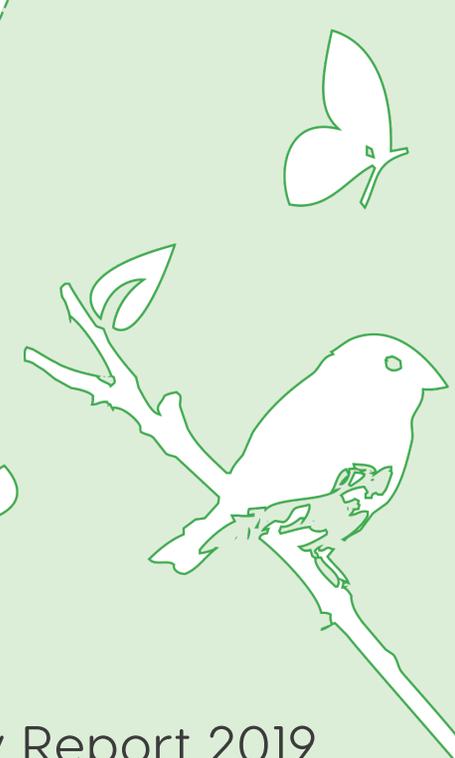
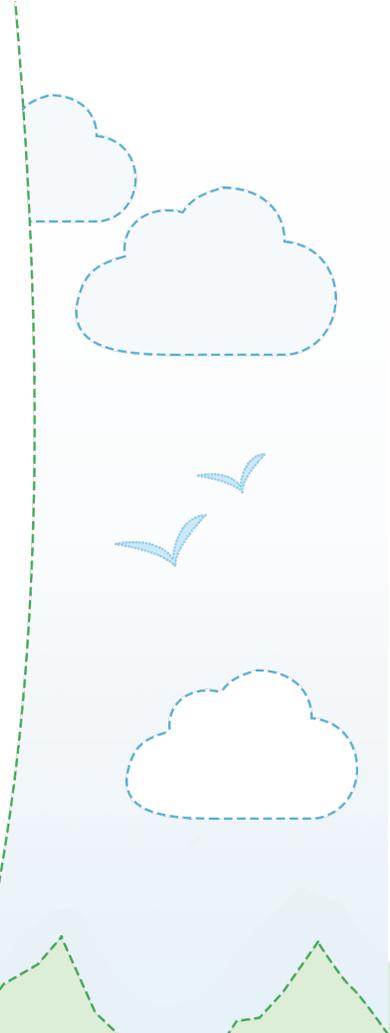




Southland Rubber Group



Sustainability Report 2019

For a Greener Planet



About this Report

This is the third publication of Southland Rubber Group's Sustainability Report which is published on a yearly basis. The 2019 Report discloses the company's performance regarding sustainability during January 1 – December 31, 2019. While our previous Reports in 2017 and 2018 emphasized on starting our sustainability journey and partnership for future generations, the 2019 Report emphasizes on creating a greener planet in response to global warming and climate challenges.

Emphasized Framework

The Sustainability Report 2019 focuses mainly on our commitment and efforts to contribute to environmental balance by the company in Thailand including its eight subsidiaries throughout the year.

Our 8 subsidiaries in Thailand are:

Southland Rubber Co.,Ltd.
Southland Resources Co.,Ltd.
Southland Latex Co.,Ltd.
Southland Resources (Chumphon) Co.,Ltd.
Southland Resources (Trang) Co.,Ltd.
Southland Latex (Phattalung) Co.,Ltd.
Unirubber Co.,Ltd.
Unimac Rubber Co.,Ltd.

Guidelines and Standards

This Sustainability Report references the Global Reporting Initiative (GRI) Standards 2016. Content is based on the GRI Reporting Principles for defining report quality, and some of the required GRI General Disclosures (GRI 102) are included.

The three main sustainability dimensions defined by GRI: Environmental, Social and Economic are reflected in the content of this report, as is the alignment of Southland Rubber Group's sustainability objectives with the United Nation's 17 Sustainable Development Goals (SDGs) and the topics under the ISO 26000 Guidance on Social Responsibility for organizations.

Feedback

Every comment and opinion from our stakeholders and readers of the Report play an important role in developing our sustainability performance. Therefore, should you have any suggestions or questions, please feel free to contact our reporting team at csr@southlandholding.com

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Managing Director's Message

Towards the Greener Planet

As we move forward, we are facing a great deal of challenges ahead. In recent years, climate change and environmental impacts have become a global challenge. Global warming, abnormal weather incidents, and extreme natural disasters are often heard and we are a part of them. I believe that we can do something about it.

Our business relies on natural rubber and we realize that our business operations have impacted, inevitably, our planet. Southland Rubber Group since announcing our sustainability journey, strongly agree that we should move towards a Greener Planet. We encouraged our stakeholders to participate in environmental conservation activities. This year we introduced a concept of "Nature in the factory" to our factories. By planting trees, to recover what we have lost, we can create biodiversity to restore the ecosystem. Though it is a tiny step forward, to-date we have planted more than 36,000 trees with more than 100 different species. We will continue and hope to grow more than 100,000 trees in the coming years.

International Standards Compliance

Ensuring compliance with international standards—Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and Occupational Health and Safety Management System (OHSAS 18001)—is an important factor for us to become a sustainable natural rubber producer. As a semi-raw material producer of natural rubber, our role in the supply chain is to convert agricultural products into industrial products. That means we are the connector between agricultural sector and industrial sector. For this reason, the reliable international standards are required to ensure that our business activities are under control and do not have negative impacts on any sector of our supply chain and will contribute to sustainable development.

Stakeholder Engagement

To emphasise our commitment to our stakeholders regarding sustainability of our organisation, a compliance program was initiated to remind employees of our code of conduct and various sustainability policies in a structured process that included a focus on our whistleblowing policy and channels of complaints opportunities.

Southland Rubber Group will continue to reach out to all our stakeholders to promote sustainability through various communication channels and encouraging our stakeholders towards a greener planet. I would like to express my sincere gratitude to all our stakeholders for their effort and contribution and look forward to their continuing support to mitigate future sustainability challenges.



Pherm Tirasarnvong
Managing Director

Company Overview

Southland Rubber Group is a world leading natural rubber producer and exporter company founded in 1986 by 4 founding members, Mr. Pherm Tirasarnvong, Mr.Sawarod Tirasarnvong, Mr.Thanasak Chansanti, and the late Mr.Nakhon Mahararoongroj. Our primary markets are China, Japan, Korea, Thailand, Malaysia, Americas and European countries. We provide our customers with 3 main types of high quality products: Technically Specified Rubber (TSR), Concentrated Latex and Ribbed Smoked Sheets (RSS).

Our Products



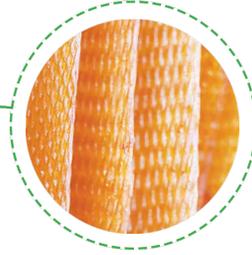
Technically Specified Rubber

- Standard Thai Rubber
- STR 10
- STR 20
- Mixture Rubber



Concentrated Latex

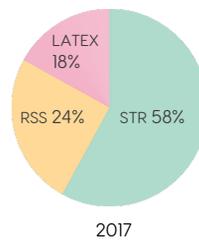
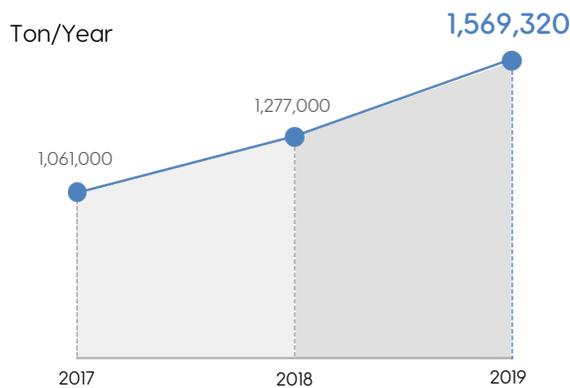
- 60% Concentrated Latex
- High Ammonia (HA)
- Medium Ammonia (MA)
- Low Ammonia (LA)
- Double Centrifuge
- SELATEX (Deproteinized Latex)



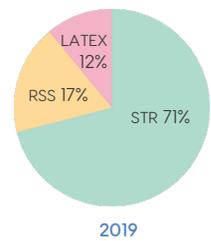
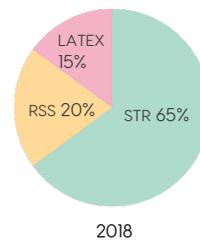
Ribbed Smoked Sheets

- RSS 1
- RSS 2
- RSS 3
- RSS 4
- RSS 5

Our Production Capacity



By Ratio



Our Employees

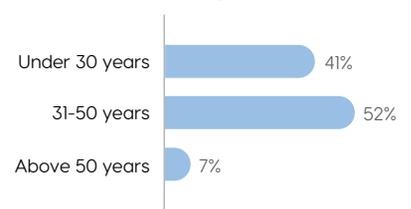


Male
55%



Female
45%

By Age



* Data as of December 31, 2019

Locations & Operations

STR group (Standard Thai Rubber)

- BJ1** Nakhon Si Thammarat
Southland Resources Co.,Ltd.
 - BJ2** Songkhla
Southland Resources Co.,Ltd.
 - BJ3** Rayong
Southland Resources Co.,Ltd.
 - BJ4** Buengkan
Southland Resources Co.,Ltd.
 - BJ5** Chumphon
Southland Resources (Chumphon) Co.,Ltd.
 - BJ6** Trang
Southland Resources (Trang) Co.,Ltd.
-  ISO : 9001, 14001
ISO/IEC17025, OHSAS18001

LATEX group (Concentrated Latex)

- NTW** Songkhla
Southland Latex Co.,Ltd.
 - BK** Songkhla
Southland Latex Co.,Ltd.
 - RY** Rayong
Southland Latex Co.,Ltd.
 - PT** Phatthalung
Southland Latex (Phatthalung) Co.,Ltd.
 - LS** Trang
Unimac Rubber Co.,Ltd.
-  ISO : 9001, 14001
OHSAS18001

