

Corporate Social Responsibility Report 2014

Sri Trang Agro-Industry Public Company Limited





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About the Report

This report was prepared as a second edition which present our significant performance in economic, social and environmental for shareholders, stakeholders, public, relevant private and public sectors to acknowledge the sustainable management of Sri Trang Ago-Industry Public Company Limited ("the Company").

With the intention of conducting business with social responsibility, the Company disclosed the policy, business practices and programs in various fields, as well as activities compliance with the social

responsibility, which has been an integral part of organization management system to provide consistent and measurable goals and balance in the economy environmental and social.

The scope of this report is the performance of the natural rubber and finished product only based in Thailand where is our major manufacturing, excluding subsidiaries operating in oversea. The Company also provides the report on its website at www.sritranggroup.com.



The electronic file of this report and the previous issues can be downloaded from STA website. For more information, please contact our Corporate Social Responsibility Department at 10 Soi 10 Phetkasem Road, Hat Yai district, Songkhla, 90110, Thailand.

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Sri Trang Group conducts our operations in accordance with the principles of "the Green Rubber Company." This means that we operate with transparency and fairness, produce environmentally, friendly, quality products, and strive to make all our manufacturing processes environmentally friendly.

In 2014 we successfully implemented our strategy to gain market share and expand our production capacity, both domestically and internationally, in tandem with our efforts to contribute to society and the environment. Our various projects such as "Rubber-tapping Skills", "Knowledge for Communities", Sri Trang charity and "Green Space" demonstrates our commitment to contribute to the lasting growth of the local communities and the rubber industry.

In addition to the procurement process that is in compliant with international standards, we are also concerned with the wellbeing of rubber farmers. We have executed an agreement with cooperatives in the provinces of Bungkarn, Mukdaharn and Nakorn Panom to buy cup lump and have regularly provided knowledge to our suppliers on improving the quality

of raw materials and minimizing the environmental impact. We also have a non-discrimination policy that is in compliance with the principles of human rights.

Our 2014 CSR Recognition Award shows that our environmental policy and initiatives have found success among our stakeholders, including the local communities and rubber farmers. It also shows that the Stock Exchange of Thailand has given its imprimatur.

With our strong management team, the seamless collaboration among all employees, and the support from every stakeholders, STA will continue to successfully expand our business, while, at the same time, strengthen our corporate responsibility in economic, social and environmental aspects. This will ultimately support a sustainable growth of Thailand's natural rubber industry in a long run.

Sincerely,
(Dr. Viyavood Sincharoenkul)

CEO

Getting to Know Sri Trang





26 Factories

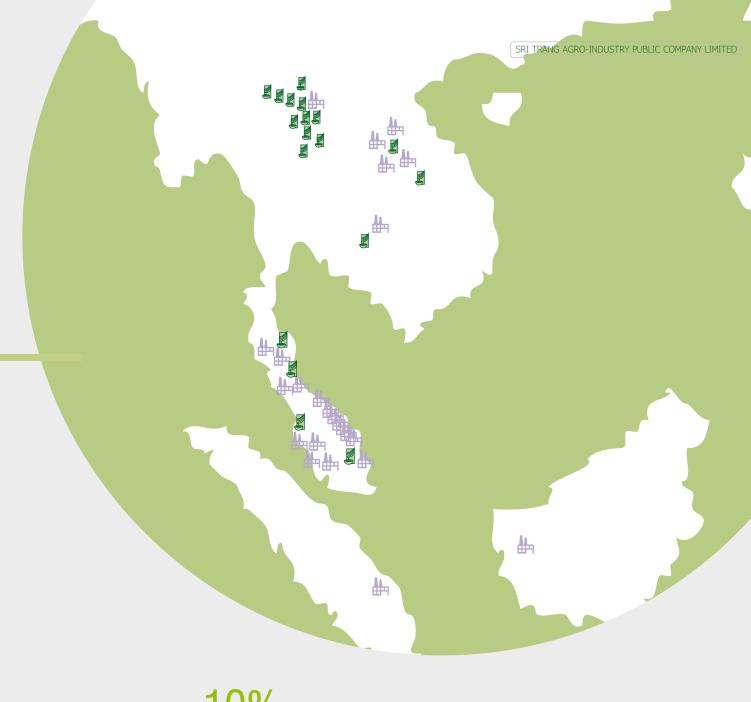
Ubon Ratchathani	1	Nakhorn Si Thammarat	1
Udon Thani	1	Chumporn	2
Bungkan	1	Surat Thani	2
Burirum	1	Trang	4
Mukdahan	1	Songkhla	6
Pattani	1	Indonesia	2
Phitsanulok	1		
Sa Kaeo	1		



19 Rubber Plantations

Chiang Rai	Sukhothai	Sakaeo
Chiang Mai	Pitsanulok	Chumporn
Lampang	Pichit	Surat Thani
Phrae	Petchaboon	Krabi
Phayao	Sakon Nakhorn	Songkhla
Utaradit	Kalasin	
Nan	Bueng Kan	

Kalasin



10% market share of world consumption in 2014

1,204,342 tons sales volume in 2014

processing facilities in Thailand and Indonesia

- Processing process

Total green process

from upstream through downstream

8,098 ha.
for rubber
plantation

World's Largest
Midstream Natural
Rubber Producer

Rubber Plantation

 Own 8,098 hectares for rubber plantation in 19 provinces of Thailand

Procurement

 83 raw materials procurement centers in Thailand and Indonesia





Sri Trang Agro-Industry Public Company Limited ("the Company", or "STA" or "we") was established in 1987 to manufacture and distribute high-quality natural rubber to tire makers and other downstream businesses around the world. The Company has added its variety of products, expanded its capacity and built up new

production bases to achieve the world's largest fully integrated natural rubber supply chain. At present, the Company has market share of 10% of global natural rubber consumption with a full range of natural rubber products ranging from Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS) and Concentrated Latex.

1,400,000

tons

capacity of Natural Rubber per annum

14 billion pieces capacity of glove production per annum



Processing

- 1,400,000 tons capacity per annum
- 26 processing facilities in Thailand and Indonesia
- Cover full range of products from RSS,
 TSR and Concentrated Latex



Sales & Distribution

• Established trading and distribution company in key strategic countries

(:·



Downstream Business

- 14 billion pieces capacity of glove production per annum
- Produce both latex and nitrile examination gloves



In addition to the natural rubber processing that has been contributing growth and continuing to generate main income to the Company, it has expanded business to estate rubber plantation in Thailand. The Company has also invested in downstream businesses through

partnership with foreign companies in producing finished products including medical gloves manufacturing which is Thailand's largest and the world's fourth-largest examination gloves manufacturer and high-pressure hydraulic hoses which is the largest manufacturer in Thailand.

Our Products and Services

The Company has three main business segments, namely natural rubber products, finished products and others business. The details of each business segment are as follows:

Natural Rubber Products

There are 3 natural rubber products that The Company produces, including Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS) and Concentrated Latex, sold mainly to tire makers and gloves manufacturers. At present, the Company has a total capacity over 1.4 million tons per annum from 26 rubber processing factories, 24 of which located in Thailand and two located in Indonesia. The Company has established a network to procure raw materials in strategic locations close to the sources of raw materials supply. The Company currently has 83 raw material procurement centres, 56 of which are in Thailand and another 27 are in Indonesia.

The Company has also established trading and distribution networks in six countries including Singapore, the United States, the PRC, Vietnam and also through its production bases in Thailand and Indonesia. Having such networks and strong sales teams enables us to expand customer networks to cover various countries and territories in Asia such as the PRC, India, Singapore, Japan, Vietnam, Malaysia and Korea as well as the United States and Europe.



Technically Specified Rubber (TSR)



Ribbed Smoked Sheets (RSS)



Concentrated Latex

Finished Products

Examination gloves: Siam Sempermed Corporation Limited (SSC), jointly established by the Company and Semperit Technicsche Produkte, is Thailand largest examination gloves producers and one of the leading producers of natural tubber and nitrile examination gloves globally. SSC has a total of four production facilities with a combined capacity of approximately 14.0 billion pieces annually and distributes its products to customers throughout the world.



Medical Examination Gloves Quality Control

High-Pressure Hydraulic Hoses: which are primarily used for heavy industry and mining industry. Through jointly partnership between the Company and Semperit Technische Produkte, this company has a total capacity of 42.5 million metres per annum from the production in Thailand and the PRC and has a distribution networks around the world.



Escalator handrails: The Company invests in the production and distribution of escalator handrails through Shanghai Semperit Rubber & Plastic Products Co., Ltd., a leader of escalator handrail industry with a capacity of 1.4 million metres per annum.

Other Businesses and Services

Rubber plantation: At present the Company has approximately 50,612 rai (8,000 hectares) for rubber plantations of which more than 76 percent was already planted and will be mature for tapping in 2016 onwards.



Rubber Wood Processing: production and distribution of processed dried rubber wood and other types of woods for packaging and furniture industry in both local and global markets.



Logistics: Services for shipping and logistics activities include the arrangement of product shipping, the preparation of the related import and export documentations, the business of forklift rental and repair services to companies within our Group.



Maintenance Services: Services for the design, manufacture, installation, R&D, spare parts, machinery, IT services, systems and calibration and standard equipment provider.







