



**Southland Rubber**

Think Good, Better Will Follow

**Moving Towards  
the Sustainable Development**

# Goals

**SUSTAINABILITY REPORT**

# 2023

Southland Rubber Co., Ltd.



## Table of Contents

<b>GENERAL INFORMATION</b>	<b>3-17</b>
About the Report	3
MD's Message	4-5
Business Overview	6
Location of Operation	7
Our Supply Chain	8
Our Principles	9
Sustainability Management	10
Materiality Assessment	11
Key Sustainability Initiatives with SDGs	12
Ensuring Compliance	13-15
Stakeholders Engagement	16-17
<b>SOCIAL ASPECT</b>	<b>18-45</b>
Health and Safety	19-26
Employees Welfare and Well-Being	27-30
Diversity & Inclusion and Career Development	31-33
Human Rights and Labor Practices	34-38
Community Engagement	39-44
Sustainability Performance	45
<b>ENVIRONMENTAL ASPECT</b>	<b>46-67</b>
Biodiversity	47-51
Decarbonization	52-55
Water Management	56-57
Waste Management	58-61
Air Pollution Management	62-64
Other Environment Performances	65-66
Sustainability Performance	67
<b>ECONOMIC ASPECT</b>	<b>68-83</b>
Product Quality and Customer	69-72
Supplier Sustainability Awareness and Development	73-77
Sustainable Supply Chain	78-81
Supporting Local Business	82
Sustainability Performance	83
Our Achievements	84-85
<b>INDEX</b>	<b>86-88</b>
GRI Content Index	86-88

## About the Report

### » Our Objective

As the largest privately-owned rubber processing group, we recognize the importance of sharing publicly our sustainable development including our ethical and transparent business conduct.

### » Reporting Scope

This is the seventh Sustainability Report of Southland Rubber, Thailand. The Report covers sustainability performance of our 17 factories under 9 entities from January to December 2023.

#### Our 9 Entities Include:

- › Southland Rubber Co., Ltd.
- › Southland Resources Co., Ltd.
- › Southland Resources (Chumphon) Co., Ltd.
- › Southland Resources (Trang) Co., Ltd.
- › Southland Resources (Phetchabun) Co., Ltd.
- › Southland Latex Co., Ltd.
- › Southland Latex (Phatthalung) Co., Ltd.
- › Uni Rubber Co., Ltd.
- › Unimac Rubber Co., Ltd.

### » Report Preparation

This Report, focusing on our operations in Thailand, was prepared by our in-house Sustainability Working Group. The top management had engaged and supported the preparation process as well as approving the publication of the Report.

### » 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. Additionally, we also express our commitment to contribute to the 17 Sustainable Development Goals (SDGs) of the UN by linking them to our operational and sustainability activities.

### » Feedback & Contact

To give feedback or make inquiries, please contact us at [csr@southlandholding.com](mailto:csr@southlandholding.com)







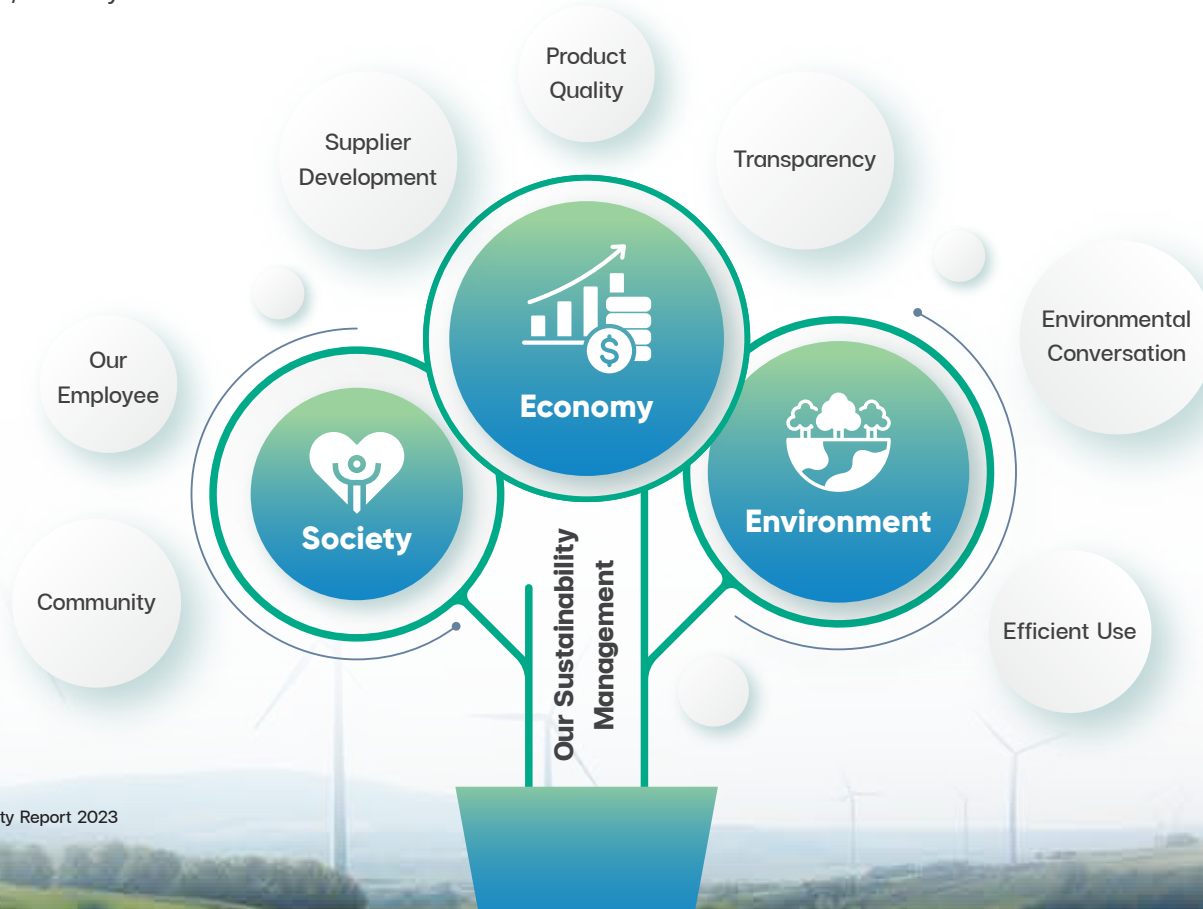
# Message

## from the Managing Director

### **Dear Stakeholders and Readers,**

It is with great enthusiasm and a deep sense of responsibility that I address all readers in my new role as **Managing Director of Southland Rubber Group**. As we move forward into new chapter, I'm dedicated to continuing to lead with our 4 business core values: respect, integrity, passion, and vision, fostering a culture where sustainability isn't just a goal but a way of life. From our supply chain to our operations, from our workplace culture to our community engagement, sustainability will guide our decisions and actions.

In the year of 2023, the global economic landscape has returned to a state of normality after the second consecutive year of COVID-19 pandemic. Nevertheless, business sectors still grapple with linked challenges, whether they be the economic instability and surging commodity prices from geopolitical tensions, disruptions of agricultural activities due to climate change, and the complexity of digitalization and artificial intelligence. Despite these pressing circumstances, it's imperative that we continue to prioritize and make progress in our sustainability development. We implemented measures, projects, as well as activities as our strategies to mitigate our operational impacts and promote sustainability across society, environment, as well as, economy.



In the pursuit of our sustainable development, the Company will inevitably face a spectrum of challenges including global economic uncertainty, global demand for agricultural land which can accelerate to deforestation and habitat loss, and climate change which is expected to become more serious in the next year. In 2024, **Southland Rubber Group will continue to ensure steadfast management** aligned with our sustainable principles while also remaining adaptable and responsive to change, motivated by our business motto: **Think Good, Better Will Follow**.

### **Greening the Future**

Thailand has set a national goal of achieving the long-term goal of becoming carbon neutral by 2050. We recognize our responsibility as a major natural rubber company and would like to make a major contribution to achieving this goal. In order to achieve carbon neutrality by 2050, we are first planning to transition all STR factories to fully use renewable energy by 2025, and are also considering the use of biomass energy.

We are keenly aware of the interrelationship between biodiversity and climate change, and have been promoting tree planting to date with the aim of regenerating nature within the factory grounds and restoring a sustainable ecosystem. As part of our further mitigation efforts, we expanded the scope of our activities and began a biodiversity survey in the area surrounding our factories, aiming to achieve a Nature Positive attitude. Through this, we will accurately understand what impact that our business has on the surrounding nature and how dependent we are on it, and proceed with activities to realize Nature Positive. In addition to these activities, we are currently making every effort to prepare for the EU Deforestation Regulation (EUDR), which will come into force at the end of 2024. We aim to realize deforestation free natural rubber by utilizing the internal platform developed to support the traceability of raw materials.

Additionally, we consider air pollution control, including odor, to be an important aspect of our business in order to protect the health and well-being of both our employees and the surrounding community. We have set a goal of zero complains at all of our factories, and we have already achieved this goal, but we will continue to strive to further reduce exhaust gas and odor compounds to maintain zero complains.

### **Safety First, Social Impact Always**

Human resources are an important foundation of our Company's operational activities. At Southland Rubber Group, the safety and health of our employees is our top priority. Regarding workplace safety, we carry out activities that emphasize the safety-first mindset of our employees, including safety risk assessments, safety preventive measures, and various activities to promote a culture of safety. Our goal is to "achieve zero accidents in the workplace," and we are making every effort to implement risk assessments, implement KAIZEN to reduce risks, ensure that PPE is worn, thoroughly implement safety morning meetings, utilize OPL, and share accident information. We will diligently carry out these proceedings.

Our long-term vision is to build an inclusive society where all individuals, regardless of background or identity, have equal access to opportunities and resources, and to support community resilience. As part of this, we also focus on diversity, equity and inclusion in our corporate environment to ensure equal opportunity and representation for all individuals, and as part of this we actively promote the appointment of women to supervisors and management positions. We will continue to pursue this vision.

### **Excellence Across the Supply Chain**

Our mission is to "supply high quality natural rubber and continue to be a trusted supplier." In order to ensure product stability and reliability in collaboration with customers, all 17 factories conduct two-stage internal audits: in-house audits and central audits by the head office. In addition, we incorporate ISO audits by external auditing organizations and factory visits by customers in an effort to improve the level of process control and quality control.

Our Company relies heavily on natural rubber, a natural resource derived from nature, tapped and delivered to us. To this end, we aim to establish a sustainable supply chain by providing information and various skill development opportunities to raise awareness of sustainability among our suppliers. As part of this effort, we will prioritize establishing traceability of raw materials in collaboration with our customers.

We invite you to delve deeper into our sustainability journey by exploring our Sustainability Report. This report encapsulates our commitment to responsible practices, our progress, and our aspirations for a greener future.

**Ng Tze Kiat**  
Managing Director

## Business Overview

### » Business Types & Background

Southland Rubber, comprising a group of privately-owned Companies, with the first Company founded in 1986, is a leading natural rubber producer and exporter head-quartered in Thailand. It has been serving customers worldwide with quality natural rubber products for more than 3 decades.

### » Our Customers

The Company's customers are tire makers and manufacturers of other rubber-related products. The primary markets include China, Japan, Korea, Thailand, Malaysia, the Americas, and European countries.

### » Products & Production Capacity



#### Technically Specified Rubber

Standard Thai Rubber (STR)

- STR 10
- STR 20
- Mixture Rubber

Capacity:  
**1,118,000**  
Metric tons/year

#### Ribbed Smoked Sheets

4 Grades

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

Capacity:  
**260,000**  
Metric tons/year



#### Latex Concentrate

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

Capacity:  
**193,320**  
Metric tons/year

## Location of Operation

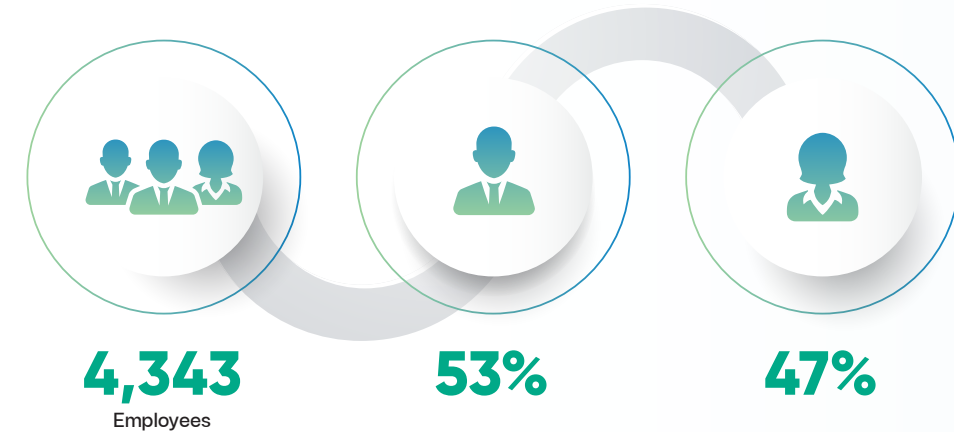
Southland Rubber operates **17 processing factories** under 9 entities, which are divided into 3 product groups—**STR**, **RSS**, and **Latex**. The factories are located in different provinces across Thailand, the majority of which are in the southern region.



### » Factories with ISO Certification

ISO	Certified Factories
• ISO 9001	17 factories
• ISO 14001	17 factories
• ISO 45001	15 factories
• <sup>1</sup> ISO/IEC 17025	4 factories

### » <sup>2</sup>Employee Data



1. ISO/IEC 17025 Testing and Calibration Laboratories applied to only STR factories and Latex factories  
2. Data as of December, 2023



## Our Supply Chain

The natural rubber value chain illustrated below shows the production path from provenance of raw materials to finished goods to end users, which can be categorized into 3 groups of processes: sourcing, producing, and shipping.



### Sourcing

The sourcing process indicates the process **from the acquisition of raw materials** (rubber plantations) **to transportation of raw materials** to rubber processing factories.

### Producing

Raw materials are passed to rubber processors to be converted into semi-raw materials: **STR, RSS**, and **NR Concentrated Latex**. Their quality is tested, prior to shipment, to meet customers' requirements.

### Shipping

**The finished products are shipped to our customers** who are manufacturers of rubber products. Our customers are, for example, tire and glove producers.

## Our Principles

Our principles are our guidance and norms for decent business practices. The business principles at Southland Rubber cover our mission, vision, core values, motto, and policies, considered fundamental to long-lasting growth as well as sustainable development.



### Our Vision

Southland Rubber to be a leading processor focusing in major natural rubber producing areas, emphasizing on **business excellence, social responsibility and the environment**.

### Our Mission

To continue to be a **Reliable and Dependable Supplier of Quality Natural Rubber**.

### Our Motto

“Think Good, Better Will Follow”

### Business Core Values



Integrity



Respect



Vision



Passion

### Policies

#### General Policy

- Whistle-Blower Policy
- Information Security Policy
- Personal Data Protection Policy

#### Environmental Policy

- Environmental Policy

#### Code of Conduct

- Business Code of Conduct
- Supplier Code of Conduct

#### Economic Policy

- Sustainability & Sustainable Procurement Policy
- Quality and Kaizen-5S Policy
- Anti-Bribery Policy

#### Social Policy

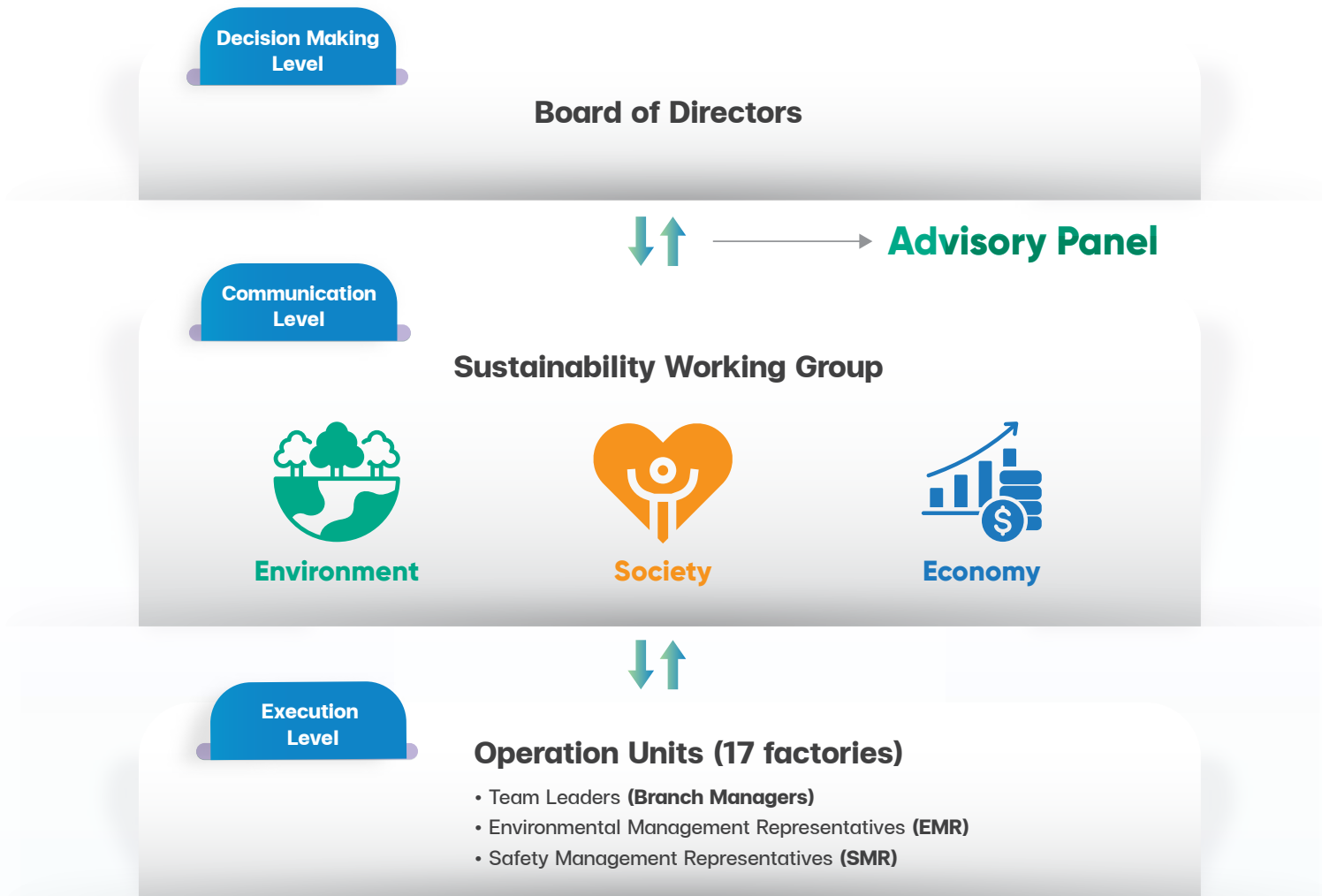
- Occupational Health & Safety Policy
- Human Rights & Labor Practices Policy



# Sustainability Management

The sustainability management system depicts how we manage our sustainability development as a whole. We have implemented various initiatives to promote long-lasting growth in three focused sustainability pillars (environment, society, and economy). The sustainability structure below provides a general understanding of how we allocate the functional flows.

