding communities and the society at large. We seek to gain the trust of all stakeholders through our corporate social responsibility and environmental practices. As **“The Green Rubber Company,”** we are committing to conducting our operations as a **fully integrated natural rubber company** that operates under the principles of good corporate governance, provides quality products and services that are safe for consumers and friendly to the environment and the surrounding communities, and takes part in community engagement, all with an eye toward the sustainable growth of the business.



## Mission Vision & Core Values

### Vision



### Core Values

S

#### Specialist

We are specialized  
in our businesses.

T

#### Teamwork

We work as a team  
to defeat every  
difficulty.

A

#### Accountability

We work with  
honesty and business  
responsibility.

“

Passionately, we drive possibilities

>> the green rubber company >>

”

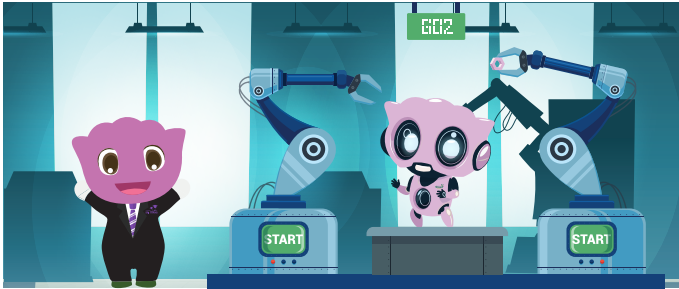
1. We are committed to delivering to our shareholders, having regard to sustainable growth and reasonable, consistent returns to shareholders, the highest level of satisfaction.
2. We are committed to an environmentally sound approach to production, through which we strive to inspire satisfaction and confidence in our customers and suppliers.
3. We are committed to the practices of good corporate governance and to operating with fairness and transparency with a view to improving the living and working conditions of our stakeholders.
4. We are committed to providing our employees with a pleasant work environment, fair compensation and career advancement opportunities.
5. We are committed to minimizing the social and environmental impact of our operations and to the sustainable consumption of natural resources.





## Mission 2019

### SRI TRANG GEN 2 >>



The natural rubber expansion especially the great work of the past 10 years has pushed Sri Trang natural rubber manufacturing and distribution into the No 1 spot in the worldwide natural rubber industry. Sri Trang has now the size, the economy of scale, depth and the dominance in the mid-stream supply chain and a force to be reckoned with in the natural rubber world for many years to come.

To ensure profitability and sustainability and to continue with our successful **"Growth Strategy"**, Sri Trang has further integrated and expanded into the downstream rubber finished product. The successful take over and acquisition of Siam Sempermed Corporation has given Sri Trang an edge and opportunity of a lifetime to go full steam into the manufacturing of medical gloves. The dream to complete the supply chain from top to bottom has finally come true and everyone in Sri Trang should be extremely proud of this moment and full of joys with our achievement. A sincere thanks to the **1<sup>st</sup> generation** of Sri Trang warriors!

**The synergy** in securing our own raw material supply such as latex to support and grow our downstream medical glove manufacturing and operation is vitally important. Not only will it guarantee the smooth and no shortage in supply of latex but also guarantee a fair and sustainable profit margin for the group to fuel further expansion.

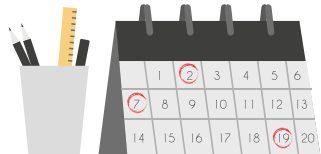
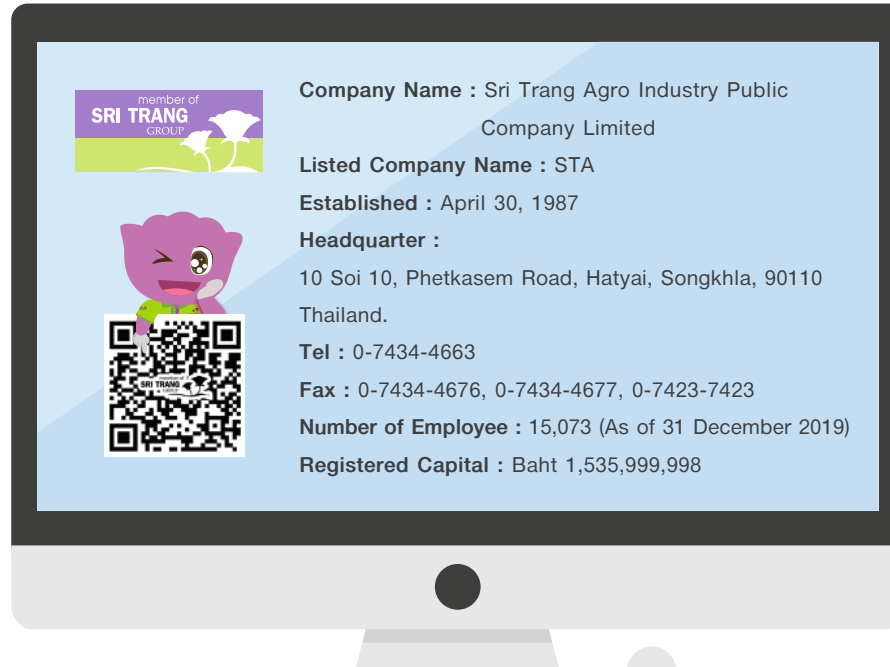
**2<sup>nd</sup> generation**, will take over the glove expansion, which will mirror that of our NR expansion. Glove will continue to grow and expand at least for the next 10 years. Though this time the expansion of glove will be very different from that of NR. Most of new factories and management will be moving towards more and more automations, more AI, sensors, digitalization and smarter factories. Human factor will become less important and robotics and logistics will be taking over eventually. In other words, our labor intensive glove industry will be taken over by smarter automated process and eventually end up in less human and more efficient operation.

It is, therefore, extremely important to understand that the job today may be obsolete and not be relevant in the future as new expectations and challenges arise. We will continue to invest in our human capital in **generation 2** in new knowledge, skills and health. Continual to upgrade and innovate the new generation as the demands on their time will grow 100 fold in the coming years.

**Gen 2** scheme for 2019 is timely and top management is totally committed.

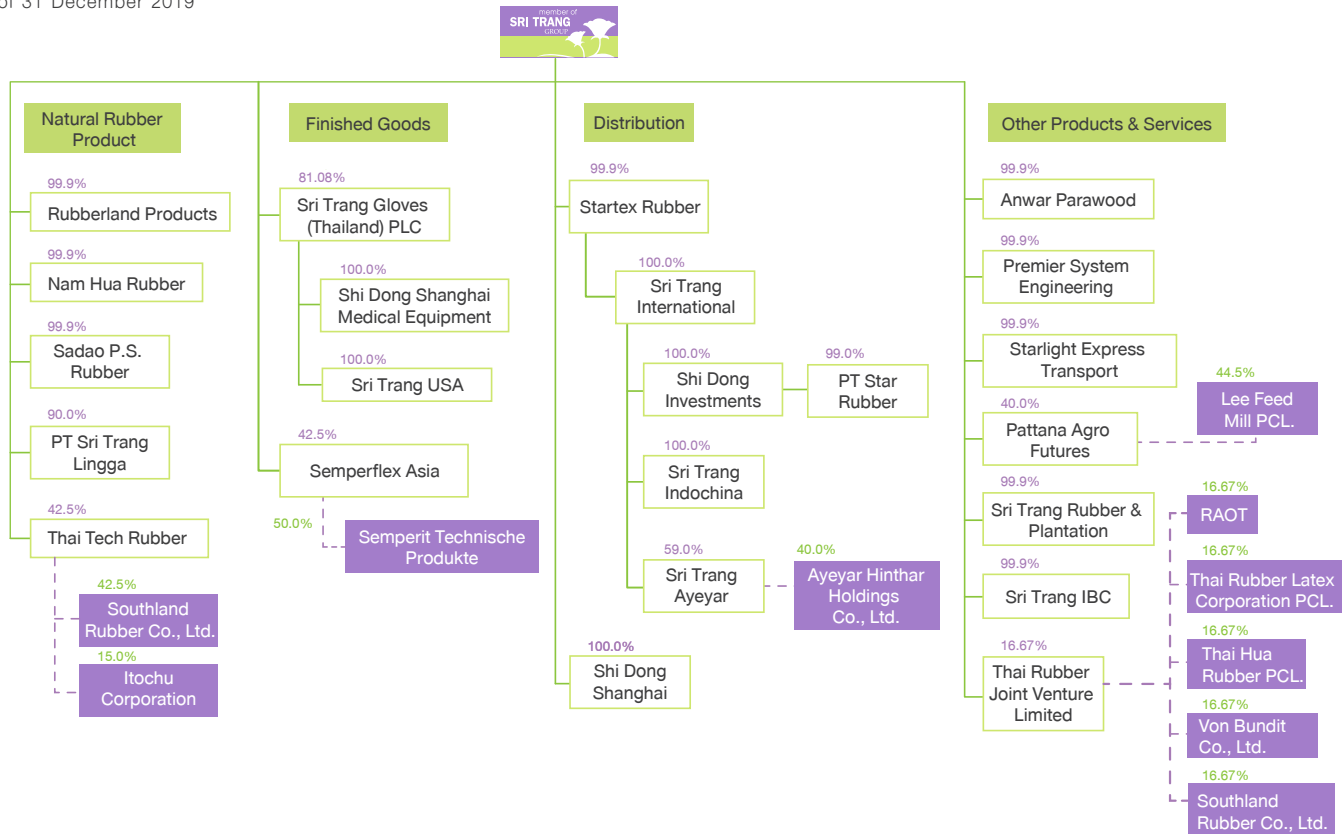


## Getting to Know Sri Trang



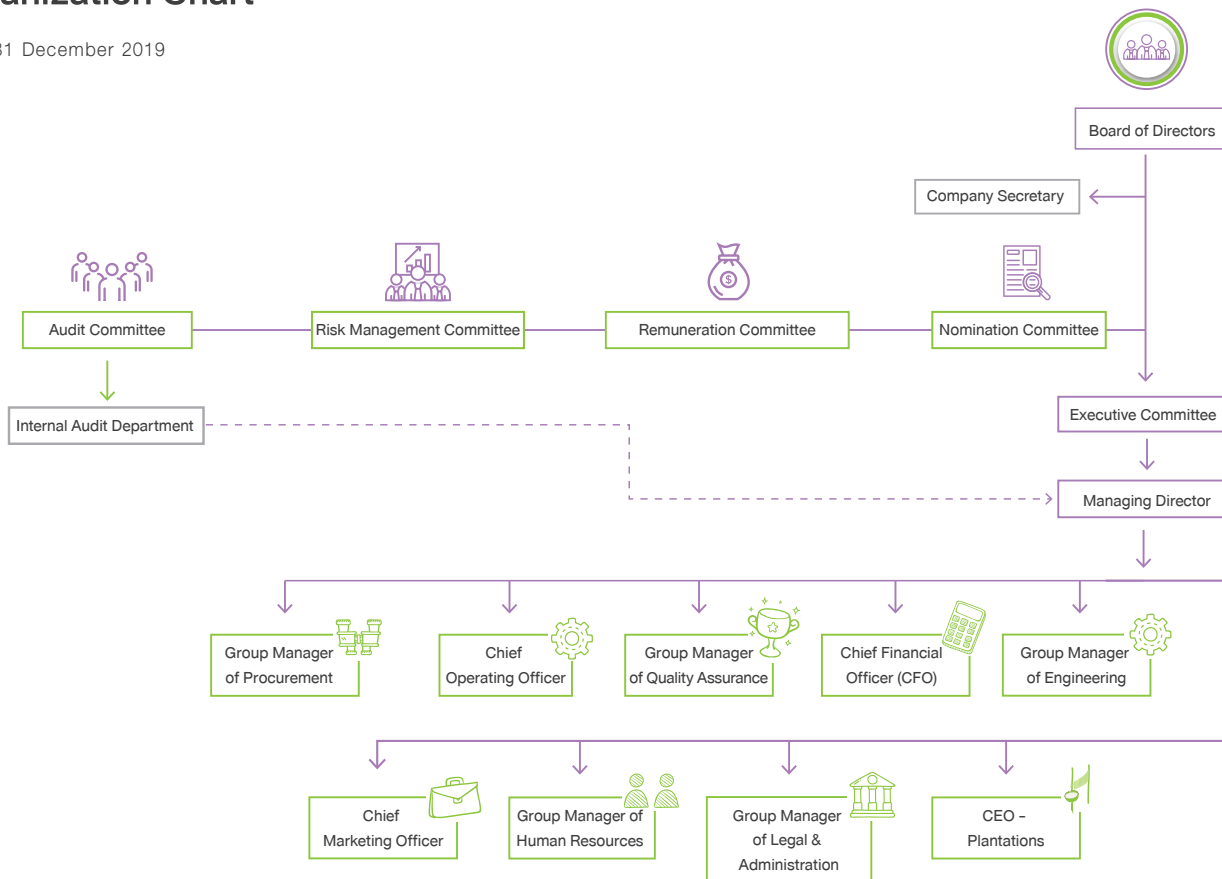
# Group Structure

As of 31 December 2019



# Organization Chart

As of 31 December 2019



## Multi-National Platform

### Natural Rubber



**80%** of Revenues from sales of goods and services in 2019

**1.1 Million tons** of natural rubber products sold in 2019

**8%** Market share of global natural rubber consumption in 2019



**36** Processing facilities of natural rubbers in Thailand, Indonesia, and Myanmar

**2.86** Million tons per annum in natural rubber processing capacity as of December 2019

**22%** of Thailand natural rubber production volume in 2019

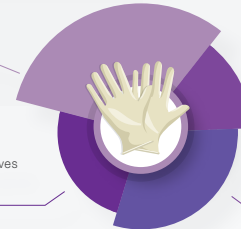
### Gloves



**20%** of Revenues from sales of goods and services in 2019

**19.9** Billion pieces of gloves sold in 2019

**7%** Market share of global gloves consumption in 2019



**3** Factory locations in Thailand, the world largest source of concentrated latex

**27** Billion pieces installed capacity per annum as of December 2019





## Products and Services



### Upstream Sector

#### ►► Rubber Plantations

Sri Trang Group had obtained approximately **45,000** rai land suitable **19** provinces



The majority are located in northern and northeastern



We started tapping our rubber plantation since 2015

The raw materials used in the production of TSR, RSS and Concentrated Latex are cup lump, unsmoked rubber sheets and field latex, respectively. Because raw materials account for 90% of our production costs, we have established procurement centres in the vicinity of raw material sources to reduce costs, ensure access to the raw materials and expand our procurement network, as well as to take part in environment protection and engage with the local communities.