Calibration Lab

Sri Trang's Vision

Passionately, We Drive Possibilities

>>the Green Rubber Company>>

- We adhere to deliver the highest satisfaction to our shareholders. We passionately pursue sustainability of growth for reasonable return to our shareholders.
- Under our environmental-friendly production, we delineate our best products and services in order to achieve the satisfaction and the confidence of our customers and our suppliers.
- We are strived for fair and transparent business operation to improve the quality of life of people

- and our stakeholders. We are also dedicated to good practices of corporate governance company.
- We are committed to provide opportunities, pleasant working environment and competitive benefits to fulfill our staffs' potentials.
- We value our best practices for the safely of our society and sustainable environment. We are also steadfast in the efficiency of natural resources consumption.







Goodwill

Our operations are underpinned by business integrity. We are committed to transparency and the equitable treatment of all stakeholders. We are also imbued with a strong sense of social and environment responsibilities.



Possibility Thinking

We do not let ourselves be constrained by the conventional ways of doing things. It is our belief that innovation knows no bounds and that, with creativity and enterprise, there is no limit to what we can achieve.



Determination

We are steadfastly determined to, with utmost dedication, fully utilize the best of our capabilities to bring about organizational success.



Collaboration

We foster a collaborative work environment. We believe that, by working together as one united team and treating one another with mutual respect, we are able to more effectively contribute to the Group's overall success.



Endless Learning

There is no room for complacency. We are on a constant quest for learning experiences that enable us to develop our professionalism toward international standard which will enhance efficiency of work and drive the company to the same target.

Corporate Social Responsibilities Framework

Sector	Objective	Project
Economic (Green Company)	"To build confidence with suppliers / customers sustainable". ✓ Increase business partner, disclosure and transparency, accountability ✓ Emphasize on producing quality products to create value for society ✓ Focus on skill development for the rubber of farmer to produce high-quality raw material.	 ✓ Good Corporate Governance ✓ Signing purchasing MOU with the cooperative ✓ R&D Team ✓ Rubber Tapper Skill Development Project (5 years) ✓ Sri Trang educate to the Community
Society (Green Procurement)	"Create happiness for increased internal and external society" ✓ Build happier in the organization ✓ Establish a process to response and reduce consumer complaints ✓ Create system to support business partners' social responsibility ✓ Strengthen the stakeholders's confidence and the positive image of the organization.	 ✓ Happy Workplace ✓ Sri Trang Volunteers to Develop Schools for the Children ✓ Supplier Evaluation checklist ✓ Sri Trang privilege member
Environmental (Green Factory) (Green Process)	 "Focus on the effective environmental management system" ✓ Increase efficiency of energy consumption annually ✓ Oriented towards managing to reduce the environmental impacts of the production. ✓ Develop the communities and share the innovation of environmental responsibility 	 ✓ Energy saving ✓ Water management ✓ Internal Audit pollution treatment system ✓ Promote cup lump damping and encouraging to install gutters and barrels to hold the runoff from cup lump rubber during delivery ✓ STA Innovation Award ✓ Risk Assessment Working Group ✓ Planting and increasing the green areas in factory

Mission

Mission 2015 Year of Strong Management Team

During the previous year, Sri Trang Group had extended the production and employee capability in every position of each department. This allows us to maintain the position of world leading natural rubber company by the continuous growth in revenue, production capacity, number of factories and number of branches in Thailand and overseas.

Looking back to the year 1987 when Sri Trang Group was established, the company started with the registered capital of 31 million Baht and the revenue of 252 million Baht. During the past 27 years of operation, we have achieved a significant growth, with the registered capital of 1,280 million Baht, the 2013 revenue of 92,185 million baht and a total employees both in Thailand and overseas of 12,400 people.

Not only considered as one of the most significant factor towards the growth of Sri Trang Group, but also a great propellant behind all the success is the "Strong Management Team", which has always contributed to and collaborated on the successful work during the

We recognize the importance of nurturing skilled employees, by providing our employees with endless learning, exchange of experience and continuous development of oneself, in order to utilize the skill towards the growth of the organization.

This is to achieve a sustainable development for both the organization and the employees. We also support all the employees with high capability towards the possibility thinking. This allows our employees to show their performance and achievement to be acknowledged by their colleagues and the management.

The year 2015 would be another challenging year for Sri Trang Group. We have many projects awaiting such as JUMPER, Branding and the continuous business expansion in Thailand, Indonesia, Myanmar and Vietnam. Together with the effort of "Strong Management Team", and the support from every level of the organization, we are confident that we will be successful in all these challenging projects



Code of Business Conducts

Conducts of Responsibilities to Shareholders

- Commit the business operation with the good operating results that can create the profitability to the consistent growth and sustainable, the competency in competition and the long-time increasing value for the shareholders.
- Perform the duty with integrity and equity to all shareholders for overall utmost benefits.
- Manage and manipulate the knowledge and management skills to fully apply for all cases including the decision to take any action with transparent and caution.
- Report the turnover, position and financial statement of the corporate group to shareholders with equity, consistent and accurate.
- No seeking for the personal interests and other person by using the company information which undisclosed to the public or do anything may cause a conflict of interests.

Conducts of Relations with the Customers

- Create the satisfaction and confidence to the customers to receive the good products and services with decent price and quantity and to raise the higher level with consistent and earnestness.
- Disclose the sufficient, precise and up to dated information concerning the products and services without any distortion including maintaining the good and lasting relationship.
- Delivery products within the agreed time and warranty the products and services within the proper time.
- Provide the complaints center for the customers and general public regarding the products and services with quickly response to the customer and general public.

- Set the fair commercial conditions to the customers.
- Keep confidential information of customers and not allow to utilize for own benefits or others as illegally.

Conducts of Relations with the Business Partners, Competitors and Creditors

Relations with Business Partners

- Will not ask for, accept, or give any unlawful benefits from or to the business partners.
- Strictly comply with the terms and conditions agreed upon by the business partners.
- * Take immediate actions to notify the business partners in case of failure to comply by using the reasonable principle.

Relations with Competitors

- Comply with the rule of fair completion.
- Do not defame or slander against the competitors' reputation.
- Develop Thailand's rubber industry to be widely recognized together with competitors.

Relations with Creditors

- Adhere the honestly to comply with the conditions which provide to the creditors under such conditions including relevant laws and regulations.
- Report the complete and accurate financial status of corporate group to the creditors.

Conduct of Responsibilities to employees

- Offer fair remunerations to the employees in form of salary, incentive and/or bonus payment.
- Provide a good circumstance for their working, including safety in their life and belongings always.
- In considering to promote and remove position of all employees, including reward proposal and punishment, the Company shall make a decision with equity and honest in regarding to knowledge, competency and suitability of employees as criteria.



- Give priorities to development of employee's capabilities and knowledge sharing and thoroughly and regularly provide employees with opportunities for the development.
- Impartially and equally open to feedback and suggestions by all employees.
- Comply with laws and other regulations in regarding employees strictly.
- Manage the business and avoid all acts of unfairness which may affect the stability of duty and work of all employees.
- Treat the employees with politeness and respect for the individuality and human's dignity.
- Provide communication channels for the employees to report abuses or unlawful acts.

Conduct of Responsibilities to social and environment

* Consider the alternative for using the interest from natural resources that the Company attempts to run its business reducing any affects that may cause to social, environment and the quality of people.

- Support to provide the campaigns and activities which have benefit to social and environment in kind of education, sport, religion and others.
- Continually create consciousness among employees for corporate social responsibility and environment.
- Give priorities to business partners who share the same will with the Company about the social and environmental responsibility.
- Adhere to efficient energy saving practices for the future of the later generations as part of the core policies of the Company.
- Comply and coordinate or control as strictly to the purposes of law and regulation that mandated by Securities and Exchange Commission (SEC).
- Lead an important in community and social activities, it is necessary to enhance a social development by focusing on society, community, environment, creative thinking and natural preservation. Moreover, to support on youth education and less-opportunity in social benefits are too essential to develop for strengthen and self-dependency.



Over the past 25 years that Sri Trang Group has committed to processing and exporting Natural Rubber products, we have dedicated to conduct business with good practices of corporate governance and corporate social responsibility (CSR) and become a leader in global rubber industry. Towards our 3rd decade of sustainable business operation, we still maintain our global leadership in rubber industry and pursue sustainable business development. Our philosophy is to grow contingently with the community and society and to be an effective mechanism to constantly strengthen the stability of rubber industry. We value our way to conduct business in parallel with creating

activities for communities and societies, maintain our environmentally-friendly production, create a fair trade standards to gain trust and acceptance from rubber farmers and customers, consider the impact on every aspect from business operations to all stakeholders including shareholders, employees, customers, suppliers, communities and government agencies as well as create the attitudes and organisational culture to encourage employees to participate more in CSR activities.

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



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 to be involved with society and community

2. Responsibility to Supply Chain:

The Company has extended its business to cover the whole supply chain starting from rubber plantations to the production of finished products. This allows the Company to strictly control the quality of products to respond to downstream businesses who focus on the quality of the product at most. Another main concern of downstream businesses, either 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

The Company 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 properly store the rubber so that the quality of raw materials will meet our factory's standards. Moreover, we support rubber farmers with knowledge to properly operate rubber plantations in order to increase yield which will, in return, increase their revenues as well as sustainable quality of life.