## » Sustainability Structure



## The Main Function of Each Level of the Sustainability Structure

**Decision Making Level:** Board of Directors is the Company's group of leaders (chairman, vice chairman & director, executive director) responsible for **navigating sustainability development**. They review the sustainability performance and make decisions regarding the Company's direction towards sustainability.

**Communication Level:** The sustainability working group plays a substantial role in **driving the sustainability work** and sustainability development of the Company with the following key functions and responsibilities:

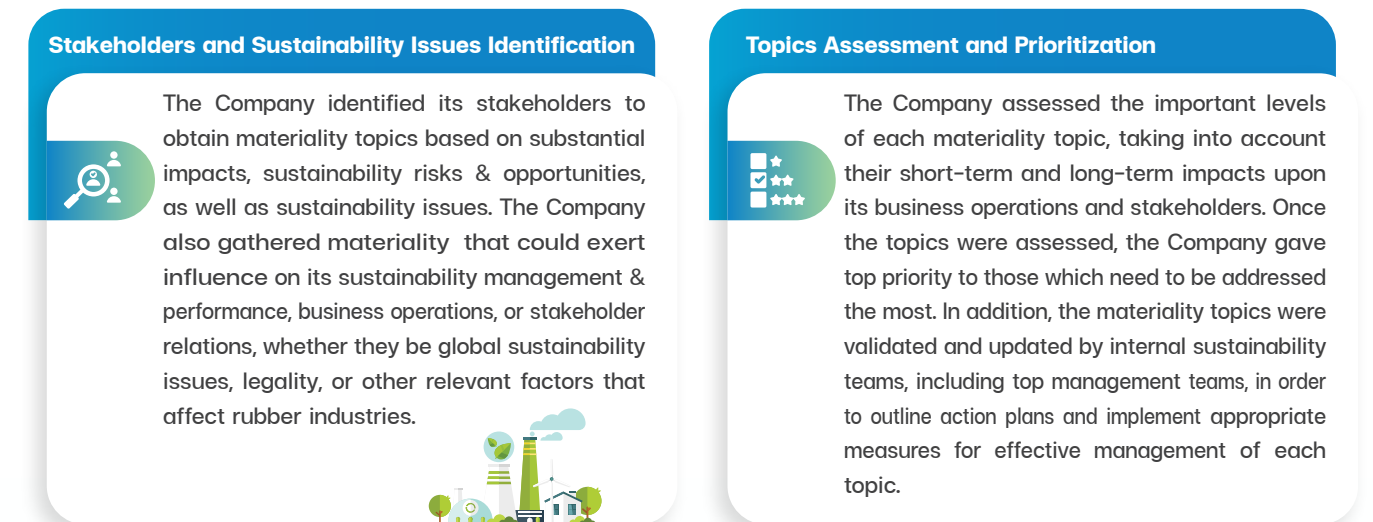
- Collect and analyze sustainability performance results and report to top executives on a monthly basis
- Develop sustainability plans and propose to top executives and communicate the plans to processing factories for execution
- Follow up the progress of the sustainability plans and update to top executives
- Act as a coordinator for sustainability projects and activities

**Execution Level:** The operation units (processing factories) are responsible for **executing the sustainability plans** informed by the communication levels. Units at the execution level also need to report their performance results and provide feedback to the communication level.

# Materiality Assessment

The Company has used the materiality assessment to gather material issues that are considered significant for the Company and its stakeholders. This year, the Company continued using the materiality topics reported in 2022 since the important levels of each topic has been considered the same.

## » Materiality Assessment Process and Materiality Matrix





# Key Sustainability Initiatives with SDGs

The establishment of sustainability initiatives is the key to driving business development forward. In the light of this, we have formulated several initiatives in connection with our 3 sustainability pillars—environment, society, and economy, which can help foster business's long-lasting growth and make meaningful contribution to the global community's Sustainable Development Goals.

## » Reporting Topics for Each Aspect and Contribution to SDGs



# Ensuring Compliance

At Southland Rubber, we utilize the Compliance Program to ensure that our business principles are communicated across all business units and are firmly adhered to standards of practice. It is also an essential component for building a robust, transparent, and sustainable business.

## » About the Compliance Program

We initiated the Compliance Program in 2019. The program has been held annually and comprises the following components:



### Deployment

Once the policies are reviewed, they are **announced to employee representatives** from all business units for deployment. The policies are also communicated through various channels such as training, the Company's website, and Email.

### Compliance Training

Compliance training is the process of **communicating the details of each policy to all employees**. After training, the employees have to take a compliance test to ensure their policy comprehension. We also have employees' acknowledgement of the policy in this step.



**100%**

Employees participated in the compliance training

**100%**

Employees taking the compliance awareness test



### Compliance Audit

The implementation of compliance audit is to **monitor and evaluate the compliance with the Company's policies and standard practices** across 17 processing factories. The results (non-compliance or potential risks) obtained from audit will be reported to top management for risks mitigations.

**100%**

Business units subjected to the compliance audit

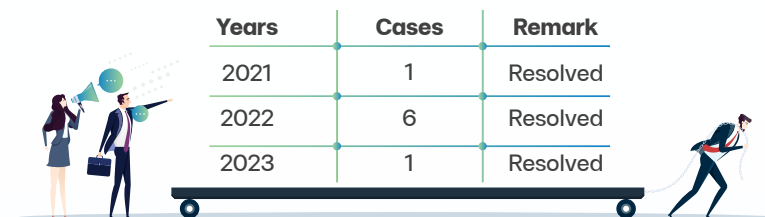
### Management Review

A management review is conducted by the top management team to **evaluate the whole process of the Compliance Program** each year. The findings from the compliance audit are also considered to foster good governance.



## » Whistleblowing Mechanism

The whistleblowing mechanism is employed to ensure ethical practices and compliance with the Company's policies. It is another imperative element of the Company to enhance good corporate governance. Through whistleblowing channels, **employees and other stakeholders can report their concerns and grievances** under the Company's protection, where confidentiality and safety are ensured. The following table is the whistleblowing cases reported to the Company over the last 3 years.



Years	Cases	Remark
2021	1	Resolved
2022	6	Resolved
2023	1	Resolved

## » Whistleblowing Procedure



## » Whistleblowing Channels



## » Anti-Bribery and Corruption Management





The Company manages and prevents bribery & corruption by adopting the following approaches:





## » Stakeholders Engagement

Stakeholder engagement enables us to understand stakeholders' needs and expectations. Thus, we can respond to them properly to express our accountability. The following is a summary of key issues of stakeholder engagement to identify material topics, which are reviewed yearly.

Stakeholders & Communication Channels	Key Topics	Expectations and Needs	Our Responses
<b>Shareholders</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Shareholder meetings</li> <li>• Financial reports</li> <li>• Performance reports</li> <li>• Sustainability reports</li> <li>• Online communication through various channels, e.g., email, website, and video conferencing platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Good Governance</li> <li>• Risks &amp; Opportunities</li> <li>• Transparency</li> <li>• Business performance</li> <li>• Company's Policies</li> </ul>	<ul style="list-style-type: none"> <li>• Goal achievement with best practices</li> <li>• Compliance with related national laws &amp; regulations and other internationally recognized guidelines and standards as well as sustainability practices</li> <li>• Transparent business conduct</li> <li>• Continuous growth of business and good performance results</li> <li>• Regular policy review and policy implementation</li> <li>• Good relationships with other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance program</li> <li>• Policy establishment</li> <li>• Risk assessment on different topics</li> <li>• Engagement activities with other stakeholders e.g., social contribution activities</li> <li>• Activities and projects to promote sustainability and improve the sustainability performance of each aspect</li> <li>• Whistleblowing mechanism</li> </ul>
<b>Customers</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits &amp; audits</li> <li>• Surveys/ Questionnaires</li> <li>• Online communication through various channels, e.g., email, website, and video conferencing platforms</li> <li>• Sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>• Customers' policies</li> <li>• Quality feedback</li> <li>• Sustainability issues</li> <li>• Supply chain sustainability</li> <li>• Sustainable procurement and traceability</li> <li>• Due Diligence</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with customers' policies</li> <li>• Consistent product quality</li> <li>• On-time delivery</li> <li>• Sustainability efforts</li> <li>• Traceability and deforestation-free products</li> <li>• Information security/ confidentiality of customers' information</li> <li>• Participation in customers' activities/ projects</li> <li>• Prompt responses to request and inquiries</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Acknowledgement of customers' policies</li> <li>• Policy alignment with customer's policies</li> <li>• Onsite visits and audits</li> <li>• Online and onsite meetings/ conferences</li> <li>• Sustainability and sustainable procurement policy implementation</li> <li>• Promote sustainable development</li> <li>• Traceability application</li> <li>• Deforestation risk analysis</li> <li>• Customer satisfaction survey</li> <li>• Responses to customers' feedback</li> </ul>
<b>Employees</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Surveys and interviews</li> <li>• Company newsletters</li> <li>• Information sharing, e.g., one point lessons and safety statistics on bulletin boards, website, intranet system, and other online platforms</li> <li>• Meetings and trainings</li> <li>• Whistleblowing channels</li> <li>• Morning talks</li> </ul>	<ul style="list-style-type: none"> <li>• Company's policies</li> <li>• Occupational health &amp; safety</li> <li>• Employees' welfare &amp; well-being</li> <li>• Career development</li> <li>• Human rights and labor practices</li> <li>• Employees' satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with national labor laws</li> <li>• Career development</li> <li>• Good welfare &amp; remuneration</li> <li>• Good &amp; safe work environment</li> <li>• Equality and no discrimination</li> <li>• Decent treatment</li> <li>• Skill sets improvement</li> <li>• Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights and labor practice policy implementation</li> <li>• Job promotion</li> <li>• Welfare committee meeting</li> <li>• Employees satisfaction survey</li> <li>• Whistleblowing mechanism</li> <li>• Compliance program</li> <li>• Safety strategies</li> <li>• Activities to promote employees' well-being</li> </ul>
<b>Financial Institutions</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Head office and factory visits</li> <li>• Sustainability reports</li> <li>• Online communication through various channels, e.g., email and website</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Financial information</li> <li>• Business strategies &amp; risk management</li> <li>• Compliance with business agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Financial transparency</li> <li>• Compliance with terms and conditions in business deals</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Head office visit</li> <li>• Compliance with terms and conditions in business deals</li> <li>• Sustainable development activities</li> </ul>

Stakeholders & Communication Channels	Key Topics	Expectations and Needs	Our Responses
<b>Raw Material Suppliers</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Meetings &amp; workshops</li> <li>• Supplier self-assessment</li> <li>• Questionnaires &amp; surveys</li> <li>• Onsite-visits</li> <li>• E-newsletters</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct &amp; Sustainable Procurement Policy</li> <li>• Sustainability issues</li> <li>• Anti-corruption &amp; monopoly practices</li> <li>• Rubber plantation traceability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable raw material suppliers</li> <li>• Fair trading conditions and agreement</li> <li>• Competitive pricing</li> <li>• Transparency</li> <li>• On-time payment</li> <li>• Prompt responses to request and inquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Communication and acknowledgement of Supplier Code of Conduct &amp; Sustainable Procurement Policy</li> <li>• Supplier sustainability self-assessment</li> <li>• E-newsletters</li> <li>• Onsite supplier engagement meetings</li> <li>• Rubber plantation visit</li> <li>• Capacity Building</li> <li>• Agroforestry</li> </ul>
<b>Communities</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Questionnaires &amp; surveys</li> <li>• Community visits</li> <li>• Engagement activities</li> <li>• Whistleblowing channels</li> </ul>	<ul style="list-style-type: none"> <li>• Community's well-being</li> <li>• Sustainability issues</li> <li>• Employment of local people</li> <li>• Social and environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Community support &amp; assistance</li> <li>• Listening to communities' voices</li> <li>• Prompt responses to communities' feedback</li> <li>• Employment opportunities</li> <li>• Compliance with national laws</li> <li>• Social and environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting local products</li> <li>• Social contribution activities</li> <li>• Participation in local traditional activities</li> <li>• Whistleblowing mechanism</li> <li>• Community visits and surveys</li> <li>• Promote sustainable development</li> </ul>
<b>Governmental Sectors</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Training &amp; workshops</li> <li>• Factory visits &amp; audits</li> <li>• Seminars &amp; conferences</li> <li>• Sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with national laws &amp; regulations</li> <li>• Taxes</li> <li>• Sustainability issues</li> <li>• Endorsement, awards, and certification</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with national laws &amp; regulations</li> <li>• Transparency</li> <li>• Social and environmental responsibilities</li> <li>• Economic impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Factory visits &amp; audits by related governmental agencies</li> <li>• Participation in the government's certification programs</li> <li>• Promoting sustainable development</li> </ul>
<b>Contractors &amp; Outsource Providers</b>  <b>Engagement Channels</b> <ul style="list-style-type: none"> <li>• Meetings &amp; workshops</li> <li>• Supplier self-assessment</li> <li>• Questionnaires &amp; surveys</li> <li>• E-newsletters</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct &amp; Sustainable Procurement Policy</li> <li>• Sustainability issues</li> <li>• Anti - corruption &amp; monopoly practices</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable general suppliers</li> <li>• Fair trading conditions and agreement</li> <li>• Competitive prices</li> <li>• Transparency</li> <li>• On-time payment</li> <li>• Support in policy compliance</li> <li>• Prompt responses to requests and inquiries</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Communication and acknowledgement of Supplier Code of Conduct &amp; Sustainable Procurement Policy</li> <li>• Supplier sustainability self-assessment</li> <li>• E-newsletters</li> <li>• Onsite-visits</li> </ul>

# Social Aspect

The Company attaches great importance on prioritizing social initiatives and engaging with the stakeholders transparently in order to build positive work environment, create a shared value, and enhance stakeholder trust and long-term relationships. The Company's sustainability management on social aspect encompasses 5 dimensions as follows:

- Health and Safety
- Employees Welfare and Well-Being
- Diversity & Inclusion and Career Development
- Human Rights and Labor Practices
- Community Engagement



## 1. Health and Safety

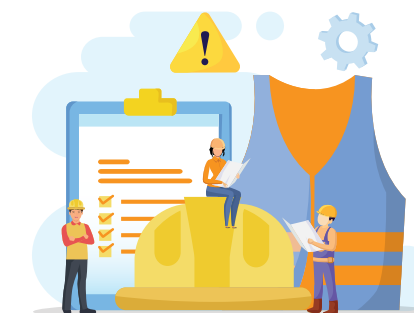
Building safe workplaces by creating a safety culture is one of our key successes in maintaining safety performance and decreasing the serious repercussions of accidents. Throughout the years of our sustainability journey, we have always intensely leveraged proactive approaches to elevate our safety performance, aiming to reinforce safer working environment across operational activities.

### Our Commitment

We ensure a work environment where all employees can work safely from the time they go to work until they leave the Company. We instill the "safety-first mindset" in all employees and promote the enhancement of safety practices.

### Strategies

- Conduct safety risks assessment
- Emphasize safety KAIZENs (process improvement projects) in a contribution to technical adjustment of machines
- Perform safety morning talk with KYT (Kiken Yochi Training/ hazard prediction training) prior to starting work
- Generate One Point Lessons (OPLs) to communicate safety countermeasures among the processing factories
- Train on safe work procedures



## ZERO Accidents

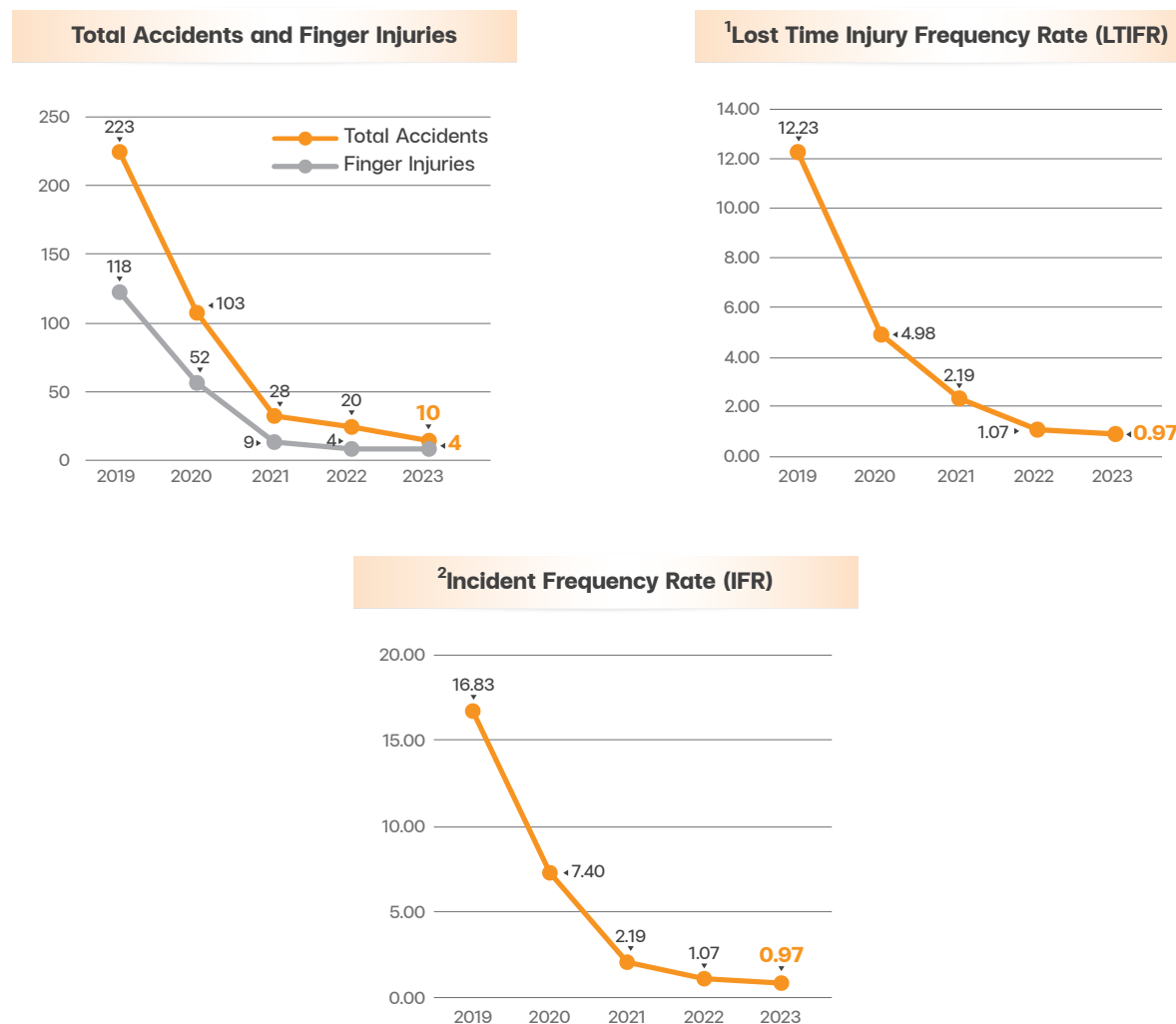


Topics	Targets	Results	Remark
Incident Frequency Rate (I.F.R)	< 2.5	0.97	<b>Achieved</b>
Lost Time Injury Frequency Rate (LTIFR)	< 2.5	0.97	<b>Achieved</b>
Work-related fatality	0 case	0 case	<b>Achieved</b>
Average safety training hours per person	≥7 hours/year	18.0 hours/year	<b>Achieved</b>
ISO 45001 (Occupation Health & Safety Management System Certification)	17 factories	15 factories	



## » Key Safety Performance

Based on the safety performance, the overall accidents, on the whole, steadily decreased every year. **In 2023, the total number of accidents decreased by 50%** compared to 2022 (from 20 cases to 10 cases). The crucial factor that considerably enhances continued improvement on safety performance was the Company's emphasis on safety risk assessment and the implementation of preventive measures.