### Midstream Sector ►► Natural Rubber Processing

#### production facilities



total  
36



Thailand  
32



Indonesia  
3



Myanmar  
1

utilization rate was at approximately



#### Product Types

#### Use



LTX

#### 60% Concentrated Latex

- HA – High Ammonia Latex
- MA – Medium Ammonia Latex
- LA – Low Ammonia Latex
- Double Centrifuge Latex

Raw material for the manufacture of examination gloves, condoms, elastic and adhesives, etc.



RSS

- 5 grades of RSS: RSS1, RSS2, RSS3, RSS4 and RSS5
- ADS (Air-Dried Sheets)
- RSS 1XL

Raw material for the manufacture of automotive tires and automotive parts, belts, pipes and shoes, etc.



TSR

#### Produced in Thailand:

- STR, STR CV, STR Mixture

#### Produced in Indonesia:

- SIR, SIR Mixture

#### Produced in Myanmar:

- Myanmar Block Rubber

Raw material for the manufacture of automotive tires.



## Downstream ►► Examination Gloves Sector

### High-pressure Hydraulic Hoses

STA group has two finished products

#### Examination Gloves

Sri Trang Gloves (Thailand) Public Company Limited produces a wide variety of medical examination gloves, industrial gloves, and general purpose gloves from both latex and nitrile rubber



The gloves are available



powder-free



powdered



industrial gloves

In addition to supplying products as an OEM (Original Equipment Manufacturer)

Total production capacity approximately

**27,000**

**million pieces/year**

We are the largest glove producer in Thailand and is widely regarded as one of the world's leading glove producers.



**we also market and distribute our products under our own "Sri Trang Gloves" brand, both in the domestic and overseas markets**

#### 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.

## Sales and Distribution ►►

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

#### Sales and Distribution



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

#### Logistics



Starlight Express Transport provides transportation and logistical services in Thailand and also handles 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.



## Sustainable responsibility management



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

# GREEN

### 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 Safe 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

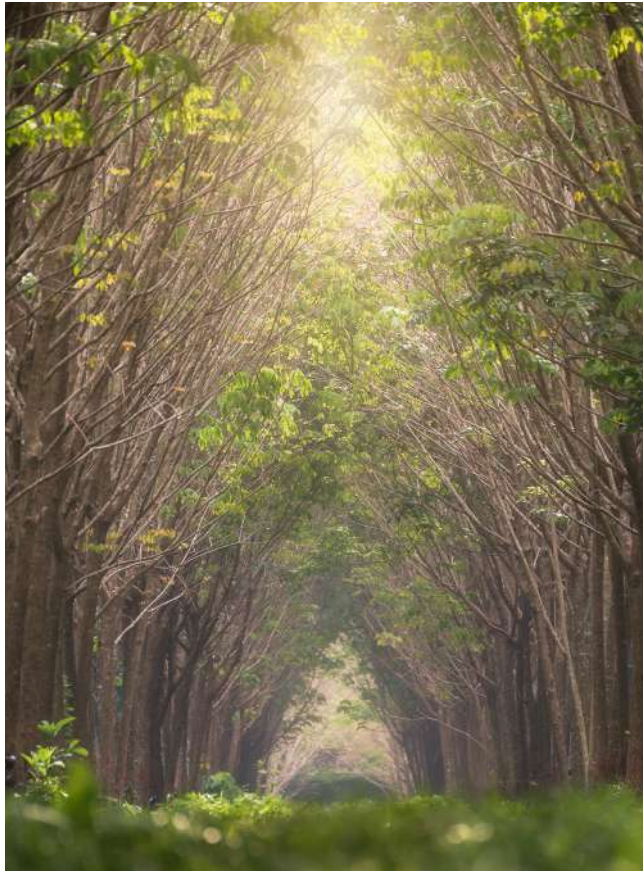
improperly indulge on business operation. We also have a policy against all forms of corruptions to establish standards of transparent business operation which will benefit the organization and rubber industry in the long run.

### 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.



From policy and Vision "The green rubber Company" the Company set up 4 GREEN strategy which focuses on four key areas as follow:



### Green Products

We produce high-quality products that are free of chemical substances that detrimentally affect the health and safety of end-users.



### Green Process

The production process for every one of our products is based on the concept of sustainability and energy efficiency. Our production facilities do not generate hazardous substances that cause adverse impact on the environment and the neighboring communities.



### Green Procurement

We source raw materials from ethical suppliers with sustainable practices and strive to guide rubber farmers toward the sustainable management of rubber plantations.



### Green Company

In every aspect of our operations, we are guided by the belief that transparency is key to building trust and achieving long-term success. We also seek to make a positive difference to the local communities and foster long-lasting relationships through various forms of community engagement.






The Guideline and Frame work to support the 4 GREEN strategy and UN SDGs Goal

Dimension	Topic	Key Success
<b>Economic (Green Company)</b> “Sustainable Growth” 	<ul style="list-style-type: none"> <li>• Good Corporate Governance</li> <li>• Anti-corruption</li> <li>• Increased production and Expand market share</li> <li>• Strengthen the customers' and Partners' trust</li> <li>• Focused on quality of products to satisfy customers</li> <li>• Educated rubber farmer/supplier to make a good quality raw material</li> <li>• Create innovation and new technology</li> </ul>	<ul style="list-style-type: none"> <li>• CG score</li> <li>• AGM assessment</li> <li>• Member of The Private Sector Collective Action Coalition Against Corruption (CAC)</li> <li>• Economic Performance</li> <li>• Customer Satisfaction</li> <li>• Sri Trang rubber farmer project</li> <li>• R&amp;D and Innovation project</li> <li>• Benefit from Kaizen&amp; QCC activity</li> </ul>
<b>Social (Green Supply)</b> “Create more happiness for internal and external society” 	<ul style="list-style-type: none"> <li>• Development and employees' care</li> <li>• Human Rights and Fair Labor Practices</li> <li>• Establish responsible process to consumer care</li> <li>• Engage supplier or partners' for social responsibility</li> <li>• Social and Community Development</li> <li>• Good health, Safety and Good working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Turnover rate</li> <li>• Disabled persons employment</li> <li>• Accident rate</li> <li>• Consumer complaints</li> <li>• No. of Suppliers who acknowledge anti-corruption policy</li> <li>• Cost and project to supported and developed community</li> </ul>

Corporate	Governance	Social	Environment	Achievements
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Dimension	Topic	Key Success
<p><b>Environment</b>  <b>(Green factory, Green product)</b>  “Focus on the effective environmental management system”</p> 	<ul style="list-style-type: none"> <li>• Energy reduction and renewable energy</li> <li>• Reduce CO<sub>2</sub> emission</li> <li>• Efficiency resourcement and reuse material</li> <li>• Oriented towards managing to reduce Impacts of the production.</li> <li>• Develop and share innovation of environmental responsibility</li> <li>• Planting and increasing the green areas</li> <li>• R&amp;D environmental friendly products</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Conservation Project</li> <li>• Waste to value Project</li> <li>• % of rubber transportation vehicle of “the Bun Tuk Yang Tid Rang Srang Roi Yim” project</li> <li>• Test kit on sulfate content in raw material</li> <li>• Quality of treated water</li> <li>• Air emission result</li> </ul>

## The Practices with Stakeholders



The Company recognizes about stakeholders' engagement. Have conducted surveys, analyzed and prioritized in order to meet the stakeholder expectation appropriately by determination the responsible departments' obligations in accordance with the Company's required guideline and periodically reviews stakeholder's expectations and adjust the responses accordingly. In 2019, the Company classified the stakeholders into 8 groups as follows:

Stakeholders	Communication Channel/ Participation	Needs/Expectation	Responses to Expectation	Indicators/Result 2019
 <p><b>Shareholders, Investors and Analysts</b></p>	<ul style="list-style-type: none"> <li>- Shareholders' meetings</li> <li>- Q&amp;A by phone and email</li> <li>- Annual report and Sustainability Report</li> <li>- Company's website</li> <li>- Analyst's Meeting</li> <li>- Meeting domestic and foreign investors through various activities such as Opportunity Day, Thailand Focus, Corporate Day and Roadshow</li> </ul>	<ul style="list-style-type: none"> <li>- The Company has good performance and continuous growth.</li> <li>- Consistent dividend payment</li> <li>- Shareholders receive accurate, complete, timely and sufficient information for decision making.</li> <li>- The Company operates with transparency and manage a good internal control system.</li> <li>- There is no news that will affect the reputation of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>- Operates strategically along with good corporate governance.</li> <li>- Appropriate dividend policy.</li> <li>- The Company adheres to the ethics and code of conduct regarding responsibility to shareholders.</li> <li>- Accurate, timely and sufficient disclosure of information</li> <li>- Accurate, up-to-date and user-friendly website</li> </ul>	<ul style="list-style-type: none"> <li>- The Company dividend yield 46.52%</li> <li>- The Company has been evaluated to be listed on the Thailand Sustainability Investment (THSI) for 5<sup>th</sup> consecutive year and was selected in the list of 53 stocks in the SETTHSI index.</li> <li>- The Company participated in investors meeting with fund managers and media domestically and internationally in a total of 70 times, which engaged 186 funds in 2019.</li> <li>- Number of visits Company website In the part of investor relations, a total of 31,511 times</li> </ul>






Stakeholders	Communication Channel/ Participation	Needs/Expectation	Responses to Expectation	Indicators/Result 2019
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>- The Company's monthly meeting</li> <li>- Kaizen, QCC, 5s, Safety talk, KYT</li> <li>- Intranet, website, email, Facebook, Line STA Family</li> <li>- Suggestion box</li> <li>- Channels for complaints</li> <li>- Others activity</li> </ul>	<ul style="list-style-type: none"> <li>- Fair remuneration and good welfare</li> <li>- Respect in human rights and non-discrimination</li> <li>- Good health, Safety and Good working environment</li> <li>- Career stability and opportunities for career advancement</li> <li>- Competency development</li> </ul>	<ul style="list-style-type: none"> <li>- Ethics and Conduct of responsibilities of employees</li> <li>- Human right and non-discrimination policy</li> <li>- Implementation of standard system ISO 14001 and OHSAS 18001, BSCI</li> <li>- Whistle Blowing Policy</li> <li>- Training plan</li> <li>- Internal activity: Happy workplace/Activity Prize.</li> </ul>	<ul style="list-style-type: none"> <li>- Zero complaint</li> <li>- Turnover rate &lt; 3%</li> <li>- Zero accident rate up to 3 day off work</li> </ul>
 <p><b>Raw material supplier/ Rubber farmers</b></p>	<ul style="list-style-type: none"> <li>- Mobile Application</li> <li>- Line@sritranggroup, Facebook, Call center</li> <li>- Online communication system : phone, e-mail and website</li> <li>- Publication media; brochures, Vinyl</li> <li>- Site Visit and evaluating suppliers</li> <li>- Engagement activities</li> <li>- Participation with Rubber Farmer, Cooperative and Government Sector</li> </ul>	<ul style="list-style-type: none"> <li>- Quick and updated information within timeframe</li> <li>- Fair agreements</li> <li>- Fair &amp; transparent competition in pricing</li> <li>- Received trading and rubber knowledge</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct of Relations with Business Partners</li> <li>- Approve and Re-approve procedure</li> <li>- Raw material purchasing procedure</li> <li>- Criteria and specification of raw material received</li> <li>- Suppliers' evaluation Work Instruction</li> <li>- Anti-corruption policy and practices</li> <li>- "Sri Trang Puen Chao Suan" Project</li> <li>- "Good quality latex" Project.</li> </ul>	<ul style="list-style-type: none"> <li>- Increasing raw material supplier</li> <li>- Quality raw material within requirement</li> <li>- Supplier evaluation</li> </ul>



