

SUSTAINABILITY

NEW NORMAL



Sustainability Report 2020

Southland Rubber Group



Southland Rubber Group

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About the Report

General Reporting Practice:

This Report covers the performance of our 17 factories in Thailand from January to December 2020.

Our Objective:

As the largest privately-owned rubber processing group, we recognise the importance to share publicly our sustainable development including our ethical and transparent business conduct.

Guidelines & Standards:

This Report makes disclosures based on the Global Reporting Initiative (GRI) Standards. We make references to these elements of the GRI requirements as our guidelines presented in the GRI content index (pages 65-67) .

Highest Management's role in preparing the Report:

This Report was prepared by our in-house Sustainability Working Group, with the full support and engagement by our Board of Directors.

New Normal:

The focus towards sustainability continues for our group despite the challenges brought about by COVID-19 and will become the new normal in the way we operate our business.

Feedback & Contact:

Should you have any questions or suggestions, please feel free to contact out Sustainability Working Group at csr@southlandholding.com.





Message from the Managing Director

To maintain a sustainable and resilient Company and to achieve our mission: “**To continue to be a Reliable and Dependable Supplier of Quality Natural Rubber**”, in the era of dynamic changes and challenges, we pay very earnest attention to our sustainability management centered on the three areas— Environment, Society, and Economy. Also, as the key challenge of global communities now is certainly the COVID-19 pandemic, New Normal Practices have become another focused area of our business conduct and sustainability management.

COVID-19 Challenge and Mitigation:

First of all, on behalf of Southland Rubber Group, we would like to express our deepest condolences to families who lost loved ones in their fights against COVID-19 and our greatest appreciation to those who worked in and supported our health services in combating this pandemic.

From the end of 2019, COVID-19 infections have caused adverse impacts on global livelihoods and businesses. We are fully alert to any potential impacts to prevent business disruption which can lead to economic recession on a broad scale. For this reason, we attach great importance on adopting New Normal Practices into our business activities to reduce the risks posed by the pandemic as much as possible. Those practices include physical hygiene and sanitization, social distancing, working from home, and online meeting and audit, for instance. Also, we are genuinely concerned for our employees and local communities. Therefore, a significant part of our 2020's sustainability initiatives were to assist employees and local communities to get through these difficult situations together with us. The most significant program to assist our employees and their families during COVID-19 was providing educational supporting fund to workers' children. We made a contribution of **347,000 THB** for educational support of 115 children from the 17 of our factories across Thailand. Similarly, we ran many social contribution activities to assist the host communities of our factories in battling against the pandemic. The most prominent activity was donating medical PPE to 2 local hospitals. The activity was led by our top management team, and the donation comprised a total **80,250 pieces** of various medical PPE.

Sustainability Journey & Commitment:

As a natural rubber processor having long and considerable experience in the business field since our establishment in 1986, we have always recognized our reliance on natural resources, especially natural rubber. Thus, when the call for sustainability was initiated to the world of business and is currently receiving more and more attention globally, we embarked on our sustainability journey in 2017 and have been maintaining our ongoing effort towards sustainability of the natural rubber industry in various aspects.

Sustainability issues that receive global attention and are also concerned with our business activities cover a wide variety of topics. Some significant topics on which we emphasized to mitigate their impacts include climate change, decarbonization, energy conservation, circular economy, human rights and labor practices, and anti-corruption, etc. Our effort in addressing those issues has been evidenced by our Sustainability Reports, EcoVadis CSR management scoring, ISOs certification, and other achievements such as Good Labor Practices Certification (GLP).

To further drive our sustainability commitment, in 2020, we initiated the LNG trial project in our STR factories aiming to save energy and cut down the amount of CO₂ emissions. We encourage our stakeholders to firmly stay with us along our sustainability journey to witness our hard work and progress as well as our new sustainability projects and initiatives in the future.

Stakeholders Engagement & Contribution to SDGs and GPSNR:

Stakeholders engagement is crucial to us in building a robust and sustainable supply chain and achieving mutual prosperity. In addition, cooperation with stakeholders also plays an important role in our attempt to make a contribution to the United Nations Sustainable Development Goals (SDGs) whose deadline is set at 2030 as well as implementing the 12 principles of GPSNR which are specific to natural rubber industry. Owing the COVID-19 pandemic, there are some limitations on engagement activities with stakeholders. However, by adopting New Normal Practices, we were still able to run some engagement activities such as supplier capacity building project as presented in the Economic Part of the Report. In the future, when our global societies recover from the pandemic and our usual social and economic lives resume, we wish to initiate more engagement activities with our stakeholders.

Pherm Tirasarnvong

Managing Director

About Southland Rubber Group

Originating from Thailand, Southland Rubber Group is a private limited company founded in 1986. The global Group is the largest privately-owned producer and exporter of natural rubber. In Thailand, we manage 9 subsidiaries with operational activities covering 17 processing factories across Thailand. Our headquarters is located at 55 Rajyindee Road, Hatyai, Songkhla, Thailand. We serve our customers who are tire makers and rubber-related product manufacturers worldwide with 3 main types of high-quality products—Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS), and 60% Latex Concentrate. Our primary markets include China, Japan, Korea, Thailand, Malaysia, Americas, and European countries.

Our Product & Production Capacities



Technically Specified Rubber

Standard Thai Rubber (STR)

- STR 10
- STR 20

Mixture Rubber

1,188,000 Metric Tons
7 Factories



Ribbed Smoked Sheets

5 Grades

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

260,000 Metric Tons
5 Factories



Latex Concentrate

60% Latex Concentrate

- High Ammonia (HA)
- Medium Ammonia (MA)
- Low Ammonia (LA)

Deproteinized Latex

193,320 Metric Tons
5 Factories

Factories with ISO Certification

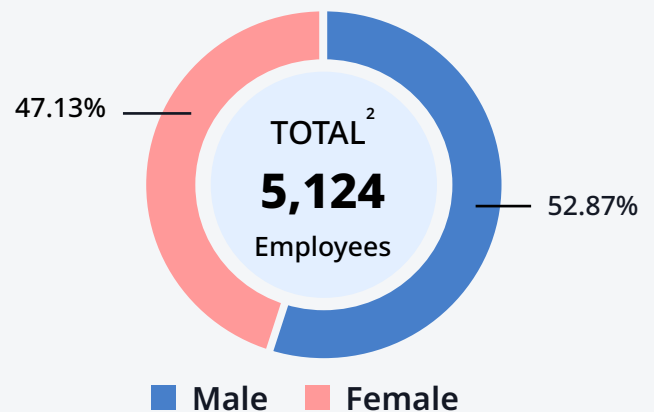
94 %
ISO 9001 Certified

94 %
ISO 14001 Certified

82 %
OHSAS18001/ISO 45001 Certified

33 %
ISO/ICE 17025¹ Certified

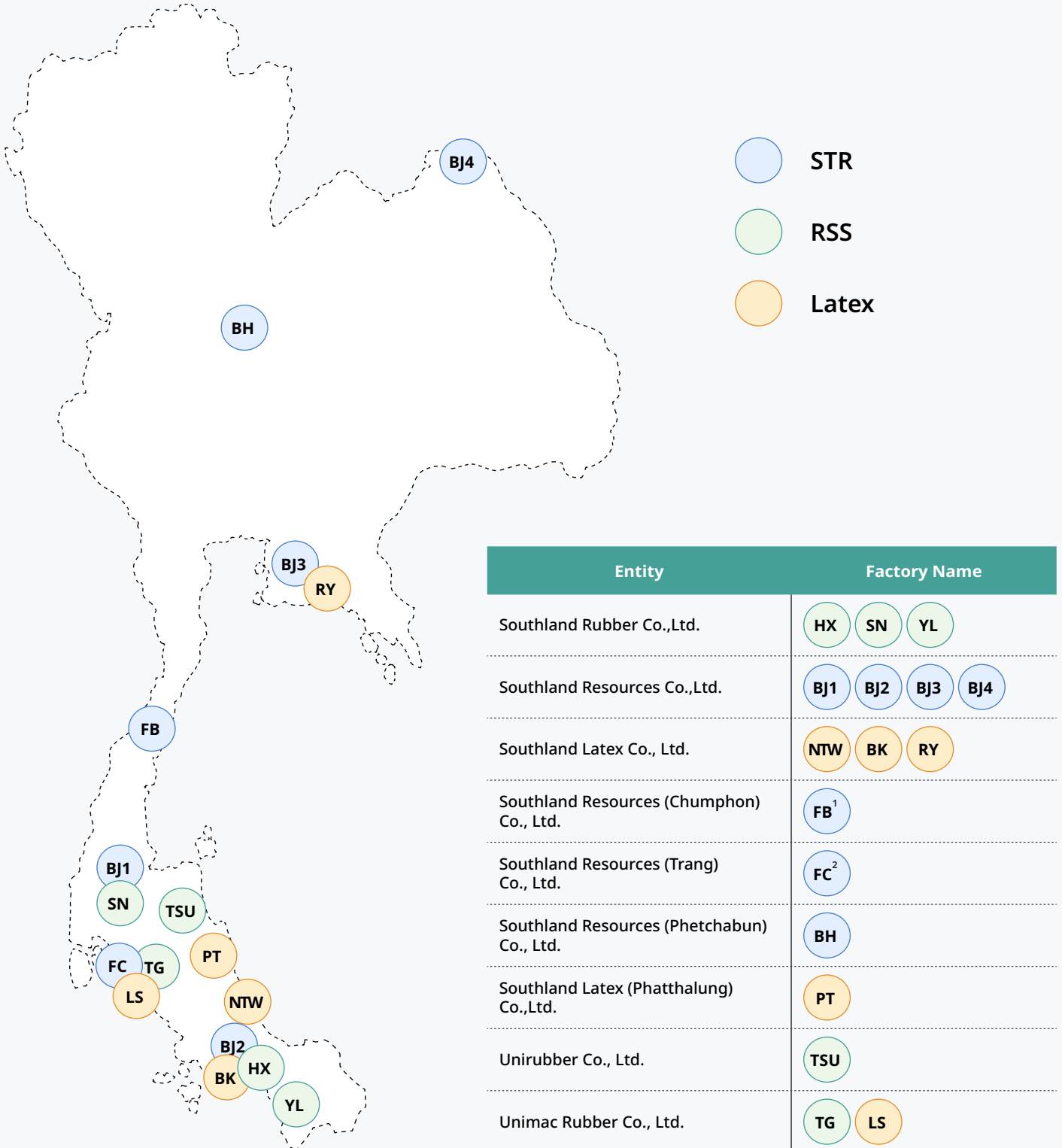
Our Employees



¹ ISO/ICE 17025 Testing (and Calibration Laboratories) applies to only STR factories and Latex factories.
² Data as of December 31, 2020.

Location of Operations

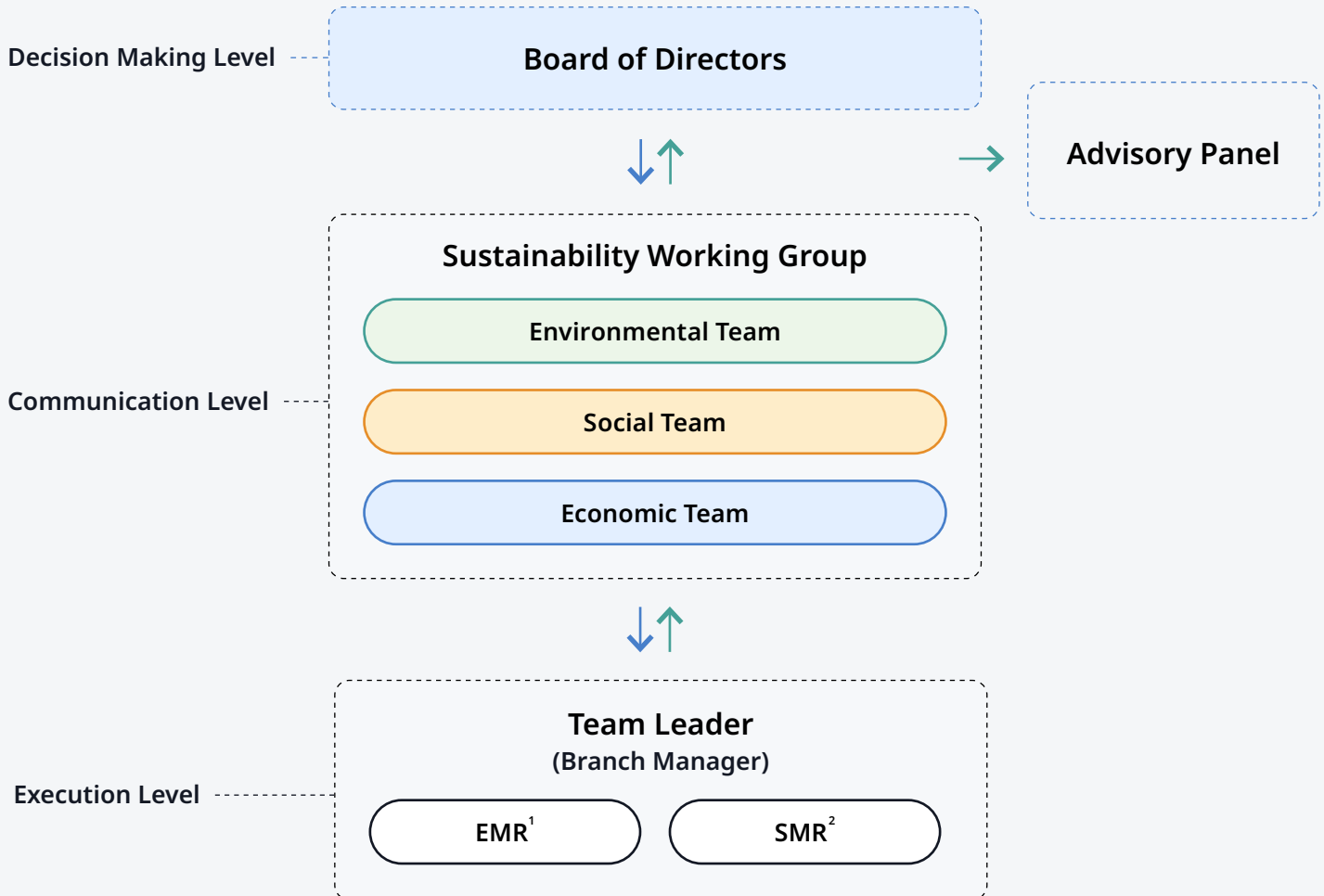
Southland Rubber Group (Thailand) runs a total of 17 factories under 9 entities, and the factories are divided into 3 product groups—STR, RSS, Latex—depending on the product type they produce and are located in different provinces across Thailand, mostly in the southern region.



^{1/2} The code names of 2 STR factories have been changed owing to local regulation; BJ5 has been changed to FB, and BJ6 has been changed to FC.

Sustainability Structure

This sustainability structure depicts how we delegate the power from the highest governance body to other levels in managing our sustainability framework.



Decision Making Level: Decision making level refers to the Board of Directors supported by an Advisory Panel whose responsibility is to review the objectives, strategies and progress of sustainability work 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 which is in charge of identifying the risks in connection with 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 EMR or SMR and providing comments, feedback, suggestions, recommendations or advices to the communication level.

¹ EMR refers to Environmental Management Representatives.

² SMR refers to Safety Management Representatives.