RSS group (Ribbed Smoked Sheets)

- HX** Songkhla
Southland Rubber Co.,Ltd.
 - SN** Surat Thani
Southland Rubber Co.,Ltd.
 - YL** Yala
Southland Rubber Co.,Ltd.
 - TSU** Nakhon Si Thammarat
Unirubber Co.,Ltd.
 - TG** Trang
Unimac Rubber Co.,Ltd.
-  ISO : 9001, 14001
OHSAS18001

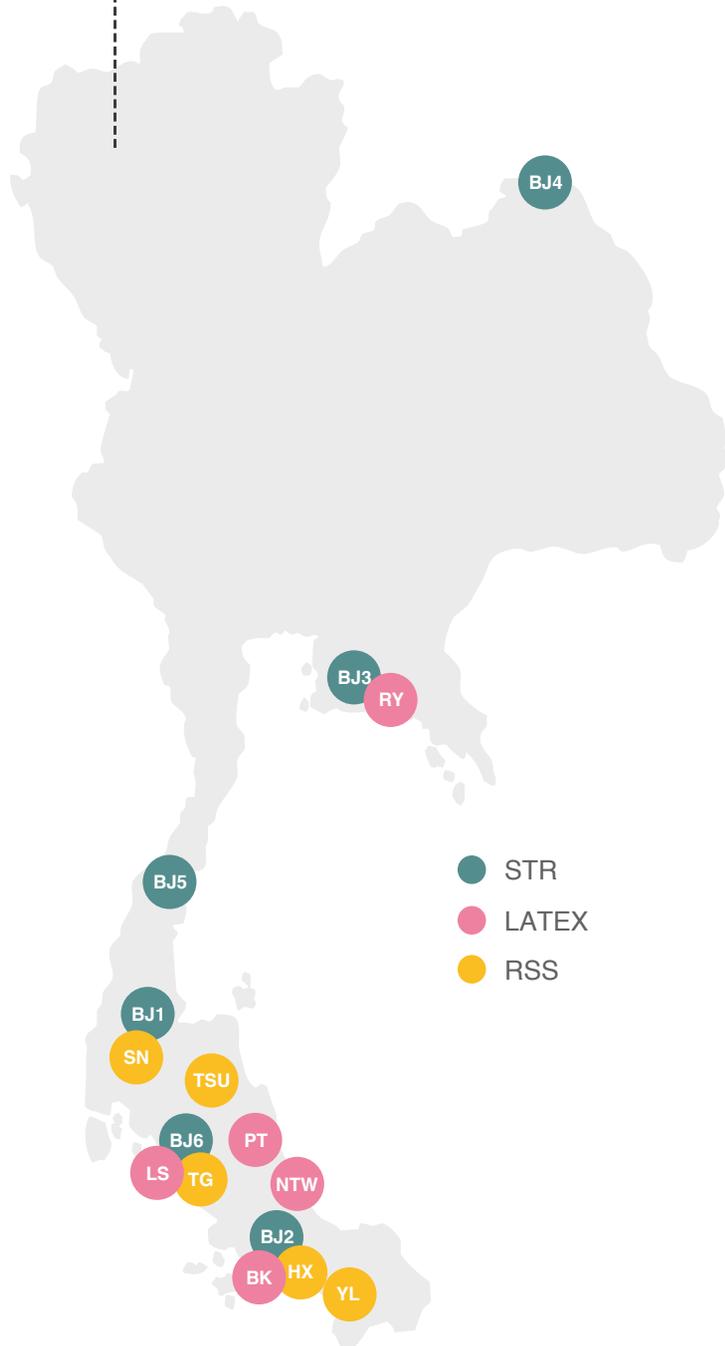
Accreditation Body:
The Department of Science Service (ISO/IEC17025)
Thai Industrial Standards Institute (ISO/IEC17025)

Certification Body:
TÜV Rheinland (ISO9001, ISO14001, and OHSAS18001)

Thailand

The headquarters is located in 55 Rajyindee Road, Hatyai, Songkhla 90110 Thailand.

On the left-hand side of this page, are listed **16 factories** located in 9 provinces in different regions of Thailand. These factories are listed by product groups with the relevant locations and subsidiary names and marked out in the location map below.



Accreditation & Awards

We are proud to be credited with various awards achieved by four or more of our Group's units for our commitment towards sustainability practices.

EcoVadis



We are awarded the "SILVER MEDAL"

We took our first EcoVadis assessment in late 2018 with the need to align our sustainability performance with international standards, and now the result of the assessment is available. We have received a silver medal in recognition of CSR achievement with the overall score of 48 out of 100.

We are committed to the continuation of strengthening our sustainability performance, not only for satisfying our customers' needs and creating the brand reputation, but also for conserving a balanced natural environment of the world which we share.

Good Labour Practices



12 of the factories have received Good Labour Practices certificate. We have always treated every one of our employees fairly without any forms of discrimination. We genuinely realize the importance of employees as they are important assets of the organisation.

- List of factories awarded:
- STR : BJ1, BJ2, BJ3, BJ4, BJ5
 - LATEX : NTW, BK, PT
 - RSS : YL, HX, SN, TSU

CSR-DIW Continuous



4 of the factories are accredited by CSR- DIW Continuous award. CSR – DIW Continuous Award is a standard for Corporate Social Responsibility. This standard is set up by the Department of Industrial Works of Thailand by applying some elements of ISO 26000 that are appropriate for the context of the country.

- List of factories accredited:
- STR : BJ1, BJ2, BJ4
 - LATEX : PT

Green Industry



11 of the factories are awarded with the Green Industry (level 3) award from the Ministry of Industry. We are committed to operate an environmentally friendly business which emphasizes on corporate social responsibility and sustainable development in order that we can minimize negative environmental impacts, preserve limited resources and energy, and sustain the supply chain.

- List of factories accredited:
- STR : BJ1, BJ2, BJ4, BJ6
 - LATEX : NTW, BK, PT
 - RSS : YL, HX, SN, TSU

External Initiative & Membership of Associations



Founding member of Global Platform for Sustainable Natural Rubber (GPSNR)



Thai Rubber Association



Thai Latex Association



Thai National Shippers' Council



The federation of Thai industries

Materiality Assessment

We recognize the concerns of our stakeholders and we will organize our sustainability development accordingly.



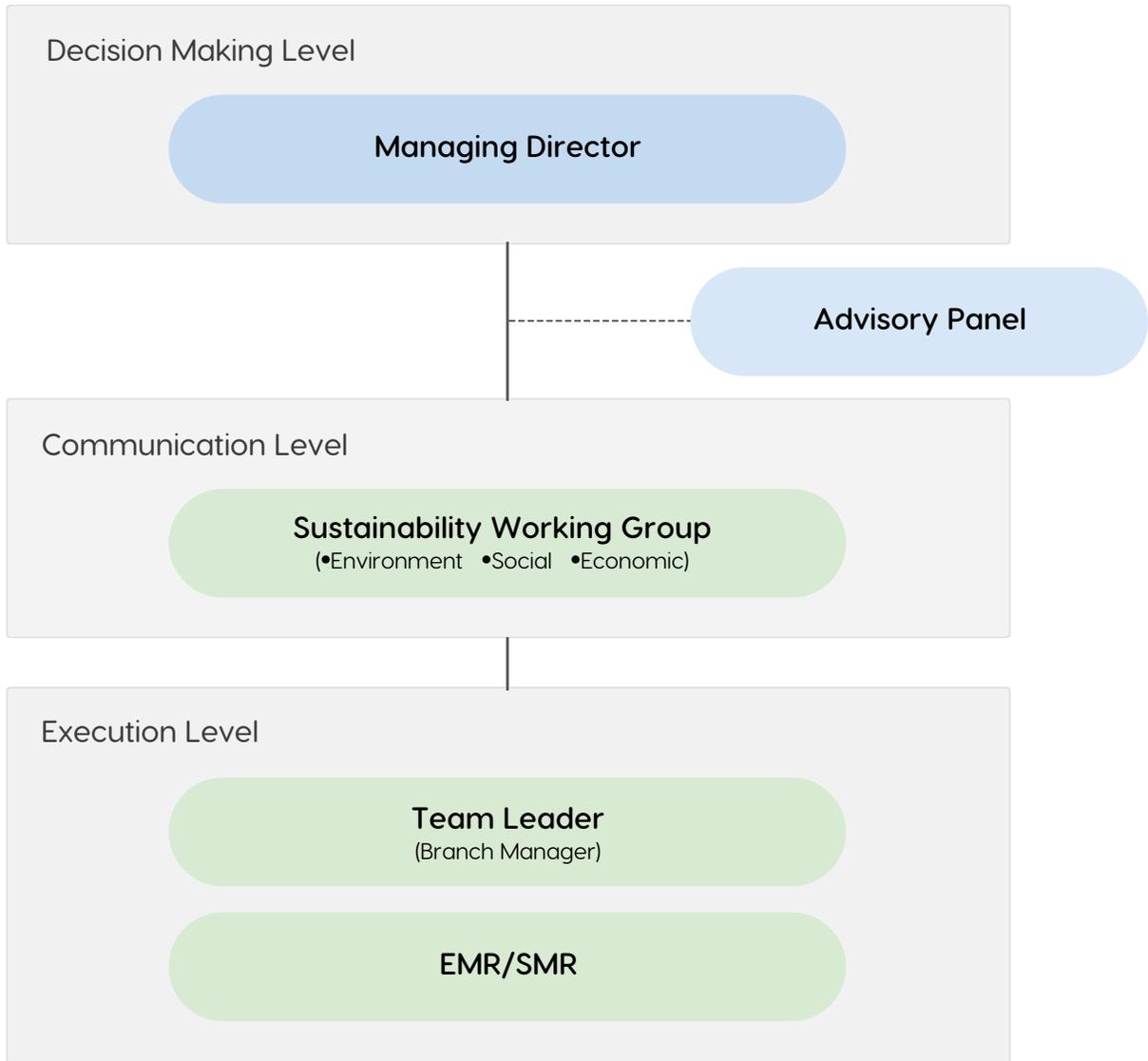
To map the materiality matrix, we surveyed all of our stakeholders: customers, employees, raw material suppliers, contractors, government agencies, financial institutions, and communities to identify significant topics in relation to 3 sustainability pillars—environment, social, and economic—using risk management approach.