2.2 Customers

The Company is committed to producing high quality products and providing 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 achieve customer satisfaction and also to create the highest effective and efficient production.

3. Environmental Friendly and Safety Operation:

As our Company '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 minimise 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 in 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.

In addition of 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 the Company to smoothly and steadily run the business in the long term.

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

4. Engagement with Transparency:

The Company is committed to operating business with fairness, transparency and accountability in all process. We believe that to operate business with fairness and ethics, comply with laws and respect the rules of society, this could build the confidence of stakeholders and reduce any conflict of interests. This also 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 business ethics. Employees should not exploit benefits that may cause conflict of interests 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 organisation and rubber industry in the long run.

5. Nurture Sustainability Attitudes Towards Organisation:

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 business partners' quality of life improvement. Moreover, they have cooperated to change their working behaviors and daily lifestyle in accordance with environmental conservation guidelines,

to reduce energy consumption costs and to enhance the effectiveness of organisation.

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.



The Green Rubber Company

MOVE FORWARD TO THE GREEN RUBBER COMPANY

With over 25 years of our extensive experience and our commitment to sustainably developing natural rubber industry, we have initiated the concept of "Green Rubber Company" which means



Under the framework that integrates social responsibility in four aspects as stated above, the Company has outlined the following activities:

- 1. In-house activities or activities set up for employees to give moral supports and spirit to employees, along with creating unity among one another. The Company also uplifted the creation of good attitude towards volunteering through Happy Workplace activities, which include, in-house sports days in factory, sports day between factories, annual alms giving, making merits at 9 temples, big cleaning day, children's day and work trips, all of which would promote loves, unity and bonding among employees, which will lead to a common goal of the Company.
- 2. Communities and Society: The Company gives full support to activities of the communities surrounding the factories. These include local traditional and cultural activities such as various types of merit making ceremonies and long-tail boat race, to name a few. The Company also gives donations to different agencies to support for various activities as well as to improve public utilities and donate funds to assist natural disaster victims, both domestically and internationally.

For community developments, the Company has been encouraging its employees to take part in community activities, which included the repairing and restoring of public utilities in the communities such as schools and monasteries. The Company also provides more jobs to nearby communities so as to create stronger and more sustainable communities with good environment. The Company, moreover, focused on building good relations between surrounding communities for a peaceful and happy societies.

- Environmental Concerns: In order to support the "Green Rubber Company" principle, the Company has valued the importance of having good environment in the factories through regular pollution control inspections to make sure that the pollution rates are under and complied with the laws, setting up an environmental management system that operates continuously as well as participated in green projects such as the Industry Ministry's Green Industry project, the Carbon Footprint project organised by the Centre for Environment under the Industry Council and Thailand Greenhouse Gas Management Organization (Public Organization), STA Innovation Award. The Company also pays extra attention to the expanding of green areas in the factories and joined in activities to plant more trees, conserve the marine species and any other activities organised by the social responsibility networks.
- Rubber Industry Concerns: The Company values the importance of national rubber industry development, which relies mostly on rubber farmers to propel the industry forwards. With this bearing in mind, the Company has then decided to give support to a special project of "Rubber Tapper Skill Development", co-created by the Rubber Replanting Aid Fund (ORRAF), mainly to provide training for amateur rubber tappers and present them with knowledge of quality production of raw materials, while also making sure that the environments for rubber farmers in the Northeastern and Northern regions are in good conditions. The Company further targets that at every location where the Company has set up its business, it would assist in creating more jobs for rubber farmers in such areas to help them create a sustainable future.



The Company has been adhering to the Code of Good Corporate Governance for Listed Companies 2006, as well as the Code of Corporate Governance 2012 for its roles and responsibilities, which have procure the Company with business decisions that are honest, just and ethical. These codes of good corporate governance that the Company always comply with has enabled the Company to operate its business by taking into consideration the concerns and benefits of all stakeholders including but not limited to shareholders, business partners, customers, employees, governmental agencies, or relevant organisations. The Company is also responsible for a role in society development to look after the environment around factories as well as to provide accurate and transparent information to all parties equally.

The Company has set up committees in accordance with relevant fields and operational scopes, with an aim that each activity discussed with or presented by the committees would be creative for the benefit of the Company. Moreover, the Company has aimed for outcomes from the meetings that are balanced, diverse and effective. The Company's board of committee consists of members that retain experiences on accounting, finance, business management, planning and strategizing, marketing, laws and rubber industry.

Furthermore, the Company's board of directors has set up a risk management system and an internal

control that could ensure that the Company's operations in compliance with laws, rules and regulations and that the Company has been treating all relevant parties with fair and justice. More details of such system and control are disclosed in our Annual Report 2014.

The Company also has policies against all kinds of corruption. Complaints about corruptions could be filed, where the plaintiffs would immediately be under protection. The protection would be carried out to ensure that the relevant head of the department and human resources units would be able to keep track of such employee to give guidance and counsels as well as to monitor their behaviors closely.

The Company participated in the Good Corporate Governance Survey Project for listed companies, in which the Company has organised meeting with different relevant units to oversee operations under the code of good corporate governance, in order to ensure that the governance remains developing and improving for better efficiency and implementation. In 2014, the Company has published anti-corruption policy, communicated to employees and the Company's website at www.sritranggroup.com.

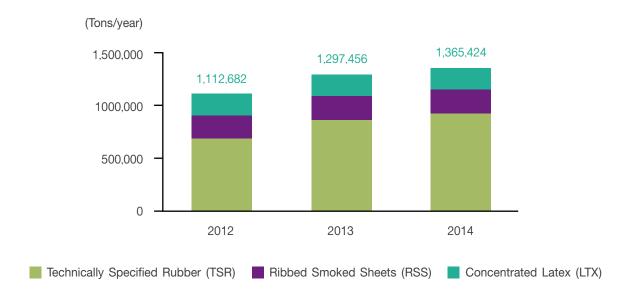
The Company also arranges regular meetings for the Company's executives to monitoring the corporate social responsibilities framework, approving budgets and the CSR performance continually.

Business Overview and Economic Performance

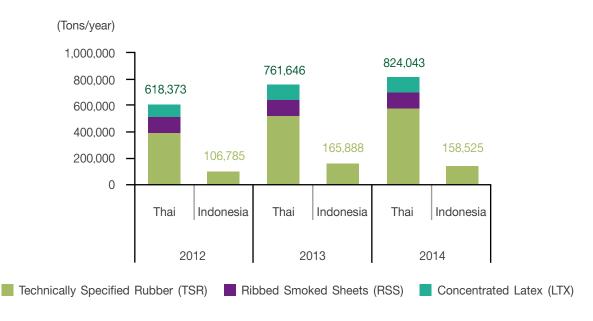
The Company has engaged in a fully integrated natural rubber supply chain with its key operation bases in Thailand Indonesia, China, the United States and Singapore. The Company distributes its products to customers worldwide.

As at December 31, 2014, the Company has 26 factories, out of which 24 are in Thailand, two are in Indonesia, with a total production capacity over 1.4 million tons per annum.

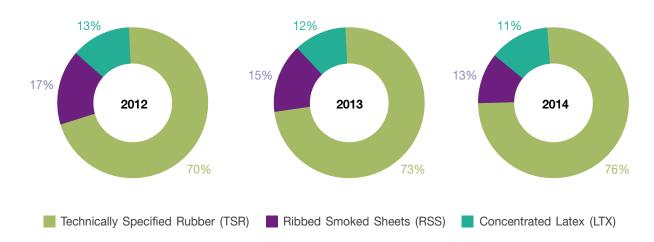
Company's Production Capacity



Production-Total of Natural Rubber



Production Breakdown by Product Type for 2012-2014

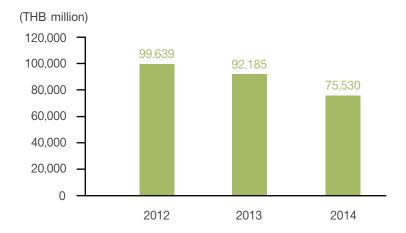


Revenue from Sales and Services

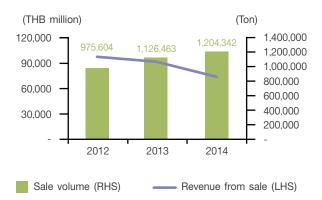
The main product of the Company is natural rubber which accounts for 97 percent of the Company's total revenue during the year 2012-2014. 76 percent

of our revenue is attributed to the sales of TSR followed by RSS, Concentrated Latex and other products, respectively.