Materiality Assessment

Environmental Aspect

Social Aspect

Economic Aspect

STEP 1

Identify stakeholders & Sustainability issues



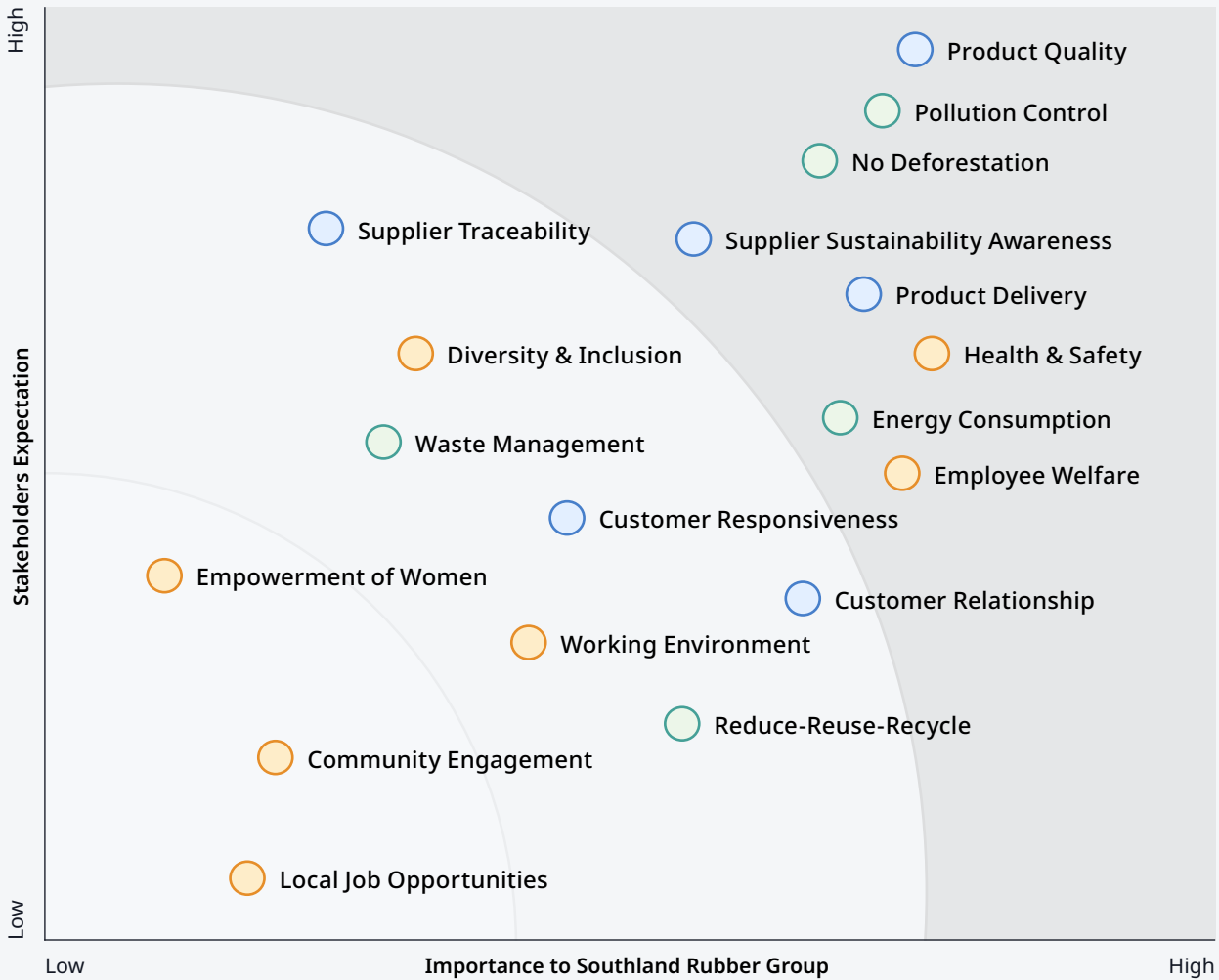
STEP 2

Design a survey form and survey all stakeholders



STEP 3

Prioritization of material issues



Material topics of the top priority:

Environmental Aspect

- Pollution Control
- No Deforestation
- Energy Consumption

Social Aspect

- Health & Safety
- Employee Welfare

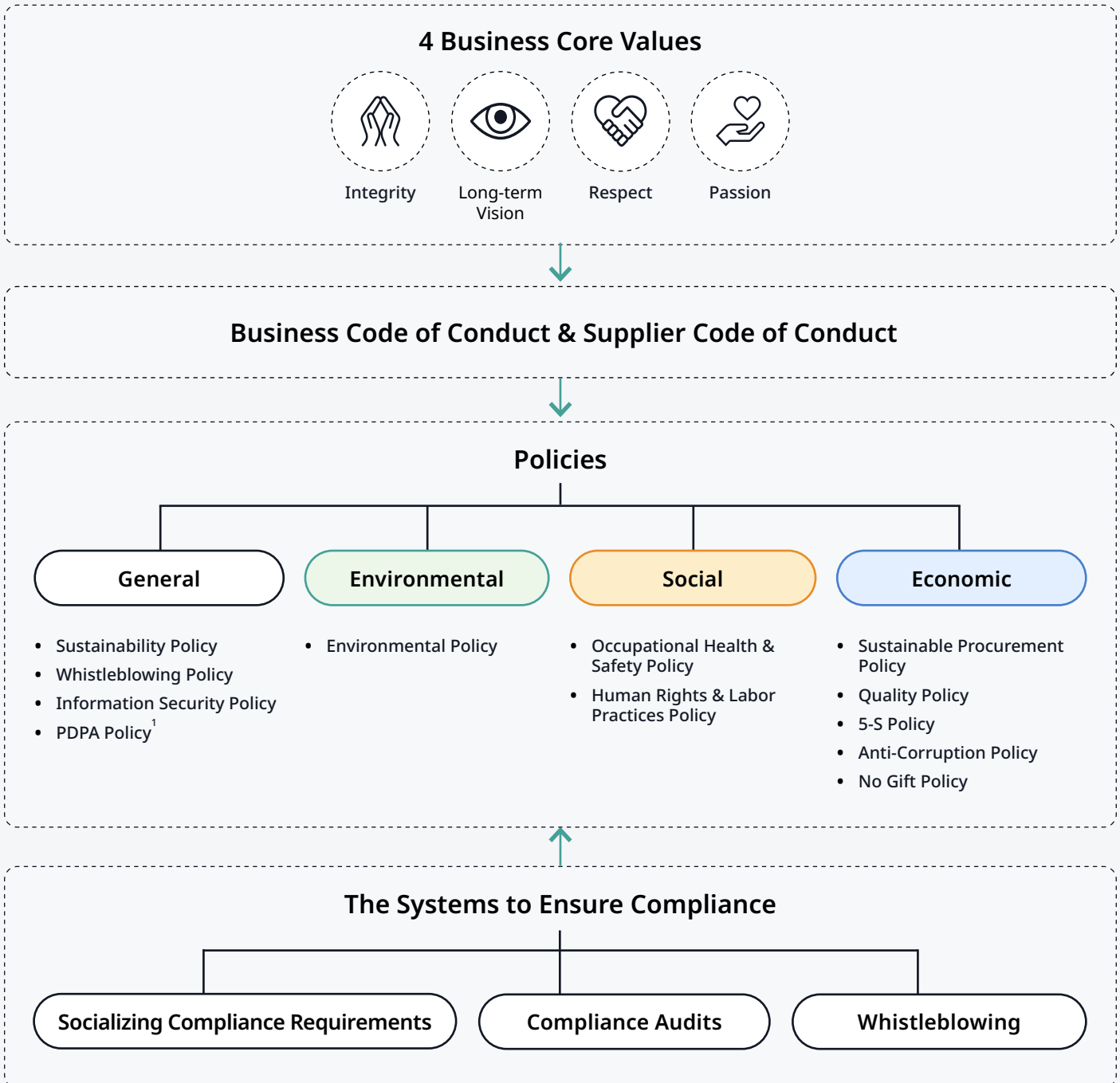
Economic Aspect

- Product Quality
- Supplier Sustainability Awareness
- Product Delivery

We continue to use the same materiality survey format that we reported in 2019 with a total of 18 material topics based on 3 dimensions of sustainability. However, the spread of COVID-19 since the end of 2019 has caused a serious concern for both the Company and its stakeholders. Thus, the issue of health and safety has become the top priority for our sustainable management, and we do have strategy and mitigation measures to cope with the pandemic which are presented in the Social Aspect of the Report.

Our Corporate Standards

Our corporate standards refer to the business Code of Conduct as well as Supplier Code of Conduct and policies which set the principles and guidelines of preferred practices for persons who have business relationship or employment relationship with the Company to adhere to. Also, the corporate standards are made to be aligned with the Company's core values, local & national laws as well as global standards. The key purpose of our corporate standards is to enable the Group as a whole and its supply chain to collectively propel business prosperity as well as promote sustainability, and social responsibilities. Also, such corporate standards are reviewed when appropriate to keep up with relevant laws, sustainability trend, and current situations.



For more information with regards to our visions and policies, you can visit our website at <https://www.southlandholding.com>

¹ PDPA is short for Personal Data Protection Act.

Compliance Program and Compliance Audits

Continuing from the **Compliance Program** initiated in 2019 with the purpose of communicating the Company's policies and expectations as well as sustainability issues to its employees, after those communication topics have been communicated to 100% of employees, we then put in place the **Compliance Audits** in 2020 to measure the effectiveness of the of the Compliance Program.

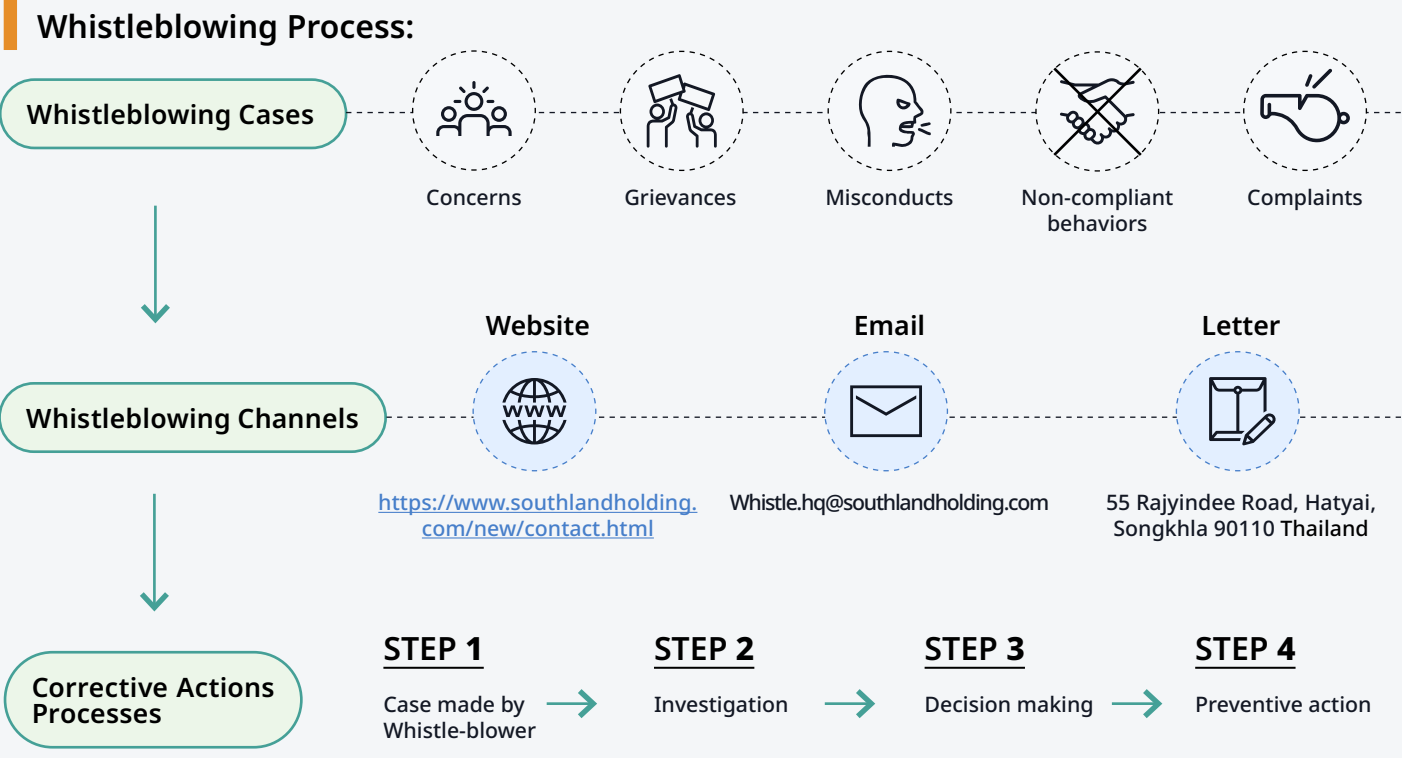
- Objectives of the Compliance Audits:**
- To ensure that all factories abide by prevailing laws and the Company's policies, rules, and regulations
 - To point out the strengths and weaknesses of each factory in order to seek opportunities for improvement as well as encouraging sustainable development
 - To internally audit compliance with ISO standard requirements with which each factories has been certified



Compliance Program and Compliance Audits are initiated as the tools to ensure the compliance with corporate standards, and they are ongoing processes which are conducted on a yearly basis.

Whistleblowing

We provide whistleblowing mechanism to all employees and other stakeholders to report their concerns regarding non-compliant behaviors, and misconduct relating to ethical practices defined in the Group's Code of Conduct and other relevant policies. Also, the protection of whistleblowers' confidentiality is one of our top priorities when implementing the whistleblowing mechanism so that we can build a reliable system trusted by all stakeholders.



Overview of Sustainability Management

Our sustainability management consists of three aspects—**Society, Environment, and Economy**. We are committed to the ongoing efforts in addressing sustainability issues that are key to the Company and mitigate the risks posed by such issues. In addition to achieving our KPIs based on each sustainability aspect, we also make the long-term commitment to contributing to the Sustainable Development Goals (SDGs). Plus, as global communities are combatting the **COVID-19 pandemic**, our sustainability management must also focus on handling and mitigating its impacts. Thus, we have put in place several measures to protect our employees and local communities from the pandemic and incorporated **New Normal** into our business practices.



Social Aspect

Commit to responsible business conduct concerning importantly with employees and surrounding communities and share prosperity with them

Main Focus

- Health & Safety
- Employees' Well-being & Development
- Human Rights & Labor Practices
- Engagement with Local Communities

Contribution to achieving SDGs by 2030



Environmental Aspect

Attach great importance to conservation of the environment and efficient use of resources to promote long-term environmental sustainability

Main Focus

- Climate Change & Decarbonization
- Circular Economy
- Biodiversity

Contribution to achieving SDGs by 2030



Economic Aspect

Ensure transparent business conduct by putting efforts into anti-corruption while focusing on consistent, good quality of products and close engagement with raw material suppliers

Main Focus

- Anti-Corruption
- Product Quality & Customer
- Raw Material Suppliers Focus


Contribution to achieving SDGs by 2030



COVID-19 & the New Normal

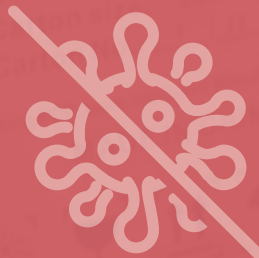
From the end of 2019 onwards, the COVID-19 outbreak has caused adverse and lasting impacts on society and a number of businesses on a broad scale. It is a tremendous challenge for us to prepare and implement emergency plans to avoid and prevent business disruption which can significantly affect our employees, and players in the supply chain. Therefore, we have implemented several strategic safe-guards against the pandemic with the commitment to protect employees as well as local communities.

Key Sustainability Initiatives in 2020

Initiatives	Implementation Process	Objectives	Contribution to SDGs
Handling COVID-19 Pandemic impact	See page 14-19 of this Report	<ul style="list-style-type: none"> Employee well-being 	
Employee care and care for local communities in a new normal environment	See page 17-19 of this Report	<ul style="list-style-type: none"> Social responsibility 	  
Establishment of Dedicated Task Force to ensure safety at workplace	See page 23 of this Report	<ul style="list-style-type: none"> Safety at workplace Good labor practices 	
Introduced LNG as a replacement of LPG in STR factories	See page 40 of this Report	<ul style="list-style-type: none"> Decarbonization 	 
Initiated investigation into installation of solar panels to generate electricity	See page 41 of this Report	<ul style="list-style-type: none"> Renewable resource Decarbonization 	 
Socialization of Anti- Corruption Policy	See page 51-52 of this Report	<ul style="list-style-type: none"> Good Corporate Governance 	
Introduction & implementation of PDPA (Personal Data Protection Act) policy	See page 52 of this Report	<ul style="list-style-type: none"> Protect Company's and stakeholders' confidential information 	
Introduction & implementation of Supplier Code of conduct	See page 56 of this Report	<ul style="list-style-type: none"> Sustainable procurement Sustainable supply chain 	    

Handling COVID-19

- Preventive Measures & New Normal at Workplaces
- Our Way During COVID-19
- Employees Care
- Local Communities Care



Preventive measures & the New Normal at Workplaces

The Company puts its greatest and constant effort into taking preventive measures against the threat of COVID-19 pandemic in workplaces. We are fully aware of the need to adopt as New Normal for multiple activities of our business operation. New Normal at our Company goes beyond physical hygiene and sanitization. It involves mostly online communication using several digital platforms and channels. Internal communication targeted at employees are focused on disseminating useful information regarding COVID-19 situation. The information includes news report, internal newsletters, daily report of health-related issues, and other important updates and announcement. Close and active communication is one of the effective means that urges employees to always keep their guard up against the pandemic. Besides, other online communication such as training, meeting, and audit have become key approaches of our business continuity during the pandemic since they allow us to effectively reach out to stakeholders. In summary, our determined effort to adopt proactive and preventive measures and the New normal in response to the pandemic enabled business resilience, which is a critical quality of sustainable business.

Examples of Materials for internal communication:



- 1 **10 New Normal at Work**
Communicate New Normal practices at workplace to employees & everyone entering the Company and require their full cooperation
- 2 **Daily Report of Health-Related Issues**
Disseminate health-related information which comprises the statistics of infection cases, quarantine state, and sick leave
- 3 **Newsletter**
Update the Company's news, situations, and activities on a monthly basis to connect everyone in the Company together

Our way during COVID-19

From the end of 2019, the COVID-19 outbreak has caused adverse and lasting impacts on society and a number of businesses on a broad scale. It is a tremendous challenge for us to prepare and implement emergency plans to avoid and **prevent business disruption** which can significantly affect our employees, and players in the supply chain. Therefore, we have implemented several strategies as safe-guards against the pandemic with the commitments to **protect employees as well as local communities**.

Our Key Preventive Measures:

Workplace Safety



Remote Working

We divided our staff at the HQ office into 2 groups. One group worked at the office, and another group would work from home. Thereby, the office would have more space, which allows more effective social-distancing in the workplace. Moreover, we were able to adjust our working system to working from home in response to COVID-19 pandemic and other similar situations that may take place in the future.



Business operation in new-normal ways

We emphasize the following “new-normal” practices to our employees and visitors.

- Temperature checks before entering workplaces
- Hand sanitizer provided at several spots
- Wearing face masks is a must
- 2-meter space from each other for working desks and at lunch time



14-day quarantine

We require employees with the risk of carrying the virus to be on 14-day quarantine before returning to work. In some cases, medical examination was also needed. This measure was meant to prevent and limit the possibility of the virus spread to ensure health and safety at workplaces.