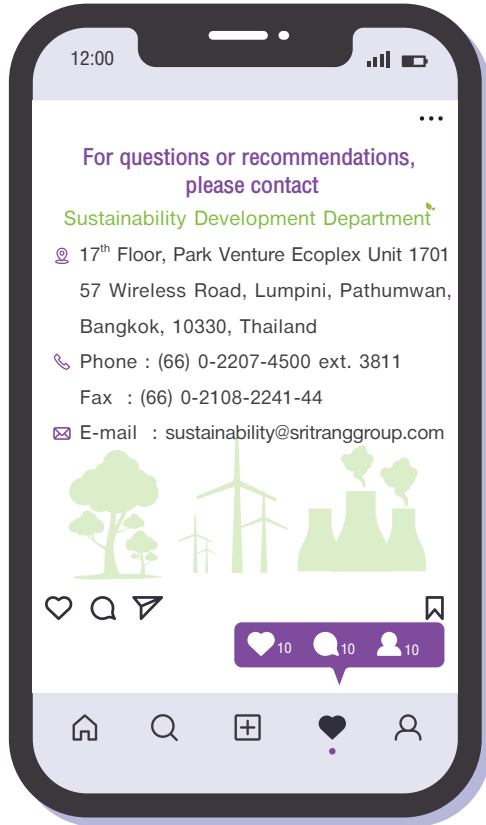
Stakeholders	Communication Channel/ Participation	Needs/Expectation	Responses to Expectation	Indicators/Result 2019
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>- Online communication: phone, e-mail, website, Facebook and Line@</li> <li>- Customer Satisfaction Survey</li> <li>- Factory visiting</li> <li>- Engage activities with customers</li> <li>- Customers meeting</li> <li>- Trade exposition</li> </ul>	<ul style="list-style-type: none"> <li>- Good products &amp; services</li> <li>- Fair dealings</li> <li>- Keep confidential information of customer</li> <li>- Jointly in product development</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethics and Conduct of relation with Customers</li> <li>- Implementation of standard system ISO9001, 14001 and OHSAS 18001, BSCI, FSC</li> <li>- Research and development</li> <li>- Improvement of production process to meet customers' requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Market share</li> <li>- Sales volume</li> </ul>
 <p><b>Business partners/ Suppliers</b></p>	<ul style="list-style-type: none"> <li>- Various channels of communication: phone, email and website</li> <li>- Yearly evaluation of business partners</li> <li>- Meetings with business partners and suppliers</li> <li>- Joint activities</li> </ul>	<ul style="list-style-type: none"> <li>- Standard procurement system that is transparent and verifiable</li> <li>- Received correct information of products and services Procurement</li> <li>- Received income from appropriate workloads</li> <li>- Received payment for goods and services on time</li> <li>- Jointly developed product quality</li> </ul>	<ul style="list-style-type: none"> <li>- Adherence to purchasing policy</li> <li>- Anti-corruption policy</li> <li>- Obtaining CAC certification and encouraging partners to join</li> <li>- Whistle blowing channel</li> <li>- Partner development</li> </ul>	<ul style="list-style-type: none"> <li>- Delivery on time and meet the requirements</li> <li>- Supplier evaluation</li> <li>- 102 of partners who have signed their intention to anti-corruption</li> </ul>





Stakeholders	Communication Channel/ Participation	Needs/Expectation	Responses to Expectation	Indicators/Result 2019
 <p>Community</p>	<ul style="list-style-type: none"> <li>- Participate activities with community</li> <li>- Community survey</li> <li>- Publication signboard</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in community and society.</li> <li>- Support for community activities</li> <li>- No negative impact to community</li> <li>- Social and environment responsibility</li> <li>- Respect in human right and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>- Providing Social and community development project</li> <li>- Support and jointing for community activities</li> <li>- Recruitment local employee</li> <li>- Open house</li> <li>- Anti-Corruption policy</li> </ul>	<ul style="list-style-type: none"> <li>- Supporting to community development 882 projects.</li> <li>- Supporting community activities amount of 3,589,942 baht</li> <li>- Employees from the community 1,683</li> <li>- Community survey results</li> </ul>
 <p>Creditors/Banks</p>	<ul style="list-style-type: none"> <li>- Meeting</li> <li>- Phone, e-mail</li> <li>- Company website</li> </ul>	<ul style="list-style-type: none"> <li>- Fulfillment of contractual terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with contractual terms and conditions</li> <li>- Accurate and timely response to questions about financial conditions</li> </ul>	<ul style="list-style-type: none"> <li>- Confidence in doing business with the Company</li> </ul>
 <p>Government sector/ Enterprise/ private sector</p>	<ul style="list-style-type: none"> <li>- Meeting and informing</li> <li>- Factory visit</li> <li>- Participation in various projects</li> <li>- Participation as a working committee on requested by government agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with state laws and regulations</li> <li>- No negative impact action with society &amp; environment</li> <li>- Provided environmental and safety management system</li> <li>- Support government project</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with state laws and regulations</li> <li>- Right and fast information</li> <li>- Support and Participated in activities</li> <li>- Participation as a working committee with government agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Permission to operation continual</li> <li>- Obtaining green industry certification</li> <li>- Certificate/Awards from government</li> </ul>





## About this report

This is 7<sup>th</sup> year of sustainability report that the Company publish which aims to communicate to all stakeholders about the direction and, economic social and environmental performance approach to sustainability development since 2014. "This report has been prepared in accordance with the GRI Standards: Core option". Including the corporate social responsibility comply with the guidelines of the Stock Exchange of Thailand and UN SDGs.



### Universal Standards

including the Company information, Corporate Governance. Corporate strategy, Risk, Material aspects and Stakeholder analysis.



### Topic-specific Standards

the specific information covering economic, social and environmental issues.

This report presents 2019 operating data of the Company, identify and reporting comply with materiality issues covering the business of Natural Rubber and some of Finished Products. Covering period 1 January to 31 December, 2019



The Company has disclosed to shareholders via QR Code and can download this report and report year 2018 from the Company Website [www.sriranggroup.com/sustainability/report](http://www.sriranggroup.com/sustainability/report)



## 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

### Materiality

#### 1 Identification

The Company collects important information on both internal and external factors based on a survey of the needs or expectations of each group of stakeholders and an analysis of the effects of our internal operations and the changing external contexts, including the sustainability trends which affect the Company's operations

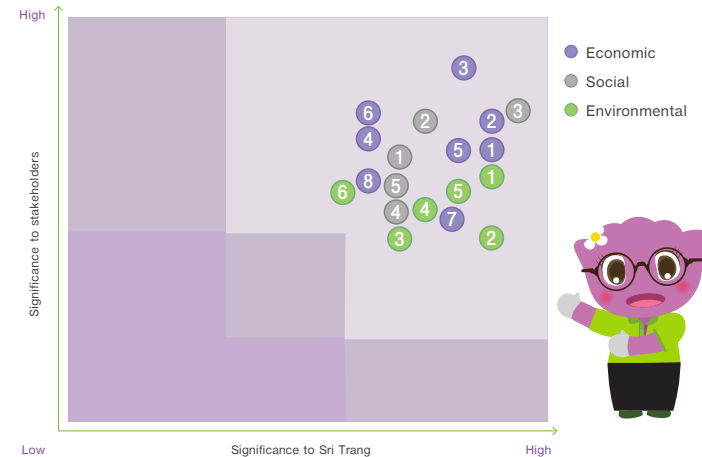
#### 2 Prioritization

The Company gathers the key issues and prioritizes them by using the Materiality Matrix as a ranking tool as follows:

- The horizontal axis represents the significance of the organization's economic, social and environmental impacts, ranked from the least important to the most important.
- The vertical axis represents the influence on the assessments and decisions of stakeholder, ranked from the least important to the most important.

#### 3 Validation

The important issues from the analysis and ranking were verified by the working group and presented to the Board of Directors to approval for disclosure in the Sustainability Report 2019. The materiality issues are as follows:



## Key Sustainability Issues

### Key sustainability

### Report topic

### page



#### Economic

1. Code of Conduct and Good Corporate Governance
2. Anti-corruption
3. Good performance and continuous growth
4. Risk Management and Business Continual Plan
5. Customer Relations
6. Supply chain management
7. Supplier and Rubber Farmer Development
8. Innovation, Research and development

1. Good Corporate Governance
2. Anti-corruption
3. Business overview and economic performances
4. Risk Management
5. Responsible for customer and consumer
6. Business partners practice
7. Partnership development
8. STA Innovation, Employee development and Creating Innovation

- 26  
27  
25  
28  
50  
48  
49  
32, 40



#### Social

1. Development and Employees' care
2. Health and Safety workplace
3. Complaints management
4. Supporting and Participation with community
5. Product quality and service

1. Human rights and employee care
2. Occupational health and safety
3. Whistleblower policy
4. Participation in community and social development
5. Responsibility toward customers and consumers

- 33  
45  
27  
51  
50



#### Environmental

1. Environmental Impact
2. Energy Consumption
3. Carbon dioxide emission
4. Water consumption and waste water treatment
5. Emission Management
6. Waste Management

1. Environmental management
2. Climate change and Energy conservation
3. Climate change and Energy conservation
4. Water resource management
5. Emission management
6. Waste Management

- 57  
58  
59  
60  
61  
62

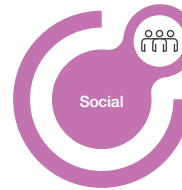


## Membership of Organizations for Economic, Social and Environmental Development

The Company has become members of various public and private organizations that contribute to the economic, social and environmental development of the natural rubber industry, and has participated in various activities and projects that support the implementation of the guidelines for sustainable development.



- 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 (ANPRC)
- The Natural Rubber Policy 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
- Thai AEO Importer & Exporter Association
- Department of International Trade Promotion, Ministry of Commerce
- Thai Listed Companies Association
- Collective Action Coalition Against Corruption: CAC



- Unicef Thailand (CRBP)
- CSR club, Thai Listed Company Association
- STEM Education Thailand



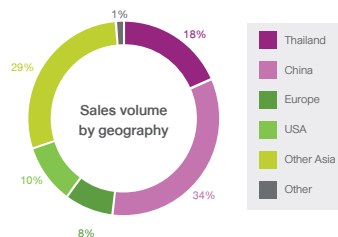
- Water Institute for Sustainability, The Federation of Thai Industries)
- SNRI Member of Sustainable Natural Rubber Initiative (SNR-i)



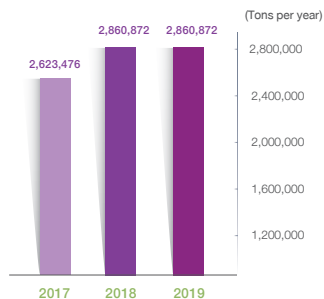


## Business Overview and Economics Performance

Sales volume by geography



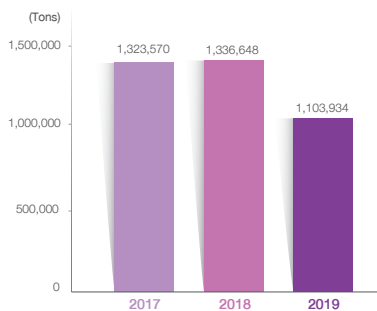
Production Capacity of Natural Rubber



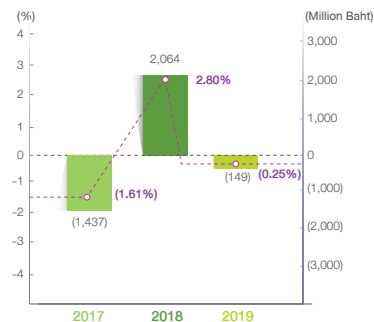
Production Capacity of Gloves



Sales Volume of Natural Rubber



Net Profit



Sales Volume of Gloves



For more details see in the Annual Report, 2019.



## 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.

### Good Corporate Governance

The Company has used the self-assessment form for the SET's Code of Best Practices as a guideline and adapted the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) in the Company's implementation of the principles of good corporate governance. The Company believes that this would provide benefits to the Company in the long run and help the Company to operate with ethics and responsibility toward stakeholders as well as minimize environmental impact and adapt to the changing circumstances, which would lead to the long-term, sustainable value creation.