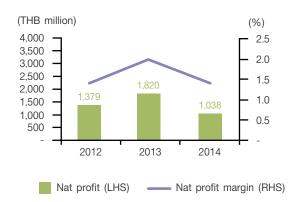
Revenue from sale



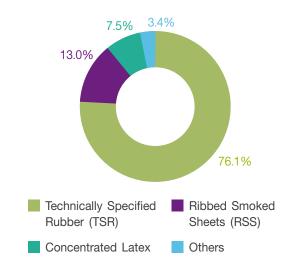




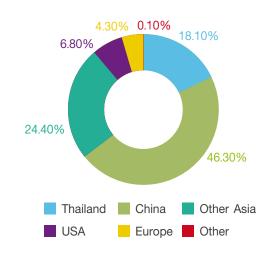
Net Profit



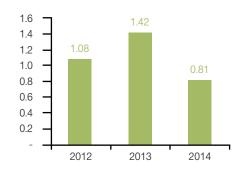
Revenue by products



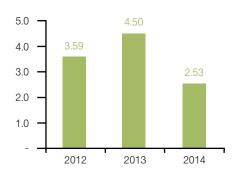
Revenue by geography



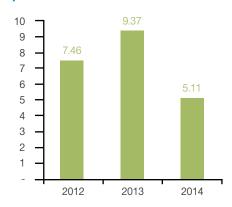
Earning per Share (baht)



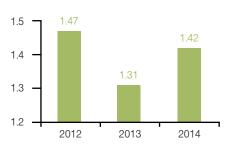
ROA (%)



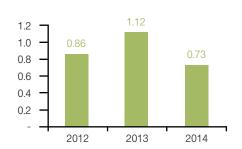
ROE (%)



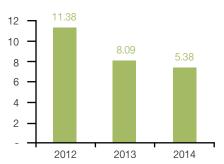
Current Ratio (Times)



Net Debt to Equity ratio (Times)



Fixed Asset Turnover (times)



Corporate Social Responsibility Performance

Responsibility to business partners and competitors

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

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

Our procurement department has trading systems for the purchasing of raw materials is high standards, which evaluated each supplier with stringent criteria that could be inspected.

Every year the Company has joined the auctions at various rubber auction markets, which are conducted with transparency and fairness. While in the South, the Company has been participating in auctions overseen by the Rubber Research Institute of Thailand. Here is the list of rubber auction markets in which the Company has been joining:

- (1) Songkhla Central Rubber Market
- (2) Nakhon Sri Thammarat Central Rubber Market
- (3) Surat Thani Central Rubber Market
- (4) Auctions through other rubber markets via phone calls: Thong Pa Phum Cooperatives, Karnchanaburi province and Pa Kloack Farmers Group of Phuket province.

As for the purchasing price of raw materials, the Company has always referred to market prices quoted at SICOM, which is a very liquid marketplace for RSS and TSR actively driven by players worldwide.

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

Partnership Development

From the idea of Green Supply, we focus on transparent and fair purchasing processes, the sourcing of clean raw materials, and giving importance to creating sustainability for partners and communities, especially those of raw material suppliers. This has prompted the Company, in 2012, to sign an MOU with the Office of the Rubber Replanting Aid Fund (ORRAF) in creating a special programme to train rubber tappers in the Northeastern region of Thailand for, "Rubber Tapper Skill Development Project", with an aim to provide appropriate tapping methods for inexperienced rubber farmers in the region. The project has already been completed nine session in the North and Northeastern part of Thailand, including, Nan, Phitsanulok, Phrae, Chiangrai, Mukdhaharn, Sakon Nakhon, Udon Thani, Loei, And NakonPranom For such projects, the Company provides financial support to ORRAF and the trainees. Each project contains 7-day session with an extensive training programme under our support around 90,000 baht per session. The projects have provided more than 300 rubber farmers the knowledge of appropriate tapping skill

in order to preserve rubber trees for long-term tapping. The training also provides the rubber farmers the knowledge on fertilisers and how to look after the rubber plantation, to nurture the best quality of produce, while being able to use their newly learnt skills to carry out an occupation with stable income to enhance their quality of lives.

During the training sessions, staffs of the Company also presented as guest speakers to provide the trainees information about how to produce raw materials and cup lump to meet the Company's standards. In addition, we also advise them our reliable purchasing system if they want to deal business with us as well as how to deliver the raw materials to the factories in environmental and community friendly manners.

Moreover the Company also join to the rubber seminar with public or private sector to sustain the rubber industry too.





The Rubber-Tapping skill Development Project

Purchasing

The Company's central purchasing unit has set up purchasing policies in line with corporate social responsibility. The unit has been carrying out its operations in accordance with the Company's purchasing policies as well as business ethics concerning the relationships between business partners, competitors, and trade creditors, so as to prevent unfair business competitions and monopolisation whereas to promote the creation of new suppliers. The Company also set up internal policy to select only partners that operate the business with the concerns of corporate social responsibility such as green purchases scheme, the use of energy saving equipment, the promotion against child, forced labors as well as human rights, along with their mindset in looking after the environment. The Company then added the "supplier" category into the annual evaluation to have two-way communication and feedback with suppliers. The Company also gives support to create understanding and cooperation on social responsibility with clients and partners.

If a conspicuous situation is found in any purchasing processes, such suspicion would be investigated and such suppliers would be blacklisted by the Company. In 2014 no the suppliers be blacklist.

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 crate 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, organised 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.

The customer's satisfaction target is Grade A and B are more than 80%, the result year 2012-2014 as table below;

Year	Target	Actual	Grade		
	(%)	(%)	A	В	C
2012	80%	98%	56%	42%	2%
2013	80%	95%	65%	30%	5%
2014	80%	98%	65%	33%	2%

The Company has been adopting the ISO 9001 system to manage product quality as well as quality control system to ensure that all products of the Company are certified and meet the high standards of quality, along with expectations of every customer.

The quality control system taken care by our quality assurance department is responsible for monitoring every step of from purchasing and raw material preparation and all the way to quality inspections in the last step to ensure that our high standard of production always maintained. If a customer

had filed a complaint about the Company's products, the marketing and the quality assurance departments would handle the complaints in accordance with the Company's procedures. Both departments would collaborate together to find out the causes and solutions for such problem under our standard procedures so as to respond to customers' need as quickly as possible, while also gathering the information of the problems and complaints for continuous develop in the future.

Communications

The Company has provided channels for the information and public relations through its website, at www.sritranggroup.com and has provided a call centre at 02-207-4500, for the customers, partners, suppliers, public, and all stakeholders to conveniently contact the Company and be treated without any discrimination. Such communication channels would also provide convenience for anyone to inquire about the Company's products and request for any other information.

For internal communication, the Company has an intranet system for its employees to get information regarding the Company's news, policies and any updated ongoing activities.



Human Rights and Employee Benefits

The Company deeply values the importance of human rights and the rights of equality in the work place and has been treating all employees justly and equally without discriminations under a set of ethics and code of business conduct, which include the following:

- Welcomes all opinions from any level of employee equally and justly
- Dedicated in developing and supporting all employees in every aspect as well as thrive to create a good working atmosphere for team works. The Company also provides opportunities for all employees to progress in their work path appropriately, while providing them with decent rewards
- Provides a stage for employees to file their complaints, with clear cut procedures and process
- Retains a policy against child labor and forced labor
- Gives freedom to the employees in grouping together to work out negotiations with clients under the jurisdictions of the laws, regulations, and rules of the Company
- Adheres to democracy and encourages all employees to exercise their voting rights in accordance with the National Constitutio

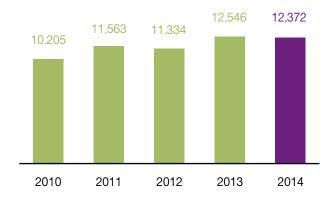
The Company values all employees as its most vital resources in propelling the Company forwards for

success. Apart from the social security fund that must be provided by the Company as stated by the laws, every employee is entitled to earn their income in the forms of salary and OTs, while hardshifters are also provided extra rewards. All employees are also entitled for summer vacation pays, yearly bonuses, and basic welfares for their quality of lives such as uniforms, assistance for rents, outside of office pocket money and lodging, health and safety insurances, provident funds, pensions, disaster relieve funds, study leave to pursue higher education as well as trainings for developments, and recreation activities, including, sports day, and new year's party, etc.

Employees Statistics

Employment

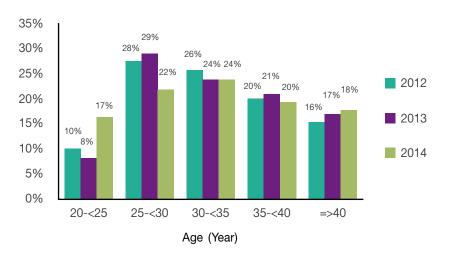
As of December 31 2014, the Company has a total of 12,373 employees.



The decrease in the number of employees was due to our continue improvement the productivity and set up the multi-function system of the job.

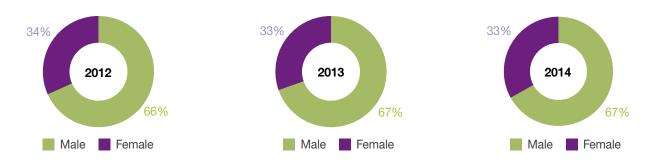


Porpotion Employment by Age (%)



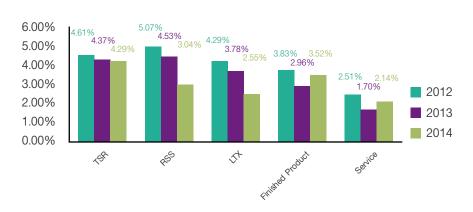
^{*} The data exhibits only permanent employees from the natural rubber sector

Employee Proportion by Sex* (%)



^{*} The data exhibits only permanent employees from the natural rubber sector

Turnover ratio



43.7%

50.2% 45.1% 44.8% 2012 2013 2014 10.6% 10.5% 13.5%

0.4% 0.7% 0.8%

L8-9

Employee Proportion by Job Position (%)

* The data exhibits only permanent employees from the natural rubber sector

L4-5

L1-3

The Company categorises job positions into 11 levels and 5 groups, depending on the types of job descriptions and scope of works.