Online meeting & Audit

We have adopted online meeting and audit as a part of our day-to-day business activities both internally and externally to avoid close contact among large groups of people; avoiding unnecessary domestic and international journeys during the time that the spread of the pandemic is at an alarming rate.

Employee Health



Sick staff stays at home

Employees whose temperature is higher than 37 degrees Celsius are required to take sick leave although they may only have very mild cold or fever seeing that it can cause uncomfortable atmosphere at the workplace. This also applied to the visitors to any of the Company's facilities.



Daily report of health-related issues

The following health-related data is complied and shared within the Group on a daily basis.

- The number of employees on sick leave
- The number of employees on quarantine
- The number of employees infected with COVID-19

Employees Care

We are concerned with employees' health and safety as well as the well-being of their families. Hence, we strive to ensure that our employees are thoroughly provided with adequate personal protective equipment (PPE), especially face masks for use in work places as well as outside the work places. Also, we made an effort to support workers by providing family-relief and educational- support funds for their families and children.

Distributing face masks to employees:



We initially provided medical face masks to all of our employees in all business units to prevent the spread of COVID-19. In addition to providing medical face masks, we also trained our employees on how to make cloth face masks. In March, THAI INDUSTRIAL STANDARDS INSTITUTE, Chumphon visited our factories, FB to teach a group of our employees to make handmade cloth face masks and distribute them to employees throughout the factories. Handmade cloth face masks are good alternatives that can ensure that we have sufficient face masks available for all employees all the time.

Educational supporting fund for workers' children during COVID-19:

Education is a key contributing factor to the development of people and is the foundation of strong communities. Nevertheless, there are a great number of children worldwide who do not have access to education. Many countries across the world, including Thailand have collectively made a contribution to the Sustainability Development Goal number 4, which is quality education. As for Southland Rubber Group, we aspire to share the global commitment in supporting quality education as mentioned. Therefore, we have given financial aid for educational purpose to 115 children from our workers' families from all factories throughout Thailand, which amounted to **347,000 THB**. We demonstrated this commitment by starting from helping our workers' children who are in need because we believe that employees' well-being and morale significantly influence the sustainable growth of the Company. Another main reason that we provided the Educational supporting fund for workers' children was that we wished to help relieve the burden of our workers during COVID-19 situation seeing that someone of their family members may have been affected by the economic recession resulted from the virus spread. We believe that our help could at least boost the workers' morale and express our concern towards them.



COVID-19 & employee satisfaction survey results:

According to the survey results, the COVID-19 prevention topic's score was 72, which was the highest score of all the survey topics. This reflects the effort that we have put into handling the pandemic to protect our employees. We commit to the continuous effort to prevent and mitigate the effects of the pandemic until our global communities satisfactorily recover from their COVID-19 related adversities.

Local Communities Care

Apart from adopting several preventive measures in response to COVID-19 at work place, we are also concerned about surrounding communities and our employees. Thus, we have assisted local communities and our employees with both financial and non-financial assistance to partially help them cope with the threatening pandemic. We believe that our contribution towards society and employees can mitigate the effects of the COVID-19 outbreak and is an integral part in strengthening sustainable societies and quality working life of employees.

How we assist local communities:

Our target groups to be provided with assistance include local hospitals and schools since they are places that involve large gathering of people, which pose higher risks of transmission. The examples below are some of the contributions we have made.

- **Donate PPE for infection control to 2 local hospitals**

In August, the Company, led by the Managing Director and the senior management team, visited 2 local public hospitals, Songklanagarind hospital and Hatyai hospital, to donate personal protective equipment (PPE) for use by hospital personnel. The PPE that we donated included medical disposable face masks (60,000 pieces), PPE gowns (2,000 pieces), and medical disposable protective cover-alls (250 pieces). We also took this opportunity to express our concern about the situation and exchange opinions with the medical team.





- **Set up hand wash basins to a local school**

In July, our STR factory BJ2 donated hand wash basins to a local public school called Klongnokratung school. Schools are one of the most crowded places and may be at risk of disease transmission. Hence, hygiene should be prioritized in order to minimize the risk. Owing to the spread of COVID-19, schools across the country were under lockdown for several months. When they opened again after the long lockdown, it is vital to adopt new-normal practices in day-to-day activities.

- **Donate hand sanitizer to a local school**

Also in July, another STR factory located in Buengkan BJ4 donated hand sanitizers to a local school called Banraisuksan School. Hand sanitizing has become a must of new-normal practices during COVID-19 situation, but there was a time when the shortage occurred and prices increased due to a very high demand. For this reason, we were particularly concerned about the hygiene and health of students and also educational personnel seeing that schools are usually packed with a large number of people.



Social Aspect

Our sustainability management on social aspect covers internal and external programs. The internal programs focus on quality working life of employees and safety at workplace while the external framework focuses on the harmonious co-existence with local communities.

- **Health & Safety**

- **Safety Programs in 2020**

- Safety Risk Assessments and Audits & Improvement Opportunities
 - Safety Task Force
 - Identify Key Safety Risks and Analyze Their Causes
 - Corrective and Preventive Measures of Key Safety Risks and Accidents
 - Other Measures in Risk Mitigation & Elimination

- **Employees' Well-being & Development**
- **Employee Satisfaction & Capacity Building**
- **Diversity & Career Development**
- **Human Rights & Labor Practices**
- **Engagement with Local Communities**

Health & Safety

Contribution to SDGs:



Our Targets in 2020:

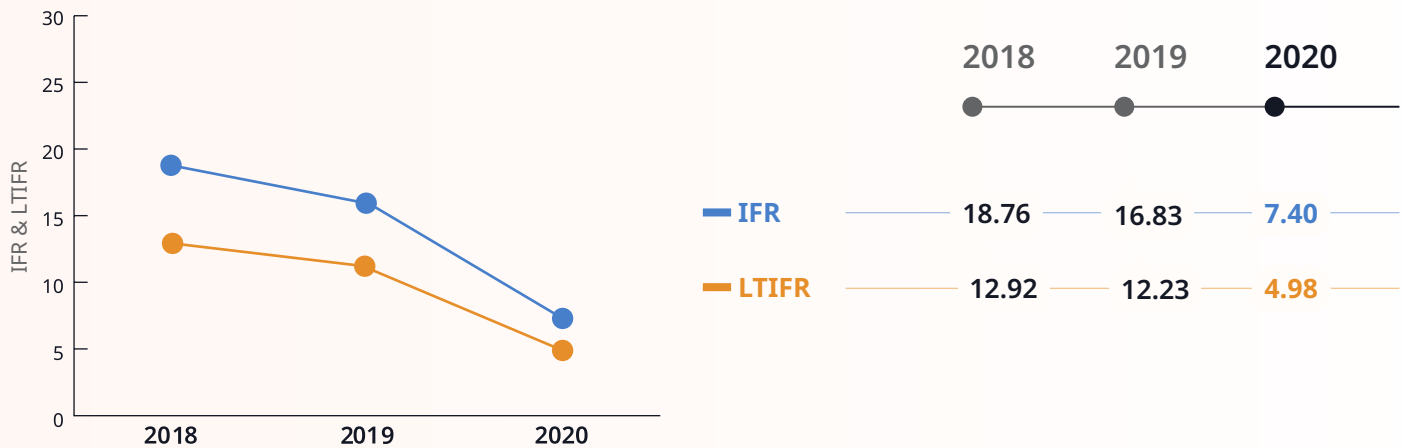
- Zero work related fatality of employees
- Averaged safety training hours per person ≥ 7
- IFR of employees ≤ 5
- LTIFR of employees ≤ 5

Our Results in 2020:

- 1 work related fatality of employees
- **11.01** safety training hours per person
- IFR of employees was 7.40
- LTIFR of employees was **4.98**

1 Safety Performances and Trend:

Our injury frequency rate (IFR) and lost time injury frequency rate (LTIFR) have been dropping in 2 consecutive years. In 2020, IFR and LTIFR dramatically dropped compared to the previous 2 years due to the deployment of several safety strategies. Key strategies include thorough detection of safety risks, safety training, and safety information sharing among factories, etc. Similarly, injury severity rate (ISR) has significantly decreased compared to 2019. However, despite putting great efforts into creating a safe workplace, there was an employee fatality case owing to the error of tool used when working at high levels. We are now more determined in our commitment towards zero fatality and positive improvements in our injury rates.



IFR ▼ **9.43**
Compare to year 2019

LTIFR ▼ **7.25**
Compare to year 2019

¹ Note: Data of 2018 and 2019 IFR, LTIFR, and ISR are different from what we reported in the 2019's Sustainability Report owing to the incorrect number work hours used in the calculation. We have verified the data and report the correct set of data again this year.

² Note: **IFR:** Injury Frequency Rate (Number of reported accidents x 1,000,000) / (Total hours worked in the reporting period).
LTIFR: Lost Time Injury Frequency Rate ((Number of lost time injuries in the reporting period) x 1,000,000) / (Total hours worked in the reporting period).
ISR: Injury Severity Rate (Number of reported work days lost x 1,000,000) / (Total hours worked in the reporting period).

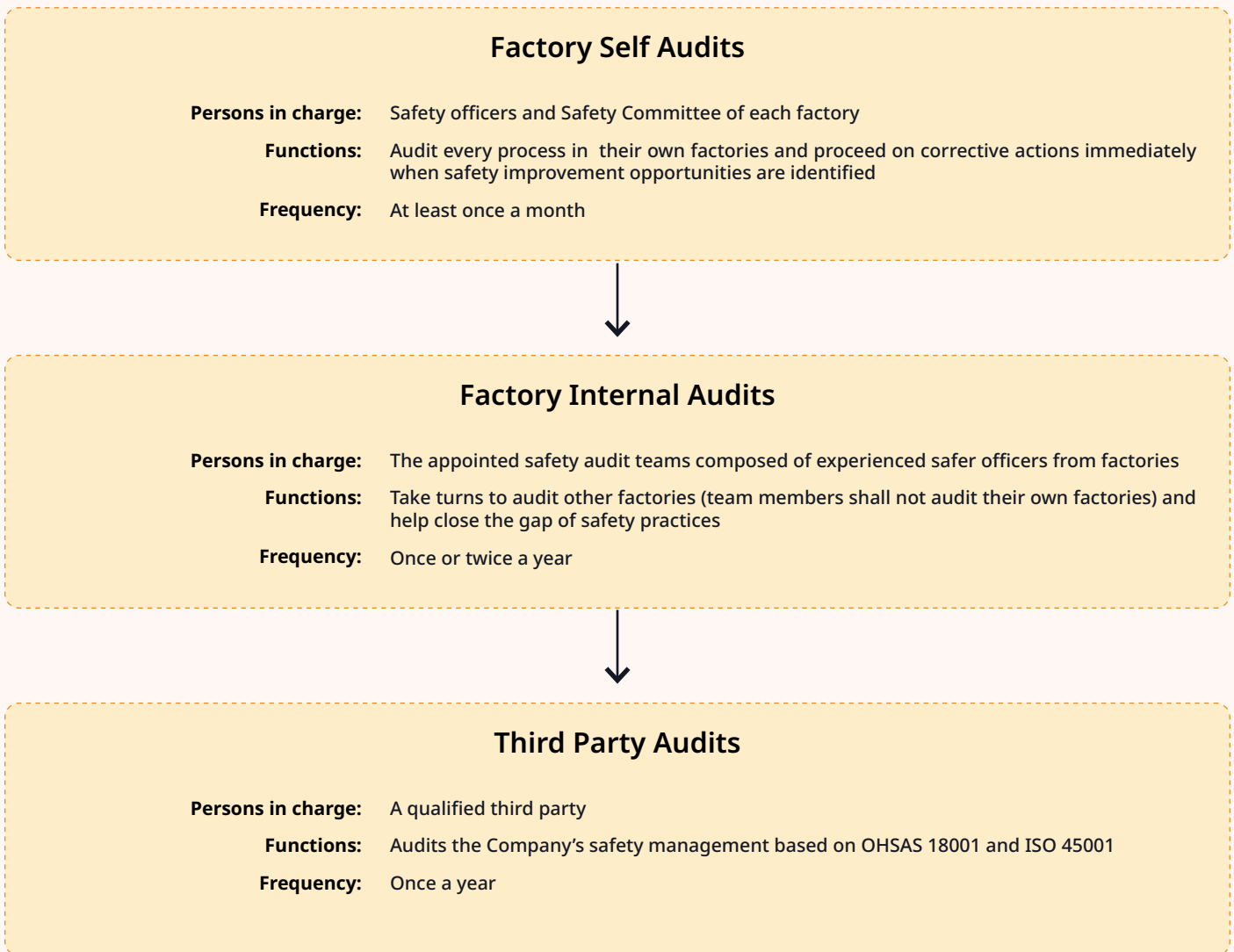
Our Safety Programs in 2020

We continued and initiated several safety programs to propel the accomplishment of our safety commitment of creating safe workplaces. As a result, our safety performances have significantly improved and suggested a positive trend when compared to the previous years. The key safety programs in 2020 are as follows:

Safety Risk Assessments and Audits & Improvement Opportunities

We conduct safety risk assessments to identify risks arising from different operational activities. Through detailed and intense investigations, we were able to detect safety risks more thoroughly and then implement appropriate corrective and preventive measures. The correction opportunities of safety risks assessed enable the mitigation and elimination potential accidents caused by those risks. In addition to safety risk assessments, we also put in place safety audits to follow up the corrective and preventive measures that our factories have implemented. Plus, safety audits allow us to further identify remaining risks and improvement opportunities that were not discovered through prior safety risk assessments.

Safety Audits

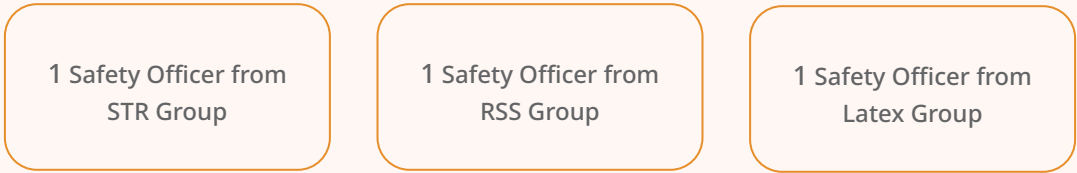


Factory Safety Taskforce

In addition to the safety audits structure in place (page 22) with monthly safety audits by factory’s own safety officers and safety committee as well as once or twice a year factory internal audits by audit team made up of experienced officers from different factories in the group in addition to the third party audits from external parties certifying our ISO 14001 and OHSAS 18001 Certifications, a head office directed Task Force of 3 members has been established with the functions presented in the diagram below.

Factory Safety Taskforce

Members



The Task force is composed of 3 members who are safety officers from each of our product groups. The Task Force will work closely with the head office’s “Social Team” which is an element of our Sustainability Working Group. The social team’s role, within our sustainability group, is to focus on the “Social Aspect” part of our sustainability activities.

Functions

1. To conduct accident reviews to ensure corrective actions are in place to prevent reoccurrence
2. To institute disciplinary actions whenever necessary for supervisors who fail in their job of ensuring that safety procedures are followed whenever a highly risky job is being performed
3. To ensure that the various audit programs take place according to SOP
4. To authorize additional internal audits as circumstance requires from time to time especially when construction projects or non-daily and unusual jobs are being performed
5. To ensure that scheduled employee safety training programs take place in a timely fashion
6. To review that workplace employee safety training programs’ contents are appropriate and effective
7. To make quarterly report of group’s safety performance to the Company’s top management
8. To meet at least once a month to act on the above functions

Future Plans for Safety

Factory Safety Day & Safety Performance Day

We will run two key safety projects in 2021. The first project is Factory Safety Day which will be held twice during the year. The project aims to stimulate employees working in each factory to be aware of safety at workplace. The safety information and statistics will be shared comprehensively with employees thoroughly. Another project is Safety Performance Day which will be held by the Company’s head office. For this project, all factories are required to present their safety performance throughout the year, and awards presented to outstanding performers.

Identify key safety risks and analyze their causes

Key operational risks were identified based on the findings from the safety risk assessments and safety audits. The key risks that led to accidents and injuries in our factories are divided in to 3 categories—working at high levels, working with tools and machines, and road accidents. After categorizing the key risks, we proceeded on analyzing their causes so that proper corrective and preventive actions can be put in place in the next steps.

Key risks discovered & their causes



Working at high levels

Accidents resulted from working at high levels occurred mainly because of the lack of PPE use and supervision, and using improper tools for the work. The Company does provide a full set of PPE and tools for working at high levels. Therefore, the solutions that we need to focus on are to make sure our workers are aware of safety and follow safe work procedures strictly. Plus, we must ensure supervision when workers perform their work.



The use of tools & machines

Most of the accidents caused by the use of tools and machines are finger injuries, and finger injuries mostly occur in STR factories. The rubber cutting process in STR factories requires the use of saws, and finger injuries occur due to incorrect rubber cutting method and the use of improper PPE. The proper PPE in this process are stainless gloves. Hence, we are working to ensure that all STR factories and some latex factories that produce skim blocks have adequate stainless gloves and works always wear the gloves when performing their work.



Road accidents

In factories areas, there are many vehicles coming in and out throughout the day, especially during periods of high production and exporting. The vehicles mainly include the vehicles of our suppliers, contractors, and shipping companies. The causes of road accident are factories' traffic and road conditions as well as the breaking of safety rules inside factory areas by our employees and all of the other parties. Thus, we ensure to have safe traffic and road conditions while enforcing road safety rules to all people coming in our factories areas.