### Comparison of Safety Performance in 2022 and 2023

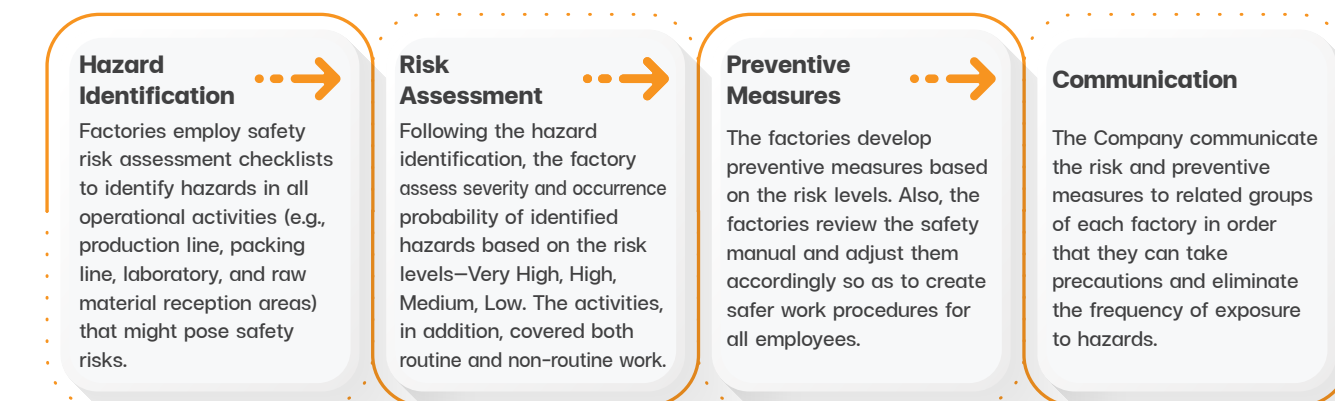


1. Lost-time injury frequency rate = (number of lost-time injuries/ total working hours) x 1,000,000  
 2. Injury frequency rate = (number of reported injuries/ total working hours) x 1,000,000

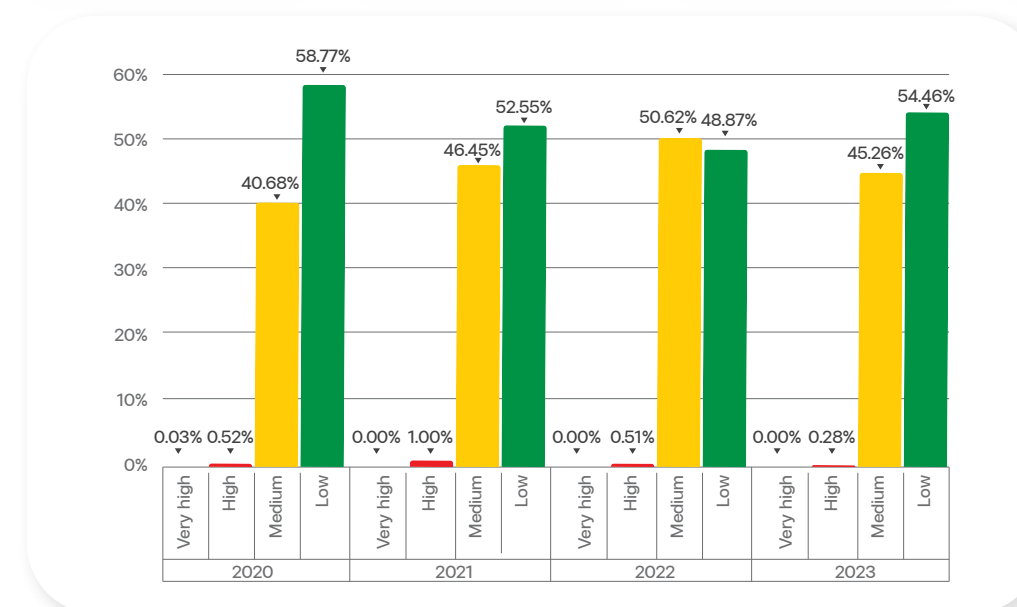
## 1.1 Safety Risk Assessment

Safety risk assessment is our ongoing activity carried out to find potential occurrence of accidents in operational activities. The process begins with identifying hazards, followed by risk assessment, preventive measure implementation, and communication. The target groups who need to attend this activity include branch managers, safety management representatives (SMR), safety officers, and related persons of each unit group.

### » Risk Assessment Process



### » Risk Assessment Results



According to the risk assessment results, safety risks were mostly found in medium and low levels. In 2023, the majority of risk issues found in these two levels was associated with the operation of machines and equipments (e.g., two-roll mill machine, centrifuge, trolley, and grinder). The Company, therefore, adopted the following preventive measures to address identified risks.

- Conduct safety KIZENs, morning talks with KYT, and periodic maintenance of machines
- Frequently train on the correct procedure for the use of operational tools and machines
- Formulate OPLs to share with all factories accidents and corrective actions
- Enforce the use of Personal Protective Equipment (PPE) while working
- Conduct routine safety inspections to ensure safe working environment and the workers' adherence to work procedure

## 1.2 Safety Preventive Measure

In 2023, the Company implemented 4 key safety preventive measures as the following details.

### » 1.2.1 Safety KAIZENS to Prevent Risks & Recurrence of Accidents

Since 2022, the Company has used safety KIAZENS to strengthen continuous improvement in operational activities. These emphasize the importance of technical improvement of the machine to ensure full-fledged safety conditions and reduce the risk of machine failure. This measure is also a substantial contribution to reducing the number of Incident Frequency Rate (IFR) and Lost Time Injury Frequency Rate (LTIFR). **In 2023, we have developed 69 KIAZENS**, the examples of which are as follows:

#### Safeguard for Roll Reverse Switch (BH)



**Risk:**

The two-roll mill machine set up in the laboratory is equipped with a control panel comprising a forward switch and a reverse switch. Sometimes, the laboratory workers accidentally press the reverse switch instead of the forward switch, so there were risks of accidents by the equipment.



**KAIZEN:**

We covered the reverse switch, which is rarely used, with a plastic safeguard so that only the forward switch is available to function.

**Before:** without safeguard



Risk level before adjustment: **Medium**

**After:** with safeguard



Risk level after adjustment: **Low**

#### Rubber Trolley's Latch Adjustment (BJ4)



**Risk:**

Rubber trolley latch is generally used to fasten rubber trolleys in drying processes. There were risks of workers' fingers pinched by the latch while taking the trolleys out of the rubber drying ovens.



**KAIZEN:**

We modified the process by making the latch semiautomatic. This KAIZEN provided effective protection for workers' fingers and expedited the workflow since our workers did not have to manually latch the rubber trolley while operating.

**Before:** With the old latch



Risk level before adjustment: **Medium**

**After:** With the semiautomatic latch



Risk level after adjustment: **Low**

#### Modifying Trolley Cart's Handle (BJ4)



**Risk:**

Rubber trolley carts are regularly used to transport the drying rubber trolleys in the production process. To move the carts, the workers needed to stand in the middle of the cart's rail; so there were risks of the carts behind bumping into workers.



**KAIZEN:**

We redesigned the carts' handles in order for the workers to push the carts by standing right beside the rail instead.

**Before:** with the old handcart



**The old handcart:** the workers need to stand in the middle of the rail to move the cart

Risk level before adjustment: **Medium**

**After:** with the new handcart



**The redesigned handcart:** the workers stand beside the rail to move the cart

Risk level after adjustment: **Low**

#### Pulling Hook for Feed Tube Removal (PT)



**Risk:**

When changing the feed tube, workers needed to disassemble the centrifuge machine and then hammered the feed tube out. This process can result in high risks of working difficulties and injuries associated with hammer use.



**KAIZEN:**

We created a hook that can be used to remove the feed tube from the centrifuges directly without the need for machine disassembling and the use of hammers.

**Before**



1. Disassembling the machine



2. Removing the feed tube by using the hammer

Risk level before adjustment: **Medium**

**After**



Using the pulling hook to remove the feed tube

Risk level after adjustment: **Low**

All of these KIZENS are shared with the other factories as a one-point lesson for them to learn and act accordingly.



## » 1.2.2 Morning Talks with KYT

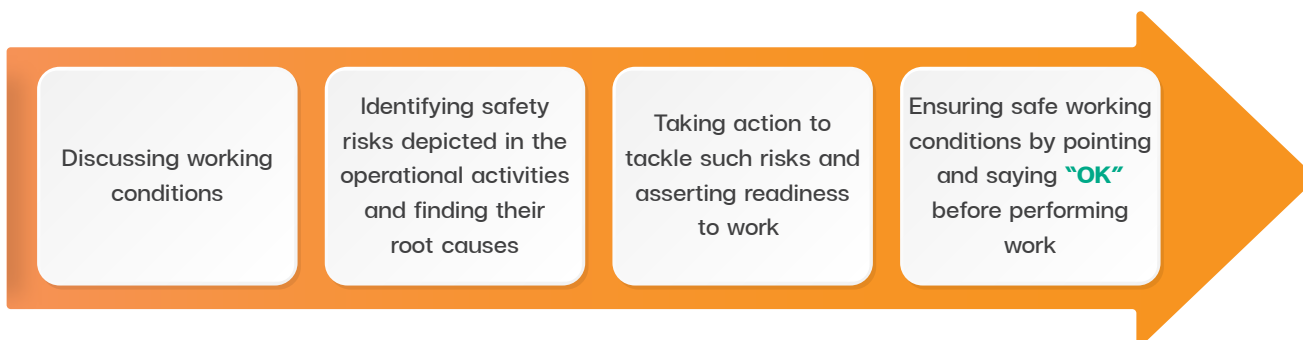


### Safety Morning Talks

The Company has implemented safety morning talks to give short briefs about safe work procedures and safety precautions and to reinforce safety awareness prior to starting works for our workers. Through the program, the workers can discuss safety concerns relevant to their duties with the safety officers in order to eliminate safety risks and recurrence.

### Safety KYT

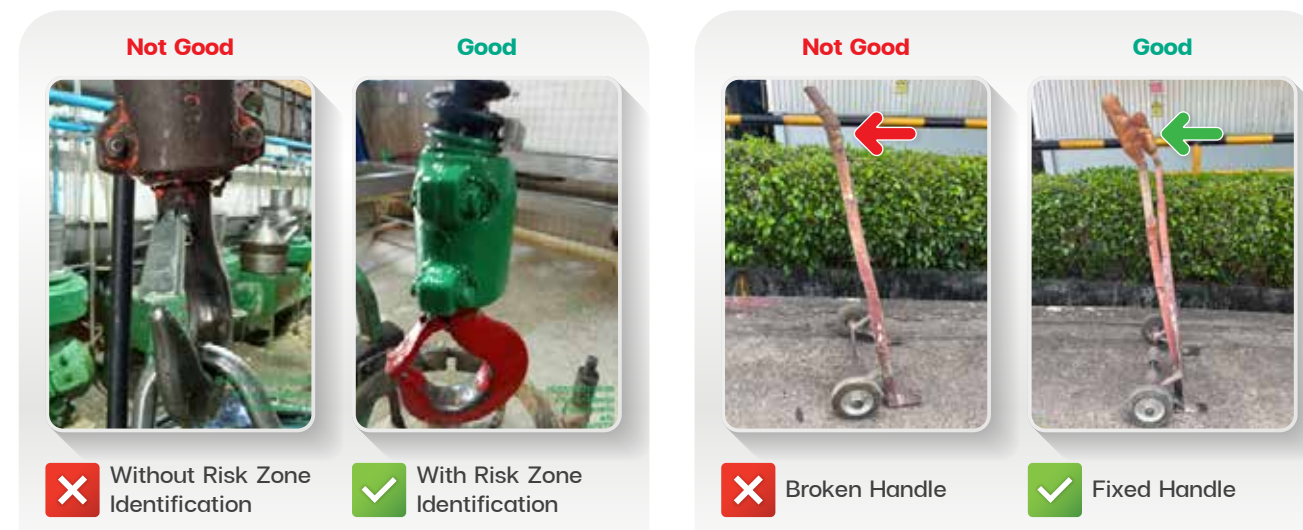
KYT (Kiken Yochi Training/ hazard prediction training) is another safety measures for strengthening safety consciousness and preventing human errors that can bring on catastrophic injuries in the workplace. This year, we have adopted KYT safety techniques as our pre-emptive measure, consisting of:



## » 1.2.3 One-Point Lesson

One-point lessons (OPLs) serve as key takeaways of safety preventive actions to share within our processing factories. When safety risks are found, the factory is required to create one-point lessons via online internal OPL documents and share them to the other factories, so that they can learn and take necessary precautions. OPLs also consist of several pieces of safety information, such as how to work at height, how to use cutting equipment, safety KIZENs, etc. Through the use of OPLs, we can enhance workers' operational knowledge and skill sets where safety is centered, and ensure that the workers are well-prepared for accidents.

### OPL examples



## » 1.2.4 Safe Work Procedure Training

The Company provides the safe work procedure training to new employees as part of their work orientation to train them to perform work accurately and safely. Plus, the Company conducts regular retraining sessions for existing workers to reinforce adherence to safe work practices.





# 1.3 Activities to Promote Safety Culture

## » 1.3.1 Safety Day at Headquarter

Safety Day 2023 was held by the Company’s head office to navigate safety management of the current year and create mutual safety understanding across business units. The required attendees included top management, branch managers, safety management representatives, safety officers, and sustainability working group members. The plan was further communicated to employees for implementation.

### Safety Topics



## » 1.3.2 Safety Day at Factories

The Factory Safety Days have been organized continuously since 2021. They are one of the supplement tools for core preventive approaches, such as the use of visual displays & PPEs and equipment inspection & maintenance, which emphasize a safety-conscious culture among employees of all levels and boost their engagement on safety matters.



# 2. Employee Welfare and Well-Being

With respect to employee care, we strive to promote decent working conditions and create an ideal working environment for all employees, taking into account their welfare and well-being. In 2023, we continued to invest in employee’s satisfaction projects, financial assistance program, as well as team building activities to enhance employee’s contentment & productivity and to foster motivation within workplace.

### Our Commitment

We are committed to ensuring decent working environment and decent employment practices adhering to relevant laws and equity to support working life quality.

### Strategies

- Provide the assistance programs to help employees address their personal problems
- Conduct employee satisfaction program to respond to employee’s needs and expectations
- Create activities to promote employee engagement

Topics	Target	Result	Remark
Employee satisfaction scores	≥85%	71.02%	Increased by around 3.22% from 2022 (68.80% to 71.02%)

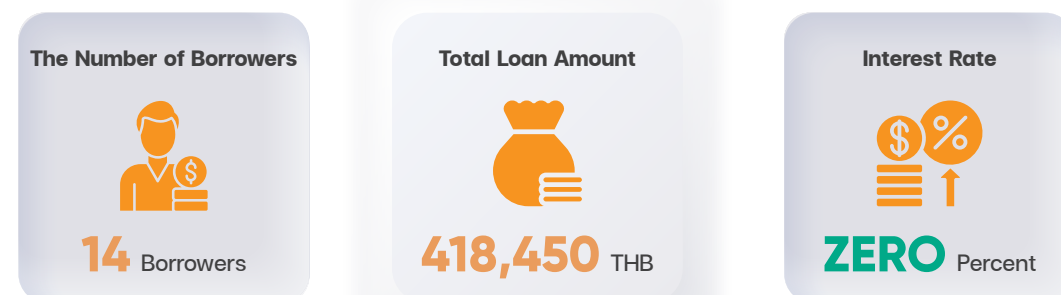




## 2.1 Financial Assistance Programs for Employees

### Education Loan

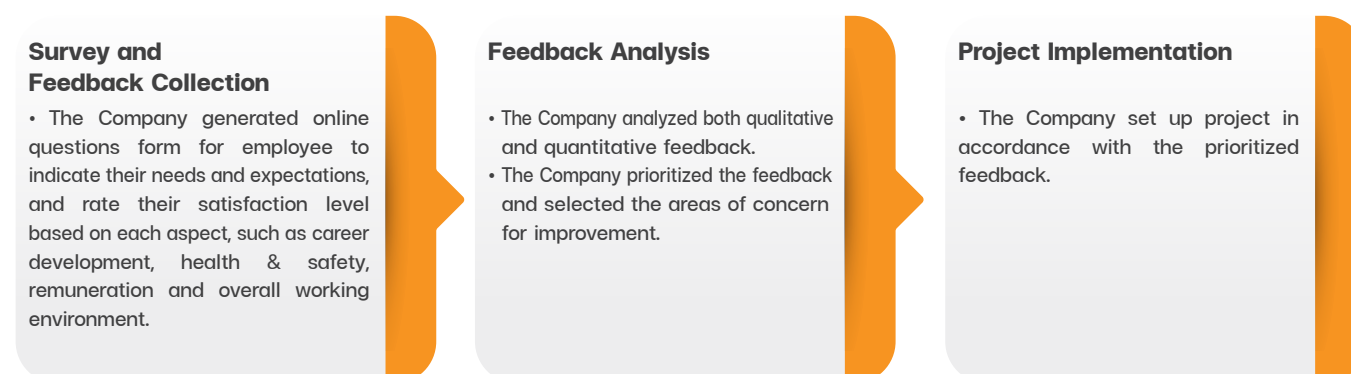
The Company initiated education loan to help its employees finance their children's education. The Company offer interest-free loans up to a maximum of three times the salary per person to employees in need. This is a long-term employee assistance project that will be integrated into employee engagement plans and carried out continuously year to year.