L6-7

Employee Evaluations

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

Scince 2013, the Company has added the KPI improvement for employees who showed their dedication and contribution to the society as follow:

- By being a member of a committee or working group, including, the committee for social responsibility, committee for safety and occupational health, committee for welfares, and 5S committee.
- Participation in activities benefit to the society such as reforestation, and participating in activities with communities or joining activities arranged between the group of Company.
- Serves as a speaker for internal trainings or acts as an auditor to inspect the standardised certification system, including ISO9001, ISO14001, OHSAS18001, etc.
- Participating in quality activities such as 5S,
 TPMQCC, Kaizen and developing new projects.

Resulted the staff started engage in the activities and benefit to morale of participation employee.

Trainings and Employee Developments

0.1% 0.3% 0.1%

L10-11

By providing trainings to develop employees' performances not only to increase the Company's working efficiency as a whole and to utilise the production capacity to its maximum potentials, but such trainings would also to create relationships and friendships among employees.

The Company has paid intention in organising training for the employees to improve and develop their skills and knowledge. Apart from gaining technical knowledge from these trainings, the Company also urges the employees to carry out their works with honesty to avoid any conflict on interests with the Company or its stakeholders. Moreover, the Company has been providing trainings on social responsibilities, and organising trainings concerning peaceful mind in order to create an excellent citizen for the society.

The employee training and development unit under the human resources department has been appointed to create training courses that would provide knowledge, skill development and experiences to employees, while also maintain and develop employees' potentials in accordance with the Company's operational plans of 2013. This unit has been organising in-house training sessions based on surveys and evaluations taken within the Company itself concerning the necessity for skill training courses. Based on the findings, this unit has divided in-house training courses for 2013 into four categories as follow:

- 1. Administration
- Services
- 2. Manufacturing
- 4. Technical

By divided the training courses into 4 groups, employees were able to receive trainings that suit their responsibilities and work fields. The Company also organised trainings and work trips abroad to expand the employees' experiences and new knowledge for their jobs.

In 2014, the company have been improve the internal training program for organization expansion and comply with productivity policy such as the blue collar Team Building, English for AEC and training course before retired ect.

In-house and Public Training, Work Trip (Hour/Person)



Training Cost (THB Million)



Internal Communication Channels for Employees

The Company has offered different communications channels for executives and employees of all levels to communicate with each other to create a stronger working harmony in the Company, including, annual diary, intranet web, Sri Trang magazines, in house radio broadcast, news board announcements, monthly/ weekly meetings as well as annual meetings.

Employees can present their opinions and ideas via an opinion box as well as through different activities organised as platforms for opinions sharing such as the 5S, Kaizen QCC, etc.

In 2014, the Company has sustain to create a Happy Workplace, which includes the developments of the Company's employees with purpose and good strategies, which is in line with the Company's visions to become a competent organisation, ready for any changes ahead and would lead the Company into sustainable growth.



In-house radio broadcast project during lunch break serves as a mean to deliver employees public announcements and news, while also keep employees relaxed.



Annual alms making and merit giving ceremony held at 9 temples for good lucks and to provide encouragement to employees and invite them to join the activity.



"Mind, Heart, and Fun at Work Training", aimed to promote good heart and attitudes towards the workplace, colleagues and society, which in turn would create better efficiency.



In-house sport completions and sporting events between companies to encourage friendship building and more exercises of employees for good health.



Drive, Ride Safely and Economically Project provides employees with vehicle inspections together with the extension of the compulsory motor insurance at more affordable price.



Children's Day activities are held inside the factories in every year, while also urging workers to bring their children to participate in the activities as a way to strengthen the love, relations with each family as well as lift the spirits of the employees.



Organise different trainings such as training for Team Work, CSR Day, training for production increase, training for English in the workplace and working trips outside the office.



Organise New Year's celebrations and encourage employees to participate in activities with other organisations such as organising exhibition booths for the National Rubber Day, participate in labor day parades, and joining anti-corruption walkathon, etc.

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 realises that every employee is the most important resource for the Company and is one of the main contributors to the organisation. To fulfill the obligation of making sure that all employees are healthy and safe, the Company has provided the employees with health insurance, regular medical checkups, safe working atmospheres, along with a frequent inspection of the environment within working areas, which include, noise, light, dust, and gas levels.

Safety officers have been left in charge of carrying out safety operations in accordance with the laws and regulations as well as responsible for implementing prevention measures in case the levels of environmental indexes exceed the standard limits. Safety officers have regularly organised trainings to provide knowledge on safety, chemical substances, inspections of personal protective equipment, equipment in case of emergencies as well as organize annual emergency drills based on risk assessments carried out by the Company.



Ammonia emergency plan of concentrate Latex factory



Fire Evacuated plan of STR factory



Fire emergency plan of RSS factory

Apart from the safety of employees, the Company also takes into account the safety of contractors hired to work within the Company's premises as well as customers arriving at the Company's grounds to conduct business transactions and provided them with handbooks and trainings to equip them with the best safety practices during their operations in the Company.



Dealing with Stakeholder

The Company has employed different kinds of tools and means to measure the expectations of each group of stakeholders such as questionnaires, conferences, seminars, open houses, visits to business partners,

communities, rubber suppliers, along with taking in complaints and opinions to be used for improving the Company's working processes.

Stakeholder	Expectations	Responds/Actions
Shareholders/ Investors	 Good returns from investments, stable financial status Continual good business performance Transparent management which could be thoroughly inspected 	 Dividends payout Establish good corporate governance policy Organise annual shareholders' meeting. Update information on the Company's website Organise the Company's roadshow
Employees	 Opinion intakes Improve employees welfares Potential developments	 Organise Kaizen activity to welcome ideas and opinions for improvements Hold monthly meeting to improve welfare plans Organise work trips to improve employees' potentials Create Happy Workplace environment
Rubber Suppliers/ Farmers	 Standardised purchasing process A fair and reliable measurement of DRC (dry rubber content) Provide the information to suppliers on the rubber and quality required by the factories 	 Organise standardised procedures for purchasing and measurement of DRC Make visits to suppliers Provide information on the different quality of rubber Arrange Rubber Tapping Skill Development Project
Customers	High quality goodsOn time deliveriesConvenience in contacting with the CompanyAccess to accurate information	 Earn the ISO9001, ISO14001 and OHSAS18001 certificates Improve logistic management Provide reliable shipping services Establish an email, website and call centre communication
Supplier/ Contractors	Transparency in sourcing and purchaseSafety at workOn time payment	 Create reliable purchasing policy Organise safety trainings for constructors before starting work Inform about the Company's specific period of payment
Communities	 Concerns about water and air pollutions that would affect the communities and their resources Good living quality 	 Install high standard water-air pollution treatment system Regularly inspect the water and air quality as required in accordance with the law Improve communications method with the communities, including, visiting each location to provide knowledge and understandings, organise open houses, factory visits, community activities as well as welcome ideas and suggestions for community developments from the neighboring people.
Creditors/Banks	- Follow the terms and conditions of the loan agreement strictly	- Abide by the terms and conditions of the loan agreement strictly, which include making payments for interests and loans on schedule
Governmental Agency/ State Enterprise/ Relevant Private Agency	 Follow the laws and regulations Cause minimal environmental impacts Be socially responsible 	 Abide by the laws and regulations in order to carry out its business with good governance Make sure that environmental quality control meets the standards specified by the laws Be able to provide correct and clear information to responsible agencies in due course Give full cooperation to any concerned agencies for inspections Join in activities organised by networks concerning social responsibility



The Company is well aware of environmental concerns and the quality of living for the community. We are not only strived to developing the best quality products, but we also produce products that are environmental friendly that could conserve and protect the environment as well as surrounding community. We support the use of alternatives for clean energy to provide optimum usage and environmental protection. Our executives have demonstrated our commitments to being environmental friendly by implementing environmental policies as follow:

- Comply with the laws, regulations, all requirements as stipulated by official authorities and related bodies regarding environment
- To prevent, reduce waste and support recycling to alleviate environmental impact
- To improve and develop environmental management system continually through regular inspection
- To emphasis on conservation resource and energy by using it as necessarily and maximise the best use of all resources
- To educate and provide environmental training to employees and any persons working in our organisation in order to build awareness and protection of the environment
- To disclose and disseminate environmental policy to the public

The Company's policy does not only provide a clear guideline for day-to-day production, but also incorporate and promote environmental activities

with communities such as reforestation programme. In the meantime, the Company also provides further knowledge and education contingently with our environmental policy; having social responsibility and clear vision as "The Green Rubber Company"

Environmental Management

The Company has been adopting the environmental management system for a long time, especially in factories that pose higher environmental risks. The aim of the Company is to earn an ISO14001 certification within a year after the factory establishment or after the plant has been certified with ISO9001.

In 2014, there are a total of 7 factories that adopted the ISO14001:2004.