Corrective and Preventive Measures of Key Safety Risks and Accidents

After identifying safety risks that led to accidents and their causes, we are committed to promptly ensure investigations, corrective and preventive measures implemented to mitigate or eliminate any similar or related risks. Safety measures are the keys to creating a safe workplace and achievement of safety targets.

Safety for working at high levels



Corrective / Preventive measures include:

1. Improve tools and add more detailed requirements for working at high place as well as identifying potential hazards
2. Provide training to employees on working at high place and proper use of PPE
3. Strictly enforce the use of a complete set of PPE, e.g. safety belts and safety helmet
4. Use appropriate tools, e.g. scaffolding and step ladder
5. Use white and red tapes to enclose work areas and use a sign to show work status

Reduce finger injuries occurring in rubber cutting process

Corrective/ Preventative measures include:

1. Train employees on the correct procedures of rubber cutting
2. Enforce the use of gloves while performing the work since they are effective PPE that can reduce the severity of finger injuries
3. Display safe procedures of rubber cutting in the work area
4. Assign supervisors to inspect the work regularly to ensure that employees follow the safety rules for rubber cutting



Prevent road accident inside factory areas (raw material incoming & exporting areas)

Corrective/ Preventative measures include:

1. Install traffic poles and use safety signs such as vehicle speed limit sign
2. Provide training to employees and raw material suppliers on road safety requirements when transporting raw materials to factories
3. Paint walking path in clear colors for employees' safety
4. Prohibit unauthorized people from entering the areas when loading raw materials or exporting products



Other Measures Adopted in Risks Mitigation & Elimination

Apart from the measures in response to key safety risks as presented on page 24, the other measures that we have proceeded and helped bring about better performances includes:

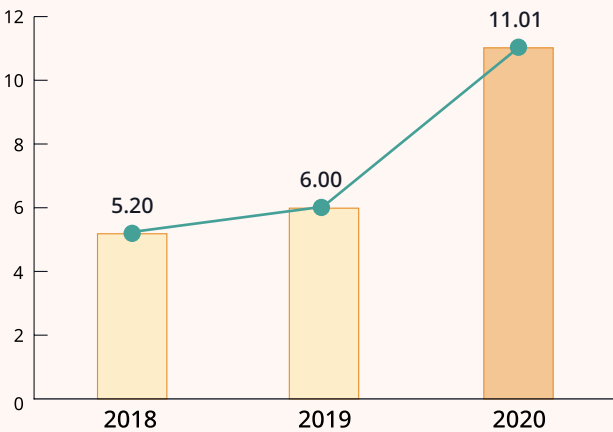
- Raise safety awareness among employees through morning talks that emphasize on safe work procedures and unsafe behaviors
- Share safety information such as accident statistics including corrective measures and “one-point” lessons learned from any accident within any and among factories
- Provide intensive safety training to employees on various topics, especially the topics relevant to key risks such as PPE & tools used, and safe work procedures
- Encourage active and effective communication and coordination between the head office and factories to collaboratively solve safety issues and initiate safety activities
- Promote safety investigation program in all factories by assigning safety officers to regularly walk and check around factory areas
- Provide opportunities for employees working in different work areas to take part in safety risk assessments as they can clearly identify existing and potential risks in their work areas
- Regular maintenance of tools and machines

Safety Training

To emphasize the commitment towards creating a safe workplace, training is a significant strategy since it helps create safety awareness of employees. Also, training creates opportunities to communicate and review safety rules and requirements so that all employees have mutual understanding with regards to safety practices. As we place great importance on safety training and are committed to driving the greatest effort in reducing work-related accidents, safety training hours increased sharply. Averaged training hours per person per year for OH & Safety in 2019 was 6 hours while in 2020 increased to 11 hours.

Safety training that we provide to our employees covers a variety of topics, and those training topics can be categorized into 3 groups. The first group comprises topics to deliver full compliance with legal requirements e.g. fire drill, handling chemical leakage, and natural disaster response. The second group emphasizes on the Company’s safety rules and regulations including OHSAS 18001 and ISO 45001 requirements. The final group is composed of practical training of safety practices specific to each operational activity; for instance, working with machines, tools and at high levels.

Averaged safety training hours per person



Key topics of safety training



Compliance with legal requirements



The Company’s safety rules and regulations



Safety practices based on operational activities



Training on safety rules & safe procedure for working with machines



Chemical spill response training & Fire drill

Employees' Well-being & Development

Contribution to SDGs:



Our Targets in 2020:

- Overall satisfaction scores of employees' satisfaction survey $\geq 85\%$
- Averaged training hours per person ≥ 12 hours
- Female employees in managerial level $\geq 30\%$

Our Results in 2020:

- Overall satisfaction scores of employees' satisfaction survey was 67%
- Averaged training hours per person for all training categories was 17.5 hours
- Female employees in managerial level accounted for 39%

Strategy & Management:

1. Understands the needs of employees and evaluate feedback to the Company through employees' satisfaction survey
2. Provide adequate training to employees to sharpen their work skills and knowledge
3. Promote career development without bias and discrimination
4. Provide proper welfare to enhance employee's working life
5. Allow open communication between the Company and its employees

Our Commitment towards Employees' Well-being & Development:

Employees' quality of working life and development in the career path is very important to us as these qualities significantly demonstrate good governance practices of the Company and contribute to its sustainable growth. Therefore, we strive to develop our employees in several aspects; for instance, providing adequate training and proper welfare, enabling the opportunity to grow in their appropriate career path without discrimination, and giving aid to those in need.

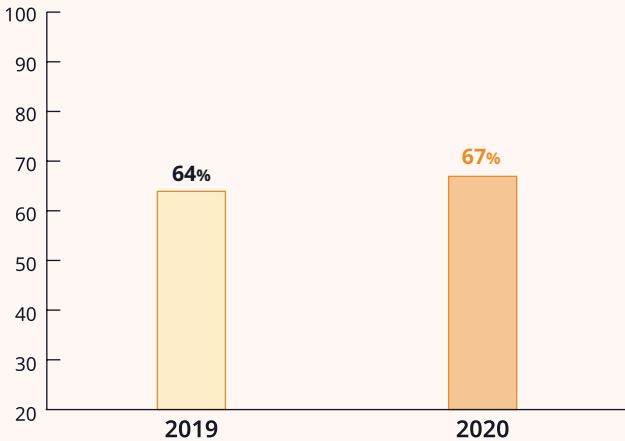


Employee Satisfaction & Capacity Building

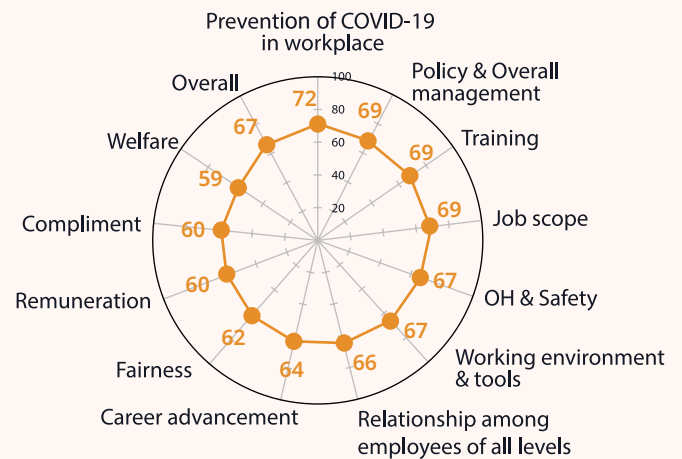
Employee Satisfaction Survey:

We listen to and respect the feedback from employees for the further enhancement of our organizational management. Thus, we conduct an employee satisfaction survey annually and responded to the results to strengthen our employment practices.

¹Overall satisfaction



Scores based on each survey topic (13 topics)



Improvement areas based on the survey results:

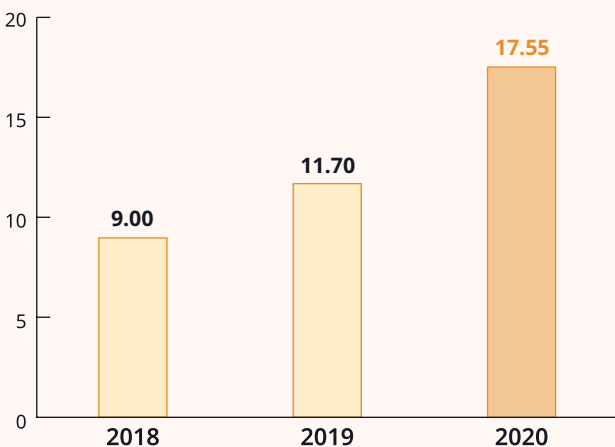
As suggested by the survey results, the 3 topics that received the least satisfaction scores included remuneration, compliment, and welfare. Therefore, we have outlined the improvement plans to respond to the preferences of our employees as follows.

- **Compliment:** award systems will be implemented to boost employees' morale and show Company's appreciation of their performance as well as increase productivity. Such awards could be designed to allow employees better remuneration when performances are tied to productivity.
- **Remuneration:** This was reviewed by the Board of Directors who has instructed the HR department to look at ways to link increased income with productivity.
- **Welfare:** facilitate and improve employees' working-life includes by increasing the number of clean drinking water points, constructing more clean restrooms, and providing more face masks to employees to use as PPE.

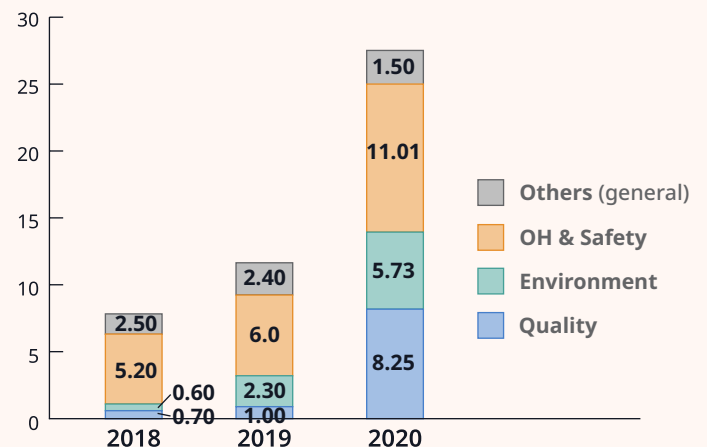
Employees Capacity Building:

We refer to training as employee capacity building seeing that training enables employees to gain work-relevant knowledge and sharpen their skills needed for work, which will ultimately affect the capacity and productivity of the Company as a whole.

²Average training hours per person per year



Average training hour per person per year by Categories



¹ Overall satisfaction score is not the average score of all survey topics but is one of the 13 survey topics.

² The total training hours in 2020 is not the summation of training hours by categories since we have changed the data collection method: A training topic can be categorized into more than one category. For example, fire evacuation training can be categorized into both safety and environment.

Diversity & Career Development

We manage our people based on our respect for diversity and equality. That is, we treat everyone of our employees fairly and are not biased against anyone in such area as physical appearance, disability, race, and ethnicity, etc. These qualities reflect diversity in workplaces and equal opportunity for employees to develop along their career paths.

Employee data:

Employee Data	
Total number of employees (person)	5,124
By gender (%)	
Male	52.87 %
Female	47.13 %
By age group (%)	
Under 30 years old	35.94 %
30-50 years old	56.62 %
Over 50 years old	7.44 %
The number of employees with disabilities	53

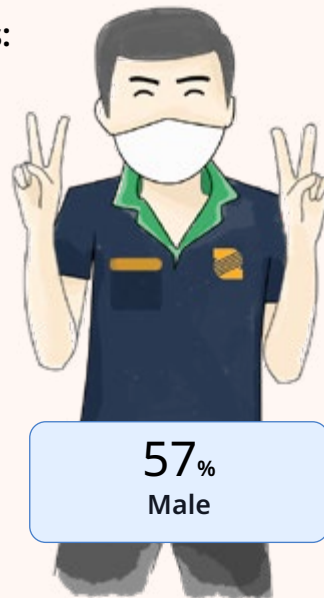
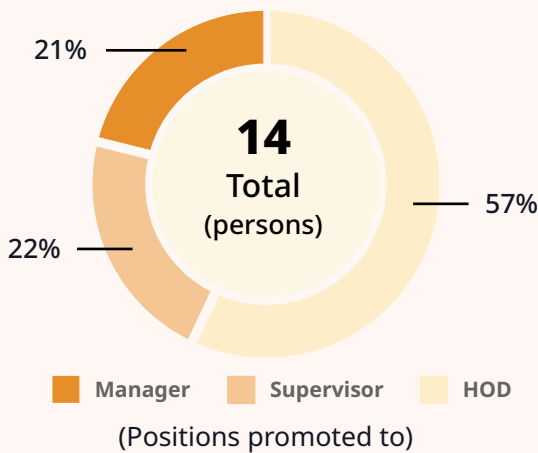
Regular performance and career development review:

100%

Employees receiving regular performance & career development review

- Performance assessment frequency: annually
- Performance assessment tool: skill matrix & self - assessment form

Employees promoted to higher job positions:



57%
Male



43%
Female

Human Rights & Labor Practices

Human Rights & Labor Practices Policy:

We formally established and deployed our Human Rights and Labor Practices Policy in 2020, and have started communicating the policy to our employees through the Compliance Program. The Program comprised review sessions when we communicated the Company's policies and provide policy training to our employees. The Human Rights and Labor Practices Policy incorporates relevant international standards and laws into formulating its contents to demonstrate and ensure our commitment towards the matter of human rights and labor practices. Also, we have formulated the policy implementation plan to put the policy into actions and follow up the results in order to further strengthen our positive human rights & labor practices.

About The Policy Communication & Training

Channel

Online Compliance Program



Target

100% of employees are well-informed & trained on the policy after the first year of the deployment of the policy



Progress

100% of executives and managerial-level employees are well-informed of and trained on the Human Right Policy



Policy Implementation Plan:

We implemented the Human Rights and Labor Practices Policy by creating a systematic approach to ensure sound management of human rights and labor practices.

- **Disclosure & Training:** to create Company-wide awareness of our human rights and labor practices
- **Prevention & Correction:** when negative human rights impacts and risks are spotted, preventative or corrective actions will be put in place in response to those risks and impacts.
- **Monitoring:** our regular internal audits where human rights criteria are included will be used as the tool to review the performance of human rights and labor practices of each operation unit.

Good Labor Practices Certification (GLP):

Even before the formal development of the Human Rights and Labor Practices Policy, we had worked to achieve the GLP certification, the certification ensuring that businesses have good labor practices and fair, lawful employment conditions endorsed by the Department of Labor Protection and Welfare (Thailand). As of 2020, **14 out of 17 factories** have been certified with the GLP certification.

Human rights violation:

2

complaints received and resolved in 2020

You can see more about our [Human Rights & Labor Practices Policy](#) using the QR Code.



Engagement with Local Communities

Significance of our business and the local communities

Local communities are one of the very first priorities that we take into consideration when managing sustainability issues encountered in our business activities. The healthy relationship with surrounding communities where our factories are located substantially affects our business continuity, and on top of that, we are genuinely concerned about local communities' well being. Hence, we endeavor to implement sound programs in order to cope with particular impacts that we may have on local communities.



Contributing to local community:

Our programs

- Create job opportunities for local people
- Offer minimum wages imposed by local laws and other welfares
- Establish Human Rights & Good Labor Practice Policy
- Uphold good labor practices: no forced labors & child labors
- Comply with employment law and requirements
- Support local products

Preserving local environment:

Our programs

- Implement the Environmental Policy
- Conduct the annual air quality test (NOx, SOx, TSP)
- Encourage raw material suppliers to install cup lump serum tanks on their transporting vehicles
- Adopt closed loop wastewater treatment systems and ensure zero effluent discharge
- Monitor odor on a regular basis
- Never support deforestation
- Comply with environmental laws and requirements

Communicating with local residents & Supporting activities for social good:

Our programs

- Survey communities' needs and concerns when conducting materiality assessment
- Implement whistleblowing system
- In case of receiving complaints, corrective actions will be proceeded immediately
- Support activities for social good in the local communities wherever our processing factories are located
- Build harmonious relationship with the residents in local community through engagement activities
- Set the target of the number of social-relevant activities to attain sufficient and consistent engagement
- Express social responsibility and social care through engagement activities

Activities engaged with local communities:

During the course of 2020, we engaged with local communities through a number of various activities. The engagement activities aim to support and contribute to the well-being of local residents as well as building a harmonious relationship between the Company and local communities.



TARGET ≥ 30 Activities



ACTUAL 228 Activities



In January, BJ4 participated in a National Children's Day activity arranged by a local school called Banraisuksan School. We helped put smiles on children's faces by supporting them with fund and stationery for educational purpose as well as joining their activities as we always realize the importance of children as the future of the country.

In June, SN visited Agricultural Learning Center (ALC), Surat Thani to buy coconut leaf brooms which are handmade products by local people. Our key purpose of the purchase was to support local communities with more income.



In August, BJ1 joined the fundraising fun run held by a local school named Banwangtalab school. The fund raised from the fun run would be used to support education. The activity was engaged by people from several sectors ranging from individuals to organizations.

In August, HX gave away disused bamboo sticks to the local people residing in communities nearby. Local people can use them as supports for cultivating climbing vegetables and other purposes. This was considered an activity that can support 3R waste management of our factories.



In August, a UMR-LS helped improve the landscape along side the road in a village nearby. Beyond clearing up tree branches and overgrown grass for a better landscape, clearing views for safer traffic for local people and other passers-by was the other priority.