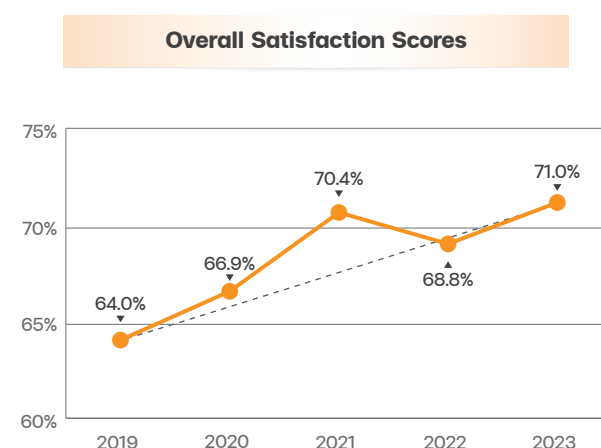
## 2.2 Employee Satisfaction

The Company's employee satisfaction program has been carried out since 2019 to find out the employee's insights into work-related issues and obtain employee's needs and expectations. In 2023, **98.2%** of employees of all branches joined the program. The feedback from our employees will, in addition, enable the Company to build up workplace productivity and a pleasant working environment where employee expectations are properly fulfilled.

### Project Process Overview



The graph presents the employee satisfaction scores at 5-year intervals. Generally, the scores continuously increased, except in 2022 when there were fewer activities due to the COVID-19 regulation and the rising inflation that affected employees' lives.



### » Projects in Response to Employees' Feedback

Following feedback analysis, each branch developed the satisfaction projects in accordance with employee's feedback. In 2023, there were **18** projects, the examples of which are as follows:



#### Vegetable Plot for Employees

Based on their feedback, we have set up plots for them to grow vegetable. Not only that can save weekly expenses of the employee but it can also ensure that the food they consume on a daily basis is chemical-free.

**Result: 600 m<sup>2</sup> of vegetable plot.**

#### Employees Lockers Adjustment

We have made safer locker adjustments and cleaned the locker areas to ensure that their personal belongings were always kept securely during working hours.

**Result: 36 lockers adjusted at NTW, 96 lockers adjusted at BK**



#### Rice Distribution Projects

The rice distribution project was carried out by FB to help employees save money on grocery bills. In this current year, more than 1,000 kg of rice were allocated to 286 employees.

**Employee Satisfaction: 95%**

### » Voice of Employee



#### Miss Pornnicha Sangkapaksa

Branch Manager, Southland Resources (Chumphon), FB

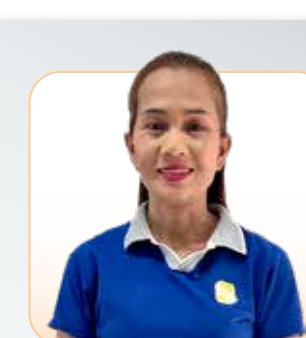
"I want to express my gratitude for all employees' hard work and dedication to our Company. Without each and every one of you, we wouldn't be where we are today. By prioritizing employee satisfaction, we're creating an environment where everyone feels valued, respected, and supported as they should be. This, in turn, leads to higher morale, better teamwork, and ultimately, greater success for the entire organization."



#### Mr. Chatree Jarudechanon

Sustainability Supervisor & Sustainability WG Member

"The satisfaction programs are essential because it allows us to better understand and address the needs of our team members. By listening to their feedback, providing support and resources, and advocating for their needs, we can help create a work environment where everyone feels valued and empowered to succeed. I'm excited to see how this program continues to evolve and grow in the future."



#### Miss Jaruwan Phadum

Laboratory Technician, Southland Resources, BJ2

"From where I stand, this program has made a significant difference in my experience as an employee. Knowing that my voice is heard and valued makes me feel more invested in my work and more connected to the Company as a whole. It's not every day that you come across a company that genuinely cares about the well-being of its employees, and I feel fortunate to be a part of such an organization."

## 2.3 Employee Engagement Activities

Employees engagement activities encourage active participation in building a healthy relationship among employees and between the Company and employees. Employee satisfaction survey results in 2023 revealed that engagement activities was one scope of employees’ needs. In a response, we organized more activities to elevate the employee’s working life experience.

### Sport Day

The sports day was held to create solidarity among employees. It was a type of recreational activity that allowed employees to experience joyful moments as a part of their working experience with the Company and was considered an excellent ice breaker and bond-builder, contributing to strong teamwork and a happy work atmosphere.

In this event, employees were split into 3 teams with assigned colors and allowed to dress up creatively based on their color themes. One of the exciting highlights was the parades where members of each team showcased their creativity and spirit.

The activity included sports and traditional games (e.g., tug of war, football, tire running game, and dried palm leaf pulling), and the employees were allowed to attend based on their personal preferences. In the end, the Company gave each team a prize in appreciation of their participation and enthusiasm.



## 3. Diversity & Inclusion and Career Development

The Company manages its people based on our respect for diversity and equality. This is reflected through promoting diversity and inclusion in workplace in which individuals are treated equally regardless of physical appearance, sexual orientation, race, disability, ethnicity, political opinions, etc. In addition to this, the Company provides equal opportunities for professional growth and create skills enhancement activities and training to develop the workforce's competencies.

### Our Commitment

We uphold diversities in workplace to build a more inclusive and equitable work environment wherein differences in race, gender, age, sexual orientation, and physical disabilities are valued and respected. We also strive to boost employee’s skill sets through comprehensive training and offer our employees a opportunity for career growth.

### Strategies

- Emphasize diversity, no discrimination, and no harassment management to ensure compliance
- Employ individuals, including person with disability, to work in the Company
- Promote career development without bias and discrimination
- Build workplace’ awareness of diversity & inclusion through activities and e-newsletters

Topics	Targets	Results	Remark
Female employees in managerial level	35%	43.65%	<b>Achieved</b>
Average training hours per person	≥25 hours/year	43.3 hours/year	<b>Achieved</b>





## 3.1 Employee-Related Information

### » 3.1.1 Employee Diversity

Employees by Age Groups	Employees by Levels
<30 years old <b>33.3%</b>	Managers <b>4.2%</b>
30-50 years old <b>57.2%</b>	Supervisors <b>9.7%</b>
>50 years old <b>9.5%</b>	Operators <b>86.1%</b>

### Total Employees

**4,343**



**53%** Male



**47%** Female



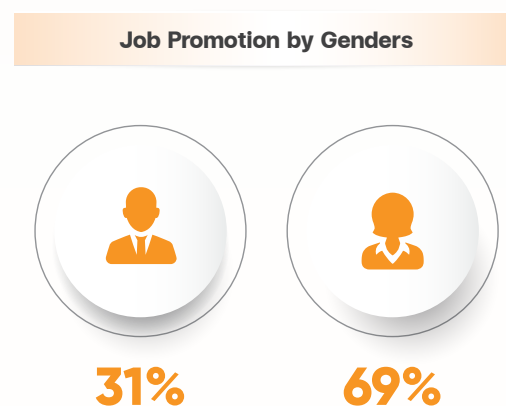
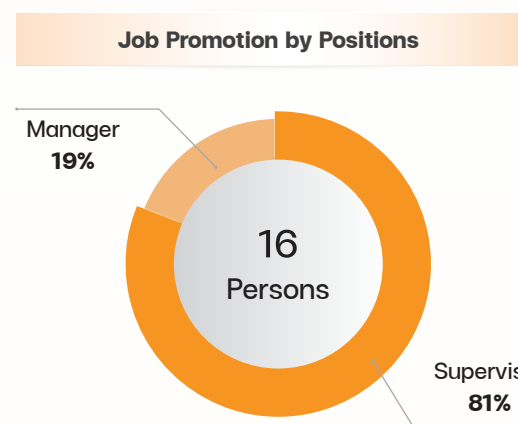
**43**  
Employees with Disability



**43.6%**  
Females in Managerial Level

## 3.2 Career Development

### » 3.2.1 Job Promotion



### Regular Performance and Career Development Review

**100%**

Employee receiving regular performance & career development



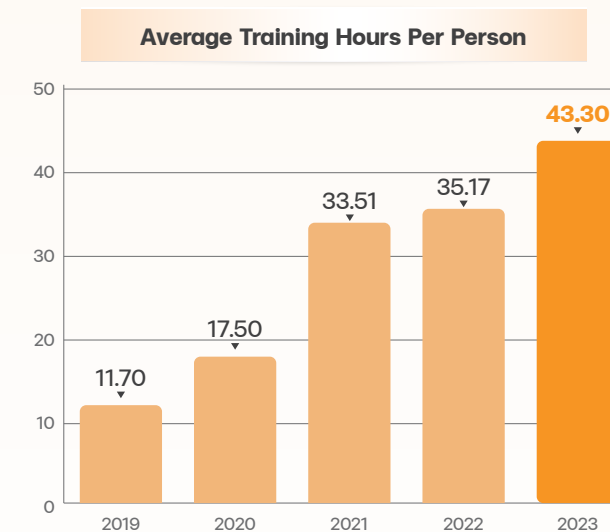
Employee assessment frequency: annually



Performance assessment tool: skill matrix & self assessment

### » 3.2.2 Employee Training

As part of our career development effort, we offer skills enhancement trainings and capacity-building programs for employees. These initiatives are designed to improve their skills & knowledge pertinent to employee's professional growth.

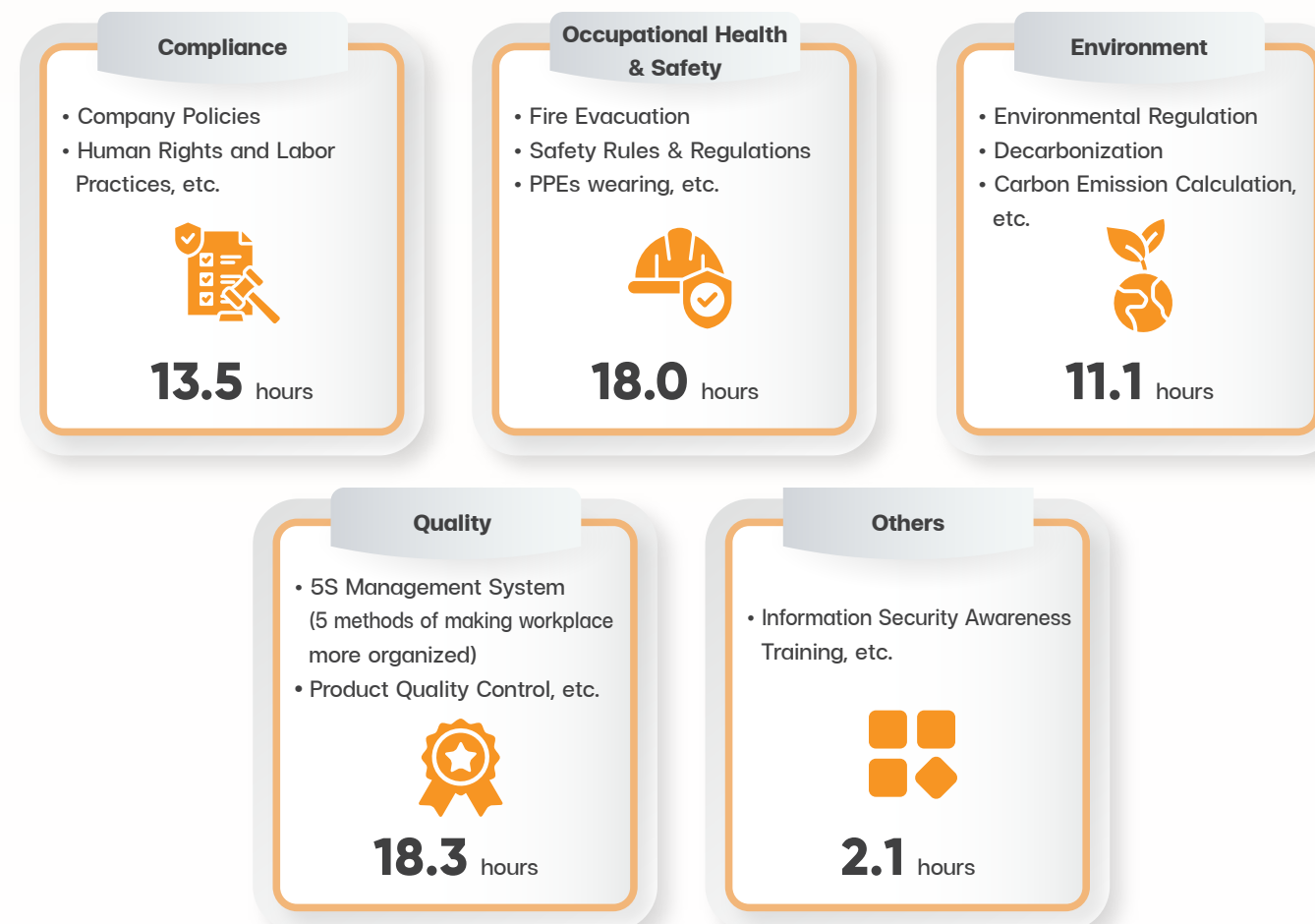


Fire Evacuation Training



Occupational Health & Safety Training

### Average Training Hours by Categories



# 4. Human Rights and Labor Practices

Southland Rubber is committed to a business operation that respects the human rights of all related people. We are well aware of the importance of effective human rights management and good labor practices in sustaining our mutual growth and prosperity. In the light of this, we employ due diligence processes with regard to human rights and implement the Human & Labor Practice policy conforming to UN Guiding Principles on Business and Human Rights (UNGP), Universal Declaration of Human Rights (UDHR), the International Labor Organization’s eight core conventions, Global Platform for Sustainable Natural Rubber (GPSNR) Policy Components, and other relevant legislations to monitor and remediate adverse impacts and ensure sound management on human rights & labor practices protection.

**Our Commitment**

We comply with relevant laws and international human rights principles and ensure proper working conditions and good employment practices.

**Strategies**

- Human Rights and Labor Practices policy
- Conduct Human Rights Due Diligence to ensure decent and fair labor practices

Topics	Targets	Results	Remark
Conducting human rights and labor practices risks assessment	100% (17 factories)	100% (17 factories)	<b>Achieved</b>
Employees trained on human rights & labor practices policy	100% (17 factories)	100% (17 factories)	<b>Achieved</b>
Good labor practices certification	100% (17 factories)	100% (17 factories)	<b>Achieved</b>
Internal human rights and labor practices audit	100% (17 factories)	100% (17 factories)	<b>Achieved</b>



## 4.1 Human Rights Due Diligence

Our human right due diligence framework consists of 4 steps as follows:



» **4.1.1 Policy Review and Compliance Program**

The human rights and labor practices policy is reviewed on a yearly basis to ensure alignment with the applicable law and international standards used as its guidelines. Once the policy is reviewed, it is communicated to all of the processing factories through the compliance program for deployment. The policy covers a wide range of human right and labor practices standards as follows:

- UN Guiding Principles on Business and Human Rights (UNGP)
- UN Declaration on the Rights of Indigenous Peoples (UNDRIP)
- GPSNR Policy Component
- International Labor Organization (ILO)’s eight core conventions
  - 1. Diversity, no discrimination, and no harassment
  - 2. Minimum wages, working hours, and basic welfares
  - 3. No forced labor
  - 4. No child labor
  - 5. Fair practices
  - 6. Labor standards and occupational health and safety
  - 7. Equitable treatment
  - 8. Personal data protection

SCAN ME



Explore more about our **Human Rights and Labor Practices Policy**



» **4.1.2 Human Rights & Labor Practices Risk Assessment Training**

Human rights risk assessment training is held annually to retrain persons responsible for human rights & labor practices management on risks assessment procedures. The training session is held online by the head office, and the participants include management representatives, branch managers, HR personnel, purchasing personnel, and representatives from relevant departments.

**Factories Receiving the Training (17 factories)**

**100%**



» 4.1.3 Human Rights & Labor Practices Risk Assessment & Mitigation Measures

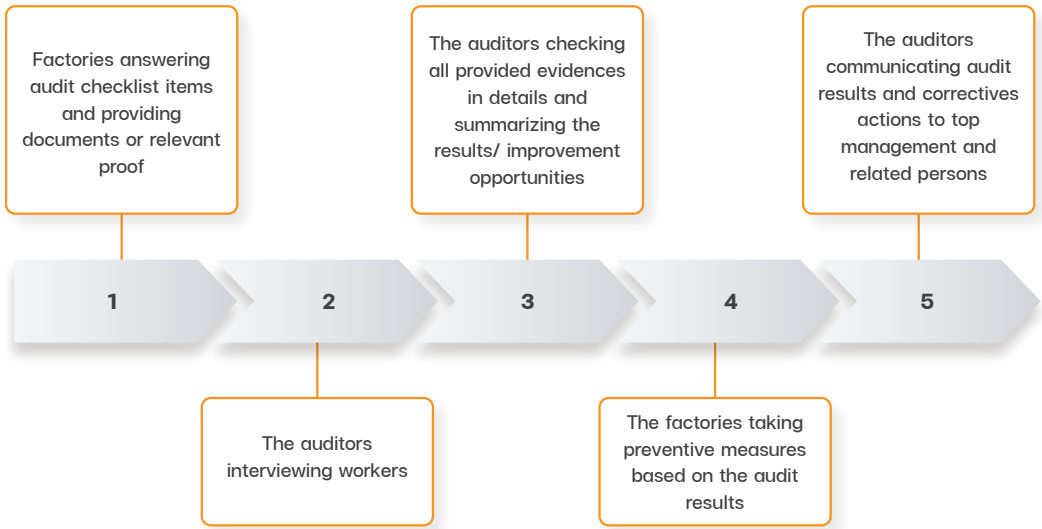
The Company conducts the human rights assessment annually to obtain existing and potential risks across its business operations. The Company generated in-house assessment forms and distribute them to representatives of each factory in order to evaluate the severity of human rights and labor practice risks towards related groups (employees, workers and migrant workers, raw material suppliers, customers, and communities). After conducting risk assessment, the Company established mitigation to prevent potential impacts, especially those with the high levels of complicity in abuses of human rights.

Activities	Remark
Factories conducting risk assessment	100% (17 factories)
Human rights and labor practices cases reported through whistleblowing channels	1 case (resolved)
Tier 1 supplier assessed on human rights and labor practices	100%

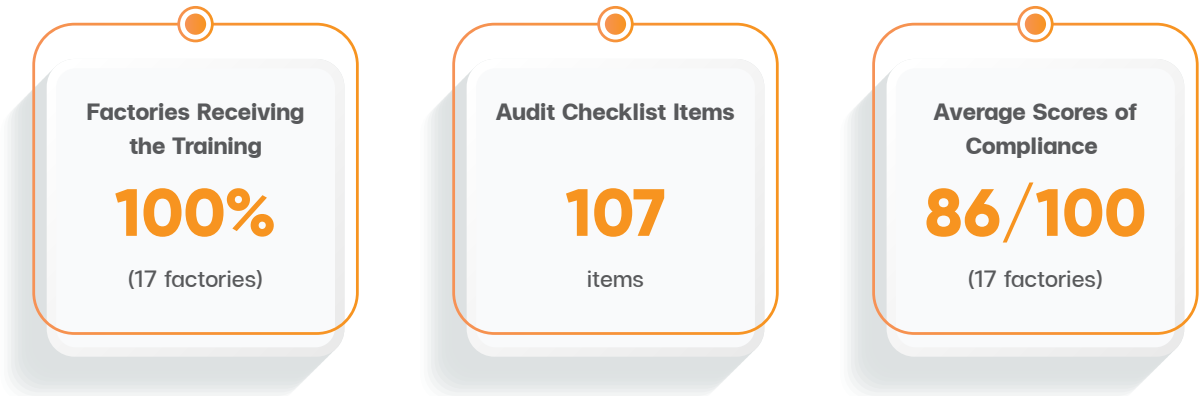
» 4.1.4 Internal Audit and Communication

In order to track human rights management effectiveness and adherence to human right principles, the Company carries out the internal audit, employing checklist forms designed in the line with the human rights and labor practices policy as the audit tool. The audit results and preventive actions taken are also documented and communicated to top management, related persons from each department, and affected groups.