In 2017, the Company recognized the roles and responsibilities of the Board of Directors, Management and major shareholders as leaders in implementing good corporate governance. In this regard, the Company Secretary presented to the Board of Directors the 8 principles and 37 guidelines of the 2017 CG Code during the Meeting 5/2017, held on 11 August 2017, so that the Board of Directors could acknowledge and understand the roles and benefits of the CG Code in helping the Company achieve long-term sustainability.

In 2018, the Board of Directors acknowledged the 8 principles of the CG Code, which the Company Secretary presented to the Board of Directors during the Meeting 6/2018 on July 16, 2018, the Company has always been used as a guideline.



## Anti-Corruption

The CAC Council resolved to certify STA as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on August 21, 2018. The Company has continuously implemented measures in accordance with the certification process of the CAC, including corruption risk assessment measures, corruption risk management and monitoring measures, anti-corruption monitoring and evaluation measures. The Company has provided training to educate employees about STA's anti-corruption policy and measures to ensure that STA's operations are conducted with transparency and fairness, with the goal of combating all forms of corruption, and in accordance with the law, corporate ethics and the principles of corporate governance.

In addition, the Company has published the anti-corruption policy and roles in part of corporate governance at [www.sritrangroup.com](http://www.sritrangroup.com)

### The Whistleblower Policy

The Company has committed to conduct auditable business properly, transparency, fairly in compliance with Good Corporate Governance and has issued this Whistleblower Policy 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 all groups of stakeholder are able to report are able to complaint when they encounter, observe or suspect wrong-doing or violations of policies, rules, regulations, laws, good corporate governance, code of business conduct, or any other disciplines of Sri Trang Group that may cause the damage to the Company's property and reputation.

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.

For more details see in the Annual Report, 2019.

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

#### By Letter

either by post or by hand directly

The Corporate Secretary Office of Sri Trang Agro-industry Public Co.,Ltd.  
17Fl, Park Ventures Ecoplex, Unit 1701, 1707-1712 57 Wireless Road,  
Lumpini, Pathumwan, Bangkok 10330

#### By Telephone

02-207-4590



#### By directly report

directly report to the units responsible for that issue.

#### By E-mail Address

E-Mail Address:

[corporatesecretary@sritrangroup.com](mailto:corporatesecretary@sritrangroup.com)

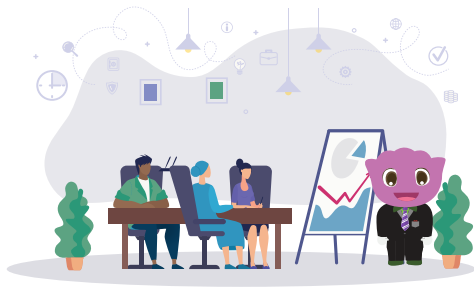


## Risk Management

Due to the complexity and fast changing of business environment currently, these may affect the ability to achieve the goal of driving the organization to sustainable success. Risk management is an important process that helps in systematic planning to handle business uncertainty.

The Company uses risk management in accordance with the international standards “ERM” to apply at all levels of the organization as a tool to support the strategy, management and create a risk management plan for every investment project to achieve the overall business objectives and in accordance with the guidelines for sustainable business development with the environment and society by communicating and encouraging all employees at all levels to realize the responsibility of risk management together to create a corporate culture

In the year 2018, the Company has a plan to implement the Business Continuity Management (BCM) system to apply crisis preparedness and continue to manage business efficiency according to international standards as well as build confidence with stakeholders that the Company will be able to cope and respond to crisis events and deliver products continuously.



### Risk Management Structure

Director, executives and employees in the organization are involved in risk management. Risk Management Committee (RMC) consisting of senior executives from the business group, work groups and various departments are responsible for monitoring the performance and developing the risk management system for the entire organization to have an effective risk management system to ensure that appropriate actions are taken to manage risk.

### Vision of Risk Management

Sri Trang Group is an organization with risk management throughout the organization through the Enterprise Risk Management: ERM risk assessment process to support management and add value to the organization.



## Objective of Risk Management

1. Usage of risk management for the whole organization and define risk management as the decision part, strategy, work planning and operation of STA.
2. Guideline for managing the exists risk to acceptable level by considering the effective measures to reduce the chances and/or affect from risk that would be occurred in order to reach the objective in organization and units level.
3. For the top managers and risk management committee get the importance risk information, trends 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 regularly and aware of the risk level that acceptable and real runs with the appropriate capital.
5. In order to communicate and transfer the knowledge of risk management to employees regularly and develop them to have understanding, awareness their risks thru risk management under the responsibility together.



## Risk Management Policy

STA group highly concerns the importance of risk management as we define risk management policy to manage STA and its affiliated companies as follow:

1. Appointed risk management as the responsibility of employees at all levels that must be aware of the exist risks in their work and organization and focus on various risk management that managed under internal control in a systematic and adequate level.
2. Promote and support usage of risk management as an important tool for management of STA and its affiliated companies that personnel at all levels must have understanding, cooperation, and use risk management to create a good image, support good corporate governance, excellent management and create reliance for shareholders or stakeholders of STA.
3. Promote and develop usage of modern information technology systems in the risk management process of STA and its affiliated companies. And encouraging personnel at all levels to access information sources of risk management information thoroughly as well as establishing a risk management reporting system for the Risk Management Committee to be effective.

The Risk Management Committee systematically carries out the risk of the organization. According to the ERM (Enterprise Risk Management) standard risk management framework covering 4 main risk factors including:



## Risk Management Performance

Evaluation from the risk that be considered the importance trend in the future include Economics, Social, Environment and Business' goal. The Company has defined the measure of risk management to create a trusting in managing as follows:



### Economic Risk

#### Topic

- Natural Rubber Price Volatility prices (supply and demand of natural rubber, Prices of crude oil, energy and oil-based chemicals, Currency fluctuations and speculative)
- Discrepancy between the growth in demand for natural rubber and expectations

- Supply chain management

#### Impact

- Increased production costs
- Decreased sales volume and profits

- Raw material is not enough or the delay delivery causes production disruption

#### Management

- Raw material sourcing management
- Use of hedging tools
- Use of financial derivatives
- Production of various products
- Variety customer base

- Creation of procurement network
- Visiting suppliers
- Category sales group
- Supplier Code of Conduct



### Social Risk

#### Topic

- Accident or Emergency
- Workplace illness

- Shortage of labor

- Products that do not conform to standards

#### Impact

- Employees health & safety
- Stakeholder trust

- Production Disruption and/or Production Stoppage

- Consumers safety

#### Management

- Occupational health & Safety plan
- Annual health check-up
- Emergency plan

- Human resource management
- Using automation system

- Internationally accredited laboratory
- Standard certification for product quality and safety





## Environmental Risk

### Topic

- Environmental Management

- 
- Air quality management

### Impact

- Negatively affect the Company's reputation
- Increased production costs from imposition of fines or termination of the Company's operations.

- 
- Impact on nearby communities may cause complaints

### Management

- Strictly and continually managed environmental system in accordance to ISO 14001
- Compliance with regulations and laws

- 
- Consistent Monitoring
  - Research and development to improve the system



## Emerging Risk

### Topic

- New laws and regulations relating to the Company's business operations, both domestic and overseas

- 
- Extreme weather events or natural disasters

- 
- Cyberattack

### Impact

- Matters affecting the Company's reputation; penalty fees/fines
- Temporary suspension of business to improve operations

- 
- Matters damaging to the business operations
  - Below-target productivity
  - Loss of income from business interruption

- 
- Loss of income because the Company cannot sell products or provide services to customers
  - Loss of the Company's intellectual property or proprietary information
  - Customers and business partners losing confidence in the Company's information security system
  - Increased legal expenses

### Management

- Setting up a team responsible for the study of environmental measurement together with government agencies
- Hiring law firms in countries where the Company has investments as legal advisors

- 
- Having a Business Continuity Plan (BCP)
  - Taking out risk insurance

- 
- Creating a back-up network system and server in order to enable continuous working.
  - Creating a system to prevent unauthorized persons from intruding into/destroying the Company's network and imposing strict security measures, e.g. a firewall system, a periodic authorization review, and an information back-up

For more information please see in Annual report 2019 ([www.sriranggroup.com](http://www.sriranggroup.com) > Investor Relations > Publications > Annual Report 2019)



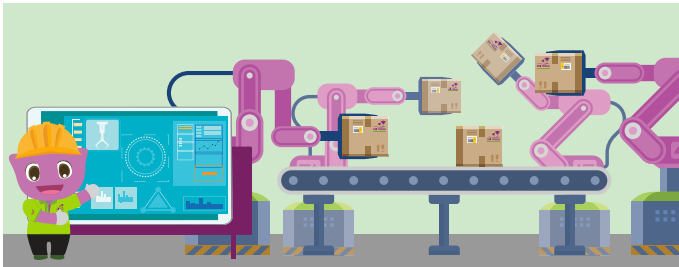


## STA Innovation

Due to the economic fluctuation, trade war between China and the U.S., the rapidly changing of natural environment, causing the Company to adjust its operational management to be able to cope with changing circumstances. It is recognized that innovation creates competitiveness and sustainability for the organization. The Company has set up a research and development team and use the activities to develop, support and encourage employees to able to create new knowledge to improve their work and able to solve the problems until becoming a culture of innovation.

In the year 2019, the Company invested Baht 49.6 million for research and development covering natural rubber and rubber gloves businesses to empower our production process and product quality, in order to meet the needs of customers and also environmental management. There were 60 projects completed in 2019 and 12 ongoing projects in 2020.

## Social Innovation



### Career Opportunity to create Good People to Society Project

In addition to the career opportunity for people nearby the factory, the Company also create career opportunity and value for the underprivileged in the others groups. The prisoner is another group that the Company provides the opportunity for career training. The Company starts the pilot project under the cooperation with Loei Provincial Department of Corrections by

providing opportunity for well-behaved prisoners evaluated and certified by the Department of Corrections to work with the Company since June 2018, which showed the satisfied result. The Company therefore extended this project to our Udon Thani factory in March 2019 by hiring well-behaved prisoners to work in the position of weighing and pressing, cleaning, mixing, raw material receiving and quality control. For the compensation of those workers, the Company has paid at the minimum wage defined by law.

### Benefits to Well-Behaved Prisoners

Generate income around Baht 8,500 per month, they can gain more than 100,000 Baht per year to start a new life.

### Benefits to Organization

- Reduce shortage of employees in the position of weighing and pressing
- Reduce labor cost in production department for 10%
- Reduce absence rate of employees

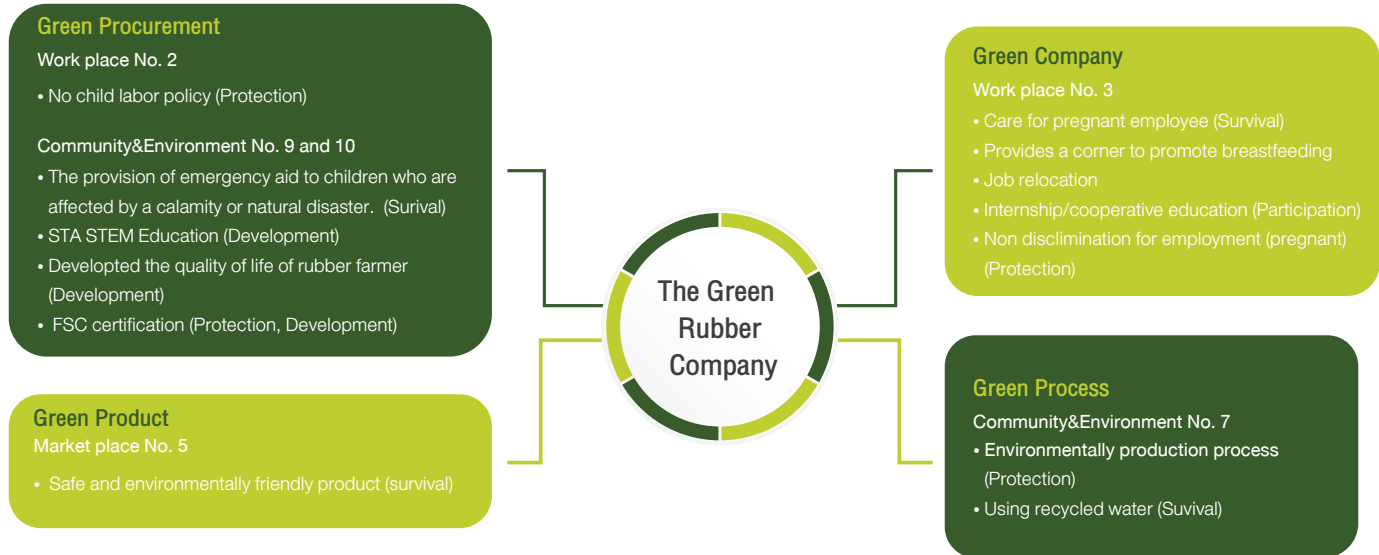


## Social

### 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 code of conducts and business.

The Company continues to support children's rights under the 10 principles of all 3 aspects to integrate with the 4 principles and strategies of the organization. By using relevant business practices for continuous operations as follows



The Company also emphasizes the promotion of the employment of disadvantaged workers and disabled people. To support sustainable development goals, UN SDG1, No poverty, and SDGs 10, Reduce inequality. In year 2018 the Company initiated "Career opportunity to create good people to society" project. Practice of working skills to prisoner from Provincial Department of Corrections. The employment of 20 good prisoners who near to be released to work in the position of weighing and pressing, cleaning, mixing, raw material receiving with the minimum wage rate in law. In year 2019 was extended to the Udon Thani branch in the position of weighing and pressing, mixing, packing, quality control, contaminate inspector, total of 19 employees. In order to add values for good behavior prisoner. Moreover this project also reduce absenteeism of the workers. After finished if the prisoner has been released and has a good working record, the Company also gives an opportunity to apply for work.