In 2019, the materiality matrix is slightly different from the one that we reported in 2018. Energy Consumption issue is added owing to the growing concern about global warming and climate change. Moreover, Waste Management issue has improved due to the introduction of better waste management system.

All in all, the issues that are considered top priorities for our stakeholders and the company are mapped on the upper right corner of the materiality matrix. Such topics refer to: product quality, pollution control, no deforestation, supplier sustainability awareness, product delivery, health and safety, energy consumption, and employees welfare, respectively

Understanding those significant topics enables us to effectively determine strategic plans which will contribute to sustainable business operation and building a strong value chain.

Sustainability Management Structure



Our Sustainability Management Structure is divided into 3 levels:

Decision Making Level:

Decision making level refers to the board of directors and advisory panel whose responsibility is to review the objectives, strategy and progress as well as evaluate the effectiveness of the sustainability working group.

Advisory Panel:

Advisory panel refers to the advisors who give advice to the communication level regarding the sustainability framework of the company in order to align with global trends and international standards. The advice from the advisory panel enables the communication level to improve and develop their work before presenting to the decision making level.

Communication Level:

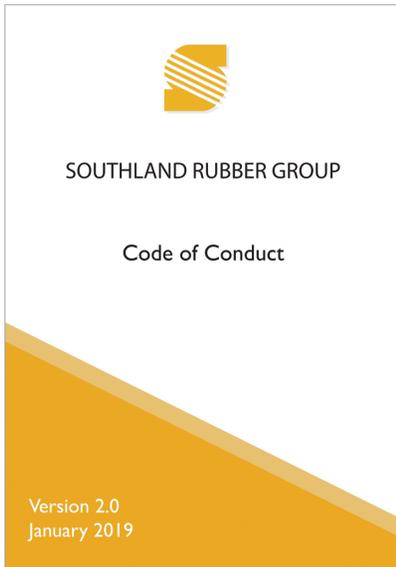
Communication level refers to the sustainability working group who is in charge of identifying the risks based on the economic, social and environmental issues as well as conducting and coordinating communications with stakeholders, and formulating the objectives and targets.

Execution Level:

Execution level refers to branch managers whose responsibilities include completing work assigned by the communication level with the help of Environmental Management Representatives (EMR) or Safety Management Representatives (SMR) and providing comments, feedback, suggestions, recommendation or advise to the communication level.

Our Approach for Sustainability

Our approach to sustainable development begins with issuing and implementing of policies related to good sustainable development. These policies cover practices in the areas of environmental, social, and economic practices. To achieve our goals, we start with 4 core values of our code of conduct followed by implementation of 8 policies to cover specific critical areas for success.



We operate the business by adhering to 4 core values



Integrity

to take pride in being consistently honest and sincere, aligning to our ethics, standards, and values



Visionary

to be far-sighted, have wisdom and insight in leading the group to reach higher achievements



Respect

to treat all stakeholders in the same manner no matter background, culture, ability, or beliefs



Passion

to achieve our goals with active enthusiasm, strong will, and momentum to excel

Policies

Our 8 policies have been communicated and practised within the organization. This is ensured through the Compliance Program initiated as a tool for communicating the policies to our employees and to ensure compliance.



Sustainability Policy



Quality Policy



Sustainable Procurement Policy



Environmental Policy



Anti- corruption Policy



Occupational Health & Safety Policy



Whistleblowing Policy



Information Security Policy



Environmental Dimension

In 2019, we focused on environmental protection especially, by creating more green areas around the factories and surrounding communities as we felt the need to take appropriate actions in response to climate change & environmental degradation. To contribute to environmental conservation, the keys topics of our environmental policy are implemented.

- Biodiversity
- Energy & Emissions
- Local Pollution
- Water
- Materials and Waste Management



A Greener Planet



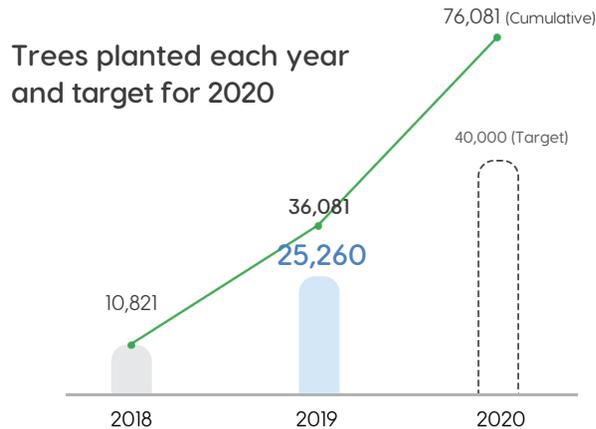
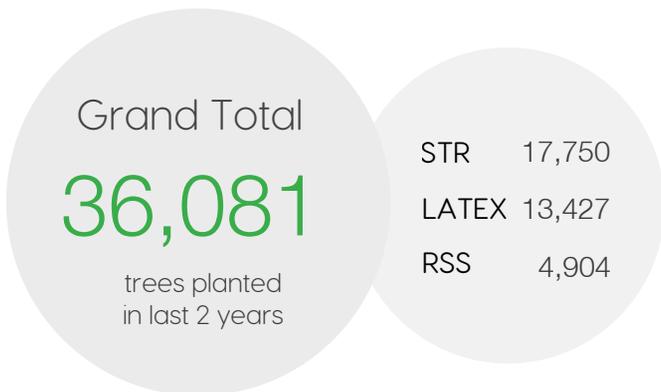
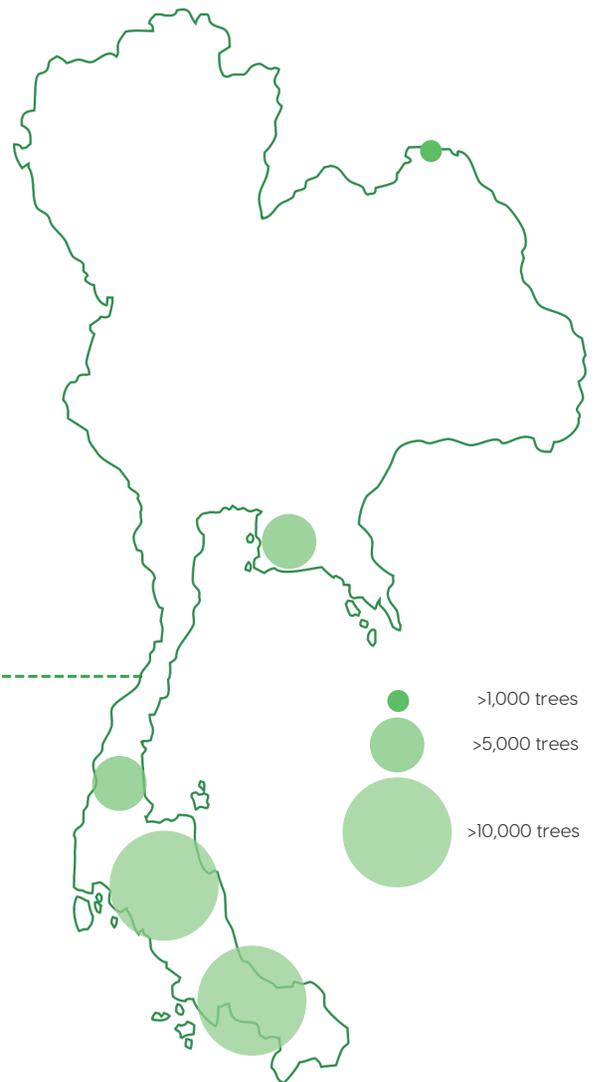
Raising awareness and supporting biodiversity activities in our factory areas and surrounding communities is a small but significant step that we can start with to keep the natural environment of the earth balanced and contribute to a greener planet.

As a natural rubber semi-raw material producer, we are deeply connected with agriculture which relies heavily on climate and weather conditions. For this reason, the awareness of caring for the environment has been raised within our organization, and we responded to this awareness through creating and protecting biodiversity. In 2019, a total of 25,260 trees had been planted in and around our 16 factories, and the table below provides data on the top 10 of various locally found species of trees planted.

Top 10 of the most popular locally found species planted

No.	Type of species		Number of trees planted in 2019
	Scientific name	Common name	
1	Chrysopogon zizanioides	Vetiver	5,802
2	Hevea brasiliensis	Rubber tree	2,000
3	Hopea odorata	Iron Wood	1,323
4	Tamarindus indica	Tamarid	1,285
5	Swietenia macrophylla	Mahogany	1,102
6	Helianthus annuus	Sunflower	1,005
7	Codiaeum variegatum	Garden Croton	986
8	Musa sapientum Linn	Banana tree	835
9	Cassia fistula	Golden shower tree	816
10	Ruellia tuberosa Linn	Minnieroot	800

(125 locally found species have been planted)



Nature in the Factory

We must be united so that we are able to contribute to a greener planet. Collaboratively creating more green areas on the earth is equivalent to collaboratively prolonging the lifetime of the resourceful earth, which is the home to all of us.

The tree planting program called **"Nature in the Factory"** was arranged at BJ2 in October. The reason why we placed such great importance on creating more green areas and biodiversity inside our factories is that we need to return what we took from the nature and the earth. When we first built our factories, we may have caused some negative impacts on the natural environment. If nothing else, trees were cut down to make way for building factories that needed vast space, and it also affected biodiversity. Therefore, it is our responsibility to take action in response to those negative impacts and find a balance between our economic growth and environmental protection. This activity was led by our top management team accompanied by all level of employees.