Audit Process



Audit Results



Apart from human rights due diligence framework, the Company also draws up other relevant implementations in response to the rights of the employees and other stakeholders as follows:

4.2 Welfare Committee



Online Welfare Committee Meeting

The welfare committee serves as a communication channel between the management team and employees. Through the program, employees representatives elected by their colleagues are authorized to discuss employee welfare and benefits, provide advice on welfare management, or even raise any concern over employee’s welfare issues with the management team. Once the agreement is reached out, the Company can generate additional initiatives to respond to employee’s needs and expectations.

4.3 Personal Data Protection

We implemented the Information Security Policy with respect to individuals' right to personal data and privacy and to protect confidential information of Group Companies and personal data of our stakeholders, as required by law, from exploitation. The policy covers a wide range of information security measures, including Restrictions on Confidential Information, Prohibitions Relating to Internet/Intranet/Extranet, Administration of Data and Information, Security Personal Data Protection, Approval of Personal Data Disclosure, etc.



Explore more about our  
Information Security Policy

4.4 Whistleblowing Mechanism


We implemented the Whistle-Blower Policy for our stakeholders to express their concerns and report the Company on suspected behaviors or Code of Conduct violations they have encountered or witnessed without fear of retaliation or discrimination. In terms of data protection, the personal information of whistleblowers and reported details are treated with high confidentiality within the Company’s Compliance Committee and the Investigation Team. Except when there is no circumstance where the Company needs to conduct additional investigation or provide preventive measures, whistleblowers will be asked for their consent to disclose the relevant information.

The Whistleblowing Channels are listed on page 14 of this report.



## 4.5 Efforts on Human Rights and Labor Practices

In addition to the aforementioned human rights and labor practices and management, we also express our efforts toward human rights protection and decent labor practices in other activities as follows:

Our Efforts	Our Actions
Promoting diversity and inclusive workplace	<ul style="list-style-type: none"><li>• Employ individuals including vulnerable groups, regardless of disability, race, gender, sexual orientation, religion, etc.</li><li>• Promote employee’s professional growth</li></ul>
Sharing knowledge and creating awareness of human rights and labor practices among employees and suppliers	<ul style="list-style-type: none"><li>• Create e-newsletters on related topics such as respecting human rights and share them with employees and suppliers through the Company’s communication channels such as noticeboards and capacity building</li><li>• Organize online meeting to disseminate human rights and labor practices knowledge within factories</li></ul>
Third-party due diligence on human rights and labor practices	<ul style="list-style-type: none"><li>• Proceed with improvement actions suggested by third-party due diligence performed by customers, certification bodies and governmental agencies</li></ul> <div><div><div>100%</div><div>(17 factories)</div><div>Good Labor Practices Certification</div></div></div>
Obtaining relevant certification and continuously improving existing gap suggested by the assessment results	<ul style="list-style-type: none"><li>• Participate in the Good Labor Practice Certification Program by the Thailand Department of Labor Protection and Welfare</li><li>• Participate in third-party sustainability assessments such as EcoVadis &amp; SMETA to evaluate the Company’s sustainability performance, including human rights and labor practice management</li></ul>



## 5. Community Engagement

Community engagement activities allow us to promote social development and shape an effective social contribution, covering 4 different dimensions—community well-being, community tradition, children's educational development, and career development. Throughout 2023, we have organized **61 activities** to reach out to nearby communities in an effort to achieve peaceful co-existence and promote inclusiveness.

### Our Commitment

We conduct our business fully aware of our social responsibilities and consciously contribute to the development of the local communities through engaging them in sustainability activities.

### Strategies

- Engage in various activities, e.g., traditional conservation, educational support, community food security, and career development, with the locals.

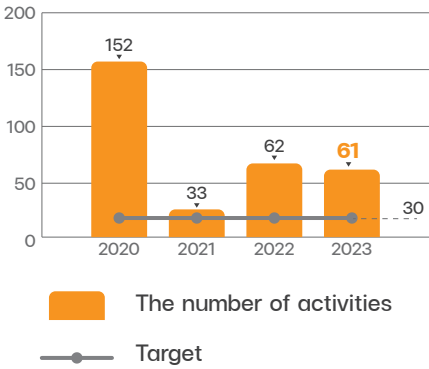
Topics	Target	Result	Remark
Social Contribution Activities	30 activities	61 activities	<b>Achieved</b>

## 5.1 Community Engagement and Social Contribution Activities

The Number of Engagement Activities in 2023

Product Groups	The Number of Activities
STR	24
Latex	20
RSS	17
<b>Total</b>	<b>61</b>

Total Engagement Activities / Year





Throughout 2023, we organized **61 engagement activities**, the examples of which are as follows:



### Children's Day

Many of our factories participated in Children's Day events in their local communities. We engaged in those events by joining their recreational activities and providing educational allowances and school supplies for schools and children. It is on this special occasion each year that we can emphasize the optimism of future generations and take part in fulfilling their childhood aspiration.

**Factories:** HX, TSU, YL, FC, LS, TG, BJ1, NTW, FB, RY, PT, BJ3



### Engagement with Individuals with Disabilities

**FC** attended the engagement activity for individuals with disabilities, including our employees and community members, at Prince of Songkla University, Trang Campus. The factory handed over necessities such as electric appliances and food to disabled people in need as part of our expanded commitment to promoting equality and inclusion and ensuring that people with disabilities are meaningfully included and supported.



### Factory Marketplace

**BJ2** hosted a marketplace in an effort to foster greater community engagement. In the event, the factory and residents came and sold their products or food. There are various local goods sold in the market, such as Thai-styled shaved ice, sweet drinks, and fresh vegetables and fruits.



### School Renovation

**HX** volunteered to repair the school's bathrooms and water pipes at Ban Pa Yang School, Songkhla province, aiming to build clean and safe bathroom for the local school. This community outreach facilitated hygiene of students as well as school personnel. It, moreover, contributed to well-being and positive school environment.



### 3R for Communities

**TSU** has provided recycling and garbage bins for Cham-pawanaram Temple, Trai Wittayaram Temple, and Wat Trai Wittayaram Kindergarten to develop waste management. By separating wastes based on their types, the communities can help reduce landfill wastes as well as community's pollution.



### Stationery and Sport Equipment for Students

**FB** donated stationery and sports equipment to students at Ban Huai Mueang Border Patrol Police School, Chumphon province. The donations consist of, for instance, pens, books, volleyballs, and basketballs. Providing educational support is one of our engagements to strengthen educational quality and create a conducive learning environment among local students.



### Career Support Program for Locals

**PT** organized the training session in collaboration with the Nongthong Sub-district Administrative Organization to teach local people how to tie-dye clothes with natural dyes. The main purpose of the program was to improve the communities' vocational skills in order that they could have options to pursue such skills to generate other income streams.



### Rice Distribution for Elderly

During the Songkran festival, **BJ3** distributed rice to elders at Ban Nong Hoi hall, Tung Wa sub-district, Rayong province to express gratitude and respect. Some elders have experienced financial difficulties and faced challenges associated with aging and health; thus, we try to offer them any possible assistance as part of the mutual support within communities.







**Building Stairs for Community**

**TG** has built stairs for the community at Nataluang sub-district, Trang province. In the area, there is a steep slope that can lead to tripping or falling, so the factory constructed the stairs as a shortcut to the village, aiming to facilitate the community’s traveling and prevent steep-slope accidents.



**Community’s House Renovation**

**NTW** renovated the community’s old house in Klong Sai sub-district, Na Thawi district, Songkhla province. The house was built several years ago, so some foundation materials have started falling into decay. There are many damaged element (such as roof leaks and wall cracks) that need repair and maintenance; therefore, the factory deployed its employees to help address such problems to improve the resident safety.



**Religious Activity Participation**

**SN** and nearby communities participated in a procession of cloth for the Phra That Si Surat pagoda in Surat Thani province. In the event, our employees and local Buddhists carried a long piece of yellow cloth to cover the base of the pagoda in order to worship the relics inside. The procession of yellow cloth is considered an important religious ceremony and a community’s cultural value, and as such should be preserved. Besides this activity, the factory still supports other relevant traditions and cultures, such as Kathin ceremonies, the tenth lunar month festival, and candlelight procession.

## 5.2 Engagement Project with Local School

Our Bangklam factories—Southland Resources Co., Ltd. **(BJ2)**, Southland Rubber Co., Ltd. **(HX)**, and Southland Latex Co., Ltd. **(BK)**—have been doing ongoing engagement projects with Ban Klong Nokkratung School. Beyond social contribution, the projects also served as experience about sustainability for future generations as elementary school students have a great opportunity to actively get involved in the projects.

### » 5.2.1 Sustainable Lunch for Local Students

#### Hen House

The Company continued the hen house project with the school in 2023. The hen could produce up to 30 eggs a day. Until June, they had produced approximately **3,200** eggs.

During school periods, the eggs are made into school lunches for students. During school breaks, the eggs are sold to create extra income for the school.

We also allocated **26** new hens as a replacement for the hens that no longer produced eggs and provided chicken feed for the school.









#### Vegetable Plot

We continued to provide vegetable seeds and seedlings for the school to grow in their vegetable plots in a bid to provide food availability. This year, the types of vegetables provided are more diverse than in the previous year. In 2022, there were 4 types of vegetables. In 2023, **we diversified the vegetables into 6 types.**

Vegetables are full of essential nutrients for students, so having easy access to fresh and organic produce can promote their good health. Other than health promotion, The students can also learn how to work as a team when they help each other grow and harvest vegetables. This ongoing project can, furthermore, lead to a greater sense of cohesiveness between the factory and the school.



Lists		Quantity
	Water spinach seeds	2 kg
	Bok choy seeds	25 packages
	Winter melon seeds	25 packages
	Eggplant	60 seedlings
	Holland papaya	30 seedlings
	Chili	30 seedlings









Raising Fish and Quails

We tried to provide students with sustainable food sources to meet some of their nutritional needs and to enhance the school's food security. To this end, we expanded the Sustainable Lunch project in which fish and quails were added. Prior to distributing fish and quails, we check the fish pond conditions and construct quail cages. Increasing the variety of food options not only provided multiple nutrition sources and sustainable food sources for students but also makes lunches more interesting and enjoyable.

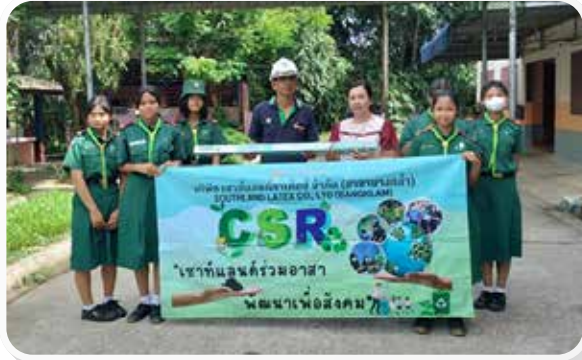


Lists	Quantity
 Fish	3,000
 Fish Feed	9 sacks
 Quails	150
 Quail Feed	3 sacks



» 5.2.2 Replacing and Installing Electrical Equipment

We visited the school to check whether the light bulbs or electrical equipment needed repairs. According to the survey results, there are 24 areas, such as the petanque court, the meeting room, the grand hall, the staff room, and the nursing room, where light bulbs needed to be replaced. Therefore, we opted to replace the school's existing light bulbs with LED alternatives, and with this improvement, we can increase energy efficiency and help the school lower electrical maintenance costs.



38



LED Light Bulbs,  
LED Full Sets & Street Lamps

24



Replacement Areas

1



Installation Area

Sustainability Performance

The following table is the Company's performance results on the social aspect in 2023.

Topics	Targets	Results	Remark
Health and Safety			
1. Incident Frequency Rate (I.F.R)	<2.5	0.97	Achieved
2. Lost Time Injury Frequency Rate (LTIFR)	<2.5	0.97	Achieved
3. Work-related fatality	0 case	0 case	Achieved
4. Average safety training hours per person	≥7 hours/year	18.0 hours/year	Achieved
5. ISO 45001 (Occupation Health & Safety Management System Certification)	17 factories	15 factories	
Employees Welfare and Well-Being			
6. Employee satisfaction scores	≥85%	71.02%	Increased by 3.22% from 2022 (68.80% to 71.02%)
Diversity & Inclusion and Career Development			
7. Female employees in managerial level	35%	43.65%	Achieved
8. Average training hours per person	≥25 hours/year	43.3 hours	Achieved
Human Rights and Labor Practices			
9. Conducting human rights and labor practices risks assessment	100% (17 factories)	100% (17 factories)	Achieved
10. Employees trained on human rights & labor practices policy	100% (17 factories)	100% (17 factories)	Achieved
11. Good labor practices certification	100% (17 factories)	100% (17 factories)	Achieved
12. Internal human rights and labor practices audit	100% (17 factories)	100% (17 factories)	Achieved
Community Engagement			
13. Social Contribution Activities	30 activities	61 activities	Achieved





## Environmental Aspect

We fully recognize that our business operations are both highly dependent on and impacting the environment. With this in mind, we embrace environmental responsibility and sustainability as core values. Specifically, we have focused on the following five issues based on our environmental policy:

- Biodiversity
- Decarbonization
- Water Management
- Waste Management
- Air Pollution Management

In addition, all our factories have obtained ISO 14001:2015 environmental management system certification, and we are working to properly manage the environmental impact caused by our business activities and to continuously improve our environmental performance.

## 1. Biodiversity

Biodiversity and climate change are strongly interconnected. Restoring and maintaining a healthy ecosystem through biodiversity conservation activities can at the same time reduce the effects of climate change by absorbing and fixing carbon dioxide. Recognizing this interconnectedness and promoting the conservation biodiversity, we are working on three biodiversity conservation projects: **deforestation risk analysis in rubber plantations according to the EUDR**, **tree planting program**, and **biodiversity survey**.

### Our Commitment

Recognizing the impact of our business may have on the natural environment and the benefits of biodiversity services, we will vigorously work toward the conservation of biodiversity and the realization of a sustainable natural environment. In particular, we will contribute to the prevention of tropical forest destruction in order to contribute to the sustainable development of natural rubber plantations, which our business is dependent on for 100%.

### Strategies

#### • Deforestation risk analysis in rubber plantations according to the EUDR

Conduct deforestation risk analysis by using geolocation tools to identify the supplier's rubber plantations and their potential risks associated with deforestation. Beyond EUDR, our long-term program is to work toward being a major supplier of a brand of diligence-based traceable TSR (TTSR).

#### • Tree planting program

Increase the number of trees planted in/around the factories' areas to restore the deforested landscapes for business operations and drive terrestrial biodiversity.

#### • Biodiversity survey

Conduct biodiversity survey by using online geographical tools to observe natural diversities within 10–20 km radius of factories.

## Targets and Results in 2023

Topics	Results	Remark
1. Plant 20,000 trees per year	15,391 trees	<b>105,560</b> (Accumulative number of planted trees from 2018 to 2023)
2. Plant 10 tree species	63 species	<b>234</b> (Accumulative number of tree species from 2018 to 2023)
3. Conduct deforestation risk analysis & biodiversity survey	100% (17 factories)	<b>Achieved</b>






# 1.1 Deforestation Risk Analysis in Rubber Plantations

We embarked on deforestation risk analysis in our supplier’s rubber plantations in preparation for **EUDR** to avoid procuring raw materials from areas linked to deforestation. In 2022, we initiated the similar project in collaboration with Southland Latex Co., Ltd. (NTW). In 2023, we further developed the project by creating the in-house traceability application to map the plantations managed by smallholders. Now that some rubber plantations have been mapped, **our future plan is to proceed with the analysis to assess deforestation risks and take appropriate mitigation measures.**

## » Performance Timeline

2022



**NTW** (in Na Thawi) created the supply shed map and overlaid it with the High Conservation Values (HVCs) 1-3 probability map. The analysis results showed that 4 sub-districts (Khlong Kwang, Wang Yai, Sathon, and Khula) in Songkhla provinces had a high probability of HCV presence.

2023


### Farm Survey (Preparedness for EUDR)

The Company conducted a farm survey to facilitate traceability back to the origin of our raw materials in preparation for EUDR. Once the geolocation data of natural rubber plantations is recorded in our internal platform, the Company will be able to create polygons to determine the boundaries of such plantations. By doing so, the Company can identify whether natural rubber is sourced from areas associated with deforestation. In addition, our internal platform provides a direct sales channel which allows farmers to directly connect with our factories.