Environmental Aspect

The rubber industry heavily relies on natural resources. Rubber trees grow well and produce rubber latex with the help of Mother Nature. Therefore, we demonstrate our environmental commitment by putting in place sound environmental management that also contributes to sustainable development. We are committed to putting our efforts into mitigating and minimizing the negative environmental impacts caused by our business operations while help drive the accomplishment of SDGs.

- **Biodiversity**
 - Agroforestry
- **Climate Change & Decarbonization**
 - Energy consumption & CO₂ Emissions
 - Process Improvement Projects On Efficient Use of energy
 - LNG project as an initiatives of CO₂ emission reduction
 - Ongoing Projects to Replace Fuel Energy with Renewable Energy
 - Air pollution management
 - Use of EM & wood vinegar to control the odor
- **Circular Economy**
 - Water management
 - Waste management



Biodiversity

Contribution to SDGs:



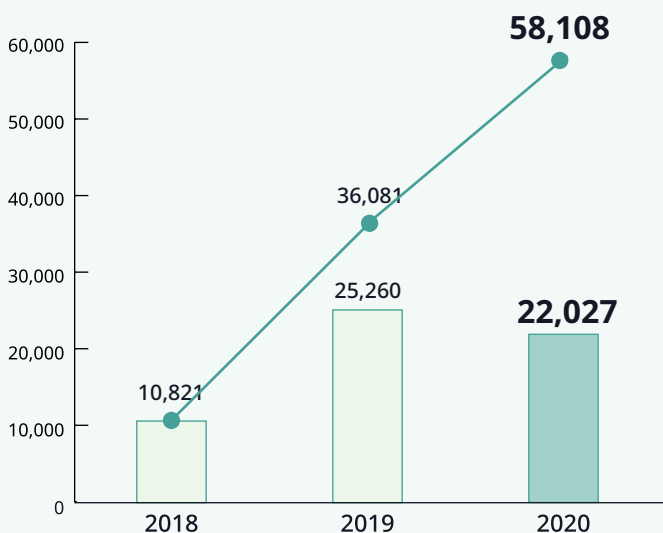
Our Targets in 2020:

- 40,000 trees planted
- ≥10 locally found species planted

Our Results in 2020:

- 22,027 trees planted
- **113** locally found species planted

the number of trees each year & total:

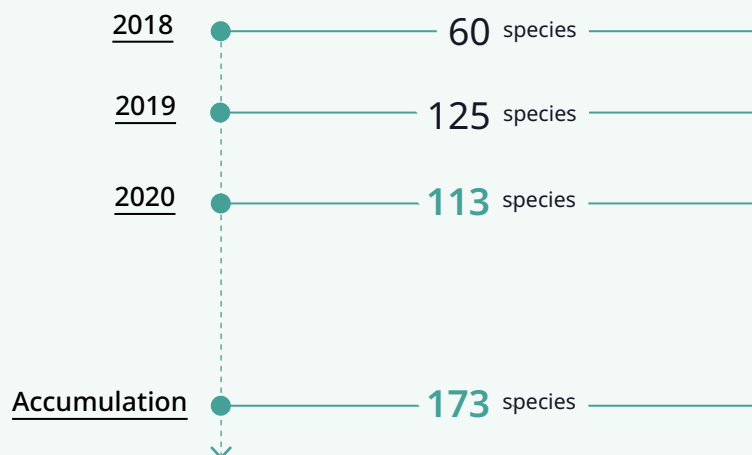


Our Commitment towards Biodiversity:

We are committed to conserving terrestrial biodiversity by planting a wide variety of locally found tree species within the compounds of our factories. Plus, we wish to expand the scope of our tree planting program to enlist the cooperation with our stakeholders in the future.



The number of locally found species planted each year & total:



We started the tree planting project within compounds of factories in 2018 and arranged the activity called "Nature in the Factories" to provide the engagement opportunity to the top management team and encourage employees to understand the importance of the tree planting project in 2019. We continued the trees planting project in 2020 and started more initiatives to reflect our commitments towards supporting biodiversity. The initiatives included:

- Build plant nurseries inside the factories and distribute young plants to local communities as well as other stakeholders who may have land that they can plant trees as some of the factories have limited space for the growing large numbers of trees
- Discussed with the RAOT (Rubber Authority of Thailand), which is a department of the Ministry of Agriculture, a governmental organization responsible for development of the Thai Rubber Industry, regarding their effort to promote Agroforestry as a means for farmers to be able to diversity their income as well as take steps to be in support of biodiversity with provision of land for forest plants and animals. Our objective is to see how we can participate in this effort through helping RAOT to promote their objectives to suppliers who are rubber farmers



¹ The target of planting 40,000 trees in 2020 was shifted to 20,000 trees owing to the need to support the national policy in avoiding the activities that involve many people or the gathering of a large group of people during the COVID-19 outbreak.

Agroforestry in Rubber Plantations

Most rubber plantations rely on monoculture, which grows only natural rubber in large quantities. The RAOT and several Civil Societies believe that monoculture farmers suffer economic hardship when the price of the crop falls. In addition they believe that the spread of plant disease is faster and wider in monoculture farms when it occurs. Thus the high risk.

Reported Benefits of Agroforestry on Rubber Plantations:

- improve the quality of the soil in terms of nutrients as well as the quality of the soil's water which would contribute to the health and productivity of the rubber trees
- Reduce the risks of contagious plant diseases in rubber trees such as powdery mildew, phytophthora leaf fall, and corynespora leaf whose effects are more severe in monoculture plantations
- Expand food supply and increase income of rubber plantation farmers
- Reduce suppliers' reliance on natural rubber as only source of income in situations that rubber prices fall or strong competition when there is rubber oversupply
- Increase terrestrial biodiversity values in local ecosystem, which will provide long-term benefits to natural environment

Agroforestry Trend in Rubber Plantation:

The governmental sector **RAOT** (Rubber Authority of Thailand) has been promoting agroforestry in rubber plantations recently with the purpose of helping rubber plantation farmers to gain more income and cultivate rubber trees in a more sustainable manner. On our side, we strive to enrich biodiversity values not only inside the factory, but also in the supply chain. Thus, this would be the good engagement opportunity for us and our stakeholders to work to achieve mutual goals.

Our Future Plan on Agroforestry:

2021

2022

STEP 1

Create a Manual

Together with RAOT we will examine how we can publish the manual giving detailed information on agroforestry: type of plants and planting methods.



STEP 2

Promote Agroforestry as an Initiative

We will consider how we can promote the idea of agroforestry.



STEP 3

Embark on the Project

When suppliers want to embark on this process, we will find out how we can support them.



Climate Change & Decarbonization

Contribution to SDGs:



Our Targets in 2020:

- Decrease CO₂ emissions intensity by 5% (compared to base year 2017)
- 100% of factories pass air quality test (NOx, SOx, TSP)

Our Results in 2020:

- CO₂ emissions intensity +15% (compared to base year 2017)
- **100%** of factories pass air quality test (NOx, SOx, TSP)

COVID-19 lock-downs in several countries impacted our customers and their supply chain. As a result our production was reduced and consequently the total energy consumption and CO₂ emission were significantly lower in 2020. However, because of the reduced production, the intensity of CO₂ emission was higher than target.

Strategy & Management:

1. Using energy efficient appliances such as LED light bulbs
2. Raise employees' awareness on efficient use of energy and energy conservation
3. Introduce the use of sustainable fuel which provides sufficient energy while contributing to the reduction of CO₂ emissions

Our Commitment towards Climate Change & Decarbonization:

The rubber industry heavily relies on natural resources which are taken from the natural environment, hence our strong commitment to put in place good environmental management contributing to sustainable development. By doing so, we are committed to putting our efforts into mitigating and minimizing the negative environmental impacts which may be linked to our business operations.

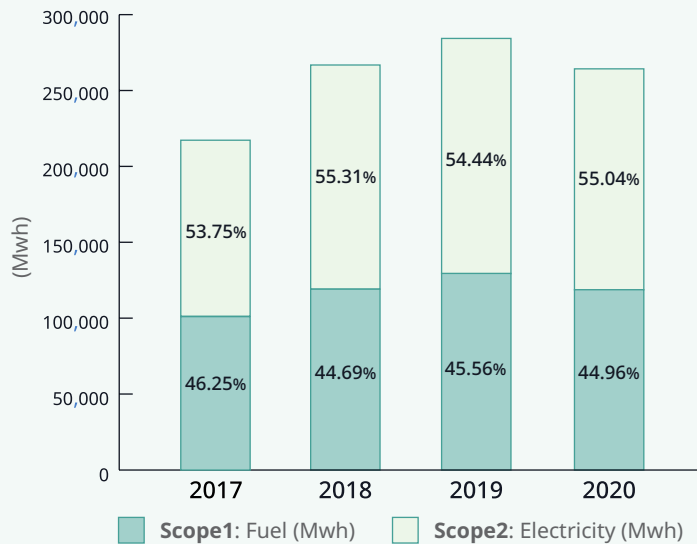


Energy consumption and CO₂ emission impacted by COVID-19 disruption

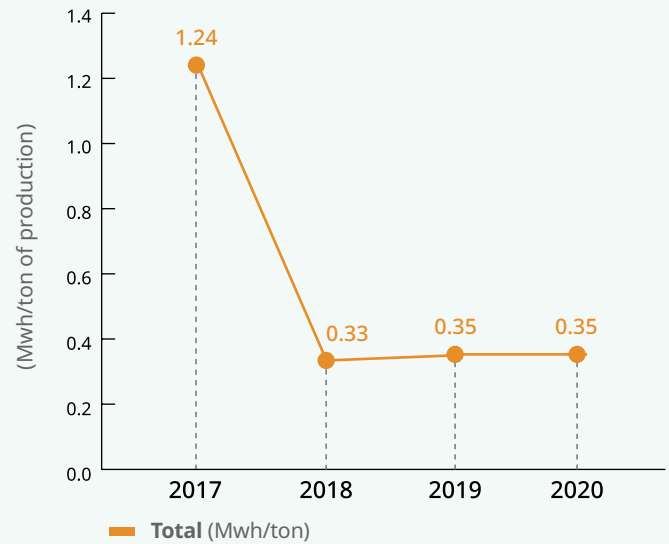
To mitigate the impacts of climate change, we have been working towards efficient energy consumption which also contribute to the reduction of CO₂ emissions.

Performance on energy consumption & CO₂ emissions:

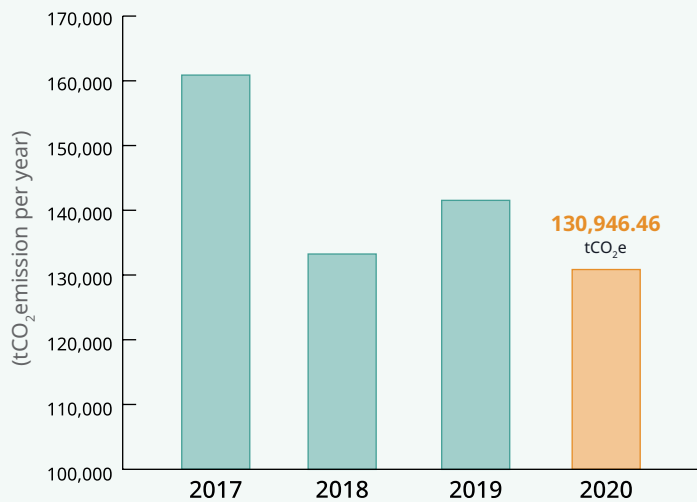
Energy consumption within the organization



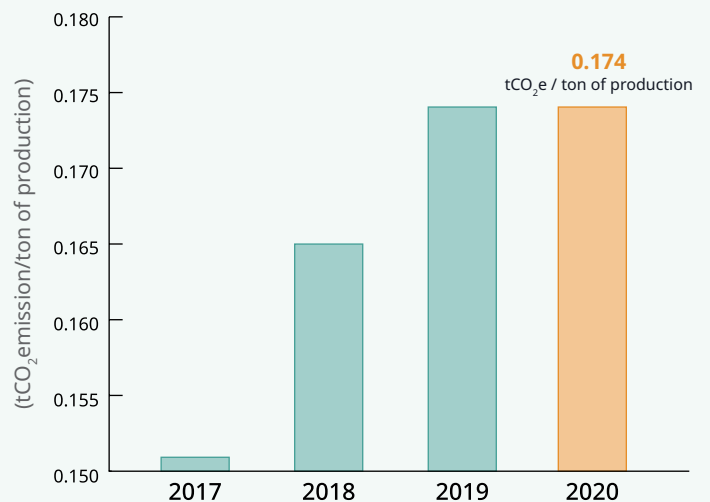
Energy intensity within the organization



Total CO₂ Emissions



CO₂ Emissions Intensity



Energy consumption and CO₂ emissions were reduced when compared to the performance in the previous 2 years due to less production during COVID-19. However, energy intensity and CO₂ emissions intensity were equal to the performance in the previous year, 2019.

¹ Fuel includes LPG for heating, diesel, gasoline.

² 100% of electricity used in our Company is purchased electricity.

³ Conversion factors for calculation are based on TGO: THAILAND GREENHOUSE GAS MANAGEMENT ORGANIZATION (PUBLIC ORGANIZATION).

Process improvement projects on efficient use of energy:

To use energy efficiently, our processing factories proceeded on several process improvement projects or KAIZEN during the year 2020. The key principle of the projects is to make the small changes that lead to measurable results or impacts.

Using LED light bulbs in replacement of metal halide & fluorescent lamps

Whenever we have any needs to change the light bulbs, we will change to LED light bulbs as they are energy efficient appliances.



Before	After
metal halide lamps & fluorescent tubes 1,216	LED light bulbs 1,135
electricity consumption per month 19,865 Kwh <small>(based on usage 8 hours per day & 25 work days per month)</small>	electricity consumption per month 9,380 Kwh <small>(based on usage 8 hours per day & 25 work days per month)</small>

SAVE 125,829 Kwh/Year

decreased by **52.8%**

Reducing the use of air blowers in the wastewater treatment system

The number of air blowers in use can be reduced by monitoring the concentration of dissolved oxygen (DO) of wastewater in the pre aeration tank; the concentration of DO must be greater than or equal to 3 milligram per liter. Therefore, we can operate fewer air blowers while controlling the quality of recycled water by monitoring DO more frequently.



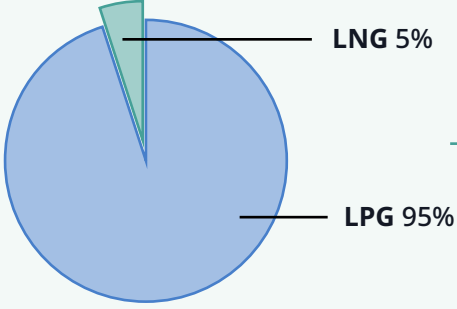
Before	After
4 air blowers operation <small>(15kW, 24 hrs/day)</small>	3 air blowers operation <small>(15kW, 24 hrs/day)</small>
electricity consumption 3,672,034 Kwh/year	electricity consumption 2,937,053 Kwh/year

SAVE 734,981 Kwh/Year

decreased by **20.0%**

LNG Project as an Initiative of CO₂ Emissions Reduction

To continue driving the effort of cutting down CO₂ emissions and CO₂ emissions intensity, we have a plan to replace LPG with LNG in all of our **7 STR factories**. According to the calculation based on our existing data, it suggests the smaller amount of CO₂ emissions if using LNG in stead of LPG. For this reason, LNG has become our new strategy to make a stride closer to our targets regarding CO₂ emissions as well as SDGs of climate change mitigation. In addition to LNG, we will also seek for other forms of alternative energy and develop optimal strategy to bring about the best environmental performance in the areas of energy conservation and CO₂ emissions.

	Now		Future
The number of STR factories using LNG	2 Factories	→	7 Factories
Ratio of LPG and LNG used in STR factories	 <p>LNG 5% LPG 95%</p>	→	100% LNG
The amount of CO ₂ emissions (ton/years)	38,659.71 tCO ₂ e	→	32,047.85 tCO ₂ e

In conclusion, if we use LNG in all of the 7 STR factories, the amount of CO₂ emitted from the fuel will decreased by **≈ 17%** (6,611.89 tCO₂e)

 **≈ 17%**
(6,611.89 tCO₂e / year)

*From the use of LPG & LNG

Ongoing project to replace fuel energy with renewable energy

Solar Energy; Solar Rooftop:

Green energy or renewable energy has become one of the most impactful solutions for mitigating climate crisis and ensuring long-term sustainability of energy. Among several choices of renewable energy, solar energy perfectly suits Thailand owing to its local climate condition that a considerable amount of sunlight can be expected throughout the year. For this reason, as we strive to adopt renewable energy into our operation to help optimize environmental performance on energy consumption and CO₂ emissions, solar energy has become our choice. We are considering solar rooftop to be the first trial project of renewable energy as it is suitable for our operation and processing facilities. Also, we will keep coming up with more strategies, initiatives, and projects in the future for continuous improvement and progress of our environmental commitment regarding energy and CO₂ emissions.

About the solar rooftop project

STEP 1

Study and make a choice →
(status: **done**)

We are interested in and excited about introducing renewable energy into our operation. Therefore, we started with studying information about renewable energy from various sources in order to obtain sufficient and reliable information. Then, we have made the decision to embark on the solar rooftop project.

STEP 2

Contact suppliers →
(status: **done**)

We have contacted suppliers for detailed information of the project in various aspects; for instance, energy conservation, reduction of CO₂ emissions, investment, limitation, and additional options. With the detailed and specific information, we could make further decision and develop the detailed plan accordingly.