For the Disabled employment, the Company also sending staff to visit and cheer up as well as initiated activities to development and create happiness.

		Natural Rubber	Gloves	Total
Disabled Employee (persons)	Inside	43	9	52
	Outside	4	56	60
Wages Payable (Baht)		5,970,000	4,728,886	10,698,886

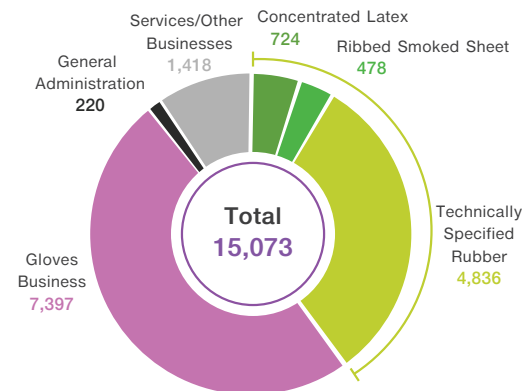
## Employees' Care

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.

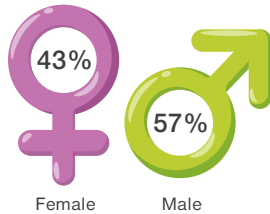
## Hiring

Business Line As of 31 December 2019 (Unit : Person)

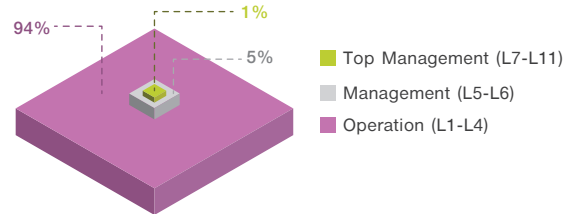


As of 31 December 2019, the Company had 15,073 employees which can be categorized as follows:

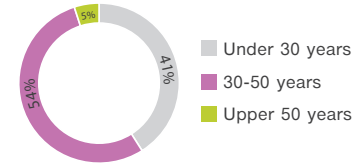
### By Gender



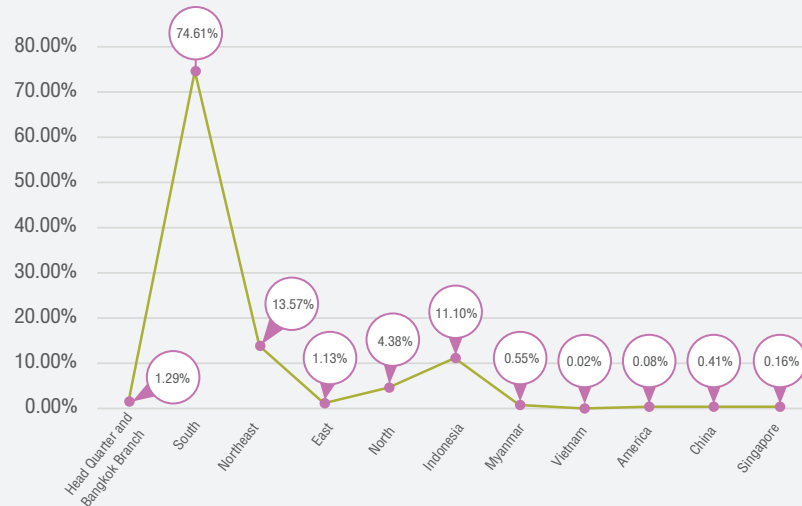
### By Level



### By Age



### By Area

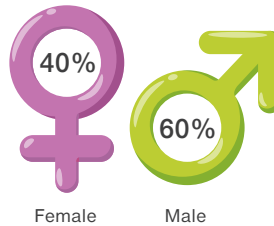




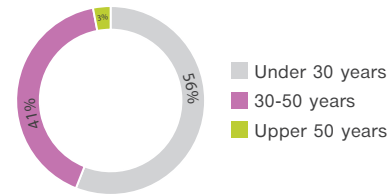
### Turnover

2.21 %

### Employee Termination by Gender



### Employee Termination by Age



### % of Promoted Employees



Natural Rubber

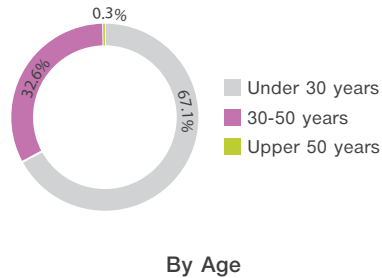
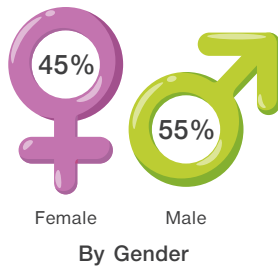
6%



Gloves

3%

### New Employee



### Maternity leave



Return after  
maternity leave

86%



## Recruitment

The Company has recruiting staff both from internal personnel by promoted or relocating work units to advance and grow up. In terms of external recruitment, the Company recruitment according to the job Description for each position combined with emotional intelligence in order to get employees who are suitable for the position, being smart and good. The Company specifying the necessary details for recruitment information through various channels such as the Company website, jobs websites, job recruitment in the provincial so that interested people can be to apply in equally.

As for the employment of foreign workers, the Company operates in accordance with the law. And also have the documents on how to recruit neighbor employees. In addition to the quality system department will do an audit 1 time a year.



## 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.

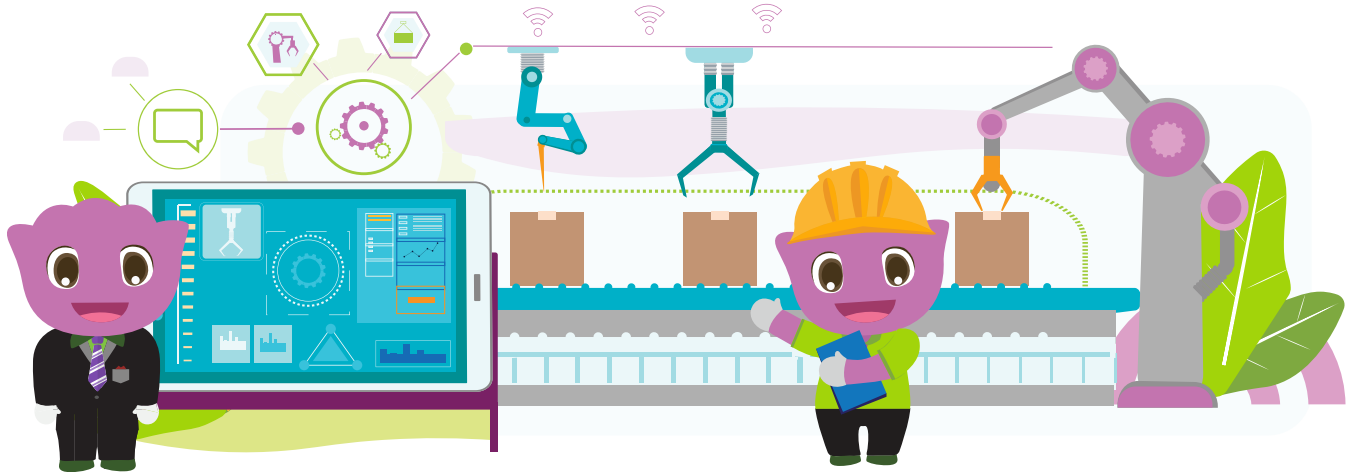
The Company implemented the PMS: Performance Management System management system by establishing a work management system. The Company establish the PMS working group to considered and the guideline of evaluate. Set up the Key Performance Indicator in each business unit In order to set the goals of each agency to be consistent and the same way throughout the organization, such as setting goals, operating profit and loss performance, main units and support units and customer satisfaction etc., the part of the performance management system used for consideration Employee rewards and bonuses.

The Company set up specific unit responsible for remuneration and productivity management to increase labour efficiency in accordance with reasonable benefits. Almost 8 years, the Company exclusively focus on "productivity management" by outsourcing productivity specialist to set up and exercise practical system within Company. In addition, most of staffs and top management recognize and hold a productivity mind on a high level. It can be proved by the development of productivity increase continuously more than 50% in 8 years entirely natural rubber group. Obviously, it also notice that we have huge expansion and increase production capacity but nevertheless we remain the same level of workforce.



Our focus through productivity management is to eliminate loss, waste and inefficiency in process, furthermore the strengths of our productivity management which can differentiate to other companies are:

1. Benchmarking/Best practice concept-we apply the good point where we have many plants in the same business, then we can compare the operation and find out the best solution or new improvement all the time. Especially, the challenging target influence our plants must improve and reach to the higher performance continuously.
2. Multi-skilling-the Company enhance the capability of people by training several skills or knowledge on different fields. Our staffs who are responsible more than two jobs and can rotate or substitute other missing function, in consequence they will be promoted and earn more income from various skills. For example, data center project.
3. New/upgraded technologies-the Company set up budget to invest in R&D projects and focus on new technology also the upgrade of existing technologies every year. Particularly, we research and develop in automation system or robot to replace number people or reduce workload of people. The most important is these technologies will substitute hard or dangerous work, it is able to contribute quality of life of our workers become healthier.



## Training and Employee Development

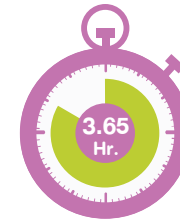
### Employee Development Policy

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.

### 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. 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.
5. 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.

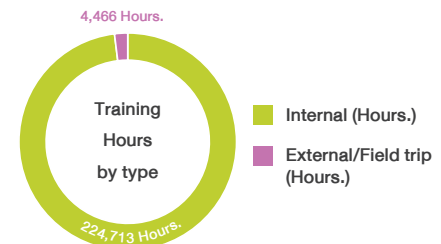
In "Activity Prize" has established "Sri Trang Champion" for our employees to showcase their skills and accomplishments with their colleagues, so that they will be inspired that they too can achieve what they set their mind as well.



Training hours  
average per man  
per year

**Target**  
**5 Hr./Person/Year**

The proportion of training by category	No. of Course
Administration	6
Manufacturing	126
Service	52
Technical	284
On the job training	1,538



Total training cost

**10,269,562 million baht**





## Employee Development and Creating Innovation

The Company encourage employee to create innovation by kaizen and และ Quality Control Circle (QCC) activities. In 2019, Performance as below

### Natural Rubber

Activity	Employees' participation	Target (subject per year)	Results
OPL	100%	2	Total 2,875 subjects
Kaizen	100%	2	Cost saving 31 MB.
QCC	100%	1	Cost saving 16 MB.

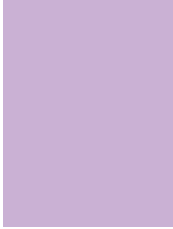
### Finished Products

Activity	Employees' participation	Target (subject per year)	Results
OPL	100%	2	Total 4,348 subjects
Kaizen	100%	2	Cost saving 179 MB.
QCC	100%	1	Cost saving 41 MB.



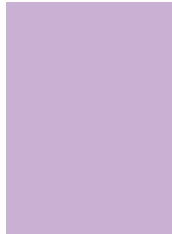
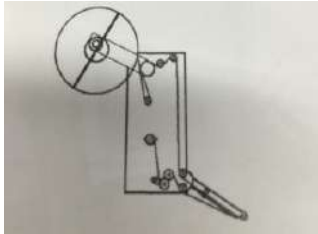
## Innovation from Kaizen

### Subject: Increase Productivity in the Sticker Box



#### Known issues

1. Increasing order of sticker boxes.
2. Can't support the box in time of the ship resulting in over time job and the staff from other parts were asked to help
3. The operation are 2 steps.
4. Waste time and low productivity, have cost 2 times.