Our managing director Mr. Pherm Tirasarnvong and our employees participating in the tree planting program



Mr. Pherm Tirasarnvong planted Golden Teak tree



Top management planted Croton trees



List and number of trees planted in BJ2 on October 26, 2019



Teak (39)



Mahogany (20)



Krankrao (30)



Burma Padauk (107)



Java Cassia (41)



Cassia fistula (40)



Yellow elder (16)



Andaman satinwood (30)



Hibiscus (24)



Gardenia (44)



Ardisia elliptica (1)



Croton (40)



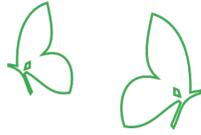
Rainbow shower (5)



Lemongrass (20)

Collaboration on Biodiversity

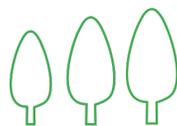
Southland Rubber Group places great importance on promoting biodiversity, and we believe that collaboration with communities and external organizations plays a significant role in driving sustainable development and uniting people from different sectors. Therefore, we have carried out the commitment regarding biodiversity through several CSR activities throughout the year.



NTW collaborated with Songkhla Directory of Provincial Administrative Organization, Kongsai Sub district Administrative organization, community leaders, and villagers to release 400,000 baby fish to a natural water source. The activity was hosted by Ban Thonon community on July 25, 2019 at Ban Thonon weir, and there were over 100 participants.



HX and BJ2 collaborated with RAOT and, Ban Kuan Khee Raet School in tree planting activity at Ban Kuan Khee Raet School on July 26, 2019. The activity was hosted by RAOT, and there were more than 100 participants.



On May 1, 2019, **BJ1 and TSU** participated in the mangrove planting activity hosted by Department of Labor Protection and Welfare (Nakhon Si Thammarat). Many businesses, state enterprise, and communities in the province participated in the activity.



Energy Management



Green house gases emission is the key factor causing global warming which will ultimately result in climate change. However, emitting green house gases is inevitable for us as a part of industrial sector. In response to the global concerns with "Climate Change" issues, we are committed to reducing the emission of greenhouse gases and decreasing energy consumption within the organization through our sustainability targets and energy saving programs.

Strategy

- Using energy efficient appliances such as LED lamps
- Improving or modifying processes and equipment to increase energy efficiency
- Organizing activities to raise employees' awareness on sustainable energy conservation

Target

- Reduce 5% of CO₂ emission intensity by 2020.

Result

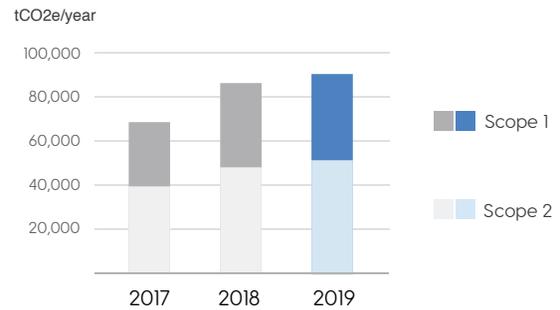
- Increase by **15.54%** of total CO₂ emission intensity compared to base year 2017

Energy Consumption

Year	Fuel (Mwh)	Electricity (Mwh)	Total CO ₂ emissions (tCO ₂ e/year)	Total CO ₂ emissions Intensity
2017	100,562.00	116,890.12	106,843.68	0.151
2018	119,294.00	147,633.51	133,331.36	0.165
2019	129,612.00	154,899.17	141,582.03	0.174

The amount of CO₂ emission increased owing to the commissioning of new machines which could not reach their full efficiency yet. In addition, the expansion of wastewater treatment system greatly affected CO₂ emission.

CO₂ Emissions



Energy Conservation

In 2019, we summarized the number and total watt of LED lamps which have been used as the replacement of metal halide lamps and fluorescent lamps in 7 of our factories. Using LED lamps enabled us to reduce some amount of electricity consumption. Even though we could not manage to reduce CO₂ emission this year owing to the rising capacity, we commit to introduce more energy saving projects in the coming years to get closer to our target.



Number of light bulbs

Electricity Consumption* (kWh/year)

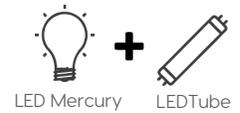
Before



66 130

71,901.35

After



226

37,675.30

Save

34,226.05
kWh/year

Efficiency Improvement Project (BJ4)



BJ4 redesigned our cutter machine efficiency by using same motor of 90Kw. Therefore, it enabled us to increase production efficiency by 25%.

Before

16

Tons / Hour

After

20

Tons / Hour

Increase by

25%

* Based on 8 operating hours per day

Air Quality

We are concerned about and pay close attention to the air quality from our production process. Therefore, compliance with acceptable standards is a must for us.

Strategy

- Conducting odor survey on a daily basis within 5 kilometers radius
- Cleaning floor and wet scrubbers and using EM spray in STR factories
- Collaborate with raw material suppliers to install cup lump serum tanks on their transporting vehicles

Air Quality Test

Type of air pollutants	Emission Standard	Unit	STR	LATEX	RSS
NOx	≤200	PPM	✓	✓	✓
SOx	≤60	PPM	✓	✓	✓
TSP	≤320	mg/m ³	✓	✓	✓

Target

- Aligning air quality measurement with the local emission standards
- Zero complaint from surrounding communities regarding odor matter

Result

There are 3 air quality standards (NOx, Sox, and TSP) that our factories measure. The standards mentioned are the industrial air emissions standards of Thailand.

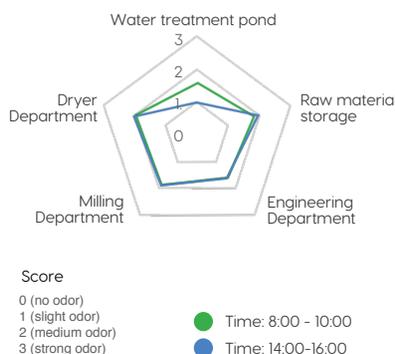
- All STR factories meet the standards
- All RSS factories meet the standards
- 3 Latex factories meet the standards (Another 2 Latex factories— RY and UMR-LS—are not applicable)
- No major complaints from surrounding communities regarding unpleasant odor

Odor Control

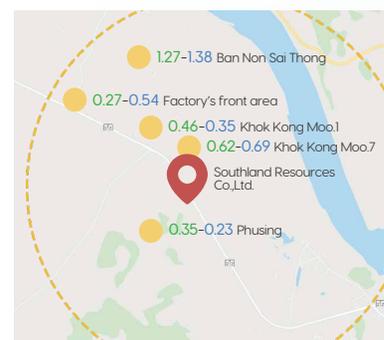
Our Odor Survey

- **Factory:** STR, LATEX
- **Frequency:** twice a day
- **Sampling Spot:** inside the factory and nearby communities within 5 kilometers radius
- **Measurement:** human sense (smelling)
- **Odor Countermeasures:** EM spray, floor cleaning, and wet scrubber cleaning

This is the example of odor survey by BJ4 (October's result). The factory surveyed 5 spots inside the factory and another 5 spots in nearby areas.



Odor survey result in nearby communities



The yellow circles refer to sampling spots, and the numbers refer to the scores.

Minimizing Odor Impact

When cuplumps are transported from raw material suppliers' warehouse to our factory over roads, serum leakage from the vehicle onto the road is to be expected. This occurrence results in release of unpleasant odor to the communities along the way. During the last 2 years, we have been encouraging all our suppliers to install serum collection tanks on their vehicles so that leaking serum are collected in an enclosed container preventing leakage onto road surfaces. We are pleased to report that to date 667 trucks normally used by our suppliers to transport cup lumps to our STR factories have been installed with such a serum collection tank. We will continue to campaign for such an action so that all trucks used for transporting cup lumps will be "Road Friendly" in future.

The number of tank-installed vehicles is growing

STR Factories	2018	2019	Total
BJ1	58	85	143
BJ2	60	36	96
BJ3	61	63	124
BJ4	29	32	61
BJ5	76	100	176
BJ6	34	33	67
Total	318	349	667



Water Management



Strategy

- Adopting closed loop wastewater treatment systems: activated sludge and aerated lagoon
- Measure the quality of treated water on a monthly basis
- Introducing process improvement projects to reduce water consumption

Target

- Recycling 100% of water from production process
- Zero wastewater discharge

Result

- 100% of wastewater is recycled
- No wastewater discharge



Quality of treated water

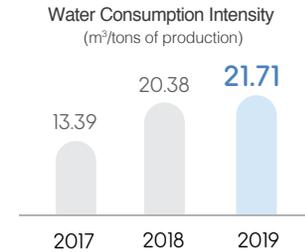
There are 6 parameters of treated water that we measure: PH, BOD, COD, TSS, TDS, and TKN. For TKN, only BJ5, YL, and UMR-LS measure this parameter. The results of treated water in 2019 are shown in the table below. The green circle indicates that all parameters in that month meet the standards, and the parameters written in each month refer to the ones that do not meet the standards. The quality of treated water is affected by the transition of wastewater treatment system from aerated lagoon to activated sludge in some factories. However, we also implement daily monitoring to control the quality of treated water apart from monthly testing by external laboratories.

Factory	Treatment System	Recycled	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
BJ1	Activated Sludge	65%	BOD											
	Aerated Lagoon	35%	COD											
BJ2	Aerated Lagoon	100%	●	●	BOD	BOD	BOD	●	BOD	BOD	BOD	TSS	BOD	●
					COD	COD	COD						COD	TSS
BJ3	Activated Sludge	100%	TDS											
				COD										BOD
BJ4	Activated Sludge	100%	TSS	●	●	●	●	●	●	●	●	●	●	●
BJ5	Activated Sludge	100%	BOD	●	●	●								
			COD	TSS										
BJ6	Activated Sludge	100%	BOD	BOD	BOD	BOD	BOD	BOD	●	●	●	●	COD	●
			COD	COD	COD	COD	COD	COD						
YL	Aerated Lagoon	100%	BOD	BOD	●	●	●	●	●	●	●	●	●	●
HX	Aerated Lagoon	100%	●	●	●	●	●	●	●	●	●	●	●	●
SN	Aerated Lagoon	100%	●	●	●	●	●	●	●	●	TSS	●	BOD	BOD
TSU	Aerated Lagoon	100%	●	BOD	BOD	BOD	●	TSS	●	BOD	BOD	●	BOD	●
				COD	COD	COD								
UMR/TG	Aerated Lagoon	100%	●	●	●	●	●	●	●	●	●	●	●	●
NTW	Aerated Lagoon	100%	TSS	●	●	●	●	BOD	●	●	●	●	●	●
BK	Aerated Lagoon	100%	TSS	TSS	TSS	BOD	TSS	●	●	●	●	●	●	●
						COD								
RY	Activated Sludge	100%	BOD	COD	COD	COD	●	●	TDS	COD	COD	COD	BOD	BOD
			COD	TSS	TSS	TSS				TDS	TDS	TDS	COD	COD
PT	Activated Sludge	100%	●	●	●	●	●	●	●	●	●	●	●	●
UMR/LS	Aerated Lagoon	100%	●	TDS	PH	PH	PH	●	●	●	BOD	●	●	●
					TSS	TSS	TSS							

Water Consumption

We pay close attention to the record of our water consumption to come up with process improvement projects which can help us use water resource more effectively. The table below is the record of our water consumption which includes water intake and recycled water.