STEP 3

Make a final decision and select location
(status: **in progress**)

We have decided to set up the project in our STR factories since they have the highest energy consumption and CO₂ emissions volume among our product group. We may first select one or two factories to embark on the project trial. However, we are now still considering investment options and other relevant factors and will update the progress in the very near future.



Air Pollution Management

Air pollution is another environmental issue that could be of concern to the surrounding communities if there is no proper management in place. Therefore, to avoid any potential problems caused by air pollution, we have adopted several measures for controlling air emissions.

1. Measure the quantity of air pollutants at least once a year; NOx, SOx, TSP:

Air quality emissions test result

Factory	Air pollutant emissions and standards				Methodology & Source of air quality standards
		NOx	SOx	TSP	
	STR & Latex factory	≤ 200 PPM	≤ 60 PPM	≤ 320 mg/m ³	
RSS factory	≤ 5 PPM	≤ 5 PPM	≤ 15 mg/m ³		
STR Factories	100% Pass				Our air emission quality is measured by a qualified third party, and the standards adopted are defined by the Ministry of Industry, Thailand.
RSS Factories	Passed the ministry of industry of Thailand standards for air quality emissions				
Latex Factories					

2. Odor Management:

Odor Monitoring

Odor monitoring is a key program in Southland Rubber Group, especially for STR factories. Odor monitoring allows us to control and mitigate the strong odor emerging from raw materials as well as during the production processes. For our processing factories, odor monitoring involves the following:

Area: within 5-kilometer radius away from the factory

Method: use human’s olfactory sense to measure the odor

Sampling spots: several spots both inside the factories and nearby communities

Scoring: in most factories, the monitoring scores range from 1-5 depending on the odor intensity.

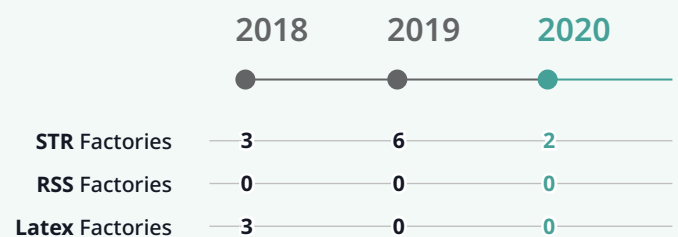
Frequency: The frequency of odor monitoring differs in each product group since the odor produced has different intensity; the frequency can be on a weekly basis or even several times a day.

	STR Factories	RSS Factories	Latex Factories
The number of factories conducting an odor monitoring	7	4	5
Complaint (case)	3	0	1
Corrective action	100%	N/A	100%

Handling Complaints Concerning Odor

Although almost all of our processing factories monitor odor regularly and adopt several methods to eliminate the strong odor, there are still some factors causing the stronger odor than in normal condition such as weather, and the volume of raw materials during the peak season. The odor problem usually occurs in STR factories. Thus, when we receive feedback or complains from surrounding communities with regards to unpleasant odor, we always make sure to proceed on the proper corrective actions immediately to maintain the peaceful and harmonious co-existence with local communities.

The number of complaints of 3 years based on product group



Using EM & wood vinegar to control the odor

Our STR factories use both **effective microorganism (EM) & wood vinegar** to help control the intensity of the unpleasant odor produced by fermenting cup-lump materials. Most of the factories mainly use EM to handle the odor by spraying it on raw materials, floor, and cup lump serum drainage groove, and the frequency is based on the amount of raw materials and odor intensity which they produce.

Regular cleaning of factory areas

Regular cleaning of factory areas, especially the areas that can cause strong odor such as the incoming raw material area and raw material storage area is also a necessary to control and lessen the odor intensity.



Tank-installed vehicles for transporting cup lumps

The program for installing plastic catchment tanks in vehicles for transporting cup-lump materials was originally developed at BJ4 in 2017 to help local authority enforce the Land Traffic Act, B.E. 2522 (1979) and help our suppliers with legal compliance. During transportation, cup lumps produces the serum releasing unpleasant odor, which can disturb communities along the way to our factories. Other than the unpleasant odor, cup lump serum leakage can also cause road accidents. For these reasons, we have been encouraging our suppliers in all STR factories to install a plastic tank on their cup lump transporting vehicles. The cup lump serum collected during transportation will then be discharged and treated properly by our **wastewater treatment systems**. We tracked the number of suppliers' vehicles with cup lump serum tank installed throughout 2020 and is continuing to follow up the progress that we have made.

The record of tank-installed vehicles

STR Factories	2018	2019	2020
BJ1	58	82	31
BJ2	60	36	99
BJ3	61	61	37
BJ4	29	32	53
FB	73	99	5
FC	67	74	98
BH	N/A	N/A	243
Total	348	384	566



Circular Economy

Contribution to SDGs:



Our Targets in 2020:

- Recycle 100% of wastewater
- No wastewater & treated wastewater discharged
- Reduce waste disposed through landfill by 50% (compared to base year 2018)
- Zero open burning

Our Results in 2020:

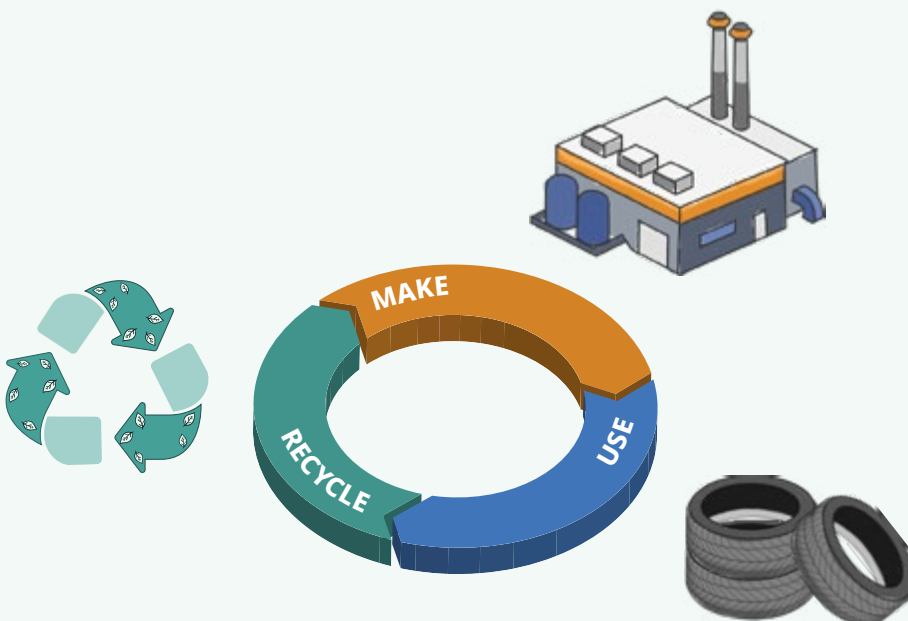
- **100%** of wastewater is recycled
- **Zero** wastewater & treated wastewater discharged
- Waste disposed through landfill was reduced by **1.05%** (compared to base year 2018)
- 3.31% open burning of waste

Strategy & Management:

1. Adopt closed loop wastewater treatment systems: activated sludge and aerated lagoon
2. Internally measure the quality of treated water on a daily basis
3. Measure the quality of treated water by qualified external parties on a monthly basis
4. Raise employees' awareness on water conservation and 3R waste management
5. Sort waste for proper disposal methods
6. Promote the upcycling of disused materials such as sacks and machine boxes

Our Commitment towards Circular Economy:

The Circular Economy at Southland Rubber Group covers 2 manage topics which are Water Management and Waste Management. Our commitment towards Circular Economy is the efficient use and conservation of natural resources and the sound management to minimize and mitigate environmental impacts.



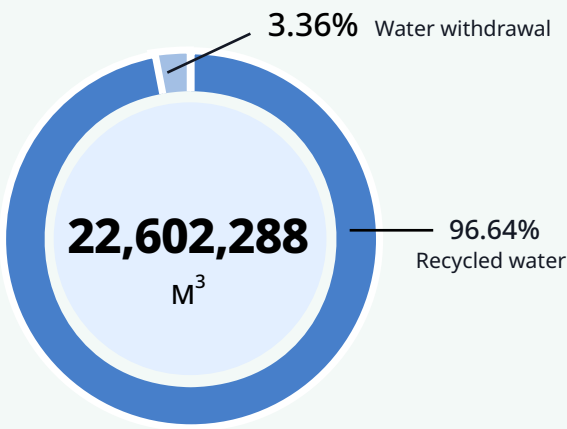
Water Management

Water consumption & Water withdrawal:

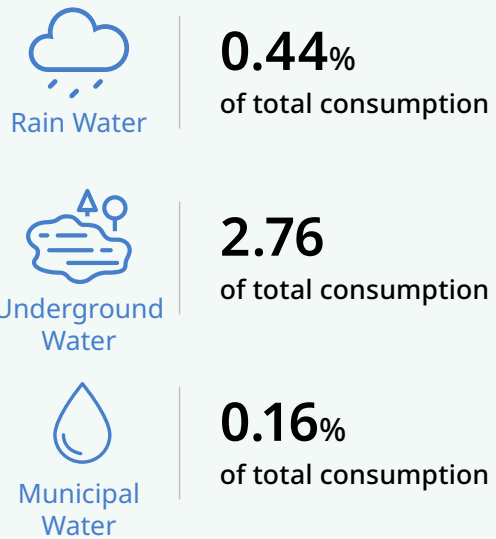
The amount of water used in production process is related to product quality as processing natural rubber requires considerable amount of water for cleaning raw materials. Hence, our management of water consumption focuses on balancing water conservation and product quality effectively.

The water treatment process our factories adopted has resulted in our being able to use minimum amount fresh water and as a result draws only 3 % of our group needs. While total water used for production was 22.6 million cubic meter, water withdrawal of ground was only 0.6 million cubic meter which equals to 3 percent. The reason we could not achieve 100 % is due to natural evaporation from our water treatment ponds as well as fresh water required for offices and special production areas.

Total water consumption by source



Water withdrawal by source (2020)



Wastewater treatment:

Wastewater treatment not only has benefits to environmental protection, but it also results in the effective consumption of water seeing that recycled water can be taken back to the production process again and enable the reduced ratio of water withdrawal from natural sources and also municipal water.

- We adopted closed loop wastewater treatment systems: activated sludge and aerated lagoon
- We measured the quality of treated water: tested by **external parties** – monthly; **internal checks** - daily

Each of factory adopts one of the closed-loop wastewater treatment systems as appropriate for their operation: Activated Sludge (AS), and Aerated Lagoon (AL). The wastewater from the production process is treated until its quality meets the standards defined by environmental-related laws. The quality indicators include **PH, BOD, COD, TSS, TDS, and TKN**. The sample of recycled water is sent to external qualified laboratories for testing once a month, and we also measure some significant indicator internally on a daily basis to control the quality of the retreated water.

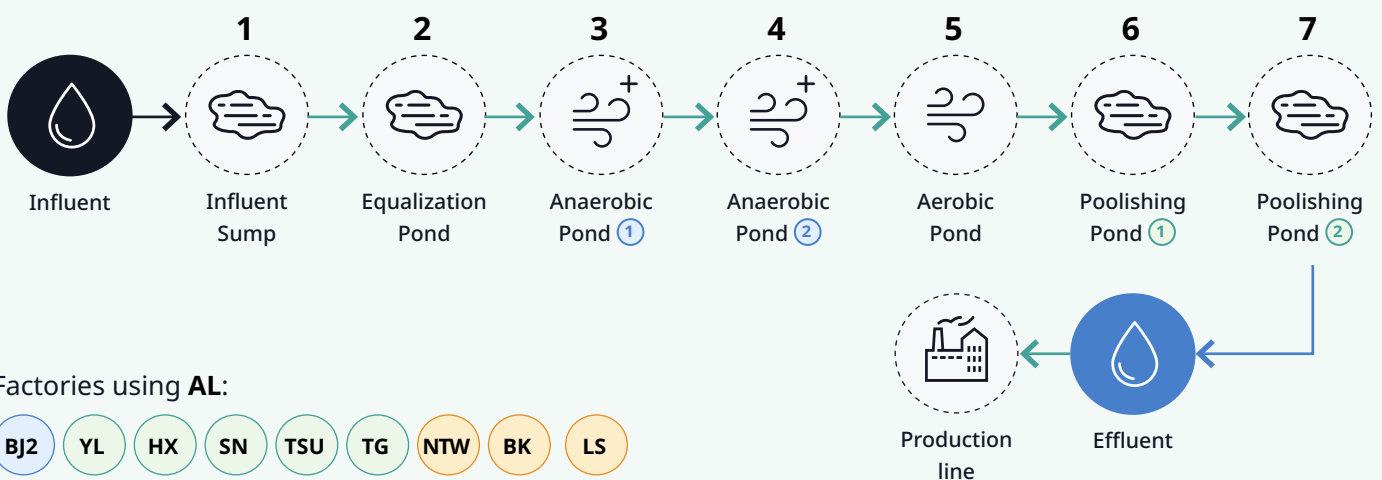
Activated Sludge (AS) Process



Factories using **AS**:



Aerated Lagoon (AL) Process



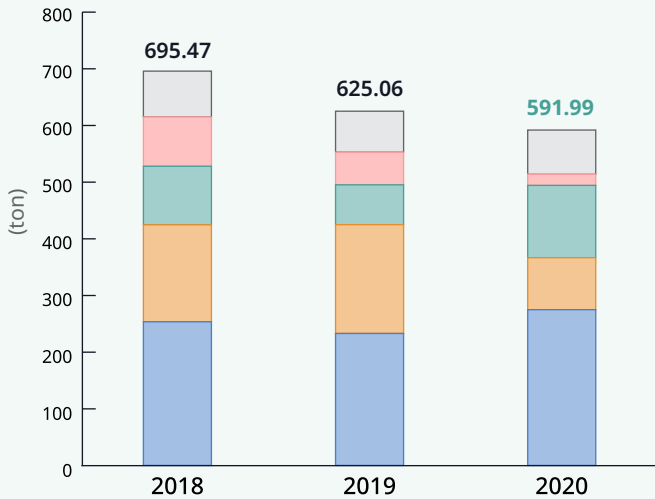
Factories using **AL**:



Waste Management

Waste Generation:

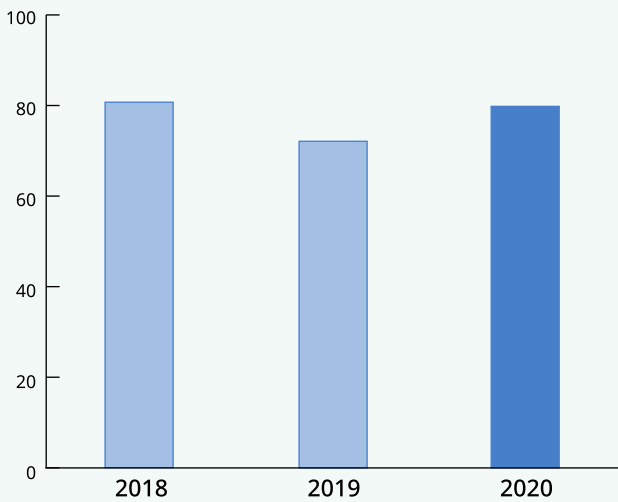
Overall



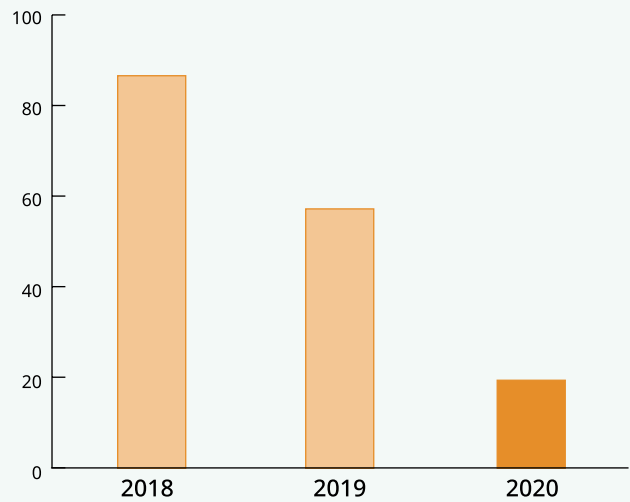
	2018	2019	2020
General	255.22	234.64	276.52
Hazardous	170.35	191.18	89.40
Recycle	102.82	69.96	126.77
Open burning	86.52	57.25	19.59
Landfill	80.56	72.03	79.71
Total	695.47	625.06	591.99

Landfill & Open burning

Landfill



Open burning



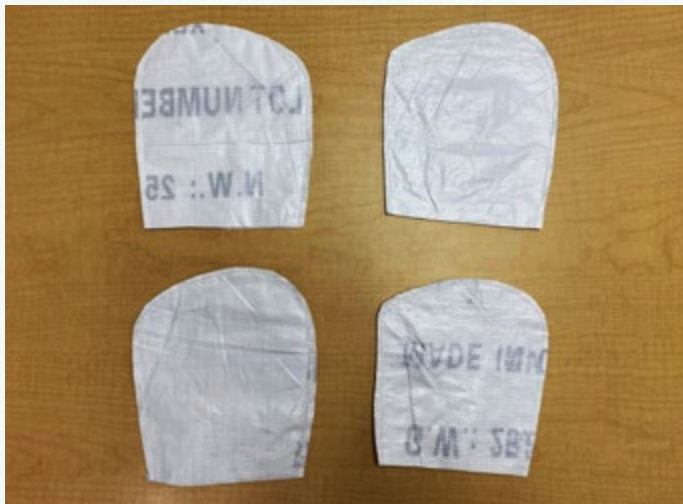
Waste disposal through landfill & Open burning:

1. All hazardous waste are collected and managed by licensed outsource companies
2. Wherever possible our general waste are collected by municipality for disposal
3. The amount of recycled waste has been growing
4. Where there is no municipality collection facilities we have tried to send as much as possible to landfill
5. In factories where we do not have the landfill option, we have open burning
6. The total volume of waste for landfill and opening burning has been reducing. We will continue effort to reduce landfill and will eliminate completely any open burning next year as a "closed burning" facility is being built

3R Waste Management:

To adopt the practices of a **circular economy** into our business operation, we have been promoting 3R waste management in our factories. Apart from the effort to reduce waste generation, some used items are also **upcycled** for different purposes of use;

- Repaired & Upcycled disused wood pallets to furniture such as chairs, tables, and shoes racks (waste diverted from disposal: **242.4 tons**)
- Upcycled non-hazardous chemicals sacks to gloves used for cleaning of the centrifuge machine bowls (waste diverted from disposal: **0.051 tons**)
- Reduce the use of firewood in rubber sheets fumigation process (consumption reduction: **▲ 54.44 tons** compared to year 2019)
- Upcycled disused machine boxes to a mini office (waste diverted from disposal: **0.2 tons**)



"upcycled non-hazardous chemicals sacks to gloves used for cleaning the bowls of the centrifuge machine"



"upcycled disused machine boxes to a mini office in the production line"

Future Strategy for Waste Management:

With the need to enhance the efficiency of the waste management system and promote circular economy, we have formulated the future strategy as follows:

- 3R project contest among factories
- Waste management training to educate employees and standardize the waste management system in all factories
- Reduce the amount of single-use plastic





Economic Aspect

Our framework under the economic aspect of sustainability aims to build a robust foundation of the supply chain by promoting the good governance of the Company and engagement with customers and raw material suppliers. Our ultimate goals are to supply our customers worldwide with good-quality products of natural rubber and work closely with our raw material suppliers to sustain the availability of good-quality raw materials.