#### New operation

1. Reduce work steps from 2 steps to 1 step.
2. Order stickers without perforations and print by the box preparation department.
3. PKG section collaborates with system engineering and suppliers to design a sticker coil which can be integrated into the INKJET machine that is in the department to support the sticker boxes.
4. Re-layout the working area to increase work space.

#### The results

1. The productivity is 47.91% which better than the set target is 31.19%.
2. Can deliver products on time, No Delay.
4. Reduce employees' fatigue.
5. Reduce the use of milky bags as the rubbished stickers can be stored in the form of a roll.
6. Can reduce the cost by 58,943 baht



## Kaizen Green Process



Subject

...Repair Notification  
by application...

Owner

...Mr.Siriphong Petchnoo...

Company

...Sadao P.S. Rubber Ltd...

Before

Machine break down



Repair notification form



Select the wrong tool



Go to fixed



"Where is broken, What tools are used"

End of month



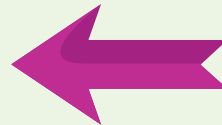
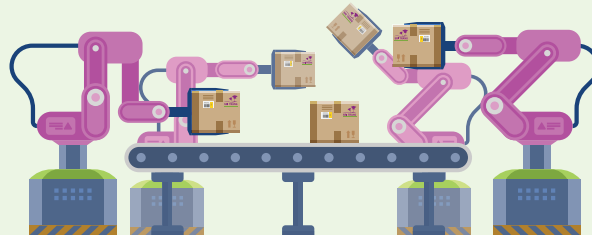
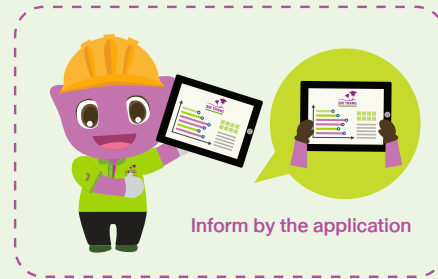
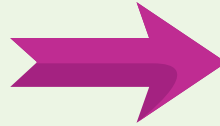
Headache

Many data to record  
in the computer

=



## Use application



Repair Finished,  
Closed the job



Check the status



## Benefits



### Productivity

Reduce time to pick the tool and recording monthly data



### Morale

Easy to work



### Save cost

Reduce repair notification form 12 books per year



### Environment

Reduce paper waste

## Occupational Health and Safety

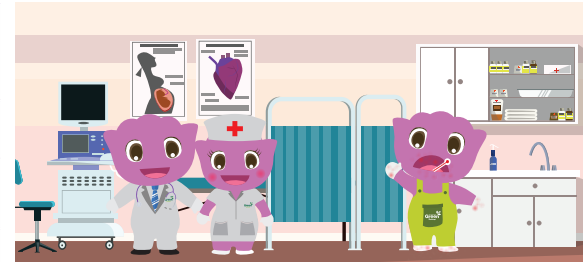
The Company always adheres to the regulations concerning occupational health and safety, paying extra attention to the health and safety of all employees as the Company realizes that every employee is the most important resource for the Company and is one of the main contributors to the organization. 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 and 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

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

Group	Injury Frequency Rate (IFR)	Injury Severity Rate (ISR)	Total Recordable Injury Rate(TRIR)	*Illness and death on duty (person)
Target				0
Natural Rubber	6.08	41	14.40	0
Gloves	3.75	25.14	8.38	0



## Environmental and Safety Evaluation of Contractor



## Health and Safety Promotion

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.

- SAFETY TALK & KYT
- Exercise by the principles of ergonomics  
SET WEEK/Safety data board/Occupational Health and Safety exhibition
- SAFETY BOX
- Contesting safe areas/Outstanding Occupational Safety and Health Committee
- Organizing sport events within the Company
- Participation in various government projects, such as the disease-free, workplace safe, happy mind and body
- Participation in various government programs such as
  - Occupational and Environmental Health Innovation for Health Sustainability
  - Thailand Labor Management Excellence Award, Outstanding prototype of safety, occupational health and working environment
  - A project for promoting welfare for improving the quality of life of the elderly workers
  - Safety inspection program in collaboration with Labor Safety Center Region 4
  - Project to create awareness of preventive measures on safety, occupational health and the working environment to reduce injury of employees, etc.





Health Check up



Contractor Training



Forklift Training

Contingency plan  
for chemical spillRehearsal fire  
emergency plan

Songkarn festival safety road project





## Supply Chain Management

### Procurement and Responsibility to Business Partners

The Company has established the purchasing policy of the Sri Trang Group in accordance with the social responsibility policy and comply with the business code of conduct on partners and competitors strictly to anti-monopoly, unfair competition, prevent corruption and develop new vendors, by defining practices of the organization and selection to do business with social responsible partners such as green procurement, purchase energy-saving equipment, no child labor or forced labor, non-discrimination, fair employment and participation in environmental preservation. Including promoting knowledge for partners to be responsible for society. Using the Supplier Assessment Form in the BSCI code of conduct system that covers both social and environmental aspects applied to annual assessment of major suppliers.

In assessing the risks that may arise from business partners, the Company has evaluated the order of value with the suppliers in order to know the important customers that affect the operations of the organization which will be managed appropriately.

In terms of transparency in the procurement system, the Company set up internal audit and risk assessment that may be potential to fraud and corruption. In the case of finding that there is no transparency or fraud will take disciplinary action against employees according to the Company's regulations and have a blacklist system with such suppliers

In 2019, there were 102 partners who signed to show the intention of anti-corruption.



2018	2019
40	102

In 2019, the Company is involved in creating local economies as below;

Topic	Group	Unit	2017	2018	2019
Purchasing local products and services	Natural Rubber	(Million Baht)	387	487	260
	Finished Product		2,788	3,473	2,564
	Total		3,175	3,960	2,824
Proportion of local purchasing of products and services	Natural Rubber	%	12	12	9
	Finished Product		88	88	91
	Total		100	100	100



## Procurement of Natural Rubber Raw Materials

In the procurement raw materials, the Company has developed a mobile application, launched under the name "STA Friends," to facilitate the buying and selling of raw materials through easy registration and placement of orders, ensuring fairness to all raw material suppliers.



To facilitate the delivery of raw materials, the Company has developed a QR Code system to confirm identity, enable traceability as well as to accommodate other stages of the procurement process. In addition, the Company has published questionnaires to evaluate satisfaction and solicit suggestions for improvement from users of the mobile application in order to maintain good relations with suppliers.



The Company has also increased communication channels via Line@srtrang, Facebook, Call-center 02-207-4545 so that raw material suppliers are able to conveniently and promptly contact the Company.

As for the purchasing prices of raw materials, the Company has always referred to the market prices quoted on SICOM, which is a global market for the buying and selling of RSS and TSR.

## Partnership Development

From the idea of Green Procurement, focus the sourcing of clean raw materials, and giving importance to creating sustainability for partners and communities, especially those of raw material suppliers and rubber farmers. The Company encourages the suppliers of raw materials and rubber farmers to gain knowledge and understanding in the rubber business. By providing knowledge in producing quality rubber reduce environmental impact which will help create a good income and quality of life through various projects such as "Production of good quality cup lump", reducing the use of wrong coagulant agents, "Bantookyang Tidrang Sangroyyim" project to reduce the environmental impact of transportation which has been carried out continuously for the 4<sup>th</sup> year and has been extended to all branches of the natural rubber factory. In 2019, the Company has created "Good quality latex created happiness" project for suppliers to improve the quality of fresh latex.

In 2019, the Company received FSC<sup>TM</sup> certification, Forest Stewardship Council<sup>TM</sup> or forest management organization founded by non-profits policies which set by members from the environmental, social and economic sectors for the forest management of the world with responsible within a strict and transparent certification system, the Company has been certified from upstream to downstream businesses, consisting of FSC-FM (Forest Management Certification), which is a standard of sustainable forest in the rubber plantation and FSC-COC (Chain-of-Custody Certification) is a product chain management standard, consist of the rubber plantation, latex purchasing center, concentrated latex factory and the natural rubber medical gloves factory. It underscores the importance of sustainable supply chain management of Sri Trang group.



In general procurement (Non-rubber) purchasing department of the Company arrange for study trip, meeting with suppliers and annual auditing of partners together with the quality department to make suggestions, problem solving and improve the quality and delivery of raw materials in accordance with the requirement of the Company. Including social and environmental assessments in order to develop partners to grow together with socially responsible.

### Responsible for 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 2019, Customer satisfaction results are



**Target**  
**> 80%**

Customer satisfaction results are

Natural Rubber

**98%**

Gloves

**83%**

In the case of medical gloves, the Company has provided education to consumers through Facebook Sri Trang Gloves Thailand, Line@ and educate customers and consumers in the Medical, Food and others exhibition that are held annually.

Scan QR Code  
(Sri Trang Group)



Facebook



Line



Scan QR Code  
(Sri Trang Gloves)



Facebook



Line



MEDICA Fair 2019 Düsseldorf, international trade fair for medical technology 18-21 Nov 2019 Düsseldorf Exhibition Centre, Düsseldorf, Germany



## Participation in Communities and Society Development

The Company believes that sustainable business operation should include the community and society development to grow together in economy, social and environment. Including development the quality of life of people in the community through various activities and projects which initiated by ourselves and to meet the expectations of stakeholders as follows;

### Children and Youth



The project to support school development and improvement the playground, library building, provides sports equipment, necessary consumer goods to schools that are lacking in the area where the factory is located. Includes activities such as organizing the National Children's Day, as well as the involvement activities according to the ability of employees, such as:

- BBL (Brain – Based Learning) Playground Project since 2014, totally 18 schools in 2019.
- STA STEM STUDENT, the 3<sup>rd</sup> year of Sri Trang Community Learning Center, amount of 32 school in 14 factory.



### Sport

The Company believed that sports encouragement is a way to improve the society. The Company has support such activities by providing budget, sports equipment, and participating in sporting events of community and others agencies.



Anti-drug sporting event

## Career Development and Well-Being.



In addition to employ people in the community to work with the Company, another important thing is supporting and promoting career based on the needs and abilities of the community to create better living as follows.

### • Good Water Community Relations Project

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. When fish growing, the Company will arrange activities for villagers that have a fish selling career and others to catch the fish to food and sold.



### • Female Power Project

To strengthen communities by increase career paths and enhancing income for the community. In 2019, the Company implemented 17 projects, 9 products (weaving basket, long handle coconut broom, herbal shampoo, coin merit, Mangosteen-Turmeric soap, fabric softener and dish detergent, clothe tie dye, broom from plastics bottles). The participants over 500 persons can increase social value more than 300,000 baht per year.



Coin decoration for merit making



Multi-purpose cleaner



Long handle coconut broom



Weaving basket







### • Sufficiency Organic Agriculture Project

To create a career for the community in accordance with the sufficiency economy guidelines, following the King Rama IX, starting from 2018, Sri Trang Gloves (Thailand) Public Company Limited supports the organic farming at Baan Lob Moom community to grow organic vegetables, mushroom cultivation and herbal juice create income amount of 379,800 baht. In year 2019, the Company expanded the project to raise 6 pigs generate income for the group 27,500 baht and also share 10% of revenue for use in caring for the elderly in the community.



### • Career Promotion and Support Community Project

Sri Trang Glove (Thailand) Public Company Limited has formulated a policy to promote and support community occupation in which the factory is located. By buying products from the community to use in various activities of the Company, such as to visiting disabilities employees etc. In year 2019 the Company order of the New Year's basket from Ban Lob Moom community, Phatong Subdistrict, Hat Yai, Songkhla can generate income for the community of over 20,000 baht.



## Healthcare



The Company takes into account the health and safety of people in the community and society. Therefore, Sri Trang Gloves (Thailand) Public Company Limited to share caring through the support of medical rubber gloves for the community and various agencies for use to prevention of safe exposure, such as blood donation center, Thai Red Cross Society, District Health Promotion Hospital, University, Ruamkatanyu foundation, Soi dog and Rakmaw for stray cats Foundation. In addition to the health of the user Supporting gloves for stray cat and dog sterilization activities or rabies vaccination camp counting that the Company have participated to help solve social problems in another way as well.

### • Sri Trang Gloves "Sharing love to chronic patients" Project

In collaboration with the Social Work Unit, Songkhla Hospital and local Health Promotion Hospital donated gloves and necessities from staff donations to patients for treatment at home amount 15 persons and the Company representatives joined with social worker and Village Health Volunteer to monitor patient symptoms every 6 months with the expectation that patients will get better symptoms. According to the 2nd visitation in November 2019, 1 patient has recovered and is able to eat and walk on their own.