The following is survey results updated in December 2023:



2023

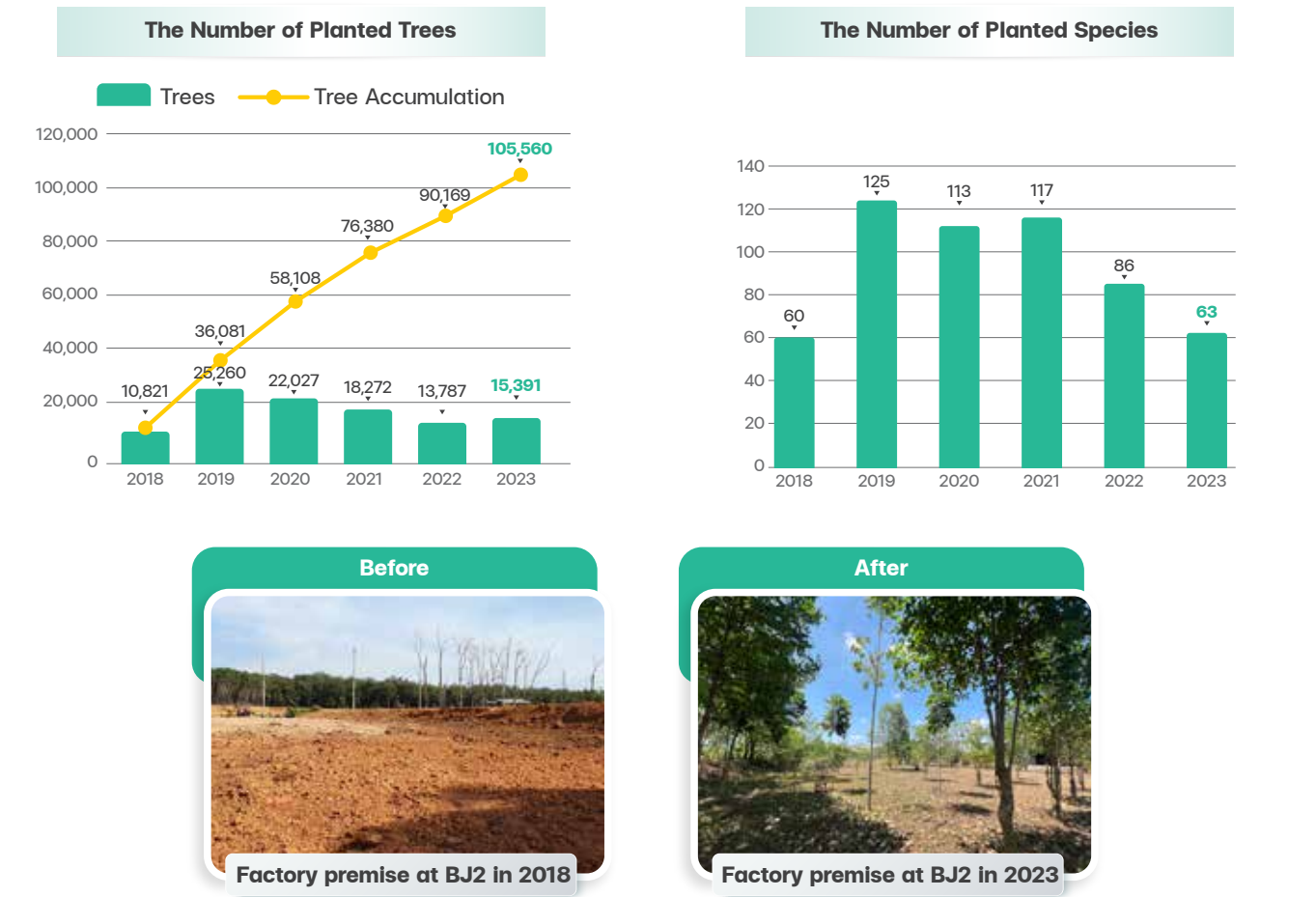


In addition, the Company shared pertinent information about sustainability practices (e.g., EUDR, supply chain traceability, and sustainable raw material sourcing) with the raw materials suppliers through the capacity building program and onsite visits to ensure that they understand and are aligned with these matters. In 2023, these activities were held by 4 factories: BJ4 (STR), HX (RSS), PT (Latex), and LS (Latex).

# 1.2 Tree Planting Program

Since 2018, as part of our biodiversity conservation activities, our Company has advocated "Nature in the factory" with the aim of regenerating nature within the factory premises and increasing sustainable terrestrial biodiversity. Through the program, we have planted a variety of tree species with the goal of planting a total of **100,000** trees by the end of 2023. Also, we have expanded this activity further outside the factory by distributing young plants to local communities as well as other stakeholders and actively participated in tree-planting activities sponsored by third parties.

## » Results



## » About the Planted Tree Species

Over the course of a six-year tree planting program, the Company planted **234 different tree species** which can be broadly categorized into 3 different majors as follows:

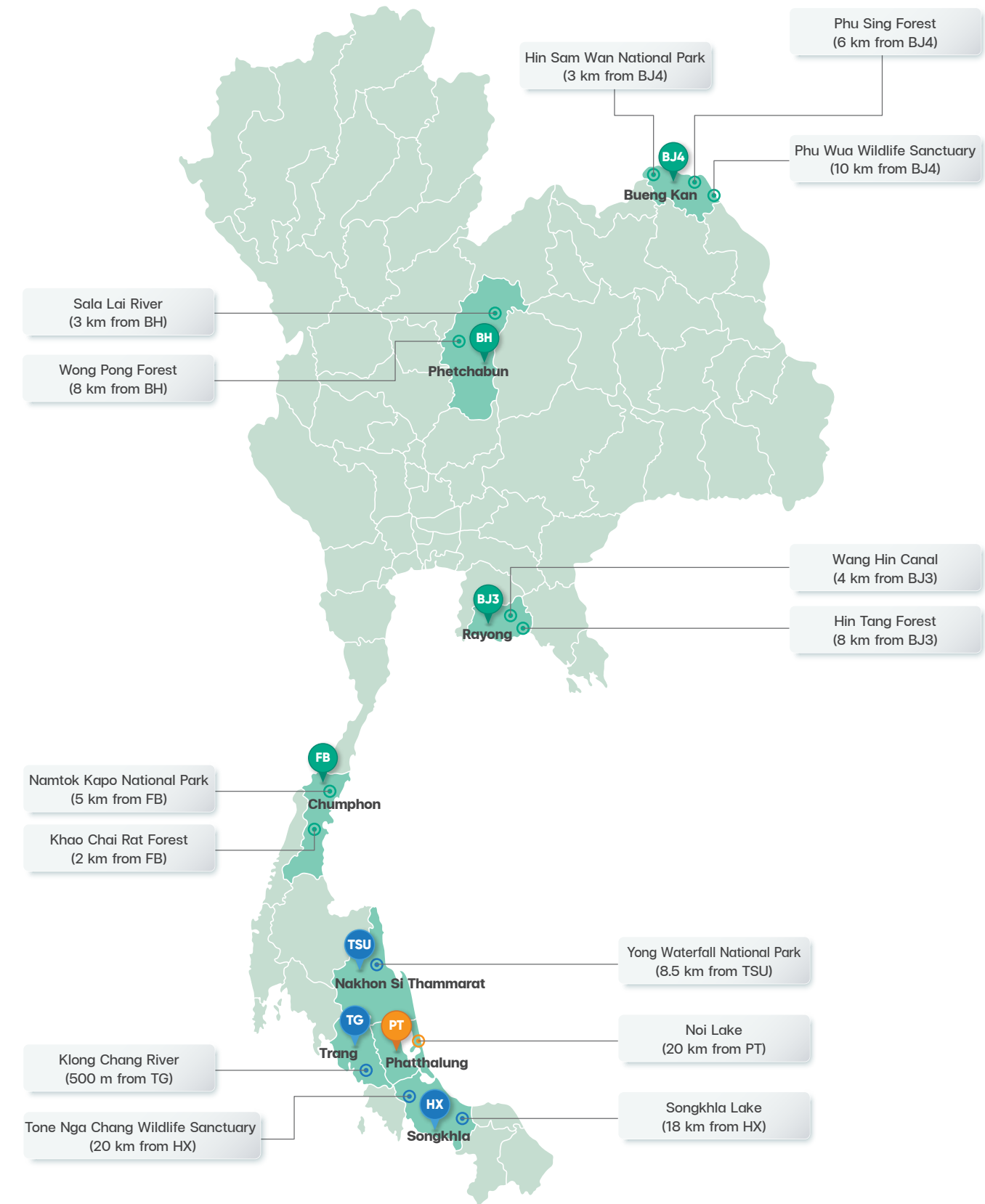
3 Majors of Tree Species	Examples	Reasons for Planting
1. Canopy	Siamese rosewood, iron wood, white meranti, Dipterocarpus alatus, and Java cassia	Canopy trees exhibit resistance to decay as well as environmental changes. In addition, they provide primary ecosystem services and effectively absorb carbon dioxide.
2. Lower Canopy	Mango tree, jackfruit trees, bamboo tree, Inthanin, Jacaranda, and Asoke tree	The lower-canopy trees can provide habitats and produce food for a variety of animal species, which can enhance ecological balance and create forest ecosystem within the factories.
3. Shrub	Basil, green chiretta, lime trees, chili, tomato, rose trees, and Bougainvillea	Most of shrubs planted in the factory are vegetables. The Company grow vegetables as they serve as a source of food for its employees.

### 1.3 Biodiversity Survey

As a first approach in biodiversity conservation activities initiated in 2022, we have identified natural features within a certain area around each factory. The specific research method involved using geographical information system-the Forest 4 Thai application, the Pitak Pri application, and the Royal Forest website that can be accessed online to identify nature conservation areas, water bodies, and terrestrial areas within 20 km of the factory. Recently, our 17 processing factories have conducted online survey.

#### » Research Results

The following are the examples of areas with potentially high biodiversity close to our factories:



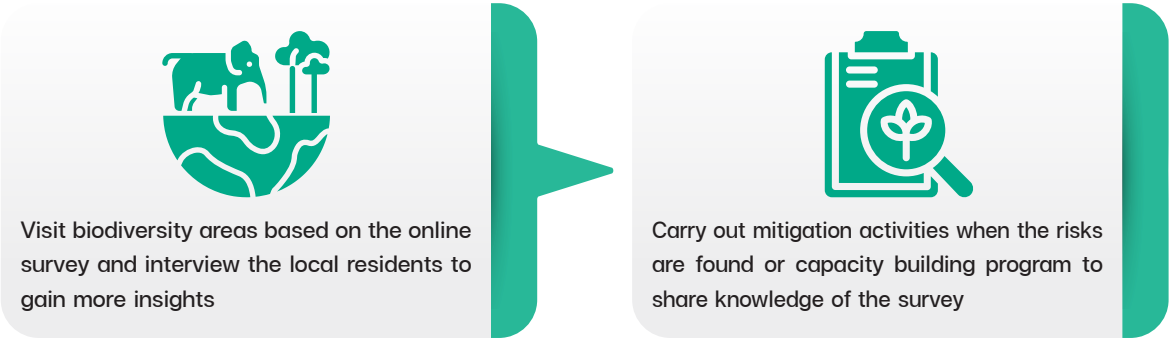
#### Relation of Such Biodiversity Areas with Local Communities

Nature	Biodiversity Areas	Provinces and Regions	Relations
Forest and conservation areas	<ul style="list-style-type: none"><li>Hin Sam Wan National Park</li><li>Namtok Kapo National Park</li><li>Young Waterfall National Park</li><li>Phu Wua Wildlife Sanctuary</li><li>Tone Nga Chang Wildlife Sanctuary</li><li>Phu Sing Forest</li><li>Wong Pong Forest</li><li>Hin Tang Forest</li><li>Khao Chai Rat Forest</li></ul>	<ul style="list-style-type: none"><li>Buengkan (Northeastern)</li><li>Chumphon (Southern)</li><li>Nakhon Si Thammarat (Southern)</li><li>Buengkan (Northeastern)</li><li>Songkhla (Southern)</li><li>Buengkan (Northeastern)</li><li>Phetchabun (Central)</li><li>Rayong (Eastern)</li><li>Chumphon (Southern)</li></ul>	Relying on the nature for: <ul style="list-style-type: none"><li>Ecotourism &amp; tourism-related employment</li><li>Cultural practices</li><li>Environmental education</li></ul>
Water bodies	<ul style="list-style-type: none"><li>Sala Lai River</li><li>Klong Chang River</li><li>Wang Hin Canal</li><li>Noi Lake</li><li>Songkhla Lake</li></ul>	<ul style="list-style-type: none"><li>Phetchabun (Central)</li><li>Trang (Southern)</li><li>Rayong (Eastern)</li><li>Phattalung (Southern)</li><li>Songkhla (Southern)</li></ul>	Relying on the nature for: <ul style="list-style-type: none"><li>Fishing</li><li>Daily consumptions &amp; household activities</li><li>Tourism</li><li>Transportation</li><li>Recreation</li></ul>

#### Potential Impacts from Our Operational Activities on Such Biodiversity Areas

Items	Potential Impacts	Preventions
Odor	<ul style="list-style-type: none"><li>The volume of raw materials within the factories and our production activities can cause unpleasant odor</li></ul>	<b>Odor control measures</b> <ul style="list-style-type: none"><li>Use EM fermented and wood vinegar to reduce odor intensity</li><li>Add air and microorganisms to the wastewater</li><li>Frequently clean the factory's areas that are a source of odor emissions</li></ul>
CO <sub>2</sub> emission	<ul style="list-style-type: none"><li>Exposure to CO<sub>2</sub> emission can lead to health issues</li><li>CO<sub>2</sub> emissions can contribute to rising temperatures which causes the disruption of local ecosystem and biodiversity</li></ul>	<b>CO<sub>2</sub> emission reduction measures</b> <ul style="list-style-type: none"><li>Use solar energy in business operations</li><li>Increase energy efficiency such as electric forklift and LED light bulbs</li><li>Increase the use of LNG in production process</li></ul>
Transportation of raw materials to the factories	<ul style="list-style-type: none"><li>The leakage of serum from cup-lump material during transportation can result in land pollution</li></ul>	<ul style="list-style-type: none"><li>Encourage suppliers to install cup lump serum tanks on transporting vehicles</li></ul>

#### Our Next Plan to Promote Biodiversity Conservation





## 2. Decarbonization

Global warming has become a serious environmental issue that creates detrimental impacts on the entire world. Thus, we have been proactively working on measures to reduce GHG emissions to lessen climate change effects. This includes the development of strategies to contribute to greenhouse gas emission reduction as follows:

### Our Commitment

We commit to efficient energy consumption and carbon emission reduction to make a contribution to the mitigation of climate change impacts.

### Strategies

- **Introduce Renewable Energy**
  - 1. Increase the proportion of renewable energy from solar energy to reduce the GHG emissions and non-renewable energy consumption
- **Introduce electric forklift and using LED light bulbs**
- **Increase the use of Liquefied Natural Gas (LNG) in production process**

### Targets and Results in 2023

Topics	Results	Remark
1. Reduce ≥10% of carbon emission reduction by 2023 (compared to base year of 2017)	-5.09%	Base year 2017: 106,843.68 tCO <sub>2</sub> eq <sup>1</sup>
2. Reduce ≥10% of carbon emission intensity reduction by 2030 (compared to base year of 2017)	+23.2%	Base year 2017: 0.151 tCO <sub>2</sub> eq/tons of production



1. Abbreviation for carbon dioxide equivalent according to TGO.

## 2.1 Introducing Renewable Energy

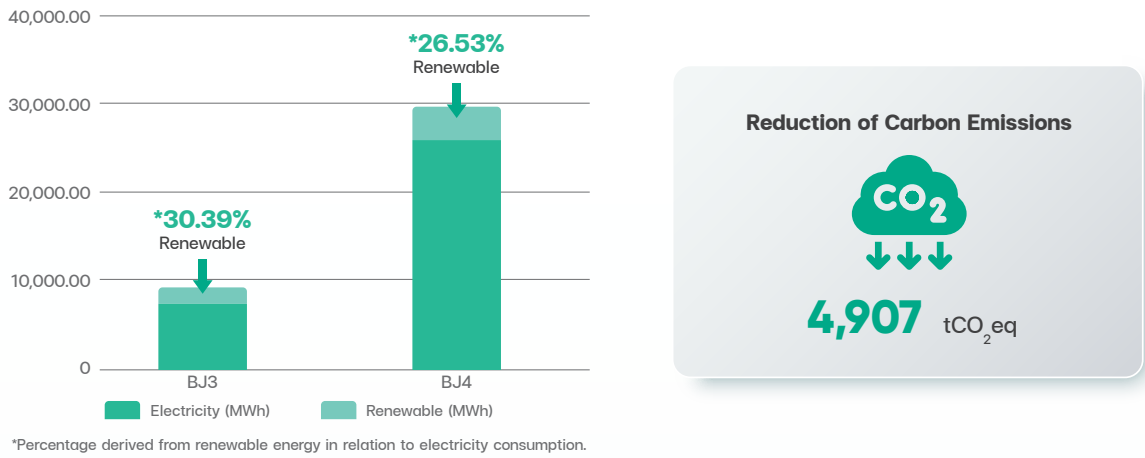
### » 2.1.1 Solar Rooftop Project

We set up a solar rooftop project as our vital stride towards decarbonization. The shift to a higher proportion of renewable energy, like solar power, is also regarded as the Company's essential movement to provide an impetus for further changes in energy usage.

In the previous year, we piloted this project at two of our STR factories—**BJ3** in Rayong province and **BJ4** in Buengkan province, and they successfully generated solar energy for internal use this year.

### » Results

The figure plots electricity consumption of BJ3 and BJ4. According to the figure, the use of solar energy can cover electricity consumption of BJ3 and BJ4 by 30.39% and 26.53% respectively. Due to the limited solar capacity of each factory (2.3 MWp for BJ3 and 8.0 MWp for BJ4), they supplemented their energy needs for production with supplied electricity, which may contribute to Scope 2 carbon emissions. Nevertheless, the utilization of solar energy results in a **reduction of carbon emissions by 4,907 tCO<sub>2</sub>eq**.



To broaden the scope, the Company planned to expand the project to the other STR factories by 2025. The details of which are as follows:

STR Factories	Year to Introduce Solar Panel	Estimated CO <sub>2</sub> Emission Reduction Under Scope2/Year
BJ1 (Nakhon Si Thammarat)	By 2025	24.8%
BJ2 (Songkhla)	By 2025	18.1%
FB (Chumpon)	By 2024	19.7%
FC (Trang)	By 2025	15.1%
BH (Phetchabun)	By 2025	24.9%

## 2.2 Electric Forklift



The Company has replaced some diesel forklifts with electric forklifts in an effort to promote energy efficiency and contribute to CO<sub>2</sub> emission reduction. Currently, the Company has used 7 electric forklifts in SN (in Surat Thani), HX (in Songkhla), TSU (in Nakorn Si-Thammarat), and BH (in Phetchabun). The use of electric forklifts can reduce CO<sub>2</sub> emissions by approximately **10.5 tCO<sub>2</sub>eq/year**. In 2024, the Company aims to increase the utilization of electric forklifts by purchasing three more units to be used within our RSS factories.

The Number of Electric Forklifts and Diesel Forklifts in RSS Factory in 2023

Branch	Electric Forklift	Diesel Forklift	Percentage of Electric Forklift
HX	1	12	8.3%
TSU	1	15	6.6%
SN	2	13	15.4%
BH	3	5	60%
Total	7	45	15.5%

CO<sub>2</sub> Emission Reduction by the Use of Electric Forklifts

Year	Total Number of Electric Forklift	Estimated Reduction of CO <sub>2</sub> Emissions/Year
2022	4	6 tCO <sub>2</sub> eq
2023	7	10.5 tCO <sub>2</sub> eq
2024	10	≈15 tCO <sub>2</sub> eq

## 2.3 LED Light Bulbs

The Company has switched to use LED light bulbs that consume less energy in several areas of the factory, including the office, production line, laboratory, and storage room, which is estimated to save electricity consumption by approximately **121,000 KWh/year**.

Total Unit

2,539 Unit

Cost Saving/Year

486,730 THB

Energy Saving/Year

121,682 KWh

## 2.4 Liquefied Natural Gas (LNG) in Production Process

The processing factories—BJ3 and FB—resumed utilizing LNG in September. Currently, the other STR processing factories have set up LNG storage facilities in preparation for LNG usage. Once the LNG prices trade at economic levels, they will begin using LNG for production.

