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SRI TRANG GROUP'S DUE DILIGENCE STATEMENT REGARDING THE EU DEFORESTATION REGULATION

Sri Trang Group ("the Company") recognizes its responsibility in sustainable sourcing in the natural rubber supply chain. As a leading fully integrated natural rubber company, the Company is aware of the potential risks on the environment which may occur from business operations and the supply chain, especially deforestation. Therefore, the Company is dedicated to preventing and mitigating deforestation and other environmental degradation to ensure that there is no deforestation in business operations and the supply chain.

According to the EU Deforestation Regulation, the Company supports the inclusion of natural rubber in the list of commodities set by the regulation. The Company has the "Corporate Sustainability Policy" which the conservation of forest and biodiversity is included in the guideline for the sustainable business operations. Furthermore, the Company's "Sustainable Natural Rubber Procurement Policy" sets out the commitments and approaches to sustainable natural rubber sourcing which requires natural rubber suppliers not to use or change natural forest areas for cultivating, cropping or other forms of use that are not related to forestry. In addition, the Company does not procure natural rubber sourced from deforestation areas and prohibits its natural rubber suppliers from purchasing or procure natural rubber which comes from deforestation areas or peatlands. This policy also includes a traceability guideline which requires natural rubber suppliers to respond to the Company's request for information regarding natural rubber sources and methods of acquiring natural rubber to prevent risks of deforestation. The Company will communicate the policy to natural rubber suppliers through "Sri Trang Friends" application, which is a digital platform developed by the Company to facilitate natural rubber trading between the Company and natural rubber suppliers. The Company is determined to work closely and collaboratively with natural rubber suppliers to ensure that they acknowledge and comply with the commitment to sustainable natural rubber procurement practices, especially the conservation of forest, communicated through Sri Trang Friends application. The Company will implement robust due diligence measures throughout the natural rubber supply chain through conducting regular sustainability risk assessments and audits to identify and mitigate potential negative impacts including deforestation. Sri Trang Friends application will be used as an essential traceability tool for conducting natural rubber plantation mapping analysis to facilitate risk assessment of deforestation areas in the supply chain. If a natural rubber supplier procures natural rubber from deforestation areas which have a cut-off date after December 31, 2020, specified in the EU Deforestation Regulation, the Company will consider the relationship termination with that natural rubber supplier to ensure the compliance with the regulation and the deforestation-free products of the Company.



From the strong commitments to no deforestation in business operations and the supply chain mentioned above, the Company believes that its responsibility to protect the environment and local communities throughout the supply chain from deforestation can drive positive change in the natural rubber industry. The Company is still committed to providing customers with high-quality, sustainable and responsibly sourced natural rubber products without deforestation.



(Mr. Veerasith Sinchareonkul)

Managing Director