- 1. Sri Trang Agro-Industry, Trang Branch
- 2. Sri Trang Agro-Industry, Hat Yai Branch
- 3. Sri Trang Agro-Industry, Thong Song Branch
- 4. Sri Trang Agro-Industry, Sikao Branch
- 5. Sri Trang Agro-Industry, Bungkarn Branch
- 6. Rubberland Products, Buriram Branch
- Rubberland Products, Mukdahan Branch
 And Sri Trang Agro-Industry, Udon Thani Branch
 will apply for such certificate in 2015.

However, other factories of the Company that have not attained the ISO are also participating in the "Green Industry" campaign by continuously practicing and developing a good environment management system.

Water Pollution Management

The Company always maintains the quality of waste water treatment system. Every month, we regularly inspect our effluent water which is the water released into the environment to ensure that it meets with the effluent standard stated by law.

Furthermore, we have been developing the activated sludge system in the Northeastern part of Thailand that could potentially provide us with a 100% recyclable clean water to reduce the input of natural water from outside sources into the factories that might cause environmental impact. The factories have adopted a close activated sludge system, where there is no effluent released into nearby public water streams. From this treatment, we also gain excess nitrogen in the water which could be used to watering trees which can reduce the use of the new natural sources of water.

Meanwhile, the factories in Northeastern region have been collecting rain water that could also be used for irrigation purposes in nearby farms during the dry season such as our Buriram branch, the collected rain water kept in the factory is shared to nearby rice farmers during the dry season. In accordance with the law of unused materials 2005, flocks from wastewater treatment have been collected and sent for toxicity and heavy metal analysis. The result of the analysis come out is in the standard. Not only that there were no toxicity contaminants, but the excess nitrogen could be put into good use as fertilizers for farming and plantations, both in the factory and nearby villages.



Air Pollution Management

The Company has installed air pollution control systems in accordance with the type of productions as following:

Every concentrated latex factory has installed a system to control ammonia emissions in the workplace.

STR factories have installed air treatment system to reduce odour emission in 2 types.

- Wet scrubber or Plasma system for process of rubber drying.
- 2. Wet scrubber for process of compound lines.

The factories also use boiler with a multi-cyclone system to treatment air before emission. The air quality passes the standard air quality stated by law after every inspection.

The Company has also controlled odour emissions of cup lump rubber stored at the factory by using wood vinegar to keep smells at a minimal level.

As for the quality inspection of odour control from rubber drying, the Company has set up teams to undergo special trainings and seminars with the Pollution Control Department to obtain a certification for a correct way to check the level of odour emission from the factories that have installed odour emission control system for the specified schedule.

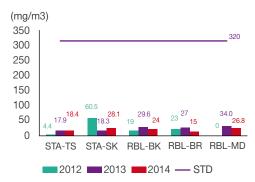


Sri Trang Agro-Industry, Ubonratchathani, owned vegetable gardens

Results of air qualities from the chimneys are as follow:

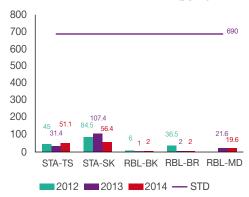
* In reference of the average data from RV3 report 2012-2014 from factories that received the ISO14001 certificates

Total solid Particle - TSP



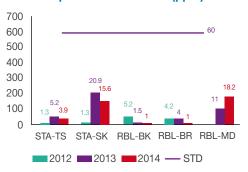
*Standard value < 320 mg/m3

Carbon Monoxide-CO (ppm)



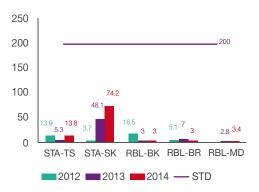
*Standard value < 690 ppm

Sulphour Dioxide-SOx (ppm)



*Standard value < 60 ppm

Nitrogen Dioxide-NOx (ppm)



*Standard value < 200 ppm

Waste Management

The Company has implemented the 3Rs of Reduce, Reuse, Recycle system to manage the unused materials in the factories. The different types of materials are separated into different groups, while their operations are also enhanced in order to reduce hazardous and non-hazardous wastes within the factories. The waste management system implemented would allow the Company to effectively use natural resources, decreasing the amount of wastes needed to be destroyed, while indirectly cutting production costs as well. The Company has piloted data collections of wastes/unused materials in factories certified with ISO14001 first, then expanded the measure to other factories. The Company has set up a step by step procedure to manage unused materials and asked each factory to gather monthly data of wastes. The Company then randomly inspected its factories along with their 5S of quality operation.

Main waste for the Company's factories between 2012-2014, of non-hazardous wastes include, scrap irons, plastics, and hazardous wastes such as used fuel are categorised into the following:

Waste of STR group 53.0 44.3 42.9 3.2 2.3 1.1 2012 2013 2014 2012 2013 2014 Non Hazardous waste (Ton) Hazardous waste (m3)

There are many steps of producing TSR. There are also involved with many materials and equipment used to produce this type of rubber than the others. This means that more wastes are generated with each production. The amount of non-hazardous wastes include, scrap irons from equipment maintenance, plastics from packaging processes, while hazardous wastes include used fuel from machine repairs and maintenance.

6.1 5.3 4.0 0.8 02



Waste of RSS group

The production of RSS is not complicated, as it heavily relies on natural resources of water and electricity which allow its production to produce limited amount of wastes.

Waste of LTX group



Hazardous wastes from Concentrated Latex production increased from the pre-scheduled fuel change for its regular maintenance.

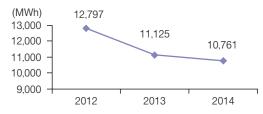
Energy Saving and Renewable Energy

The Company has been adhering to the Energy Conservation Act, by carrying out measures to preserve energy, including, the use of energy saving equipment and alternative energy such as using biomass in boilers to smoke rubber instead of diesel as well as lower the use of LPG.

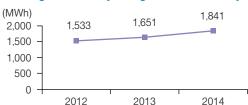
Meanwhile, factories with a certified system of ISO14001 for environmental management have targeted the use of energy by creating different operation plans such as operating the factories during off-peak periods and reducing moisture in raw materials to reduce the use of fuel for drying rubber.

The average use of electricity to produce one ton of TSR in 2012 has shown a lower tendency due to the fact that the factories in the Northeastern region of the country have decreased their electricity usage. This is as a result of machine redesign for an appropriate number of production needs to be suitable for the better quality of cup lump in such region. This has also improved the production capacity and reducing electricity usage as a whole.

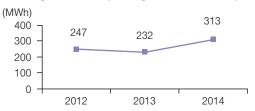
Average Electricity Usage of STR factory



Average Electricity Usage of RSS factory



Average Electricity Usage of LTX factory



Proportion Electricity usage of NR group



Data of renewable energy for STR products

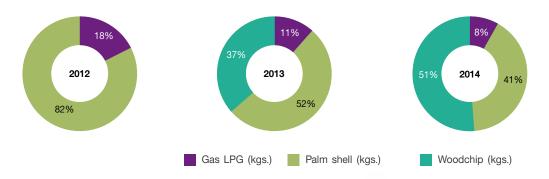
To support the measure of energy sufficiency and renewable energy, the Company has developed two new processes for STR Drying as follows:

First Part: Instead of using the direct heat gathered through the burning of cooking fuel and diesel, the Company has been using the heat burnt from LPG.

Second part: Develop a drying procedure by taking heated wind through the boiling of renewable biomass such as palm oil and wood chips to create fuel.

The Company has managed to fully control air pollution in accordance with the laws and regulations.

Proportion of Different Type of Energy Used for Drying Rubber Process



Climate Change

The Company has also given continual support to employees to have behaviour adjustment to become more environmentally friendly, including promoting the use of fabric bags instead of plastic bags to employees, reduce the use of papers by asking every employee to reuse one sided-paper, the use of bicycles instead of motor run vehicles within the factory grounds, planting more trees to increase green areas to reduce global warming, and the promoting of separating different types of wastes in order to properly recycle them or destroy them with appropriate procedures.

The Company has joined in the Carbon Footprint of Products Project, which include RSS, TSR and Concentrated Latex, to calculate the amount of carbon dioxide emitted from the production and logistic processes, which would lead to better reduction of carbon dioxide emissions in the future.

In 2014, Anvar Parawood Co.,Ltd has also joined the project of carbon footprint product label, which was also certified by the Thailand Greenhouse Gas Management Organization (Public Organization) too.



Forest Restoration Project

In 2012 the Company started the campaign to revive planting more trees to increase green areas to reduce global warming.





Sri Trang Agro-Industry, Ubon Ratchathani branch planting in factory





Rubberland Products, Buriram Branch planting to celebrate the Mother's day





Sri Trang Agro-Industry, Karnchanadit branch with collaboration of the public and school in Surat Thani planted mangrove trees

Community and Society Development

The Company fully realises that to have a sustainable business operation, it must include the participation of communities and society development within the Company's plans. Apart from improving each community's economy, the plan to development the community should also improve the quality of lives of the people, which the Company value as a vital goal. Since the Company's establishment, it has been participating in numerous activities and projects to help develop the communities and society as a whole.