Product Group	Water Consumption (m ³)			Water Intensity (m ³ /tons of production)		
	2017	2018	2019	2017	2018	2019
STR	8,432,952	15,302,860	16,685,448	17.30	25.19	25.08
LATEX	633,456	781,081	685,379	7.62	9.30	10.75
RSS	428,514	336,956	291,098	3.09	2.95	3.44
Total	9,494,923	16,420,897	17,661,925	13.39	20.38	21.71



Kaizen - Process Improvement Project

Apart from wastewater treatment and restriction on wastewater discharge, water resources conserving is another significant area as far as environmental sustainability is concerned.

We encourage each of our factories to use water efficiently, Saving water dose not only benefit the economic performance of our factories, but it can also be a simple act with great positive impacts on the sustainability of limited natural resources in a long run. Therefore, there are plenty of water saving projects initiated in response to the company's commitment on water conserving.

Process improvement projects in regards to water consumption in 2019

1 Water circulation system for cooling screw pumps



Circulation Pump

In latex factory (PT), 17 screw pumps are used for pumping field latex, concentrated latex, and other fluid in several sections of the operation. When operating, screw pumps need to be cooled down with water. Thus, the circulating water pumps project was introduced to save the water that once had been wasted.

After setting the circulation pumps, the water from the process of cooling down the screw pumps is reused. That enables us to save **1,661.40 m³** of water per month by 98.19%. Moreover, we can also manage to save electricity consumption at 306.83 kWh per month.

Before
1,692
m³ per month

After
30.60
m³ per month

Save
1,661.40
m³ per month

2 Use of timer control switches to regulate flow of water

Rubber washing tanks require input of water into the tanks. Uncontrolled continuous flow results in wasteful overflow. At BJ2, time control switches were installed to regulate flow of water into the rubber washing tanks. This action reduced water consumption by 1,440 m³ per month by 40.79%.

Before
3,530
m³ per month

After
2,090
m³ per month

Save
1,440
m³ per month



Timer set on water controller

Waste Management



We divided waste into 3 categories—general waste, recycle waste, and hazardous waste. Each category of waste is disposed off separately and has different disposal methods. To separate waste, different color trash bins and garbage storage are used in all of our factories.

Strategy

- Reduce the amount of waste generation
- Adopt 3R waste management in factories
- Raise awareness among employees regarding waste sorting and 3R

Target

- Reduce 50% of waste disposal through landfill by 2020
- Zero Open burning by 2020

Result

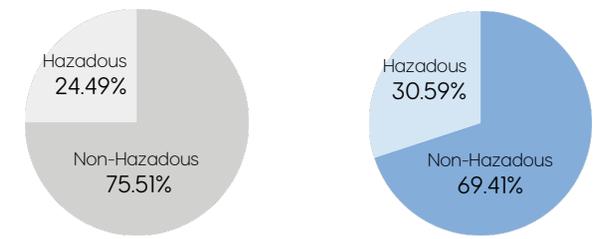
- Reduce **10.59%** of waste disposal through landfill compared to base year 2018
- **9.16%** of waste disposal through open burning



Waste Disposal

Disposal Method	2018		2019		Difference (%)
	Ton	%	Ton	%	
Landfill	80.56	11.58	72.03	11.52	-10.59%
Open burning	86.52	12.44	57.25	9.16	-33.83%
Recycle	102.82	14.78	69.96	11.19	-31.96%
Collected by licensed company	170.35	24.50	191.18	30.59	+12.23%
Collected by local government	255.22	36.70	234.64	37.54	-8.06%
Total	695.47	100.00	625.06	100.00	

Waste Categories



Promoting 3R Waste Management & Waste Reduction

We also promote 3R waste management in our factories (reuse, reduce, recycle). We pay attention to garbage reduction within the organization and encourage our employees to understand and follow the importance of the effective waste management.



PT promotes the reusing of reusable materials. The factory made tables and shoe racks from unused wooden pallets.



UMR-RSS arranged an activity to promote reducing the use of plastic. Using cloth bags and stainless food containers are smart choices that contribute to lessening plastic use.



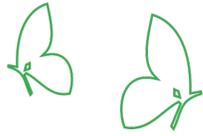
BK collected beverage boxes inside the factories to donate them to Friends in Need (of "Pa") Volunteers Foundation, Thai Red Cross. The boxes would be recycled into roof and donated to people in need.



BJ5 started the Zero Polystyrene Food Containers project in the beginning of 2019. Polystyrene Food Containers were replaced with paper food containers. By the end of 2019, there was 0% of Polystyrene food containers used in the factory.

Environmental Activities

Environmental activities are regularly arranged by every of our factories. There were also some activities that we collaborated with communities and government agencies.



SN participated in a mangrove planting activity hosted by the Department of Labor Protection and Welfare (Suratthani) on May 1, 2019. Other companies, government officers, and general people also joined the event.



RY employees cleaned up Laem-son beach at Rayong on June 12, 2019



HQ joined Preventing rubber trees from fungal disease workshop hosted by Rubber Authority of Thailand (Songkhla Office) on December 3, 2019





Social Dimension

We operate a business adhering to good corporate governance to promote quality work life of our employees, and we conduct a business that is responsible for communities.



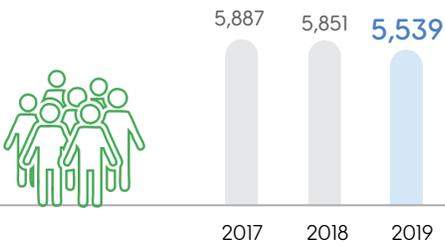
Our People



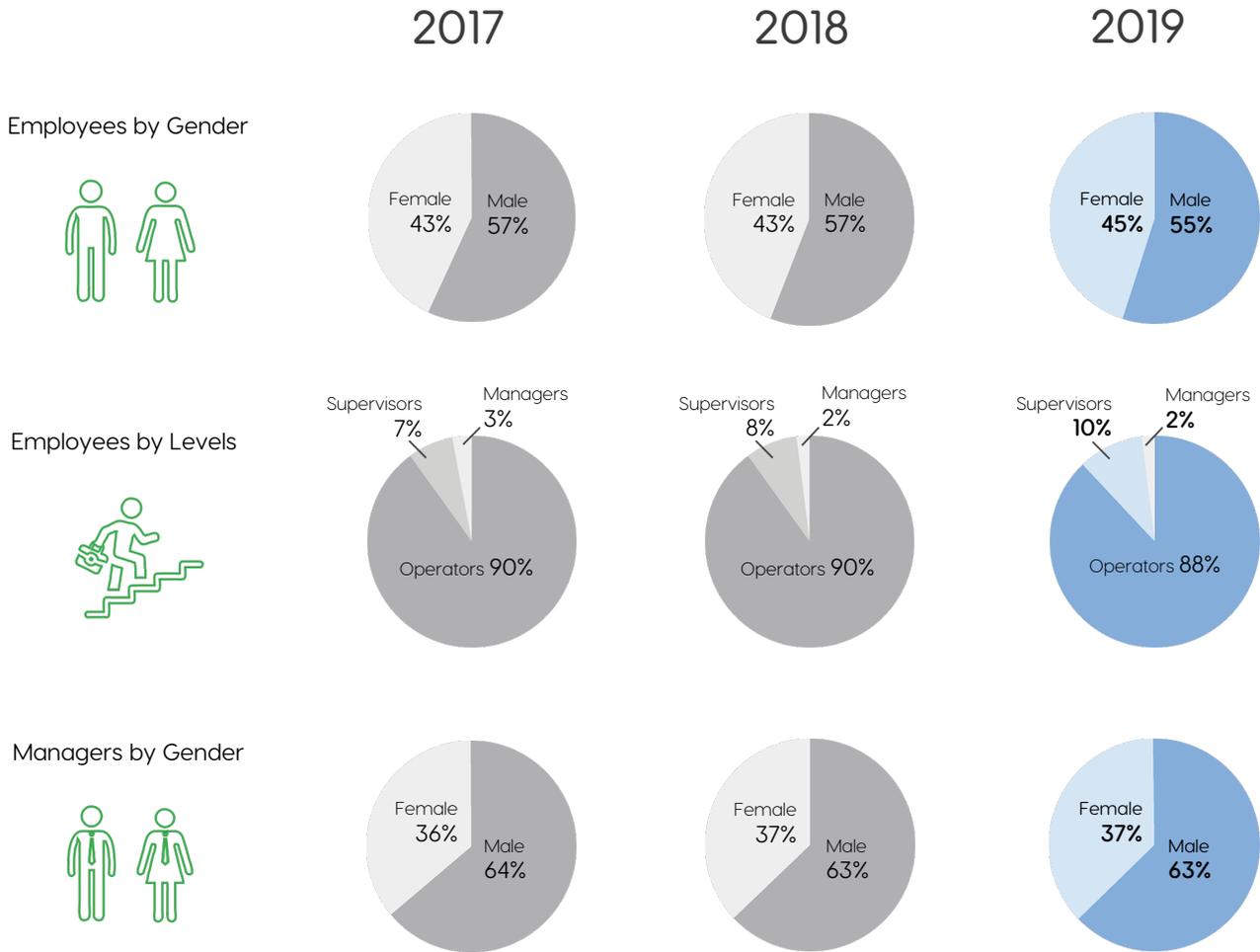
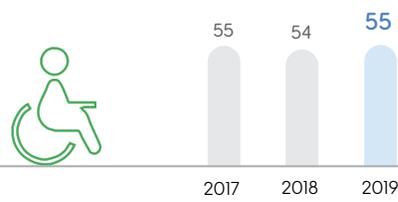
Employees are one of the key factors that propel the growth of the business; therefore, we place great importance on our employees. Equality such as gender aspect is a major quality which we promote in managing our manpower. In addition, we attempt to distribute job opportunities to local people to benefit the community in which our operations are located, and disabled people are welcomed as well.