- **Good Governance**
 - About Anti-corruption Practices and Implementation of PDPA Policy
- **Product Quality**
 - Customer Satisfaction
- **Supplier Sustainability**
 - Our Supply Chain-elements and Functions



Good Governance

Contribution to SDGs:



Our Targets in 2020:

- Fully deploy Anti-Corruption Policy
- 100% of employees including Company directors and senior managers are well-informed and trained on Anti-Corruption Policy
- Making public disclosure of the policy together with description of whistle blowing process through listing them on our website <https://www.southlandholding.com>
- No data breaches of employees and business partners

Our Results in 2020:

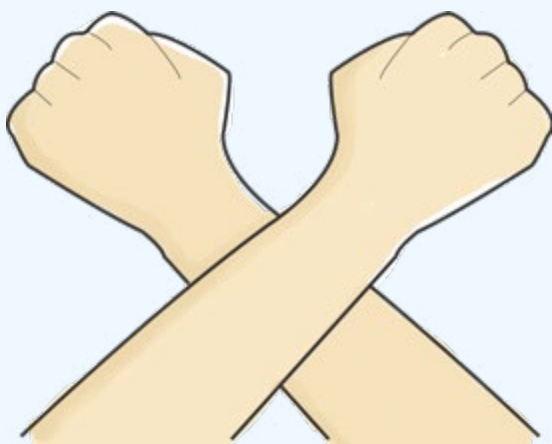
- Anti-Corruption Policy was fully deployed
- **100%** of employees including Company directors and senior managers are well-informed and trained on Anti-Corruption Policy
- Our anti-corruption and whistle blowing policies have been listed on our website for public disclosure
- **0** data breaches of employees and business partners

Strategy & Management:

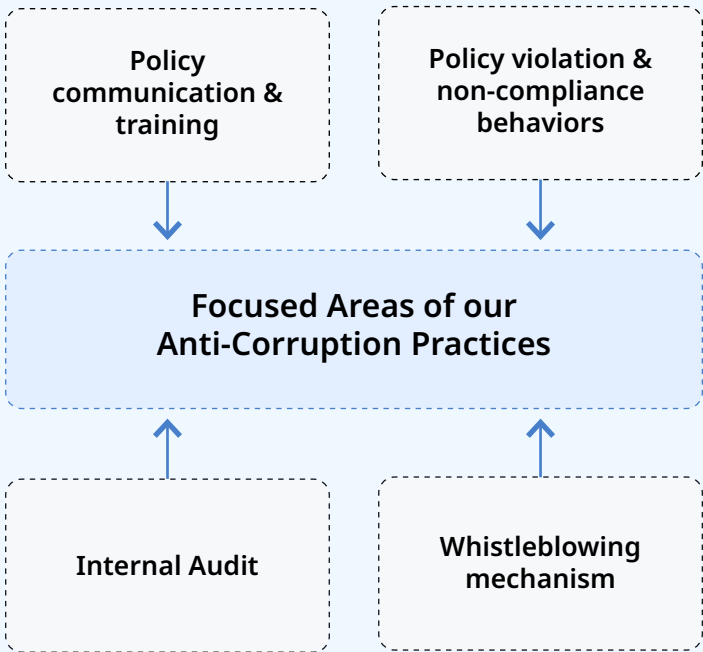
1. Communicate Anti-Corruption Policy as well as providing training to employees and the governance body members on a yearly basis or every time that the policy is reviewed
2. Conduct internal audit to follow up the result of the Anti-Corruption Policy implementation on a regular basis
3. Deploy and publicize our Whistleblowing Policy and process so that all employees and stakeholders are aware of this avenue
4. In case of any policy violation found by internal audits or through our whistleblowing process, the Company will proceed on investigation and provide training to those who violate against the Policy again to prevent recurrence of misbehaviors

Our Commitment towards Good Governance:

Our focused areas on good governance are anti-corruption and information security. We are committed to being a transparent and corruption free Company and protecting the information of our employees and business partners to promote long-term prosperity of the Company and its people as well as business partners. We are driving this commitment by ensuring that our employees including Company directors and senior managers are well-informed of and comply with the Policies.



About Anti-Corruption Practices and Implementation of PDPA Policy:



- Policy communication & training are provided to all employees to ensure clear understanding about the standards and behaviors regarding anti-corruption
- In case of Policy violation & non-compliance behaviors, appropriate corrective actions as well as preventative measures shall be proceeded
- Our objective in the future is to join the Coalition against Corruption (CAC of Thailand). This organization is a member of the UNCAC (United Nations Convention against corruption). This global network of over 350 Civil Societies in over 100 countries is committed to promoting the ratification, implementation and monitoring of the UNCAC. To enable us to qualify for membership we will have to, in due course, report our anti- corruption activities
- During 2020 internal audits there was no policy violation found. Whistleblowing mechanism: two claims were received and handled accordingly

Introduction and implementation of our Personal Data Protection Act, (PDPA) Policy:

The protection of the Company’s and stakeholders’ confidential information plays a significant role in maintaining the Company’s reliability. In the era of digital world where businesses rely a lot on digital data base, the need to secure confidential information is also rising. Therefore, we formulated our PDPA Policy (Personal Data Protection Act Policy) in addition to our prior Information Security Policy to ensure our strong commitment in protection of the Company’s and stakeholders’ confidential information.

All employees who are using Company mobile phones and lap tops as well as have access to the company’s IT equipment and IT systems have been informed of our PDPA policy and will be reminded annually of their responsibilities including the legal implications under this policy.



You can see more about our [Anti-Corruption Policy](#) using the QR Code.



You can see more about our [Whistleblowing Policy](#) using the QR Code.



You can see more about our [PDPA Policy](#) using the QR Code.

Product Quality

Contribution to SDGs:



Our Commitment towards Product Quality:

We commit to serving our customers with consistent high quality products which can satisfy customers' need and expectation well. Therefore, quality control processes and product delivery play crucial roles to achieving our quality targets, which also result in a good and sustainable business relationship with our customers.

Targets	Performance of each product group		
	STR	RSS	Latex
100% on-time delivery	Achieved 100%	Achieved 100%	Achieved 100%
Zero major customer complaint	0 major complaint	0 major complaint	0 major complaint
100% Corrective action proceeded on time	Achieved 100%	Achieved 100%	Achieved 100%

Strategy & Management:

1. Put in place intense quality control process starting from receiving raw materials to exporting the products to ensure good product quality and eliminate defects occurring all the way through
2. Conduct quality audit by the Quality Assurance team from the head office quarterly in order to inspect the quality management in all of our operating units
3. Report the results of the quality audit to the top management team to further define quality improvement strategy based on the findings from the audit
4. Conduct customer satisfaction survey to receive feedback from customers on different areas relevant to products and product delivery

Our response to quality feedback & discussion with customers on improvements:

Quality feedback & discussion with customers on improvements take place regularly when customer representatives visit or audit, our factories as well as online surveys by customers in view of the limitation of travel due COVID-19. During these sessions, we analyze our process and take preventive actions to ensure that we continue to have no major complaints.

Customer Satisfaction

Customer satisfaction assessment plays a significant role in helping us improve our performance in different areas, which is not limited to the quality aspect solely. The insights that we gain from the survey enable us to analyze our weakness and strength which will result in the ability to provide the best products and services for our customers and maintain a strong business relationship.

The customer satisfaction assessment channels:



Customer Visit

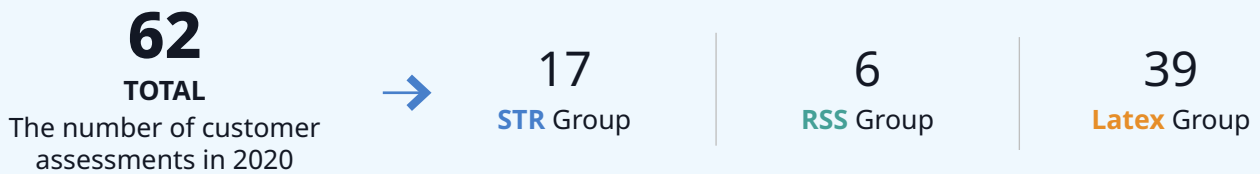


Customer Audit



Online Survey

The number of customer assessments:



The customer assessment result:

This year's customer assessment suggested positive results where customers' satisfaction level is considered quite high in all aspects. Therefore, our mission in next year is to maintain the good performance and also dedicate our hard work to continuously sharpen our strength and eliminate the shortcomings.



90.96%
¹Overall Satisfaction



92.21%
¹Overall Satisfaction



91.25%
¹Overall Satisfaction

¹ Overall satisfaction score is not the average score of all survey topics but is one of the survey topics.

Supplier Sustainability

Contribution to SDGs:



Our Sustainable Procurement Policy:

Based on our sustainability policy, we commit to the close connection and engagement with our raw material suppliers to support the growth of a robust and sustainable value chain. Close engagement with raw material suppliers allows opportunities to strengthen our supply chain from the upstream section. We use the engagement to communicate our policies to all of our suppliers. In the process, we will also educate them on sustainability topics.

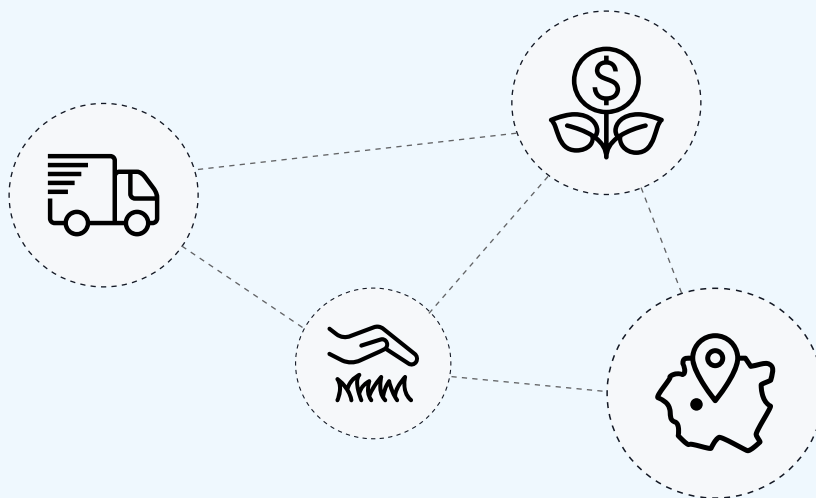
Strategy & Management:

1. Initiate engagement activities with suppliers to communicate the Company's Policies and educate them on sustainability issues
2. Encourage the discussion session for suppliers to communicate their needs and ask questions during engagement activities
3. Promote the participation of our Company's top executives in the engagement activities with our suppliers
4. Conduct suppliers' sustainability self-assessment to address sustainability risks. When the limitation of travel due to COVID-19 pandemic is over, we will consider site visits and face-to-face evaluation as well as the use of risk assessments through tools such as Rubber Way developed by one of our major customers

Our activities in 2020:

We organized supplier engagement meetings with suppliers from 5 of our production units to discuss our sustainability procurement policy. We informed our suppliers to understand the details of our policy and wish for our suppliers to support our approach by working together with us to improve practices in sustainable procurement. In our policy, we also stated that we will encourage all our suppliers to conform to our mutual goals.

We suggested that in view of the COVID-19 limitation of in-depth face to face evaluation of sustainability risks, we would organize a self-assessment exercise for suppliers.



Introduction and Implementation of Supplier Code of Conduct:

We first established the Supplier Code of Conduct in 2020 to communicate our expectations and requirements to our suppliers. The Supplier Code of Conduct covers a comprehensive list of standards relating to various aspects of business relationship and practices; for instance, environment, human rights & labor practices, and land & forest management, etc. After establishing the Supplier Code of Conduct, we proceeded on conveying the Policy to our suppliers in the same year during the supplier engagement meetings as presented on page 57 and whenever suppliers visit our factories.

Supplier Code of Conduct (COC)	Target Groups	<p>Active suppliers on approved supplier list:</p> <ul style="list-style-type: none"> • Raw material suppliers (rubber farmers , rubber plantation owners, and dealers • General suppliers (suppliers of other materials other than natural rubber such as chemical suppliers)
	Objective	<p>The Supplier Code of Conduct were formulated with the following objective:</p> <p>This Supplier Code of Conduct has been established as the guidelines for risk management with respect to ethical business conduct of our suppliers across the supply chain.</p>
	Main Topics	<p>Economic Aspect:</p> <p>Anti-competitive and monopoly practices, Anti- money laundering, Information security, Conflicts of Interest, Intellectual Property, Ethics, and Traceability</p> <p>Social Aspect:</p> <p>Human Rights and Labor Practices, and Occupational Health & Safety Aspect</p> <p>Environmental Aspect:</p> <p>Conservation of Ecosystem and Biodiversity, No deforestation, and Sustainable material and Waste management</p>

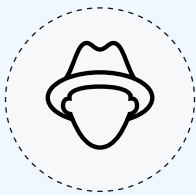
This supplier code of conduct policy was also explained to all attendees of our 5 supplier engagement meetings. They were asked to sign the letter of acknowledgement to confirm that they have received a copy of our supplier code of conduct policy as well as our sustainable procurement policy. Both these policies will also be given to other suppliers who have not yet attended our capacity building meetings. We do this by giving it to them whenever they visit our factories. At the same time, we obtained letters of confirmation on both these policies.

Supplier Engagement Meetings:

The supplier engagement meeting is an engagement activity with our raw material suppliers which consists of both rubber farmers and dealers. We began the meeting in the third quarter of 2020, and by the end the end of the year, we have run the program in 5 factories—**BJ1, BJ2, BJ4, HX, and BK**—, and we will continue running the meetings in all remaining factories through 2021. The main objectives of this engagement meeting are to communicate with our raw material suppliers on sustainability topics and convey to them the Company's policies directly relevant to suppliers—Sustainability Procurement Policy and Supplier Code of Conduct. Additionally, we used each of these opportunities to conduct a supplier sustainability self-assessment exercise. Moreover, We ended each meeting with a Q&A session which allows close communication and discussion between the Company's representatives (also including top level executives) and our raw material suppliers.

As of the end of 2020, 98 suppliers attended the meeting. As parts of our strategy, we will continue to organize such supplier engagement meetings so that, in due course, all of our suppliers would have attended at least one meeting.

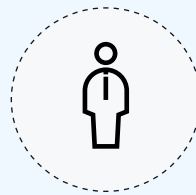
Participants



Rubber Farmers



Dealers



The Company's Top Executives



The Company's Employees

Activities

Conveyed the Company's policies to suppliers to assure their understanding and acknowledgement

- **Sustainable Procurement Policy**
- **Supplier Code of Conduct**

Distributed young plants to suppliers as a means to express the Company's commitment on environmental matters

Discussed various sustainability topics such as Sustainable Development Goals (SDGs), climate change & rubber cultivation, and quality of natural rubber, etc. with suppliers

Conducted supplier sustainability self-assessment exercise to gain the insights on how supplier operate their business activities under 9 sustainability topics

Organized a Q&A session to enable communication and discussion opportunities between the Company and suppliers



Supplier self-assessment:

We conducted the supplier self-assessment exercise at 5 of our factories—BJ1, HX, BK, BJ4, BJ2— to gain insights relevant to how our raw material suppliers operate and their business activities. In the future, we will continue doing the suppliers self-assessment exercise in other remaining factories and consider how we can support our suppliers based on the self-assessment exercise results.