Since 2013, the Company set up team visits to communities around the factories to inspect the impacts of the factories on the communities have improved the lives of the people living around the factories, particularly at the new plant in Northeastern region. The Company has constantly sent out employees to inspect the effects and needs of the communities nearby in order to use information to gain better development of the society.

Participation in Communities Development

Launched a project to develope and restore schools, under the theme, "Sri Trang Volunteers to Develop Schools for the Children". The project was to restore and renovate libraries, playgrounds as well as provide sport equipment to schools where the factories are located to support better education in the areas. The Company further sent out its employees to provide basic knowledge to students such as how to correctly sort wastes, another effort by the Company to engage the children to help develop their communities.



Rubberland Product, Bungkarn branch established fence for school



Sri Trang, Hadyai branch had renovated the school, repaint the wall



Sri Trang Sri Ban Sri Muang Project, give the bookshelf to school

Occupational Training and Living Condition Development

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

Catching fish festiva

In the north and northeast's factory we dig ponds to reserve water for using in the production and will release fish as indicators of water quality. Every 3 years when the fish are grows and spread amount, the company will organize an event to the local people and the nearest area come to join this activity for food and sell. Revenues from selling ticket will bring to use for the next activities of the community.



* "A fight drought" The project

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



The Sri Trang Knowledge to the Community Project This project was survey what people in community need by the company staff or cooperation with local department such as giving knowledge about rubber tree, how to make a quality of unsmoked sheet, how to produce the good quality of fresh latex that company need. The knowledge training from this project result are made the rubber farmer knew how to produce the good quality of rubber product. Not only knowledge about the rubber, the company has ask the cooperation from other department such as the University, provincial dep. of land development about knowledge for making the fertilizer, biological fertilizers that can make from waste materials that available from locally. These projects are help to reduce the cost of fertilizers for agriculture in communities, while also strengthen the relationships between the community and the factories.



Sri Trang, Udon Thani branch cooperation with provincial dep. of land development to analyze communities's soil



Sri Trang, Thung song branch knowledge how to making the biological fertilizers



Sri Trang, Hadyai branch knowledge to planting mushroom for lunch



Sri Trang, Sikao branch join the community to grow the fruit

The special project of, "Rubber Tapping Skill Development", was co-organised by the Company and the Office of the Rubber Replanting Aid Fund (ORRAF) to provide the correct procedure of rubber tapping to inexperienced rubber farmers as well as to support the creation of new jobs in the community and to support the rubber industry in Thailand. The main target group for the project is the new rubber farms in the Northeastern part of the country, especially in the provinces that the Company has established business operations. On top of providing locals with an occupation and the correct ways to gain the best output from the rubber trees, rubber tapping is the skill that could be used throughout of a person's life to earn a living. The project also support the return of rubber tappers into the community, where local residents from Northeastern and the Northern regions, after attending the trainings, could return home to do the work at their own rubber farms or be employed in other rubber farms in the province. During 2012-2014, the Company organised nine training sessions of the project in the North and the Northeastern region, where the Company's fctories are located, including in, Mukdahan, Sakon Nakhon, Udon Thani Loei Nakorn Pranom Nan Phitsanulok Chiang rai and Phare provinces. Such project has created occupation for more than 300 people. The Company would focus to continue this project mainly in the Northeastern and the Northern part of Thailand where our factory and procurement station located.





The 8St Rubber Tapper Skill Development at Chiang rai province



The 9St Rubber Tapper Skill Development at Phare province

"Growing Rubber for Knowledge" Project
Sri Trang Rubber and Plantation Sakonnakhon
plant joint with Sri Trang Headquarter hold "The
growing rubber for knowledge" Praise to Her Royal
Highness Princess Maha Chakri Sirindhorn at border
patrol police school, Tha Uthen, Nakorn Phanom
province. This project which evolved to the learning
center for develop rubber plantation and production
of rubber with the right method for students,
teachers and guardians in the community.



Sri Trang Rubber and Plantation taught students, teachers and guardians of the border patrol police Chutidwittaya school.

Good Environment

*

The Company had joined the environmental activities;

Good Environmental Governance Projects

Set up by Department of Industrial Work and Industry offices. This shows our social and environmental responsibility by having the community participated in the inspection procedures of the Company. Currently, there are 8 plants that have been certified.

Green Industry Project

Since 2011, the management of the Company has been adhering to a policy that stated that each company should advance to at least level 2 of being a certified green industry, or known as the 'green system'. In 2014, seven of our companies have been certified with ISO14001 at the level 3 of being a green industry. And 4, the factories certified as a level 2 green industries included Sri Trang Agro-Industry Udon Thani, Ubon Ratchthani branches, Sadao P.S rubber and Anvar Parawood.

Canal and Aquatic life Conservation Project
Started in 2011 the Company had joint conservation
with the municipal community, students, and
department of Industrial work dredged canals
plant grass and released back aquatic species
into the canal, which are crucial to the people in
the communities in the areas as they rely on the
aquatic lives as food.





Siam Sempermed join to released back aquatic species into the canal and grow the grass.

Sri Trang Volunteer project

The Company has assisted in cleanliness development by cleaning up wastes in nearby communities such as community roads, monasteries, and schools to improve and rebuild good environmental atmosphere in the areas as well as to unity and sacrifice among the Company's employees. Moreover, the participation showed the Company's sincerity in trying to live sustainably with surrounding communities. The following branches of the Company have been participating in such activities, including, Sri Trang Agro-Industy, Surat Thani, Udon Thani, Hat Yai, Thung Song, Sikao, Trang, Rubberland Products, Hat Yai, Bungkarn, Nam Hua Rubber, Anvar Parawood and Sadao P.S. Rubber, etc.



Rubberland Bungkarn wash the raod



The 2th Activities held to develop Baan Koai village, Nongnakam subdistrict, Udon Thani province

Past Supports of Society Developments

The Company recognizes the importance of supporting in the education and quality of children's life who living in the area where the factory is located by continually supporting scholarship, education equipments and sport to schools in every year.

The Company gave support to local cultural and traditional activities, including long-tailed boat racing katin as well as local merit making ceremonies within the areas where the Company's factory is situated to uphold local cultural and traditional activities.



Sri Trang, Chumporn branch sold the flower



Sri Trang, Pattani branch Arluso Relations (Sweets according to Muslim tradition, Thailand) for distribution to employees and residents around the factory

Supports for Community and Societal Activities

In additional to participate by doing for social and community development, supporting fund for any events or important day of community nearby area such as Child's day, New Year celebrate with schools, community & government are the other ways to support and develop good relations and quality of life to surrounding community that the company has implemented both joining the events and a sponsor to support the events regularly.



Sri Trang, Sikao branch in children's day activity



Sri Trang, Hadyai branch in children's day activity

Assistance to Natural Disaster Victims and Unfortunate People

To help the victim is the activity that comply with the CSR policy that the Company continuously to do for our stakeholder and the others in the wold.



Sri Trang, Pattani branch donation water

Social Innovations

The Company has been the rubber company in Thailand to invest in the study of plasma to treat odour emission from rubber smoking. which in turn lowers the amount of water use, from the old wet scrubber system, and conserve water and reduce waste water from the system. Moreover, the Company has thrived to continue to improve the Company's odour emission management system to make sure that the surrounding communities would be least affected. And to further ensure such confidence, the Company has hired a team to go through trainings with the Department of Pollution Control in order for them to appropriately inspect the odour emission of each factory effectively, until now we found that the odour from drying process in Northeastern is different from Southern factory in order to the cup lump producing.

However the Company also attempt to develop more efficiency the air treatment system for reduce the impact for community and go to the environmental friendly company.



Odour samples collected from pollution management system



The employee inspect the odour from the sample

Waste Management

water treatment can make a sure that no longer in used materials are recycled or put into good use. Both for the Copmany and community. This activity not only create good community relationship but also make employee proud to do. The TSR factory using SBR to make synthetic rubber to create shoe shelves, book shelves within the factories and to be donated to schools in need. The soil from washing the cup lump and sludge from waste water treatment can make a biological fertilizer.

The RSS factory using damaged bamboo that can not be used to smoke rubber to make a chicken coop fence garden crops and a mushroom grow house at the schoot





Rubberland Products, Bungkarn branch do the shelves for school







Sri Trang, Udon Thani branch put the soil as fertilizer

The promotion of the appropriate and accurate ways to deliver cup lump is another concern of the Company, as each delivery of this type of rubber could cause foul odour through the

delivery routes. With this bear in mind, the Company has sent out letters and giving out leaflets encouraging cup lump suppliers to install gutters and barrels to hold the excess latex during each delivery as well as for every truck vehicle to cover the cup lump neatly in order to limit the smell of the rubber as much as possible. Furthermore, the Company has also promoted the knowledge of drying out the cup lump rubber for at least 3-5 days before selling it to the factories, to rubber farmers, so as to lower the excess latex from causing unwanted odour and making the



Putting up promotion signs and giving out leaflets informing of the opening day for the Company to buy raw material cup lump at Sakaew branch



Awards



Sri Trang Agro-Industry PCL.

- Best Supplier Award (2005-2009) from Zhejiang Future Petrochemical., Ltd.
- Awarded The best entrepreneur who commercially benefit from Free Trade Area(FTA).
- Excellent Supplier Award (2010-2011) from Double Coin Holdings Ltd.
- Prime Minister's Export Award 2012 "Best Exporter" for export value over THB 5,000 million.
- CSR Recognition 2014 in the category of Rising Star from the Stock Exchange of Thailand.