Employees Information

Total Employees



Employees by Disability





Occupational Health & Safety

We adhere to occupational health and safety management system, law, and regulations to minimize various risks to health, hygiene, and safety of our employees and visitors. Starting from the recruitment process, orientation training regarding operation procedures and medical checkups are required. Furthermore, we provide our employees with adequate trainings on occupational health and safety issues controlled by law and defined by risk assessment of our operation. In addition, every employee is entitled to annual medical checkups and social security. In case of injury, we proceed by following the investigation procedures to find out the cause of the accident and come up with preventative actions in order to avoid the repetition of such accident. Moreover, as we are certified by OHSAS 18001, there are both internal and external audit on a yearly basis as the standard requires. We perform internal audit twice a year, and external audit is performed once a year by TÜV from Germany.

Target

- Zero fatality by 2020
- Zero high risk operation and machine by 2020

Result

- 3 fatalities
- 81 items (1.3%) of high risk operation and machine
- 81.25%, 13 factories certified with OHSAS 18001

Future Strategies

- Raise awareness and change working behaviors compatible with a safety culture
- Increase effectiveness in safety management and continuous improvement
- Promote safety observation programs in all factories
- Create participation for employees to improve their work to reduce risks in their work areas
- Review and evaluate risks at work that may lead to fatalities or serious injuries
- Provide capacity building in workplace regarding unsafe behaviors and proper knowledge in working safely
- Focus on applying 5s system and internal audit is required to ensure that all factories comply with the system

Safety Performance

Product Group	Injury Frequency Rate (IFR) *		Lost Time Injury Frequency Rate (LTIFR) *		Injury Severity Rate (ISR) *	
	2018	2019	2018	2019	2018	2019
STR	19.61	15.16	13.70	11.72	41.35	2,038.74
LATEX	18.24	14.66	13.38	11.94	27.36	140.05
RSS	17.52	20.15	10.26	9.20	26.07	74.46
Overall	19.01	15.94	12.98	11.32	36.43	1,444.08

The company is committed to working towards zero accident. We aim to minimize the number of accidents occurring in workplace, especially serious accidents until we meet our commitment of having zero accident. In 2019, LTIFR dropped from 12.99 to 11.32. However, the increase in ISR and IFR as resulting from workplace fatality requires improvement through our action plans and future strategies.

In 2019, there was a machinery incident which led to fatality of a worker. The cause of the incident was insufficient protective devices installed for safe handling of running machines. For this reason, the company determined preventative measure listed below to prevent the repetition of the incident.

Corrective action/ preventative measures:

- Installing a permanent machine guard
- Emphasizing on the work instruction that the machine has to be completely stopped before checking every time

Risk level after corrective action: Medium



Risk Assessment

The company makes risk assessment annually, but the frequency of risk assessment can exceed once a year depending on the operation of each year. We emphasize on eliminating high risks in workplace. Therefore, we have a strong commitment to implement the action plans that contributes to reducing high risks in our operation. In 2019, the action plans were implemented in all factories, and that enabled us to thoroughly detect high risks that occurred. Total hazards assessed in 2019 were 6,797 items, were increased by 12.2% compared to 2018, due to more intense assessments. However, the number of high risk items decreased by 33% compared to 2018.

Product Group	Number of hazards that have been assessed (Risk Level)					
	2018			2019		
	High	Medium	Low	High	Medium	Low
STR	62	1,149	900	54	962	1,150
LATEX	32	431	2,242	17	894	2,387
RSS	27	649	565	10	559	764
Overall	121	2,229	3,707	81	2,415	4,301
Total Risk Items	6,057			6,797		

OHSAS 18001 Status

Certified

13

factories

STR 6 factories

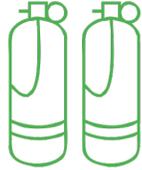
LATEX 3 factories

RSS 4 factories

* IFR (Number of reported accidents x 1,000,000) / (Total hours worked in the reporting period)
 LTIFR ((Number of lost time injuries in the reporting period) x 1,000,000) / (Total hours worked in the reporting period).
 ISR (Number of reported work days lost x 1,000,000) / (Total hours worked in the reporting period).

Health & Safety Activities

We realize the importance of being well-prepared to handle the occupational health and safety issues among our employees. Therefore, we promote several actions that can help minimize the risks regarding H&S in our company. The following activities help to promote knowledge and awareness about occupational health and safety protection.



Fire Drill Training is directly related to safe operation. Educating employees on proper and correct methods to cope with fire accident is compulsory. Therefore, fire drill training is arranged on a yearly basis in every single factory.

Fire Drill Training at TSU on September 10, 2019 (Left)
Fire Drill Training at BJ6 on July 26, 2019 (Right)



Health Check-up

We provide every one of our employees with annual health check-ups based on risk assessment regarding working conditions. Each factory needs to conduct the risk assessment by listing risk factors that may cause health problem to its employees working in different sections of the factory. Then, the risk factors will be confirmed by medical team again. After that, we can proceed with the annual health check-up, and the risk assessment is reviewed on a yearly basis.

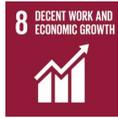
Annual health check-up at HX on November 9, 2019 (Left)
Annual health check-up at TSU on August 2, 2019 (Right)



Chemical Spill Response Training is another compulsory training that we provide to our employees in every product group— STR, RSS, and Latex— on a yearly basis. The training is divided into 2 main areas—work instruction and practical training.

Chemical spill response training (ammonia gas) at PT on June 11, 2019





Training & Career Management

Training

We realize that training is necessary for our employees' development. We divide training into 4 categories, and the 4 categories are related to our quality management system, environmental management system, occupational health & safety management system, and general occupational skills and knowledge.

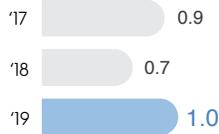


Average Training Hours per Person by Categories



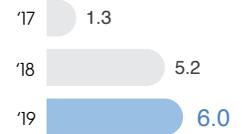
Quality

- Work instruction
- On the job training matrix
- ISO 9001 requirements



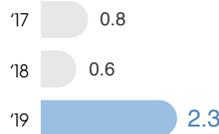
Occupational Health & Safety

- Emergency plan
- Safe operation
- OHSAS 18001 requirements



Environment

- Waste sorting
- Environmental handbook
- ISO 14001 requirements



General

- Related national law
- Company's regulations and policies
- Human rights and labor practices



Average Training Hours per Person

4.9
2017

9.0
2018

11.7
2019

Career Management

We promote career development in our company since we realize that our employees' career advancement reflects the growth and sustainability of the company. To promote employees to higher job positions, their skill matrix is considered. The skill matrix is a table that indicates the level of skills and abilities of an employee, and it is used to evaluate our employees' performances annually. The skill matrix is important because it reveals the strengths and weaknesses of each employee. For this reason, it enables us to effectively offer promotions and provide training to our employees. In 2019, there were 14 employees from 4 factories who were promoted to higher job positions. Among those employees, there were 4 women.

Job Promotion 14 persons

Head of Department



Male

4



Female

1

Manager



Male

6



Female

3

Activities for Social Good

Throughout the year 2019, Southland Rubber Group arranged many activities for the purpose of giving back to the society. The target areas selected for launching the activities are the communities nearby our 16 factories.

“We grow, Our people grow, Communities grow”



SN arranged an activity about the preparation for retirement of elderly employees on January 29, 2019.



BJ2 upcycled wooden pallets by creating tables, chairs, and shelves and donated them to Klong Nok Kratung School in July 2019



UMR & BJ6 cleaned up Sattatham Temple on September 25, 2019

Compliance Program



Compliance Program is to ensure that the company’s policies, rules, and regulations across the organization are adhered to.

In 2019, we formalized the Compliance requirements with a program that includes several topics:

- Trend and Driving force
- Global Principles (UNGC)
- UN Sustainability Goals (SDGs)
- Industry Trends & GPSNR Principles
- Code of Conduct
- Standards and Policies
- Southland Rubber “Think Good Culture”
- Anti-Corruption & Whistleblowing
- Internal Audit



We also formally appointed a compliance director for the group and a compliance officer at every operating unit including the headquarters office. This is to ensure that the group as a whole is able to adhere to the same standards and guidelines defined by the company and by the law of the nation.

The Program started with a compliance meeting where all of headquarters staff attended. This was followed with similar meetings at all the factories across the country. The program is led by the Compliance Director, and Sustainability Department supported by the Human Resources Department. The focus was on the process of reporting failures of compliance to management through direct reporting and whistleblowing opportunities. The outcome expected from the program is that our employees can clearly understand the policies and have the opportunity to report on non compliance issues.

This year, **433 employees** from our 16 factories including the headquarters attended the program. It is our mission to have 100% of our employees attended the program within 2020.

Anti-corruption

Anti-corruption was also a focus of the compliance meeting where the Compliance Director explained the importance of anti-corruption policy in the organization with illustration of circumstances where practices and behaviors are considered corrupt.



Whistleblowing

The company attaches great importance to operating the business with transparency and good corporate governance. Therefore, whistleblowing policy was issued. We realize that having complaint channels that allow our stakeholders to communicate with us about their opinions, problems, or situations are important. Through various complaint channels, corrective actions can be carried out in a timely manner.