## Helping Disaster Victims and Disadvantaged

The Company provides assistance to disaster victims or disadvantaged people in society. Both domestically and internationally by the participation of employees, subsidized funds, survival bags, drinking water and medical gloves, through an organization directly and through customers and the Company's partners. In 2019, the Company has helped flood victims at Ubon Ratchathani between September-October by supporting punts, drinking water and survival bags totaling 25,000 baht



## Culture and Local Traditions

The Company has provided support to local culture and traditions in every community where the Company's operation in order to preserve the local culture and traditions.



## Environment and Surroundings

By CSR policy (Environmental friendly). Not only to implement an environmental management system, the Company also gives importance to the conservation and take care the environment of the community and society through projects and participation in environmental activities with various agencies as follows.



### • Aquatic Life Conservation

The Company takes into account the ecological restoration and food chain by collaborating with government agencies to organize activities releasing aquatic species into rivers, canals and seas to help restore ecosystems Food chain and maintain the abundance of nature.





### • Green Area

The Company gives importance to conserving the natural environment and reducing global warming. By increasing green areas to help absorb carbon dioxide and building weir to restore balance to the forest through activities for planting trees both internal and external by collaborating with government agencies every year



### • Sri Trang Volunteer

To strengthen unity and raise awareness of public mind for employees to improve the environment of both the nearby and faraway communities, such as villages, temples and schools to create a good environment. Including demonstrating the sincerity in sustainable operation with the community such as volunteer activities, cleaning road for community, volunteer escort monastery.

### • Add Color with the Heart for Bang Mak Activity

Sri Trang Gloves (Thailand) Public Company Limited, Trang branch sent volunteers to paint the building and developing the multipurpose Pavilion (Ban Bang Mak), this activity is a response to the needs of the community. To support the policy of participation and community development of the Company. Which will help create a good quality of life for the community.







#### • Bantookyang Tidrang Sangroyim Project

The project "Bun-Took-Yang Tid-Rang Srang-Roi-Yim" to encourage suppliers, rubber farmers, and truck owners to deliver rubber to the Company's factories with good practice. This helps prevent the serum from the cup lump leaking onto roads during driving to the Company's factories. In 2019, 17 STR factories showed the success rate of the vehicles passing this standard at 98.7%.



#### • Useful Soil Project : Sludge Processing to Organic Fertilizer for the Communities

In 2017, The Company has organized a pilot project to test the production of fertilizers by cooperation with agricultural specialists in plant protection service group Pattani Provincial Agriculture extension Office. Reducing the use of chemical fertilizers is a sustainable agriculture development that can be reduced the cost. The sludge used for fertilizer production has been analyzed and found that there is no contamination of harmful heavy metals.

In 2019, there are 2 branches operating, which are Narathiwat Branch and Pattani Branch, by participating in the mobile province project. Distribute organic fertilizer from the processing of sludge of the factory to a community of 390 bags and give 10 tons of sludge to the Pattani Provincial Agricultural Extension Office.



More various activities can be find from the Company website  
[www.sriranggroup.com](http://www.sriranggroup.com) in part of sustainability (Sustainability Activities)

## Environmental Performance

The Company recognizes and places importance on environmental stewardship along with business expansion. By establishing environmental policies and operational guidelines in accordance with the vision and social responsibility policy. Including raising awareness for employees to create a green culture in helping to protect the environment both inside and outside the organization through activities and projects. Which drives by the environmental working group and a central representative control the system and report the Company's performance to Board of Directors.

In 2019, the Company's reviewed and integrated the Environmental Management Policy, Quality Assurance Policy, Occupational Health and Safety Policy, and Environment Protection Act to align with the Company's strategies under the banner of "Green Rubber Company," the Company is committed to the following environmental practices:

01

### Green Company

- To comply with the relevant laws and regulations
- To develop standardized system
- To enhance employees potential

02

### Green Process

- To control the quality in all production processes
- To create working environment with good occupational health and safety
- To emphasize on achieving objectives
- To conserve natural resources and energy as well as prevent pollution
- To reduce wastes and encourage recycling

The Company implement environmental management systems into continuously. And still set the goal of the newly STR factory must be certified ISO14001 within 1 year after being certified to ISO 9001.

In 2019, there are a 14 companies that have received ISO 14001: 2015 environmental management system certification.

### Green Procurement

- To create the green awareness for sustainable development with business partners throughout the supply chain

03

### Green Product

- To produce products that comply with safety and environmental standards

04



## Climate Change and Energy Conservation

Due to Climate change and limited natural resources, caused the Company to be improved the management plan to cope with the ever-increasing environmental changes. In addition to joined in the Carbon Footprint projects, the Company has appointed an energy conservation committee to established energy saving measures to operate in accordance with the Energy Conservation Promotion Act 1992 and achieve energy conservation goals, such as the use of energy-saving equipment, biomass fuels and reducing the use of LPG etc.

The Company has set strategies, and targets for energy management as follows:

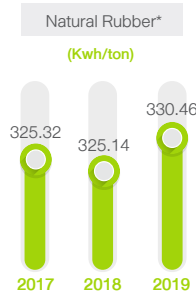
- Maintenance machinery equipment to maintain working conditions for maximum efficiency
- Improve and change equipment or machine to reduce energy consumption
- Study alternative energy and alternative energy to be used within the Company.

### Target

- Reduce electricity consumption of product per unit by 5% from the base Year 2017

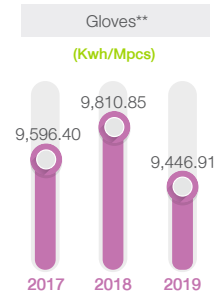
### Performance

#### The electricity consumption of products



\*Natural Rubber (RSS, LTX, STR)

\*\*Gloves (Hat Yai, Surat Thani and Trang branch)



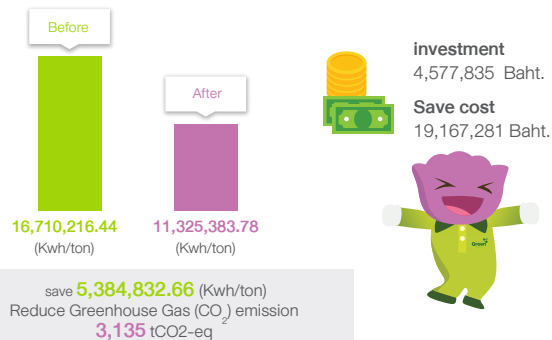
### Employee Awareness

In addition to the policy of reducing energy consumption, the Company also encourage employee to recognize and focus on using energy in daily life, such as using a cloths bag instead of a plastic bag, reduce paper usage, use one reusable paper, avoid using foam boxes, cycling. Campaign to separate waste by type to support reuse and reduce waste disposal. Includes increasing the green area within the factory and engage to planting with the community and outside agencies.

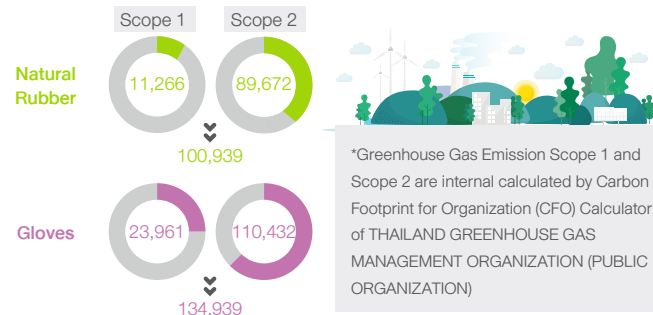


### Energy Saving Project 2019 (Natural Rubber)

35 projects



### 2019: Greenhouse Gas Emission\* (Scope 1 and Scope 2) (tCO<sub>2</sub>-eq)



### 2019: Greenhouse Gas Emission per Unit

(Scope 1 and Scope 2)



Natural Rubber



Gloves

The Company setting target to reduce greenhouse gas emissions per unit of products by 5% within 2024 compared to the base year 2019.



## Water Management

Water resources are both costs and necessary for production. And as Thailand is currently experiencing drought, therefore the Company has established sustainable water management guidelines as follows

- Must be obtained for suitable and sufficiency water quality
- Management of water resource to supply to production with good water quality and to prevent effect to nearby community
- More efficiency on water usage and implement the 3R (reduce Reuse and Recycle) at the plant



## Waste Water Management

The Company has established wastewater treatment system, with wastewater discharged to be legally passed. Concentrated latex factory, Trang branch and Gloves factory, Hat Yai branch and Surat Thani branch has a BOD online system, which ensures that the effluent meets legal standards.

The Company has supported the development and improvement of wastewater treatment technology to maximize efficiency in order to reduce

environmental impact. Especially the STR factory reducing the use of water resources by use 100% recycled water.

### Strategy

- Monitoring and Maintain efficiency of its operation
- Developing a wastewater treatment system to be able to bring water back into production processes and other activities in the Company
- Bring technology and innovation to be a part in monitoring and controlling wastewater treatment systems

### Target

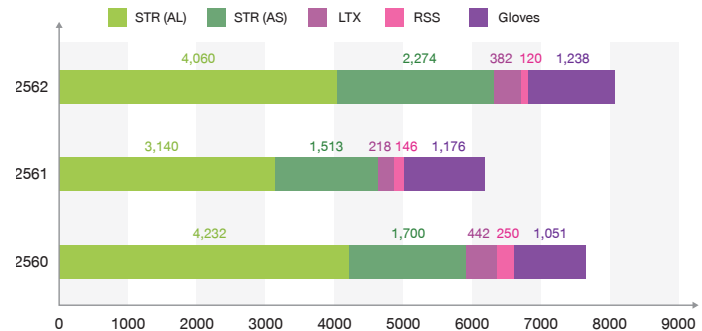
- Use 100% recycled water in the production process.

### What we do

- Prepare an emergency pond to manage the serum before entering the waste water treatment system
- Use of recycled water in various activities

## The Average of Treated Wastewater (m<sup>3</sup>/day)

(reference from Tor Sor 1. Report)



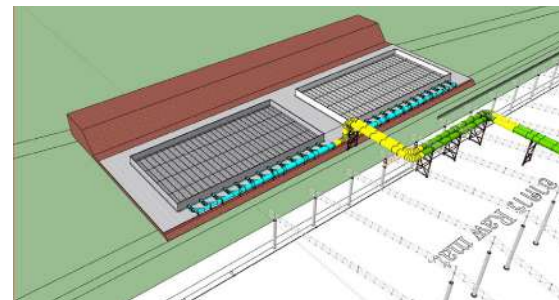
\*Gloves (Hat Yai, Surathani and Trang branch)



## Air Pollution Management

The Company uses methods for odor control according to the type of production facilities. Especially STR factories which may appear to affect nearby communities. The Company has managed as follows;

- Odors arising from the decomposition of organic material of cup lump is used wood vinegar and organic solution to eliminate the odor
- Odor from STR dryer and mixture products treated by Wet scrubber or Deorizer and Bio-filter
- Air quality from Boiler is treated by a multi-cyclone system, the air quality satisfies air quality standards



The Company has retried to reduce the impact of sources. But the weather and the wind direction is an important factor that may cause an impact on the nearby communities from time to time. Therefore the Company has added measures to manage activities to reduce the impact as follows:

- Establish good practices to reduce odor effects from factory activities
- Study the technology of odor treatment from the STR process
- Determine how to measure or predict the impact that will occur in the surrounding communities
- Determine a risk assessment to reduce the risk factors that cause odors

- Pollution measurement results from Boiler Chimneys are 100% compliance
- Reduce risk factors that cause odor effects

### What we do

- Pilot project of STR dryer's odor treatment by using Biological filter system (Bio-Filter) at Loei branch
- Improved cup lump storage building to closed system
- Installing siding of the CCL building and storage of blanket rubber (BK)

### Target

- To treat and reduce odors that occur from STR process without affecting the community
- To predict the impact that may occur to the community from factory activities



## Waste Management

The Company adheres to the principles of 3Rs (reduce, reuse and recycle) in managing waste from its production facilities. Since 2015, the waste to value project until 2018, the Company has introduced the Circular Economy for maximizing the use of natural resources as well as a campaign to raise awareness employees. The Company has driven activities within the factory with the following guidelines;

- Maximizing the use of materials by developing and creating value for materials used from production to consumers
- Segregation and reuse
- Work process improvements to help minimize waste

### Target

- Reduce waste per unit of production by 5% compared to the base year 2019

### What we do



- Waste to value management project, waste classification, which to be used or legally disposed
- A project to reduce and eliminate the use of food packaging; foams and plastic bags for single-use of canteen
- Contest from unused materials project
- Kaizen

## Kaizen "Green Company"

### Subject: Save Cost Waste, Sri Trang Agro-Industry Plc. (Hat Yai Branch)

**Principle:** Improved the old shelf to use instead of the new ones.

#### The result;



The cost of a new shelf is	9,815 baht per unit
165 units, totaling	1,619,475 baht
The renovation cost is	5,980 baht per unit
165 units + cost of platform	15,000 baht
totaling	1,001,700 baht
<b>Saving Cost</b>	<b>617,775 baht</b>

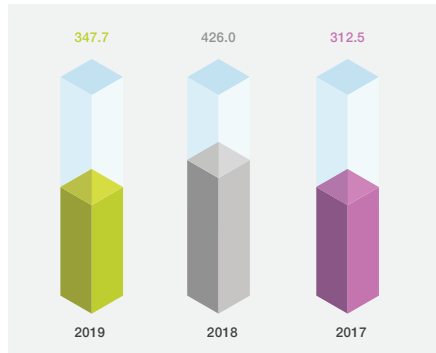
## Environmental Accounting of Natural Rubber Group

Amount (Baht.)