Sri Trang Agro-Industry PCL. - Hadyai branch

- Three Industries Unity Flag" for its efforts in improving the environment in Songkhla community, 6 July 2011
- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), 26 March 2011
- CSR-DIW Award 2013
- CSR-DIW Continuous Awards 2014

Sri Trang Agro-Industry PCL.- Ubon Ratchathani branch

- Certificate for Good Environmental Governance from the Industry Ministry, in 2014
- Green Industry Level 2, in 2013

Sri Trang Agro-Industry PCL. - Thong Song branch

 Certificate for Good Environmental Governance from the Industry Ministry 2009

- Certified by the Department of Industrial Works
 (DIW) for its environmental management system for both the first and second steps
- Green Industry Level 3, in 2012
- CSR-DIW Awards 2014

Sri Trang Agro-Industry PCL. - Sikao branch

- Certificate for Good Environmental Governance from the Industry Ministry
- Received honored from the Department of Primary Industries and Mines as it participated in a pilot project for preparation of excellent practices for Green Supply Chain of rubber industry, main target for export industry, 24 September 2012
- Green Industry Level 3, in 2012

Sri Trang Agro-Industry PCL. - Udon Thani branch

- Certificate for Good Environmental Governance from the Industry Ministry, in 2014
- CSR-DIW For Beginner 2013
- CSR-DIW Award 2014
- Green Industry Level 2, in 2013
- Green Industry Level 3, in 2014

Sri Trang Agro-Industry PCL. - Trang branch

- Certificate for Good Environmental Governance from the Industry Ministry, 12 September 2012
- Green Industry Level 3, in 2012
- Certificates Carbon Footprint Organization label endorsed by Thailand Greenhouse Gas Management Organization (Public Organization), in 2013



Sri Trang Agro-Industry PCL. - Surat Thani branch

- Certificate for Good Environmental Governance from the Industry Ministry, in 2011
- Green Industry Level 2, in 2011

Sri Trang Agro-Industry PCL. - Karnchanadit branch

- Certificate for Good Environmental Governance from the Industry Ministry, in 2010
- Green Industry Level 2, in 2010

Sri Trang Agro-Industry PCL. - Karnchanadit branch

- Joined the One Province One Agro-Industrial Product (OPOAI), in 2011
- certificate for Good Environmental Governance from the Industry Ministry, in 2013
- CSR-DIW For Beginner 2013
- Green Industry Level 2, in 2013

Sri Trang Agro-Industry PCL. - Huay Nang branch

 Certified by the Department of Industrial Works for its environmental management system for the first step.

Sri Trang Agro-Industry PCL. - Pattani branch

- Implementation of prevention and drug abuse in the workplace, according to White Factory, 2012 from the Office Labour Protection and Welfare.
- Prevention projects and resolve drug abuse in the establishment 2013, from the Office Labour Protection and Welfare.

Nam Hua Rubber Co.,Ltd.

- Earned a special award on the Thai Association for Cooperative Education (TACE) Day.
- Certificate for Good Environmental Governance from the Industry Ministry, in 2011
- Green Industry Level 2, in 2012
- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 16 September 2012
- Earned Total Energy Award (TEM Award), in 2013

Rubberland Products Co., Ltd. - Hadyai branch

- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 3 December 2012
- Green Industry Level 2

Rubberland Products Co.,Ltd. - Bungkarn branch

- received an award for its excellent well planned out workplace and developments of human resources.
- one of the selected winners for the "Love Your Mother, Love and Preserve the Water 2012"
 Award for the Northereastern region group for its cooperation to preserve and rehabilitate rivers.
- Green Industry Level 3, in 2012
- CSR-DIW Award 2014



Rubberland Products Co., Ltd. - Burirum branch

- Implementation of prevention and drug abuse in the workplace, according to White Factory, 2011 from the Office Labour Protection and Welfare.
- Received Good Environmental Governance Certificate, in 2012
- one of the selected winners for the "Love Your Mother, Love and Preserve the Water 2012"
 Award for the Northereastern region group for its cooperation to preserve and rehabilitate rivers.
- Green Industry Level 3, in 2012
- The establishments that comply with employment disability law.
- Certificate for its participation in the Cleaner
 Technology project in 2013 from the Ministry of Industry.

Rubberland Products Co., Ltd. - Mukdahan branch

- Implementation of prevention and drug abuse in the workplace, according to White Factory, 2013
- Prevention projects and resolve drug abuse in the establishment, in 2013

Sadao P.S. Rubber Co.,Ltd.

 Honored for the assessment of quality of natural rubber exports from Bridgestone Singapore
 Pte LTd., on 21 November 1997 and 5 November 1999

- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 19 September 2013
- Green Industry level 2, in 2014

Anvar Parawood Co.,Ltd.

- A list of registered manufacturers of wood packaging material requirements IPPC
- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 19 September 2014

Siam Sempermed Co.,Ltd.

- Received Good Environmental Governance Certificate, in 2012
- Siam Sempermed Corporation Limited received Corporate Social Responsibility (CSR) award for private sector, in 2012
- received Quality Award form Food and Drug Administration, in 2011

Siam Sempermed Co.,Ltd., Surat Thani branch

Received Good Environmental Governance Certificate.

Awards for 2014



 CSR Recognition Award 2014 in the category of Rising Star from the Stock Exchange of Thailand.



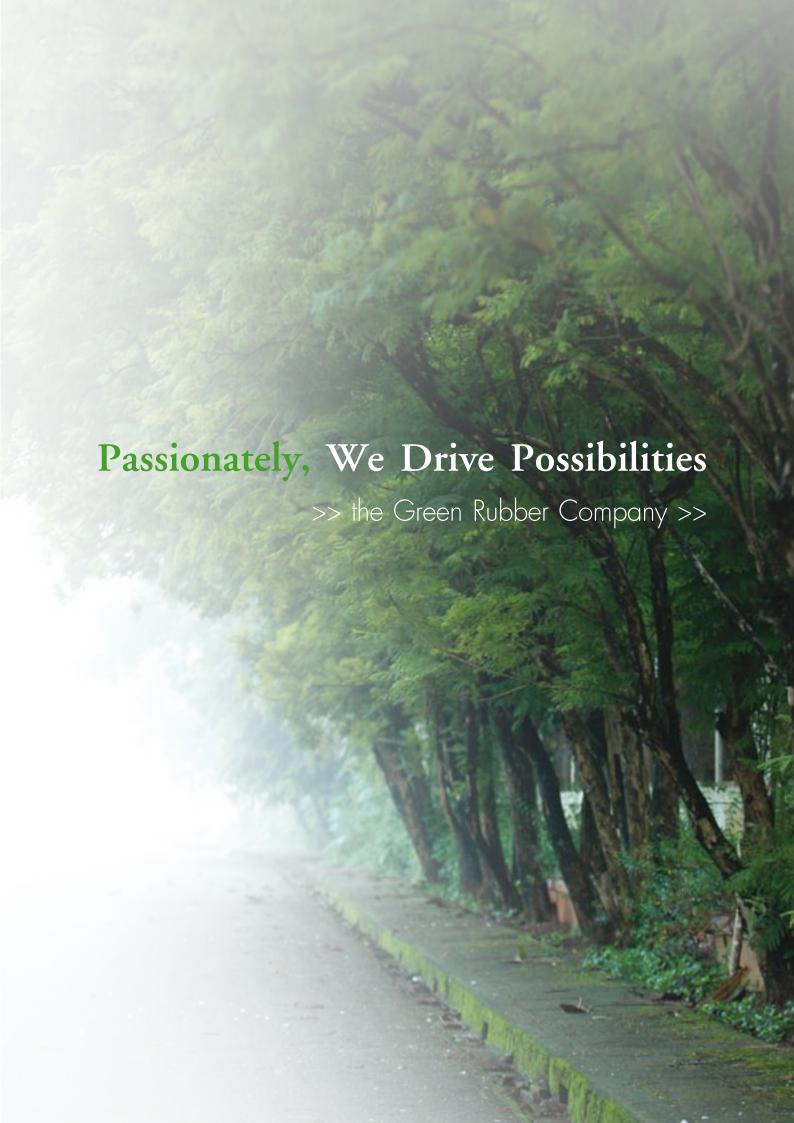
2. Sri Trang Agro-Industry, Hat Yai branch was given the CSR-DIW Continuous Awards 2014 and Sri Trang Agro-Industry, Udon thani, Thong Song branch, Rubberland Products, Bungkarn branch was given the CSR-DIW Awards for its participation in the Flagship Project to Develop Factories to be Socially Responsible as an entrepreneur that is socially responsible, which was a project to strengthen the potential of factories in environmental management and having social responsibility.



3. Sri Trang Agro-Industry, Ubon Ratchathani and Udon Thani branch was certified by the Industry Ministry as an organisation that operates under the Good Environmental Governance. The award was given as part of the Ministry of Industry's initiative to promote environmental awareness and engagement with community in the private section.



 Siam Sempermed Corporation Limited received 2014 Quality Award from Food and Drug Administration for manufacturing high quality standard products for distribution domestically and internationally.





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