Self assessment topics:

The supplier self-assessment comprises the questions related to sustainability under main 9 topics.

1. **Quality of raw rubber:** no contamination of foreign materials
2. **Storage:** how raw material suppliers store their raw rubber and conditions of storage areas
3. **Delivery:** the delivery of raw rubber from suppliers' storage to our factories
4. **Environment**
5. **Health & Safety**
6. **Ethics**
7. **Human Rights & Labor Practices**
8. **Energy Conservation**
9. **Deforestation**



No	Supplier Risk-Assessment Topics	BJ1	HX	BK	BJ4	BJ2
1	Quality	85%	89%	90%	83%	94%
2	Storage	86%	91%	82%	96%	93%
3	Delivery	78%	100%	86%	86%	88%
4	Environment	88%	92%	96%	83%	92%
5	Health & Safety	86%	92%	80%	67%	67%
6	Ethics	77%	99%	94%	91%	82%
7	Human Rights & Labor Practices	84%	97%	96%	91%	81%
8	Energy Conservation	100%	100%	100%	88%	55%
9	Deforestation	96%	85%	64%	78%	100%

From the data gained from the self-assessment, we know that our suppliers believe that they may be weak in health and safety (2 factories 67%), ethics (1 factory 77%), energy consumption (1 factory 55%), and deforestation (1 factory 64%). From this insight, we will prioritize energy conservation, deforestation, ethics, and health and safety as areas that we should find ways to support.

35%

of active approved raw material suppliers completed the self-assessment exercise

Our rubber supply chain – elements and functions:

Section	Element	Function
Up-stream supply chain (Rubber cultivation in Thailand covers an area of over 355 million hectares = 355,000 sq. kilometers.)	Small holder: rubber farmers and rubber plantation owners (85% smallholders many averaging 3 hectares each)	Supply raw rubber directly or through collectors and dealers to the rubber processors
	Collectors & Dealers	Gather raw rubber from small holders and plantations and sell to rubber processors
Southland Rubber Group	Natural rubber processor	Convert raw rubber to materials suitable for use by tires and other rubber products manufacturers

Procurement and transparency of origins of supply:

The natural rubber supply chain that we are involved in as a rubber processor that buys the raw rubber from smallholder rubber farmers, larger rubber plantation owners as well as from rubber collectors and intermediary rubber dealers is rather complex due the large number of farmers and large area where raw rubber is cultivated making traceability from point of origin impractical today. The industry, as a whole, understands and acknowledge this impracticably. However the need for better transparency of origin is necessary to ensure that we can avoid procuring from sources that harm the environment through indiscriminate deforestation, abuse of human rights, disregard for biodiversity and the value of natural resources etc.. With this in mind, the GPSNR (Global Platform for Sustainable Natural Rubber) of which Southland Rubber Group is a founding member, is evaluating the possible use of traceability tools and other methods of identifying irresponsible farming to ensure supply chain sustainability.

Towards this end, the Southland Rubber Group has, in 2020 stepped up our effort towards transparency by insisting that all rubber delivered to Southland rubber processing factories must declare the source of supply by district or by appropriate jurisdictional level (District/ Sub district/village/ township). With such data, we may begin to know the areas from where our rubber originates and thus be able to try to ensure that our supply does not come from areas that are reported to be contradicting our sustainability policies.

Wherever possible, especially where we buy directly from the farmer himself, we will document the point of origin as a step towards full traceability. At this time we have 0.18% of our supply traced in this manner. The effort towards full traceability will continue, especially when the industry has identified/developed the appropriate of traceability tools.

Transparency at district level

100%

Traceability to point of origin

(Farmers selling directly to Southland)

0.18%

Transparency of Raw Material Supplies

Southland Rubber Group
as a processor of natural rubber



Transparency at district level
identifying sources of raw material by district through information gathering from collectors and dealers



Traceability to the point of origin
Identifying the rubber farms and plantations from where the rubber is cultivated and tapped (Point of Origin) for delivery to our processing factories





บริษัท สยามเรबर จำกัด
Siam Rubber Public Co., Ltd.

อาคารสำนักงาน




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Stakeholders Engagement

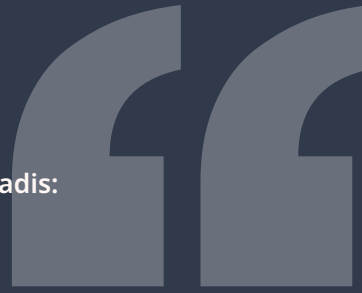
We identify our stakeholder groups based on the relevance to our business and also the influences and impacts that we have on each other. When we have defined our stakeholders, it is important to us to engage with each group of stakeholders on a regular basis, as deemed necessary or appropriate to understand their concerns about our business operation and relevant sustainability issues. Last year, we reported that we had 7 groups of stakeholders, but this year we have added one more stakeholder group comprising our shareholders.

Stakeholder	Engagement channel	Key engagement topic	Action in 2020
 Shareholders	<ul style="list-style-type: none"> • Shareholder meetings • Financial reports • Sustainability Report 	<ul style="list-style-type: none"> • Good Governance • Risks & Opportunities • Transparency • Business performance • Company's policies 	<ul style="list-style-type: none"> • Shareholders meetings
 Employees	<ul style="list-style-type: none"> • Internal communication • Training & workshops • Performance reviews • Questionnaires & surveys • Internal activities 	<ul style="list-style-type: none"> • Company's policies • Occupational health & safety • Employee rights & benefits • Career development • Sustainability issues 	<ul style="list-style-type: none"> • Employee training • Employee satisfaction surveys • Education-support funds for employees' children • Welfare committee meeting & election • Annual performance reviews • Job promotion • Compliance audits
 Customers	<ul style="list-style-type: none"> • Plant visits & audits • Partnership • Seminars & conferences • Customer satisfaction surveys • Business emails • Sustainability report 	<ul style="list-style-type: none"> • Customer's policy • Quality feedback • Sustainability issue • Sustainable procurement • Supply chain • Sourcing raw material 	<ul style="list-style-type: none"> • CSR self-audit • Online customer policy announcement • Online factory audit • Quality feedback through business emails
 Raw material suppliers	<ul style="list-style-type: none"> • Training & workshop • Supplier self-appraisals • Questionnaires & surveys • Onsite-visits 	<ul style="list-style-type: none"> • Company's policies • Sustainability issues • Sustainable procurement • Chemical use • Health & safety in factory areas • Anti - corruption 	<ul style="list-style-type: none"> • Suppliers workshops • Sustainable Procurement Policy & Supplier Code of Conduct announcement • Supplier sustainability self-assessments
 Communities	<ul style="list-style-type: none"> • Questionnaires & surveys • Community visits • Activities for social good 	<ul style="list-style-type: none"> • Community's well-being • Sustainability issues • Employment of local people • Environmental impacts • Community support & assistance 	<ul style="list-style-type: none"> • Donate money and medical PPE and other medical supplies to local schools & hospitals • Support local economy by purchasing local products • Participate in community activities

Stakeholder	Engagement channel	Key engagement topic	Action in 2020
 Financial institutions	<ul style="list-style-type: none"> • Financial report • Formal & informal visits to the headquarters • Factory visits • Sustainability Report 	<ul style="list-style-type: none"> • Compliance & risk management • Transparency • Ethical business practices • Financial performance 	<ul style="list-style-type: none"> • Annual and quarterly financial performance reporting
 Governmental sectors	<ul style="list-style-type: none"> • Training & workshops • Factory visits and audits • Seminars and conferences • Financial reports • Sustainability Report 	<ul style="list-style-type: none"> • Compliance with laws & regulations • Taxes • Sustainability issues • Endorsement, awards, and certification 	<ul style="list-style-type: none"> • Participated in the activities hosted by RAOT and other local government agencies • Factory audits by government agencies
 Contractors & Outsourced providers	<ul style="list-style-type: none"> • Sales transaction • Emails & Phone calls 	<ul style="list-style-type: none"> • Purchasing procedures & regulations • Transparency • Anti-Corruption Policy • Supplier development 	<ul style="list-style-type: none"> • Supplier assessments

Our Achievements

Internationally recognized CSR assessment: EcoVadis:



Continue making deliberate effort to optimize sustainability management for a better result



This is our second EcoVadis assessment, and we were rated Bronze Medal in 2020 for our sustainability management during the course of 2019. Even though we managed to obtain higher scores than we did in the previous assessment, we did not maintain the Silver Medal. This signaled to us to enhance our sustainability management so as to keep up with the competitive industry trend. We will never abandon our commitment to bring about the optimal result of our sustainability practices, and we view every challenge as an opportunity for future growth and improvement.

Sustainability awards & endorsement:

No	Awards / Endorsement 2020	Awarded / Endorsed by	Factory Awarded / Endorsed		
			STR Group	RSS Group	Latex Group
1	Good Labor Practices (GLP)	The Department of Labor Protection and Welfare (Thailand)	5 / 7 BJ1, BJ2, BJ3, BJ4, BJ5	4 / 5 YL, HX, SN, TSU	4 / 5 NTW, BK, PT, UMR-LS
2	Thai Labor Standard (TSL 8001) * self declaration	Cooperation between the public and private sectors	2 / 7 BJ2, BJ5	2 / 5 HX, SN	3 / 5 NTW, BK, PT
3	CSR DIW (Continuous)	The Department of Industrial Works of Thailand	-	-	1 / 5 PT
4	Standard on Prevention and Solution to Drugs Problems in an Establishment Certificate (Mor Yor Sor)	The Department of Labor Protection and Welfare (Thailand)	3 / 7 BJ1, BJ2, BJ5	3 / 5 HX, SN, TSU	2 / 5 NTW, BK
5	Green Industry (Level 3)	The Ministry of Industry (Thailand)	5 / 7 BJ1, BJ2, BJ3, BJ4, BJ6	4 / 5 YL, HX, SN, TSU	3 / 5 NTW, BK, PT

External Initiatives & Membership of Associations:



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



Thai Latex Association



Thai Rubber Association



Thai National Shippers' Council



The federation of Thai industries



GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page	Comment
GRI 102: General Disclosures				
Organizational profile				
	GRI 102-1	Name of the organization	6,7	Southland Rubber Group, Thailand & Its entity list
	GRI 102-2	Activities, brands, products, and services	6	A processor and exporter of natural rubber
	GRI 102-3	Location of headquarters	7	55 Rajyindee Road, Hatyai, Thailand
	GRI 102-4	Location of operations	6,7	-
	GRI 102-5	Ownership and legal form		A private limited company
	GRI 102-6	Markets served		Primary markets: China, Japan, Korea, Thailand, Malaysia, Americas, and European countries
	GRI 102-7	Scale of the organization		Production capacity, the number of employees, and the number of operational sites
	GRI 102-9	Supply chain	59	Supply chain elements and their functions
	GRI 102-12	External initiatives	64	Contribution to Sustainable Development Goals & A founding member of GPSNR
	GRI 102-13	Membership of associations	64	Thai Rubber Association, Thai Latex Association, Thai National Shipper's Council, and The federation of Thai Industries
Strategy				
	GRI 102-14	Statement from senior decision-maker	4-5	-
Ethics and integrity				
	GRI 102-16	Values, principles, standards, and -norms of behavior	10	Our corporate standrads
	GRI 102-17	Mechanisms for advice and concerns about ethics	11	Whistleblowing
Governance				
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	8	Sustainability structure
	GRI 102-32	Highest governance body's role in sustainability reporting	3	-
	GRI 102-33	Communicating critical concerns	11	Whistleblowing
	GRI 102-34	Nature and total number of critical concerns	-	1 case received through whistleblowing channels
Stakeholder engagement				
	GRI 102-40	List of stakeholder groups	62-63	8 stakeholder groups
	GRI 102-42	Identifying and selecting stakeholders	62-63	-
	GRI 102-43	Approach to stakeholder engagement	9, 54-55	-
	GRI 102-44	Key topics and concerns raised	9	18 material topics in total & 8 topics of high priority
Reporting practice				
	GRI 102-45	Entities included in the consolidated financial statements	7	9 entities
	GRI 102-46	Defining report content and topic Boundaries	3	This Report covers the performance of our 17 factories in Thailand
	GRI 102-47	List of material topics	9	18 material topics in total & 8 topics of high priority
	GRI 102-50	Reporting period	3	Carlender year 2020 (Jan 1. - Dec. 31)
	GRI 102-51	Date of most recent report	3	2019's Sustainability Report
	GRI 102-52	Reporting cycle	3	On a yearly basis (carlender year)
	GRI 102-53	Contact point for questions regarding the report	3	csr@southlandholding.com
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	3	This Report references the reporting disclosures of the Global Reporting Initiative (GRI) Standards.
	GRI 102-55	GRI content index	65-67	-
	GRI 102-56	External assurance	-	This Report has been prepared by our in-house Sustainability Working Group and we will consider external assurance in due course

GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / Comment			Unit	Page
			2018	2019	2020		
GRI 205: ANTI-CORRUPTION (2016)							
	GRI 205-2	Communication and training about anti-corruption policies and procedures					51
		percentage of governance body members who have been communicated and trained on anti-corruption policies	Information Unavailable	Information Unavailable	100%	Percent	
		percentage of employees who have been communicated and trained on anti-corruption policies	Information Unavailable	Information Unavailable	100%	Percent	
	GRI 205-3	Confirmed incidents of corruption and actions taken	No confirmed incident of corruption during 2018	No confirmed incident of corruption during 2019	No confirmed incident of corruption during 2020	case	-
GRI 206: Anti-competitive Behavior							
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behavior, anti-trust, and monopoly practices during 2018	No legal actions for anti-competitive behavior, anti-trust, and monopoly practices during 2019	No legal actions for anti-competitive behavior, anti-trust, and monopoly practices during 2020	case	-
GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / Comment			Unit	Page
			2018	2019	2020		
GRI 302: ENERGY (2016)							
	302-1	Consumption within the organization	266,927.51	284,511.17	264,477.48	Mwh	37-41
		Fuel	119,294.00	129,612.00	118,905.36	Mwh	
		Electricity	147,633.51	154,899.17	145,572.13	Mwh	
	302-3	Energy intensity	0.331	0.350	0.353	Mwh / Ton	
GRI 303: WATER AND EFFLUENTS (2018)							
	303-2	Management of water discharge-related impacts	Wastewater treatment system	Wastewater treatment system	Wastewater treatment system	100% (All operating units)	44-46
	303-2	Water withdrawal	839,919.22	744,996.93	759,313.50	m ³	
	303-2	Water discharge	0.00	0.00	0.00	m ³	
	303-2	Water consumption	16,420,896.90	17,661,924.90	22,602,288.65	m ³	
GRI 304: BIODIVERSITY (2016)							
	304-2	Significant impacts of activities, products, and services on biodiversity	Nature in the factory	Nature in the factory	Nature in the factory	-	35-36
		Tree Planted	10,821	25,260	22,027	Trees	
		Species	60	125	113	Species	
GRI 305: EMISSIONS (2016)							
	305-1	Direct (Scope 1) GHG emissions	47,512.00	51,533.37	43,806.99	Ton CO ₂	37-41
	305-2	Energy indirect (Scope 2) GHG emissions	85,819.36	90,048.66	87,139.47	Ton CO ₂	
	305-4	GHG emissions intensity	0.165	0.174	0.174	Ton CO ₂ / Ton of production	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Pass	Pass	Pass	-	37, 42-43
GRI 306: WASTE (2020)							
	306-3	Waste generated	695.47	625.06	591.99	Ton	44, 47-48
	306-5	Waste directed to disposal	592.65	555.10	465.23	Ton	
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)							
	307-1	Non-compliance with environmental laws and regulations	0	0	0	Case	-

GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / Comment			Unit	Page
			2018	2019	2020		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)							
	GRI 403-1	Occupational health and safety management system	OHSAS 18001 8 certified	OHSAS 18001 13 certified	OHSAS 18001/ ISO 45001 14 certified	Factory	6
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	-	-	-	-	22
	GRI 403-5	Worker training on occupational health and safety	5.20	6.00	11.01	Average training hour per person per year	26,28
	GRI 403-9	Work-related injuries					21
		IFR	18.76	16.83	7.40	-	
		LTIFR	12.92	12.23	4.98	-	
		ISR	102.30	2,042.86	518.26	-	
GRI 404: TRAINING AND EDUCATION (2016)							
	GRI 404-1	Average hours of training per year per employee	9.00	11.70	17.55	Hours	27-28
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	100% (on a yearly basis)	100% (on a yearly basis)	100% (on a yearly basis)	Percent	29
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)							
	GRI 405-1	Diversity of governance bodies and employees					29
		Male employees	57%	55%	53%	Percent	
		Female employees	43%	45%	47%	Percent	
		Employee with disabilities	54	55	53	Person	
GRI 412: HUMAN RIGHTS ASSESSMENT (2016)							
	GRI 412-2	Employee training on human rights policies or procedures	Information Unavailable	Information Unavailable	100% (executives and managerial-level employees are well-informed of and trained on the Human Right Policy)	Percent	30
GRI 413: LOCAL COMMUNITIES (2016)							
	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Information Unavailable	Information Unavailable	228 Activities	Engagement activities local communities	31,32
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Information Unavailable	Information Unavailable	Management Approach	-	31
GRI 418: Customer Privacy							
	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No Substantiated complaints during 2018	No Substantiated complaints during 2019	No Substantiated complaints during 2020	case	52



Southland Rubber Group

Sustainability Report 2020



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