Data	Actual LPG (YR 2023)	Estimation of Using LNG Compared with LPG
Consumption (kg)	9,229.61	8,768.13
CO <sub>2</sub> Emissions (kg)	28,734.57	24,065.02

-5%

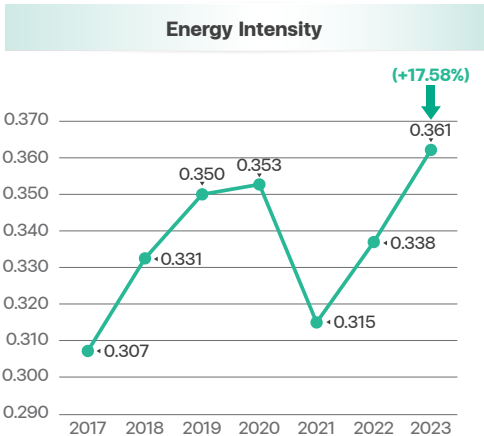
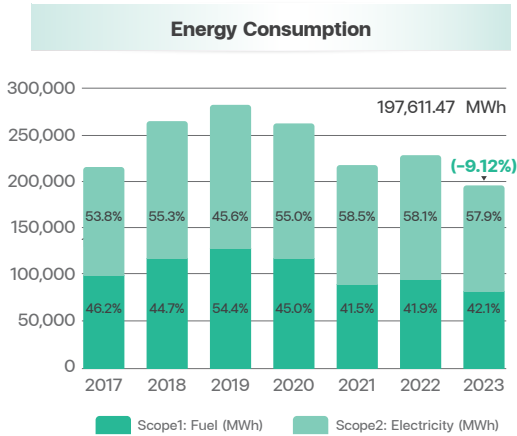
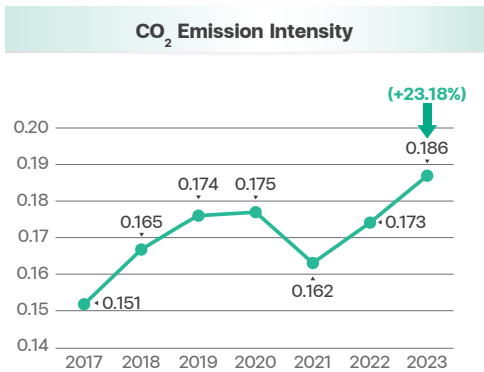
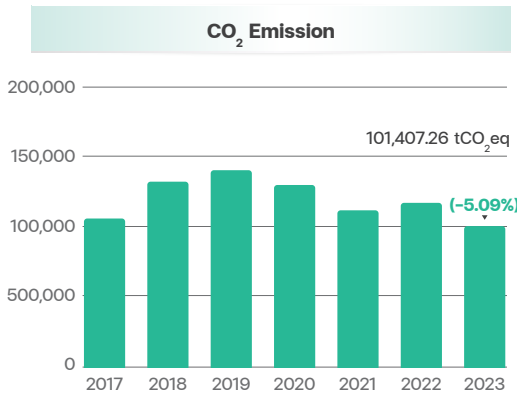
Estimated Reduction of LPG Consumption

-16%

Estimated Reduction of CO<sub>2</sub> Emissions

## » Results in Energy and CO<sub>2</sub> Emissions

Our CO<sub>2</sub> emissions in 2023 were reduced by 5.09% compared to the base year of 2017. The decrease in production volume, nevertheless, resulted in the increasing CO<sub>2</sub> emission intensity (+23.18%). In addition, energy consumption reduced by 9.12% compared to the base year, but the energy intensity increased by 17.58%.



Additionally, we started collecting data on the CO<sub>2</sub> emissions under requirement scope 3. We intend to disclose the Company's carbon footprint, consisting of 2 categories: upstream transportation and distribution, and downstream transportation and distribution. The details are as follows:

GHG Emissions Scope 3 (tCO <sub>2</sub> eq)	Year 2023
Upstream transportation and distribution	22,049.86
Downstream transportation and distribution	18,261.94



## » Future Plan to Promote CO<sub>2</sub> Reduction

Our Company has relied heavily on fossil-derived fuels such as LPG, and in order to reduce fossil-derived fuels toward decarbonization, we have focused on the use of biomass fuel and have formulated a plan to introduce it. Specifically, we aim to utilize biomass energy as a heat source for the rubber drying process. We will select either STR or Latex factories to be our first project trial.



# 3. Water Management

Water crises, whether they be water scarcity, drought severity, or inadequate access to clean and safe water, have escalated due to the climate change problem and the increasing need for water had been considered major global challenges the currently facing the world. Realizing such issues, the Company has implemented water management system and sustainable water usage strategies so as to ensure that our Company’s operational activities do not incur risks associated with water or cause negative impacts on the surrounding communities.

### Our Commitment

We are committed to adopting sound waste management as well as recovering values from waste materials so as to minimize waste disposals and hence contribute to the circular economy strategy.

### Strategies

- Establish wastewater management system to contribute to zero wastewater discharge and reduction of water intake from other water sources
- Emphasize wastewater treatment process improvement (KAIZEN)
- Emphasize water resource maintenance activities

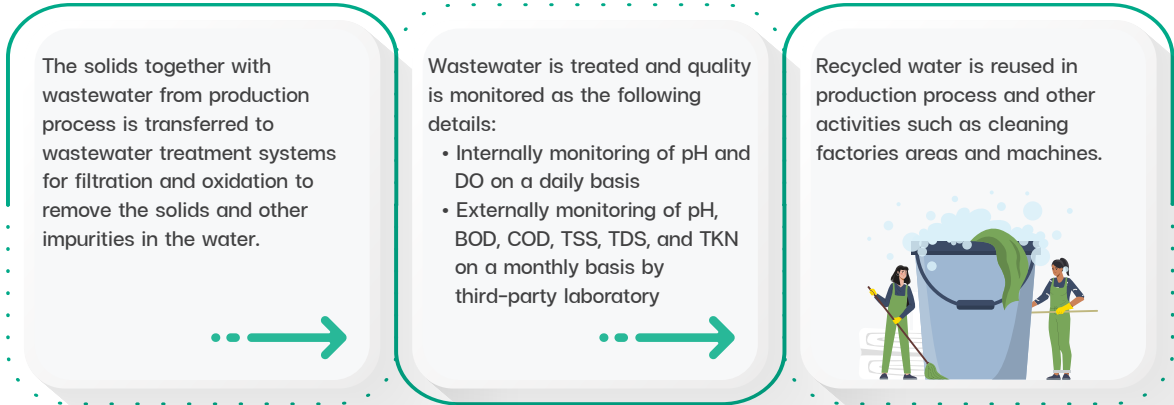
Targets	Results
Recycle <b>100%</b> of wastewater from production process	<b>Achieved</b>
Achieve <b>ZERO</b> water discharge	<b>Achieved</b>



# 3.1 Wastewater Management

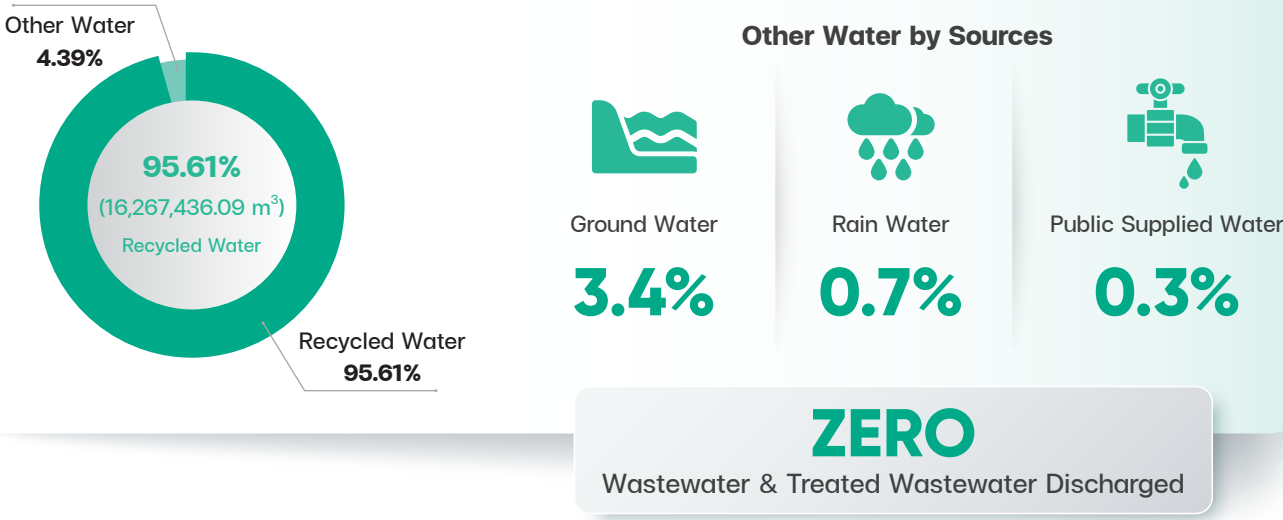
In a contribution to circular economy with 3R principle (Reduce, Reuse, and Recycle), all of our processing factories adopt one of the two closed-loop wastewater treatment systems—activated sludge and aeration lagoons—to recycle effluent from production process and reuse recycled water for manufacturing. The treated water is also tested and monitored daily to ensure its meeting and exceeding quality parameters before being redirected into production process and used for other purposes.

### » Wastewater Treatment Process and Quality Monitoring



### » Results

The majority of our consumed water in processing is recycled water, which accounts for **around 95%** of our total water consumption. Water from other sources, which makes up **less than 5%** of total water consumption, is used for water dilution & replenishment and factory’s activities.



### » Future Plan on Water Conservation

We also planned to develop the water conservation project to assess water risks such as water stress, contamination, or pollutants. The project enables us to determine the availability and quality of water resources within a 20-30 km radius of the factory in order that we can adopt mitigation measure to tackle those potential risks.

## 4. Waste Management

The dramatic rise of waste and hazardous substances has created adverse environmental issues. The Company, thus, prioritizes waste management efforts to address such issues, focusing on sorting waste into different categories to ensure proper disposal and implementing initiatives to recover waste materials.

### Our Commitment

We are committed to adopting sound waste management as well as recovering values from waste materials so as to minimize waste disposals and hence contribute to the circular economy strategy.

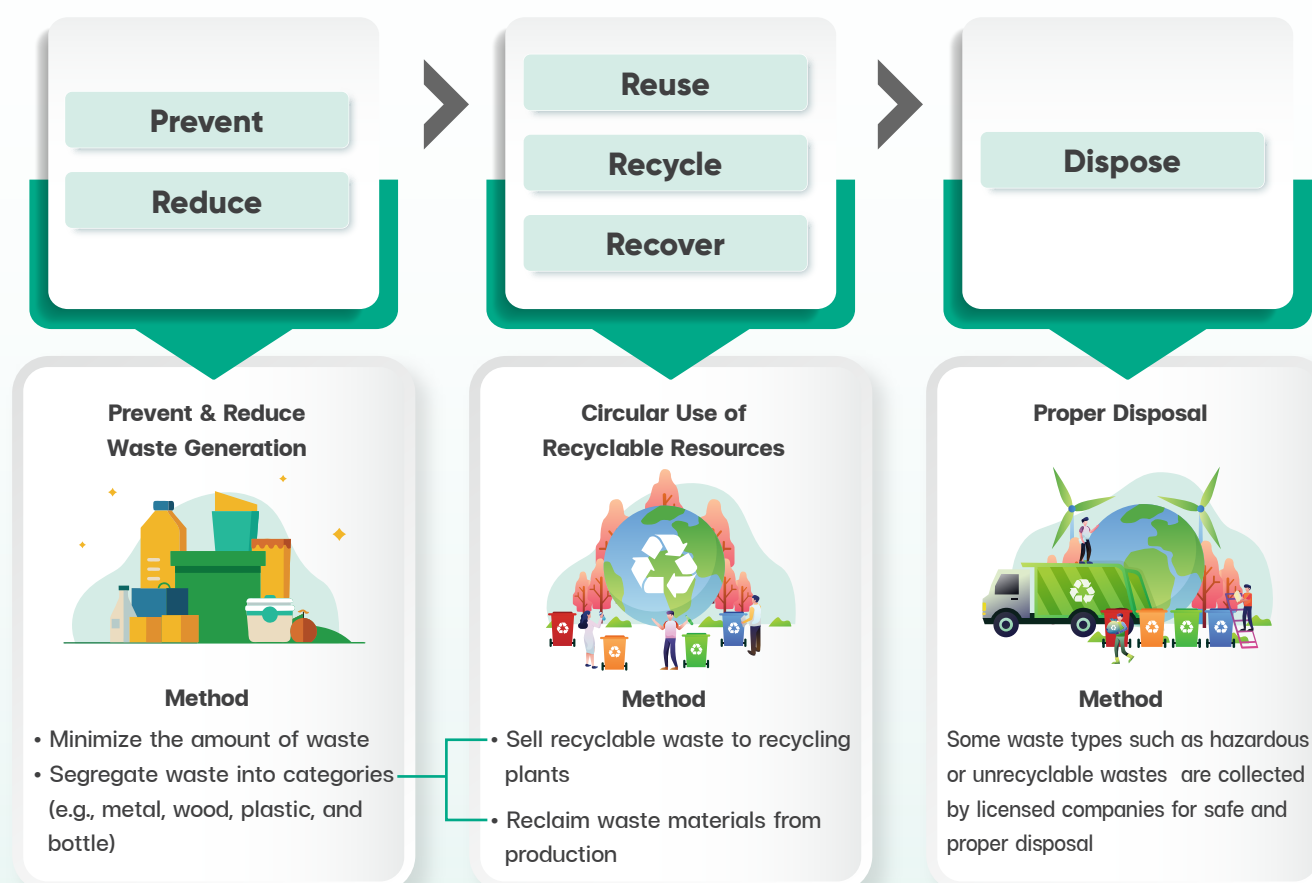
### Strategies

- Emphasize 3R waste management activity
- Collaborate with local communities to develop a waste-sorting center

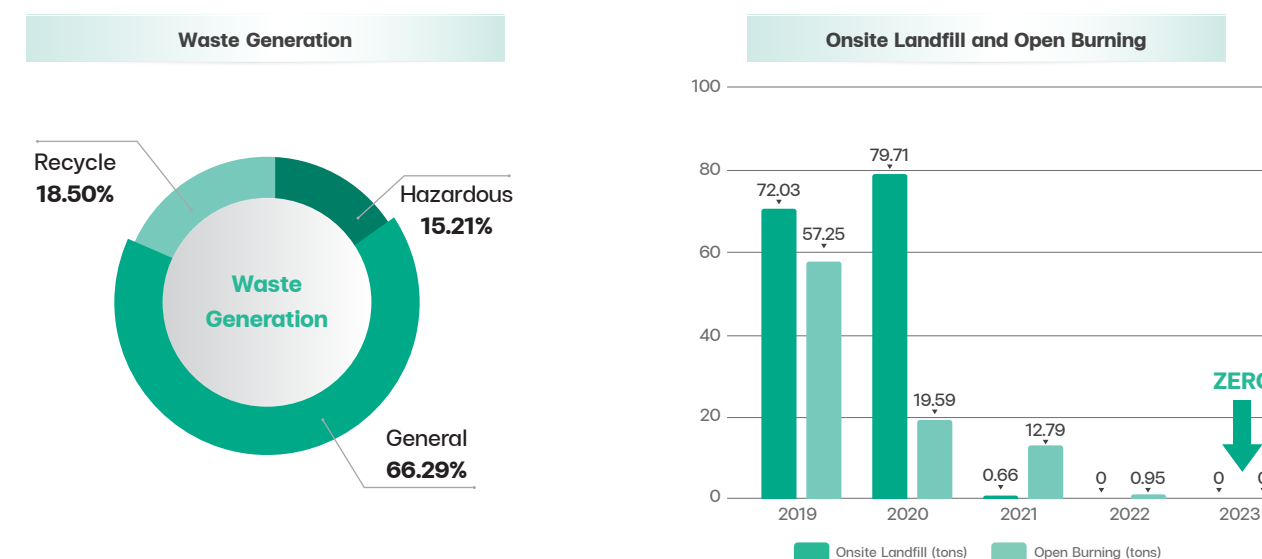
Targets	Results
Achieve <b>ZERO</b> waste disposed through onsite landfill	<b>Achieved</b>
Achieve <b>ZERO</b> waste disposed through open burning	<b>Achieved</b>

## Waste Management Hierarchy

The following information is the waste management hierarchy framework the Company adopted for managing waste and recovered materials from its business activities.



### » Result

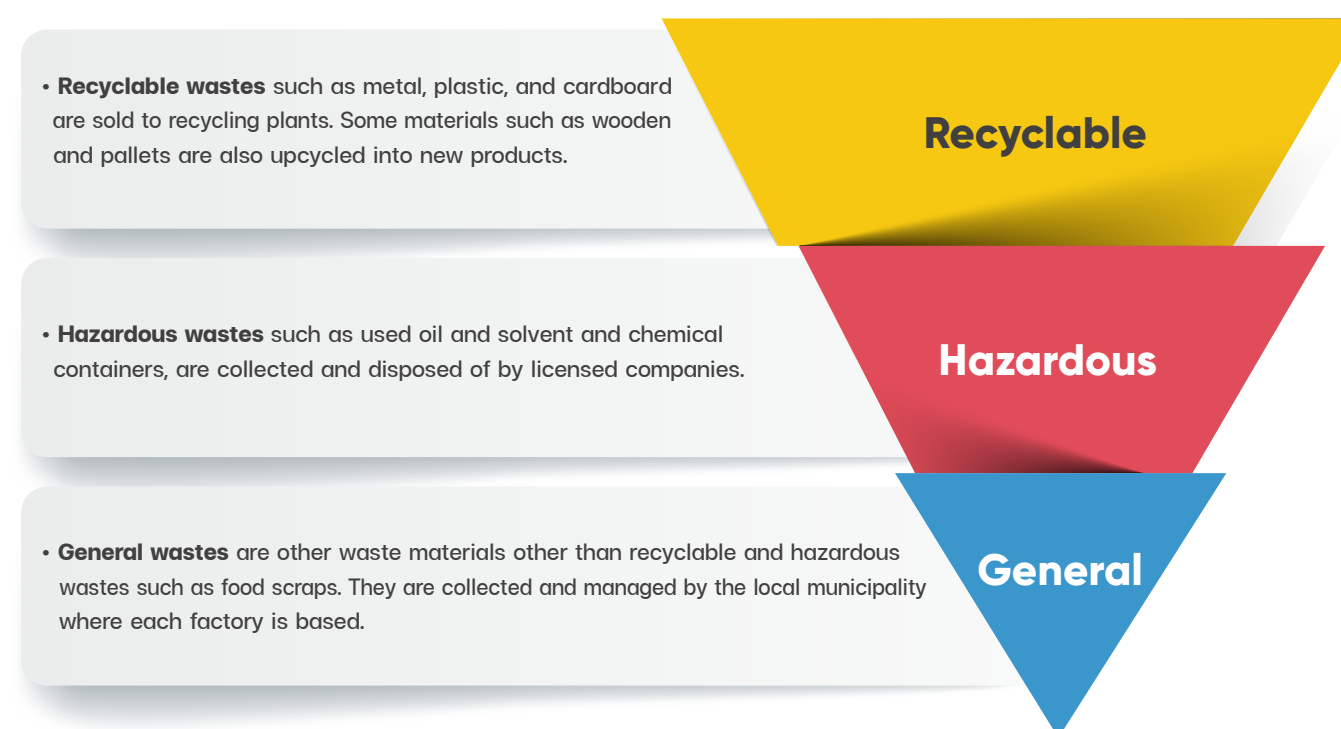


## 4.1 3R Waste Management Activities

The Company has developed 3R activities to minimize waste generation and create added-value for recovered materials as follows:

### » 4.1.1. Waste Segregation at Factories

All of our 17 processing factories have implemented waste segregation, wherein different types of waste are sorted into distinct categories, with the purpose of facilitating environmentally-sound management and disposal of waste. Waste generated within our factories can be divided into 3 different majors as outlined below.