Pollution Control Equipment Expenses	
Waste water treatment	55,932,439
Air pollution treatment (Electricity + water)	19,757,134
Waste disposal	3,428,909
Environmental Protection Expenses	
Expenses for management system (ISO14001)	
Expenses for environmental inspection	3,722,166
Expenses for improvement of odor treatment system	31,744,569
Expenses for improvement of waste water treatment system	39,393,333



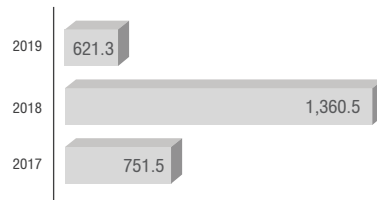
## Amount of Waste per Production Unit (Kgs./Mpcs.)



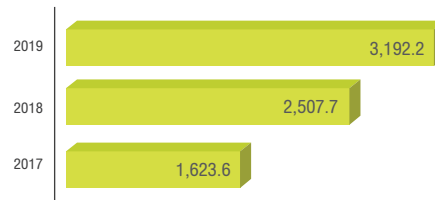
## Waste Disposal by Type (Ton/Year)

### Gloves

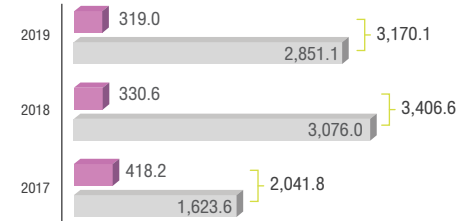
#### Reused/Recycled



#### Incinerate



#### Landfill



Industrial waste-Hazardous

Industrial waste-Non Hazardous

Solid waste





# Environmental Measurement Results

## Treated Water Quality Result

Branch	2019				2018				2017			
	BOD Standard	COD Standard	SS Standard	pH Standard	BOD Standard	COD Standard	SS Standard	pH Standard	BOD Standard	COD Standard	SS Standard	pH Standard
	< 20 ppm	< 120 ppm	< 60 ppm	5.5 – 9	< 20 ppm	< 120 ppm	< 60 ppm	5.5 – 9	< 20 ppm	< 120 ppm	< 60 ppm	5.5 – 9
Natural Rubber												
Thungsong	14.0	65.5	30.0	7.5	27.5	113.5	46.5	7.5	20.0	69.0	25.0	7.2
Sikao	14.9	74.1	27.6	7.5	17.6	71.3	23.5	7.6	23.0	57.0	16.0	7.6
Trang	8.5	27.0	9.0	8.0	10.0	43.0	19.0	8.1	8.5	25.3	10.3	7.7
Hatyai	3.5	37.5	13.3	7.3	0.47	3.3	0.3	7.2	3.00	12.0	4.5	8.0
Buengkan	11.8	63.1	16.7	6.9	7.0	105.0	39.0	7.1	16.0	58.0	19.0	7.1
Buriram	6.6	78.0	18.8	7.4	10.4	87.0	18.8	7.2	6.8	49.0	8.3	7.6
Mukdahan	8.3	93.5	23.5	7.1	21.0	86.7	33.8	7.0	2.8	45.0	5.0	7.5
Udonthani	4.0	53.5	9.5	7.1	4.4	76.0	13.0	7.4	3.4	51.0	10.0	7.3
Ubonratchani	5.0	35.9	5.5	6.9	7.4	61.0	15.0	7.6	7.5	83.5	32.1	7.31
Pitsanulok	8.8	75	11.0	7.6	3.9	61.8	10.2	7.1	11.0	78.0	14.0	7.3
Glove												
Hat Yai	6.33	89.1	8.1	8.2	4.9	98.7	17.4	8.4	6.17	99.8	8	8.5
Surattani	6.3	97.5	18.2	7.9	5.8	84.5	24.0	8.3	5.4	76.3	23.1	8.1
Trang	11.5	90.6	22.1	8.07	9.7	72.4	21.7	7.88	5.3	42.0	11.9	8.26

Remark: Wastewater quality standards are in accordance with Notification of the Ministry of Industry Re: Establishment of factory effluent control standards 2017



## Air Emission Results

Branch	2019				2018				2017			
	TSP Standard	SO2 Standard	NO2 Standard	CO Standard	TSP Standard	SO2 Standard	NO2 Standard	CO Standard	TSP Standard	SO2 Standard	NO2 Standard	CO Standard
	< 320 mg/m <sup>3</sup>	<60 ppm	<200 ppm	<690 ppm	< 320 mg/m <sup>3</sup>	<60 ppm	<200 ppm	<690 ppm	< 320 mg/m <sup>3</sup>	<60 ppm	<200 ppm	<690 ppm
<b>Natural Rubber</b>												
Thungsong	9.4	2.0	3.8	24.8	7.7	2.5	1.0	4.0	16.5	2.0	1.0	21.2
Sikao	29.6	37.9	77.9	472.0	76.1	25.5	35.6	400.3	52.6	24.2	40.2	542.5
Buengkan	193.0	2.3	4.7	542.5	30.0	20.0	82.0	168.0	160.1	40.0	130.0	62.0
Buriram	16.6	11.0	83.6	180.8	91.6	5.0	3.0	304.0	151.7	28.1	118.2	151.7
Mukdahan	122.0	4.5	7.0	85.0	285.0	11.0	3.7	219.0	72.4	8.0	3.0	14.0
Udonthani	29.7	27.8	146.5	635.0	33.0	2.1	20.8	260.6	62.5	24.9	62.2	383.3
Ubonratchani	113.9	8.0	5.2	108.6	143.9	6.4	3.2	170.4	80.6	N/A	N/A	N/A
Pitsanulok	113.5	7.0	6.0	56.0	37.6	7.5	10.5	65.8	28.1	6.1	81.7	168.1
<b>Gloves</b>												
Hat Yai	222.3	1.8	82.9	347.5	212	6.6	70.2	486	202	4.8	61.9	541
Surattani	66.4	0.0	31.00	374.8	70.0	2.3	100.0	408.6	76.66	1.00	54.0	389.6
Trang	104.5	3.3	62.7	534.9	224.5	13.6	57.9	569.8	121.1	17.9	36.6	471.4

Remark : Air quality standards follow Notification of the Ministry of Industry Re: Determination of the amount of impurities in the air emitted from the factory, 2006



## Industrial Waste

Branch	Recycle waste (Metal scrap)			Recycle waste (Plastic scrap)			Hazardous waste (Used oil)		
	ton			ton			ton		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>Natural Rubber*</b>									
Thungsong	21.0	22.2	69.2	-	12.3	8.5	-	0.6	1.2
Sikao	62.1	33.9	236.9	-	-	0.8	-	2.1	3.3
Buengkan	-	6.9	8.8	-	-	-	-	1.4	2.2
Trang	9.6	-	40.3	-	0.4	2.9	-	-	1.8
Buriram	20.0	-	1.8	-	-	-	-	-	0.7
Mukdahan	2.3	3.8	5.4	-	-	-	-	-	-
Udonthani	3.1	19.0	14.2	0.3	1.1	0.3	3.4	1.4	0.6
Ubonratchani	11.9	34.6	32.1	2.7	1.7	2.1	-	2.0	3.0
Pitsanulok	11.5	17.3	1.9	6.1	10.0	-	7.0	-	3.8
<b>Total</b>	<b>141.5</b>	<b>137.8</b>	<b>410.5</b>	<b>9.1</b>	<b>25.5</b>	<b>14.6</b>	<b>10.4</b>	<b>7.5</b>	<b>16.5</b>

\* ISO14001 Certified

<b>Gloves</b>									
Hat Yai	127.5	82.9	149.2	78.7	24.6	221.7	1.2	-	-
Surattani	221.8	224.9	305.6	136.8	164.2	48.4	1.7	0.5	1.5
Trang	14.0	826.3	-	33.9	33.6	24.9	7.1	2.4	-
<b>Total</b>	<b>363.3</b>	<b>1,134.1</b>	<b>454.8</b>	<b>249.3</b>	<b>419.5</b>	<b>84.5</b>	<b>9.9</b>	<b>2.8</b>	<b>1.5</b>

## Awards and Achievements of The Year 2019



### Thailand Sustainability Investment (THSI) 2019

Sri Trang Agro-Industry Public Company Limited received Thailand Sustainability Investment (THSI) 2019 for the 5th consecutive year from the Stock Exchange of Thailand.

### Quality Award 2019

Sri Trang Gloves (Thailand) Public Company Limited received the Quality Award 2019 from the Food and Drug Administration for the 8th consecutive year. The award is given to an organization that produces quality products that are safe for consumers and operates with social responsibility.





### Sustainability Disclosure Award 2019

Sri Trang Agro-Industry Public Company Limited was awarded the Sustainability Disclosure Award 2019 in the Sustainability Disclosure Recognition.

### The Outstanding Organization for The Promotion of The Disabled Person 2019

- Sri Trang Gloves (Thailand) Public Company Limited was awarded the Outstanding Organization for the Promotion of the Disabled Person 2019 for the 2<sup>nd</sup> consecutive from the Ministry of Social Development and Human Security.

- Sri Trang Agro-Industry Public Company Limited was awarded the Outstanding Organization for the Promotion of the Disabled Person 2019 from the Ministry of Social Development and Human Security.

### Gold Level Plaque of Honor on Wastewater Management

Sri Trang Gloves (Thailand) Public Company Limited was received Gold level plaque of honor for the promotion of compliance with the environmental law on wastewater management.



### Silver Level Plaque of Honor on Wastewater Management

Sri Trang-Agro Industry Public Company Limited was received Silver level plaque of honor for the promotion of compliance with the environmental law on wastewater management.

### Certified Multiple FSC™ (Forest Stewardship Council™)

Sri Trang Group proudly received multiple FSC™ (Forest Stewardship Council™) certifications for international standards including: FSC-FM (Forest Management Certification), FSC-COC (Chain-of-Custody certification), and product chain management.

### Certified AEO Importer/Exporter

Sri Trang Gloves (Thailand) Public Company Limited. was certified AEO Importer/Exporter from the Thai Customs Department.

### ECO Industrial Development Indicators

Nam Hua Rubber Company Limited has passed the upgrade and development of industrial factories in the area of ecological industrial cities, indicator 1.2.1 (level 2) from the Department of Industrial Works.

### STARS STEMS Workplace for Health Promotion

Sri Trang Agro-Industry Public Company Limited, Sikao Branch and Sadao PS Rubber Company Limited was received STARS STEMS workplace for Health Promotion.

### CSR-DIW Continuous Award 2019

- Sri Trang Agro-Industry Public Company Limited, Hat Yai Branch, Sikao Branch, Thung Song Branch, Phitsanulok Branch, Chumphon Branch
- Rubberland Products Company Limited and Rubberland Products Company Limited, Bueng Kan Branch, Buriram Branch
- Nam Hua Rubber Company Limited

- Sadao PS Rubber Company Limited
- Sri Trang Gloves (Thailand) Company Limited, Hat Yai Branch

### Green Industry 2019

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, 5 factories : Sri Trang Agro-Industry Public Company Limited, Kalasin Branch, Sa Kaeo Branch, Loei Branch, Pattani Branch and Narathiwat Branch
- Green Industry Level 2, 2 factories: Sri Trang Agro-Industry Public Company Limited, Huai Nang Branch and Anwar Parawood Company Limited
- Green industry, level 3, 18 factories:
  - Sri Trang Agro Industry Public Company Limited, Hat Yai Branch, Trang Branch, Sikao Branch, Thung Song Branch, Udon Thani Branch, Chumphon Branch, Surat Thani Branch, Kanchanadit Branch, Ubon Ratchathani Branch And Phitsanulok branch
  - Rubberland Products Company Limited and Rubberland Products Company Limited, Bueng Kan Branch, Buriram Branch, Mukdahan Branch
  - Nam Hua Rubber Company Limited
  - Sadao PS Rubber Company Limited
  - Sri Trang Gloves (Thailand) Company Limited. Hat Yai Branch
  - Sri Trang Gloves (Thailand) Company Limited, Surat Thani Branch



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Our priority is to deliver the 「Touch Of Life™」  
and sustainable world





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