As far as confidentiality is concerned, all personal information of whistleblowers such as name, address, and email address will be kept confidential. Only the Managing Director and the Internal Audit Director have the right to access the information, and it is their responsibility to keep the information confidential.

Complaint Channels



Website

<http://www.southlandholding.com/sl/contact/contact-us.html>



Email

whistle.hq@southlandholding.com



Letter

55 Rajyindee Road, Hatyai Songkhla
90110 Thailand

Whistleblowing Procedure



Receiving Complaints

Internal Audit Director receives complaints through the designated channels and takes initial action to clarify or verify the complaint. If the complaint is credible, an investigation committee is formed.



Investigation

The members of the Investigation Committee must be impartial and must be approved by the Internal Audit Director.



Decision Making

If the complaint is found to be true, it is then passed to board of directors for consideration and decision regarding corrective as well as punitive actions deemed necessary.



Preventive Actions

The guidelines for preventive actions will then be established.



Stakeholder Engagement

We have always attached great importance on engagement with our stakeholders. From our perspective, a business can never sustainably grow without being responsible for and cooperating with its stakeholders. Therefore, communication channels between Southland Rubber Group and our stakeholders have been developed in order to keep close relationship and create consistent understanding between one another.

Customers

Communication Channels

- Customer satisfaction survey
- Plant visit & Audit
- Seminar and conferences
- Face to face meeting
- Partnership



Key topics of communication

- Quality
- Supply chain
- Sustainable development
- Sustainable procurement policy
- Sustainability policy

Financial Institutions

Communication Channels

- Financial report
- Formal and informal visits
- Factory site visits



Key topics of communication

- Compliance and risk management.
- Ethical business practices
- Financial performance

Government Agencies

Communication Channels

- Seminar and conferences
- Face to face meeting
- Plant and field visit
- Training and workshop
- Financial report



Key topics of communication

- Environmental aspect
- Rewards and certificate
- Recent law and regulation

Employees

Communication Channels

- Survey and questionnaire
- Seminar
- Face to face meeting
- Internal communication
- Performance reviews
- Training and workshop
- Whistleblowing



Key topics of communication

- Sustainability activity
- Employee satisfaction
- Employee rights and benefits
- Health & safety
- Career development

Contractors & Outsources

Communication Channels

- Face to face meeting
- Email and phone calls
- Sales transaction



Key topics of communication

- Purchasing procedures and regulations
- Anti-corruption policy
- Supplier development

Raw Material Suppliers

Communication Channels

- Survey and questionnaire
- Training & workshop
- Face-to-face meeting
- Email and phone calls



Key topics of communication

- Sustainable procurement policy
- Education about health & safety, and chemical used
- No deforestation, Child labor, and Forced labor
- Sustainability policy
- Global warming & climate change
- Traceability and risk mapping

Communities

Communication Channels

- Survey and questionnaire
- Seminar
- Face to face meeting
- Plant and field visits



Key topics of communication

- Environmental concerns on discharged water and air emissions
- Sustainability activities
- Health & safety

Engagement with Customers

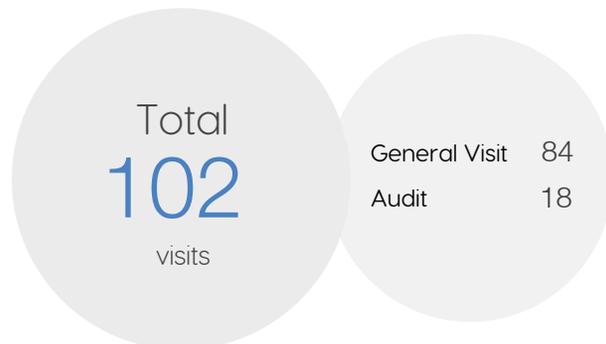
We pay close attention to our customers' policies so that we can understand and comply with their policies. In this manner, we can sustainably grow together in the same direction. Customers' policies are communicated through face to face meeting and conferences.

Some key topics are:

-  Taking care of people
-  Protecting ecosystem, flora, and fauna
-  No deforestation, no peat, no burn
-  Preserving resources
-  Ethics as the base
-  Traceability and risk mapping
-  Governance
-  Policy implementation
-  Internationally recognized forms of certification
-  Taking responsible actions toward the preservation of environment
-  Communication on progress
-  Complaint procedure
-  Improving product quality and productivity
-  Ensures transparent and fair business practices
-  Cooperation and constructive dialogue

Customer Visit & Audit

We also engage with our customers who are tire manufacturers and dipped latex products manufacturers through customer visits and audit. The customer visits include casual visits and general purpose visits. As for customer audit, it is the process to ensure that we can comply with our customers' standards and fulfill their requirements.



Customer Satisfaction

Each of our factories conducts customer satisfaction survey every year. The survey comprises the questions based on 6 main areas: quality, delivery, packaging, service, environment, and occupational health and safety. However, the areas mentioned slightly differ in each product group. The survey's result reflects the effectiveness of our management and operation. For this reason, it allows us to keep improving our performances to serve the needs of our customers to a satisfactory level.



STR

95.10%



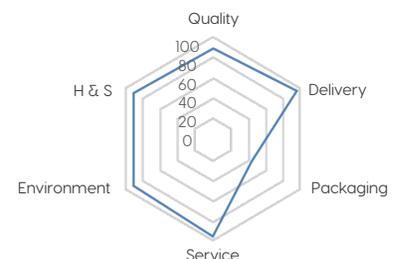
LATEX

89.77%



RSS

91.97%



Engagement with Financial Institutions

Sustainability Day

Southland Rubber Group had an activity called the Sustainability Day. The activity was arranged twice in 2019. The objective of this activity is to give an opportunity to our factories to share their sustainability performances. Through sharing such information, it enables each factory to enhance its own sustainability performances using the factory with good performances as an example and stimulation.

The First Sustainability Day was in March 2019 at the company’s headquarters. The participants were 97 representatives from 16 branches in Thailand. The Second Sustainability Day was arranged on June 28, 2019 in Hat Yai. It was a very special occasion seeing that our 18 overseas units and our major bankers— DBS, OCBC, and UOB also attended the event. This time, there were over 120 participants. The Sustainability Day has brought another meaningful success to Southland Rubber Group when 5 of our Indonesian factories are certified with ISO 140001.



Among 127 participants, six people from financial institutions participated the event. Normally, we engage with financial institutions through both formal and informal visits. The Second Sustainability Day was a very special occasion that allowed us to share our sustainability performances with them.

Total Participants

127
persons



6

Bankers



72

Employees From Thailand



49

Employees Outside Thailand

Overall Event Satisfaction



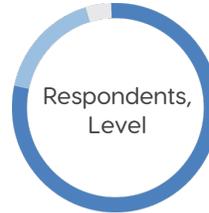
Employee Satisfaction Survey

In order to meet our employees' needs in regards to their work life, the employee satisfaction survey is applied. We conduct the survey on a yearly basis. This year's survey result indicated that our employees were satisfied with their work life in the level between medium satisfaction and high satisfaction. It is very important that the result of this survey is used to guide improvements to further the satisfaction of our management and employees, a contributing factor to sustainable business conduct.



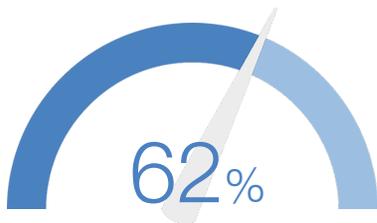
2,511

The number of employees who responded to the survey



- Operators 79%
- Supervisors 17%
- Managers 4%

Overall Employee Satisfaction



Our employees are satisfied the most with these 3 topics



Employee's New Year Party

Creating a healthy relationship with our employees is very important to us. After a full year of operation, it is such a good time to reward our employees for their hard-work and dedication with a warm New Year celebration.

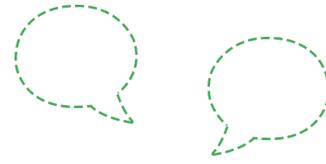


Employee's Sport Day

UMR-RSS, BJ6 and NTW arranged the Employee's Sport Day to build a strong relationship and harmony among employees. Employees' happiness and well-being contribute a lot to a strong and sustainable organization.



Engagement with Government Agencies



The Department of Industrial Works (Rayong) Visiting BJ3

In March 2019, the Department of Industrial Works (Rayong) visited BJ3. It is the annual plan of the government agency to randomly pick and visit 3 industrial factories in the province, and Southland Rubber Group was one among the 3 industrial factories picked. The visit was to monitor the environmental management system of the factory, and the result came out very well as 100% of our factories are certified with ISO 14001.



BJ5 Receiving Good Labour Practices Certification

On March 14, 2019, BJ5 received Good Labour Practices certification provided by the Department of Labour Protection and Welfare. The GLP certification is the certification for the organization that has good labour management.



Department of Skill Development (Surat Thani) Visiting SN

The Department of Skill Development (Surat Thani) visited SN on February 7, 2019 to give advice on complying with the Skill Development Promotion Act. B.E. 2545 (Thai Labor Law).



Engagement with Raw Material Suppliers



Supplier Workshop by BJ3

In June 2019, there was a supplier workshop hosted by BJ3, the STR factory in Rayong. The key participants of the event were 40 raw material suppliers who are all rubber planters. We educated the suppliers on the topics of health & safety and the proper use of chemicals. We officially recommended the use of formic acid and explained the disadvantage of sulfuric acid to encourage farmers not to use it. Also, the appropriate method of storing the chemicals was explained. In addition, physical well-being of the suppliers that can be affected by working conditions was mentioned.

Supplier Workshop by NTW

In October 2019, we arranged a supplier workshop at Natawee to communicate our policies to raw material suppliers. In addition to that, we educated them on the issues of global warming and climate change and encouraged them to pay more attention to the issues mentioned.



Supplier Visit by HX

In order to maintain good relationship with our raw material suppliers and promote traceability, we regularly have supplier visits. And when we visit our suppliers, we also use the opportunity to communicate our policies with them. Moreover, we support our suppliers on specific issues such as coding un-smoked sheets for them.



Economic Dimension

To build a strong and sustainable economic foundation, we start with the upstream of the supply chain.



Sustainable Procurement



Sustainable and ethical procurement pave the way to environmental and economic sustainability of our supply chain.

Sustainable procurement plays a significant role in building sustainable natural rubber supply chain. Our sustainable procurement policy has always been used as the guideline for us and our raw material suppliers to collaboratively benefit from our value chain. As sustainable procurement needs cooperation and understanding from supplier side, it is very important for us to keep our suppliers informed of the policy.

Supply Chain

Smallholders

Smallholders refer to farmers and tappers who cultivate rubber trees and sell forms of natural rubber raw materials namely, field latex, cup lumps, and un-smoked sheets to dealers.



Dealers

Dealers take the role of raw materials collectors and pass them to rubber processors.



Customers

Customers refer to the manufacturers of rubber products such as tires and rubber gloves.



Rubber processors

Rubber processors are responsible for converting the raw materials into semi-raw material: STR, RSS, and NR Concentrated Latex.



About Our Sustainable Procurement Policy

This policy sets out the guidelines for our commitment to seeking the raw material from environmentally friendly sources with the aim of building sustainable supply chain, which can sustainably propel economic growth and minimize negative impacts on the environment. We are committed to growing together with our suppliers under 3 core principles of the Sustainable Procurement Policy:

- minimizing environmental impact
- delivering social benefits which includes labour practice and human rights
- delivering economic growth

In 2019, we took the formal step of having our raw material suppliers to acknowledge our policies and emphasize to them to have similar behaviors such as treating workers and the environment well.

For this reason, every factory had their raw material suppliers acknowledged our policies after our employees explained and illustrated the importance of such policies. In 2019, Sustainable Procurement Policy and Sustainability Policy had been fully communicated to 1,998 approved suppliers of the 3 product groups.

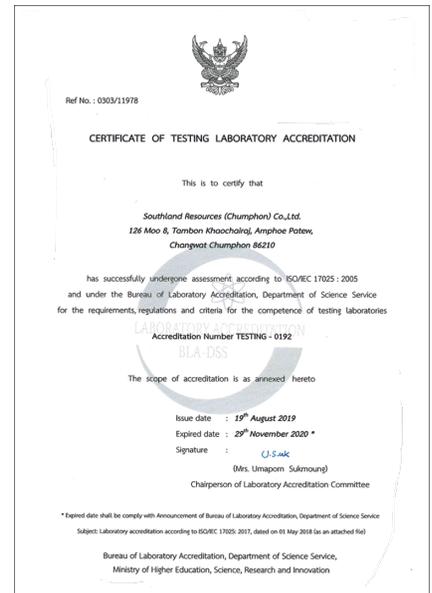
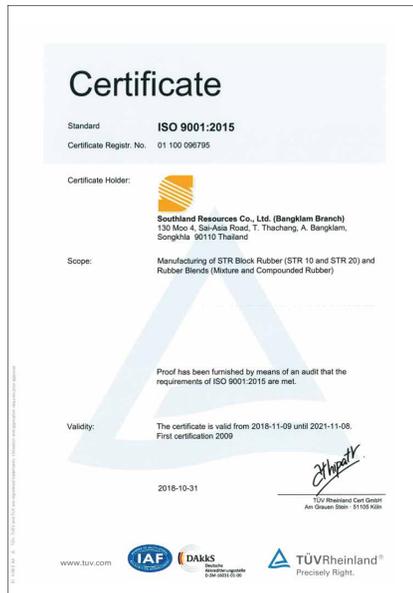
100% of active approved suppliers acknowledged the Sustainable Procurement Policy and Sustainability Policy



Quality Management & Compliance

Consistent product quality and reliable delivering service are prioritized as the key factors of our business success. We are committed to providing top quality products to our customers who are mostly tire makers. Hence, we strictly comply with Quality Management Standard ISO 9001 and regularly perform internal audit to maintain the operation standard in terms of quality. Moreover, the samples of our products are also tested by Rubber Authority of Thailand (RAOT) to ensure that the products which we distribute to our customers meet quality requirements. Apart from that, our 3 STR factories (BJ2, BJ4, and BJ5) are accredited with ISO 17025, certificate of testing laboratory accreditation.

Factory	ISO9001:2015	ISO/IEC:17025:2005
BJ1	✓	In Progress
BJ2	✓	✓
BJ3	✓	In Progress
BJ4	✓	✓
BJ5	✓	✓
BJ6	✓	In Progress
YL	✓	N/A
HX	✓	N/A
SN	✓	N/A
TSU	✓	N/A
UMR/TG	✓	N/A
NTW	✓	N/A
BK	✓	N/A
RY	✓	N/A
PT	✓	N/A
UMR/LS	✓	N/A



We are committed to looking for the best way to improve our product quality. Thus, for our 2019's operation concerning quality, there had been no major complaints from customers. Although we have got around 20 minor issues, we managed to conduct root cause analyses to prevent and eliminate the concerning issues. Plus, audits and corrective actions required by the customers were proceeded on time. Also, we have achieved the target in reaching 100 percent on-time delivery. All in all, we are successful in reaching our sustainability targets set in 2017 regarding quality aspects.



100%
Corrective Action
proceeded on time



100%
On-time Delivery



0.39%
Complaint from total
export shipments

Standard Operation Procedure for Handling Customer Complaint

- 1 Oral or Written Customer Complaint received by Marketing Department
- 2 Marketing Department passes the information to branches and instructs the processing method
- 3 Branches shall conduct and complete the investigation process and report the result to the marketing department
- 4 If the customer complaint is invalid, Marketing Department shall communicate with customer with supporting evidence
- 5 If the customer complaint is confirmed, branches shall carry out the proper corrective action and preventive action within a given time

Economic Activities for Sustainability

Bueng Kan Rubber Day 2020

Bueng Kan Rubber Day is the biggest rubber exhibition in Thailand held at the town hall annually. Southland Rubber Group participated in this event on December 12 - 18, 2019. Our booth exhibited contents in relation to ESE principle such as global warming, traceability, and forced labor. In addition, we provided job opportunity to local people by recruiting them to work at our Bueng Kan branch (BJ4).



"Offering job opportunities to local people residing in the community at which our production plant is located contribute to strengthening economic foundation."



Tapping Rubber Tree Training by RAOT

In June this year, our representative participated in the tapping rubber tree training hosted by Rubber Authority of Thailand (RAOT). The training was intended to educate rubber planters on the proper method of tapping rubber trees to increase the amount of field latex per one tapping and prevent rubber trees' surface from damages caused by tapping. The proper tapping method does not only result in the greater amount of field latex, but it also helps prolong the lifetime of rubber trees. As a result, it contributes to economic sustainability, starting from the upstream of the supply chain. As an observer, we can transfer the knowledge from this workshop to our raw material suppliers to support them on economic issues.

Sustainability Performance

We have set out sustainability targets in 4 main areas: Environment, Supply Chain Management, Quality Products, and Fair Labor Practices & Human Rights. These targets are adopted to measure our sustainability performances.

Key Performance Indicators	Target	Achievement in 2019
<p> Environment</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #00a0e3; color: white; padding: 5px; text-align: center;"> 6 CLEAN WATER AND SANITATION </div> <div style="background-color: #ffc107; color: white; padding: 5px; text-align: center;"> 7 AFFORDABLE AND CLEAN ENERGY </div> <div style="background-color: #6c757d; color: white; padding: 5px; text-align: center;"> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center;"> 13 CLIMATE ACTION </div> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center;"> 15 LIFE ON LAND </div> </div> <ol style="list-style-type: none"> 1. Reduce CO₂ Emissions Intensity 2. Biodiversity <ol style="list-style-type: none"> 1.1.Planting Trees (each year) 1.2.Tree Species 3. Water Management <ol style="list-style-type: none"> 3.1.Wastewater Treatment (%) 3.2.Discharge Wastewater (m³) 4. Waste Management <ol style="list-style-type: none"> 2.1.Waste Disposal through Landfill 2.2 Waste Disposal through Open Burning 5. International Standard: ISO14001 Certification 	<p>-5% (compared to base year 2017)</p> <p>5,000 trees >10 species</p> <p>100% Zero</p> <p>-50% (compared to base year 2018) Zero (compared to base year 2018)</p> <p>16 factories</p>	<p>+15.54%</p> <p>25,260 trees 125 species</p> <p>100% Zero</p> <p>-10.59% 9.16%</p> <p>16 factories</p>
<p> Supply Chain Management</p> <div style="background-color: #6c757d; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> <ol style="list-style-type: none"> 1. Engagement with all raw material suppliers 	<p>100% of awareness of Sustainable Procurement Policy and Sustainability Policy</p>	<p>100%</p>
<p> Quality Products</p> <ol style="list-style-type: none"> 1. Customer Complaints 2. Audits & Corrective Actions required by Customers 3. Product Delivery 	<p>Zero</p> <p>On time 100% On time 100%</p>	<p>0.39% from total export shipments</p> <p>100% 100%</p>
<p> Fair Labor Practices & Human Rights</p> <div style="display: flex; justify-content: space-around; align-items: center; margin-bottom: 10px;"> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center;"> 3 GOOD HEALTH AND WELL-BEING </div> <div style="background-color: #dc3545; color: white; padding: 5px; text-align: center;"> 5 GENDER EQUALITY </div> <div style="background-color: #6c757d; color: white; padding: 5px; text-align: center;"> 8 DECENT WORK AND ECONOMIC GROWTH </div> <div style="background-color: #1977b2; color: white; padding: 5px; text-align: center;"> 16 PEACE, JUSTICE AND STRONG INSTITUTIONS </div> </div> <ol style="list-style-type: none"> 1. Good Labour Practice Certification 2. High Risk Operation and Machines 3. Whistleblower System 4. International Standard: OHSAS18001 Certification 	<p>16 factories</p> <p>Zero</p> <p>Complete the system</p> <p>16 factories</p>	<p>12 factories certified (75%)</p> <p>81 items</p> <p>Completed since 2018</p> <p>13 factories (81%)</p>



Southland Rubber Group





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Sustainability Report 2019



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