» 4.1.2. Sludge-to-Fertilizers

In 2021, the Company launched the sludge-to-fertilizer project by recycling sludge, which is tested to contain nutrients necessary for plants and tree growth, from wastewater treatment system into fertilizers. The Company first distributed the sludge-based fertilizers to natural rubber plantations in 2022 to support their cultivation of various crops and continued this effort this year. Through this activity, the Company can reduce the amount of sludge sent to the landfill by approximately **1 ton**.

» Project Process

2021



Training

The Company collaborated with Songkhla Land Development Station to provide knowledge of composting fertilizer related persons.



Composting Fertilizer

Southland Resources Co., Ltd.  
• BJ1 1,000 kg  
• BJ2 1,000 kg

2022



Testing Samples

The Company used fertilizer to nourish rubber trees for 3 months in order to test its effectiveness. The test results showed that the sludge fertilizers worked in a similar way as regular fertilizers.



Distribution

After the trial, the Company distributed 450 kg of fertilizers to 2 smallholders in Satun and Songkhla provinces

2023



Composting Fertilizer

Southland Resources Co., Ltd.  
• BJ2 900 kg



Distribution

The Company distributed 900 kg of fertilizers to smallholders in Sabayoi district, Songkhla province.



1,350

The Amount of Sludge Fertilizers (kg from YR 2022-2023)



2

Smallholders Receiving the Fertilizers

» The Results of Cocoa Tree Growth After the Use of Fertilizer



In 2022, our smallholders used sludge-based fertilizers to grow rubber trees. In 2023, the smallholder in Sabayoi district, Songkhla province started using the fertilizer to nourish more plants for additional experiment by embarking on cocoa trees. The results showed that fertilized cocoa trees reached a height of approximately 100 cm and produced 6-8 leaves by December 2023.

» 4.1.3. Material Reclamation

Lockers



Garden swing seats



Unimac Rubber Co., Ltd. (**UMR-TG**) revalued unused wood pallets by upcycling them into employee's lockers. There were approximately 40 lockers in need of repair. Instead of buying new materials, the factory used the wood pallets left from production for locker adjustment. In addition to lowering the extra costs of purchasing new facilities, this adjustment reduced waste disposal by up to 150 kg. The factory also upcycled disused steel into garden swing seats, which can reduce waste transmitted to landfills by 400 kilograms. The seats were then donated to local students at Ban Kling Klong kindergarten, Sikao district, Trang province.

4.2 Waste-Sorting Center



Southland Resources Co., Ltd (**BJ3**) continued the community waste sorting center project in collaboration with the Wangwa Subdistrict Administrative Organization, Rayong province. The primary goals of this initiative are to foster a sustainable circular economy within the local community and cultivate awareness of waste segregation. Through the project, the community can sell recyclable materials on the 15th of every month at the center, and those materials are subsequently sold to recycling plants on the same day for further processing.

Results	2022	2023
Quantity of recyclable materials	1,736 kg	3,904.10 kg
Income	14,325 THB	24,031 THB

4.3 Polo Shirt from Plastic Bottles

To further emphasize the commitment to sustainable business with waste management and the circular economy as part of it, the Company came up with the upcycling project wherein PET plastic bottles are converted into the Company polo shirts. One polo shirt is made from around 15 plastic bottles, and we produced 2,500 polo shirts, recovering value from a total of **37,500** used plastic bottles.



# 5. Air Pollution Management

Our Company fully comprehends that air pollution can produce serious effects on the environment, including the nearby vicinity. Thus, the Company has put in place the air pollution strategies to combat potential odor sources, including the malodorous cup lumps (one of our raw materials), to prevent their adverse impacts on communities and ensure adherence to air-quality standards as the following details:

### Our Commitment

We are committed to controlling air emissions (NO<sub>x</sub>, SO<sub>x</sub>, and TSP) within defined standards of the industry as well as controlling the levels of natural fermentation odor emitted from cup lumps in STR factories.

### Strategies

- Adopt the odor management strategy to control air emission
- Annually measure the air emission quality

Targets	Results
Pass air quality test (NO <sub>x</sub> , SO <sub>x</sub> , TSP)	<b>100% passed</b>
Receive <b>ZERO</b> complains	<b>Achieved</b>



# 5.1 Odor Management Strategy

## » 5.1.1 Using EM & Wood Vinegar to Control the Odor



Effective microorganism (EM) and wood vinegar are used to control intensity of odor produced due to the fermentation of cup-lump raw materials in the storage areas. EM and wood vinegar is frequently sprayed on the raw materials, factories areas, and cup-lump serum drainage groove.

## » 5.1.2 Regular Cleaning of Factory Areas



The factories frequently clean their operational areas, focusing on the areas that can pose the air pollution risks such as the incoming raw material area and raw material storage pond to control the odor intensity.

## » 5.1.3 Tank-Installed Vehicles for Transporting Cup Lumps and Wet Scrubber Odor System



Tank-Installed Vehicles



Wet Scrubber

The Company encouraged suppliers to install plastic catchment tanks on vehicles for transporting cup-lump materials to get rid of undesirable odors from cup-lump serum which is daily transported to our factories as well as its leakage that can cause road accidents. After being transported to the factories, the cup-lump serum collected in the tanks will be transferred to the wastewater treatment systems for the recycling. Currently, there are 408 vehicles that are tank-installed. In addition, the Company has used the wet scrubbers to remove the polluted air from its manufacturing activities and frequently cleaned them to prevent odor disturbance.



» 5.1.4 Odor Surveys and Monitoring



The Company conducts odor surveys and monitoring within a 5 km radius of the factories, utilizing human olfactory senses and asking local communities whether they are affected. The monitoring is conducted on a weekly basis or even several times a day based on the odor intensity.

5.2 Odor Measurement

The Company test the NO<sub>x</sub>, SO<sub>x</sub>, and TSP annually to minimize environmental impacts and ensure that the emissions are in compliance with the legal standards.

Factory	Air Pollutant Emissions and Standards				Methodology & Source of Air Quality Standards
		NO <sub>x</sub>	SO <sub>x</sub>	TSP	
	STR & Latex Factories	≤200 PPM	≤60 PPM	≤320 mg/m <sup>3</sup>	
RSS Factories		≤5 PPM	≤5 PPM	≤15 mg/m <sup>3</sup>	
STR Factories	<b>100% passed</b> The Ministry of Industry of Thailand Standards for Air Quality Emissions				Our air emission quality is measured by a qualified third party, and standards adopted are defined by the Ministry of Industry, Thailand.
RSS Factories					
Latex Factories					

Odor Complains<sup>1</sup> The Official Written Complains

Year	2019	2020	2021	2022	2023
Case	6	2	0	0	0

The Record of Tank-Installed Vehicles (STR Factories)

Year	2019	2020	2021	2022	2023
Vehicles	384	566	1,016	408	408



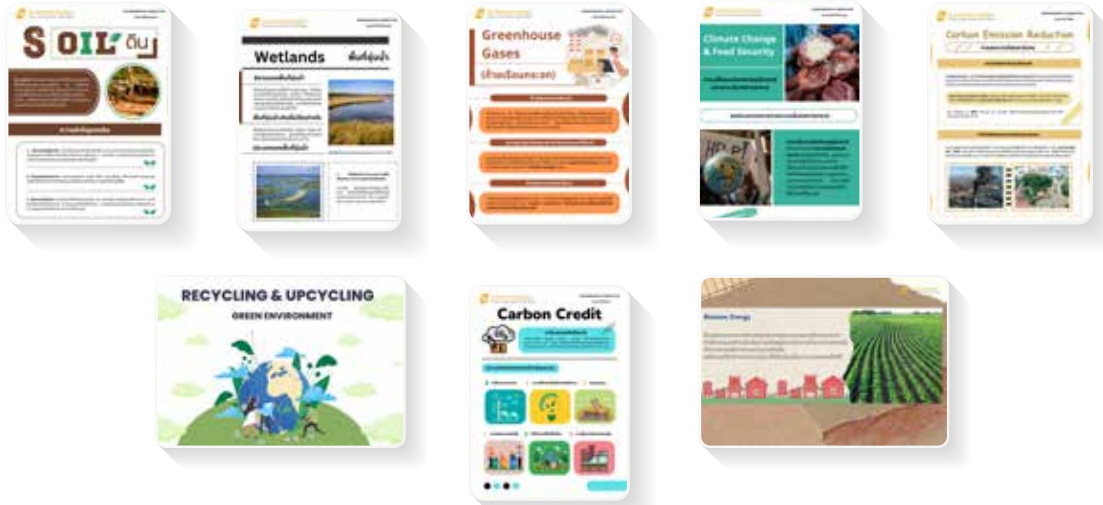
6. Other Environmental Performances

6.1 Monthly E-Newsletter

We have shared environmental knowledge with our employees, using short videos and in-house publications in the form of monthly e-newsletters. Most topics are purposely written based on our five environmental cores—climate change, water management, waste management, biodiversity, and air pollution. Since 2021, **38 issues** on various environment-related information have been conveyed online to our employees and made public in the factory areas. Along with this, we will try to create other effective communication channels to make the information more worth reading.

E-Newsletter Topics in 2023

Months	Environmental Topics
January	Soil
February	Wetlands
March	Greenhouse Gas
April	Climate Change and Food Security
May	Carbon Emission Reduction
June	Carbon Credit
July	EUDR
August	Indigenous People
September	Recycling and Upcycling
October	Biomass Energy
November	Energy Efficiency
December	Greenhouse Gas Protocol



At the end of June 2023, Southland Latex (Phattalung) has disclosed its environmental performance under the Carbon Disclosure Project (CDP), known as a nonprofit organization actively engaging in insight disclosure about the global environment. As part of the disclosure, the Company had to complete a specific questionnaire pertaining to performance on carbon footprint and water management. The Company will receive carbon and water management scores by 2024.

## 6.2 World Environmental Day

World Environment Day is celebrated yearly on the 5th of June. On that day, our factories usually organize activities, aiming at improving the environment of the surrounding areas and creating environmental awareness among employees and communities.



### Beach Cleaning (BJ3)

The factory organized the beach cleaning activity at Laemson Beach, Rayong province, under the Beach Lover campaign. In this activity, 20 employees voluntarily collected wastes along the beach to improve its scenic environment.

### Improving Local Temple Areas (BK)

BK joined hands with their employees to improve the landscapes of Yung Thong Temple, Songkhla province. They collected trash and cleaned places of worship, aiming to enhance the public engagement between the factory and the local community.



## 6.3 Community Service to Promote Energy Efficiency

### » 6.3.1 LED Lighting in School



Being one part of the school community, Southland Latex Co., Ltd. (BK) has recently distributed 33 LED light bulbs to Ban Khlong Nok Kratung School to provide access to low energy lighting for students. The light bulbs will be used in the school's toilets and other areas where the students and teachers can carry out day-to-day educational activities. With this effort, we are able to promote the use of LED lights in nearby communities and ensure efficient energy usage among local people.



## Sustainability Performance

The following table is the Company's performance results on the environmental aspect in 2023.

Topics	Targets	Results	Remark
<b>Biodiversity</b>			
1. Number of trees planted	≥20,000 trees	15,391 trees	<b>105,560</b> (Accumulative number of planted trees)
2. Number of locally found tree species planted	≥10 species	63 species	<b>234</b> (Accumulative number of tree species)
3. Conduct deforestation risk analysis & biodiversity survey	17 factories	17 factories	<b>Achieved</b>
<b>Decarbonization</b>			
4. Carbon emission reduction	Reduce ≥10% by 2030 (compared to base year of 2017)	-5.09%	Base year 2017: 106,843.68 tCO <sub>2</sub> eq
5. Carbon emission intensity reduction	Reduce ≥10% by 2030 (compared to base year of 2017)	+23.2%	Base year 2017: 0.151 tCO <sub>2</sub> eq/tons of production
<b>Water Management</b>			
6. Wastewater recycling	100%	100%	<b>Achieved</b>
7. Wastewater discharge	Zero	Zero	<b>Achieved</b>
<b>Waste Management</b>			
8. Waste to onsite landfill	Zero	Zero	<b>Achieved</b>
9. Waste to onsite open burning	Zero	Zero	<b>Achieved</b>
<b>Air Pollution Management</b>			
10. Air quality test (NO <sub>x</sub> , SO <sub>x</sub> , and TSP)	100% passed	100% passed	<b>Achieved</b> (17 factories)
<b>Other Environmental-Related Performance</b>			
11. Average environmental training hours per person	4 hours/year	11.1 hours/year	<b>Achieved</b>
12. ISO 14001 (Environmental Management System Certification)	17 factories	17 factories	<b>Achieved</b>





## Economic Aspect

As a leading natural rubber processor, we emphasize our commitment to strengthening sustainable raw material procurement and delivering consistently high-quality products to our customers to meet their needs. Also, we continued close engagement with raw materials suppliers to maintain long-term partnerships based on trust and mutual respect.

Our economic aspect covers 4 topics as follows:

- **Product Quality and Customer**
- **Sustainability Awareness and Development**
- **Sustainable Supply Chain**
- **Supporting Local Communities**



## 1. Product Quality & Customer

We have prioritized product quality management to prevent recurrence of quality issues to ensure that our processed natural rubber are input materials that meet customers’ specifications. In addition, we continued various customer engagements (customer satisfaction, factory visits, and audits) to obtain customer’s feedback for continuous improvement in the quality management and control.

### Our Commitment

We are committed to achieving our corporate mission “To Continue to be a Reliable and Dependable Supplier of Quality Natural Rubber” by continuously engaging with customers and strengthening our product quality control measures.

### Strategies

- Implement ISO 9001 or Quality Management System
- Conduct internal quality audits
- Have in place Kaizen-5S programs for continuous management and quality improvement
- Continue engagement with customers to obtain their feedback on the product quality & consistency and product delivery

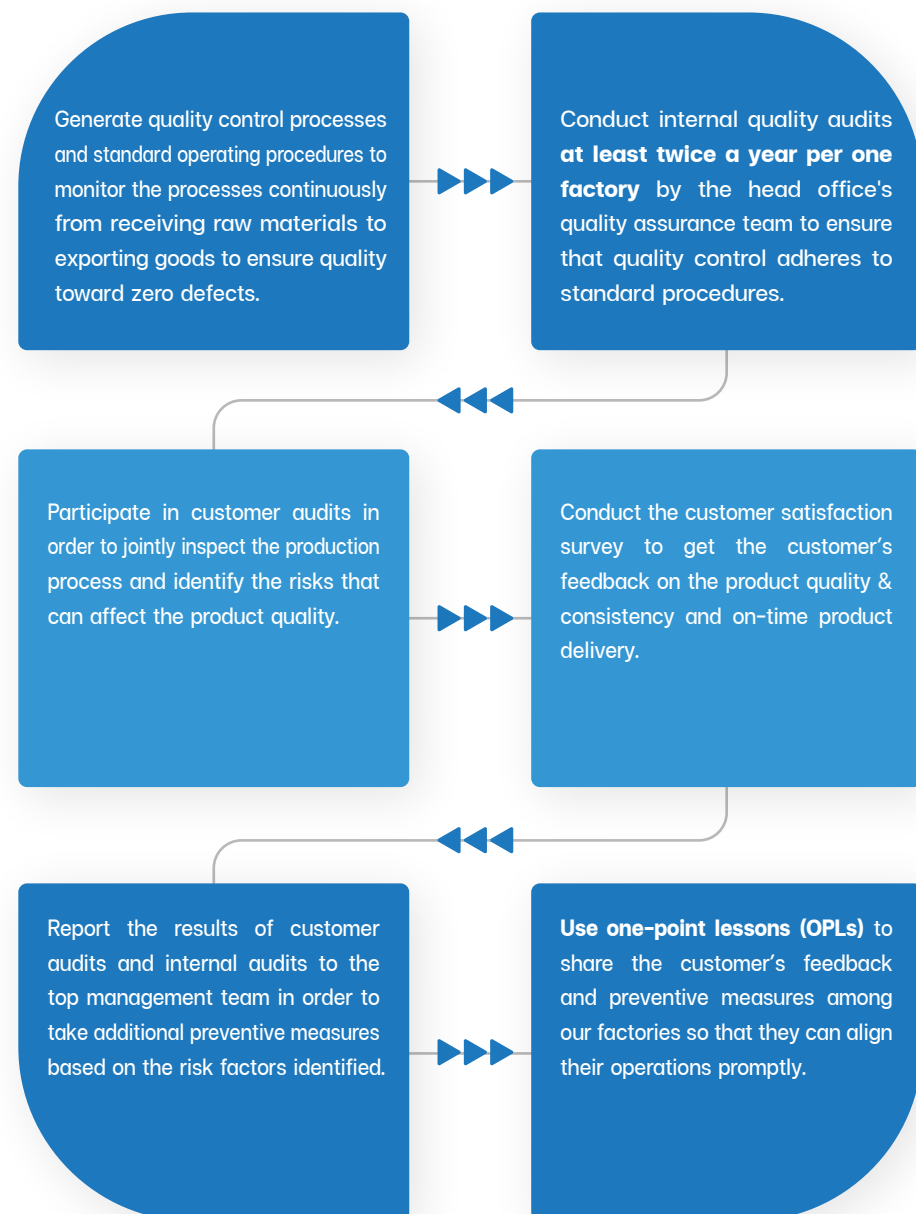
Topics	Targets	Results	Remark
Internal quality audit	100%	100% (17 factories)	<b>Achieved</b>
Corrective action proceed on time	100%	100% (17 factories)	<b>Achieved</b>
On-time delivery	100%	100% (17 factories)	<b>Achieved</b>



# 1.1 Product Quality Management

## » 1.1.1 Quality Strategies

To ensure product quality and prevent supply of nonconforming products, we established our **quality strategies and management** so as to achieve quality assurance and control, which is summarized as follows:



## » 1.1.2 Tools in Quality Controls

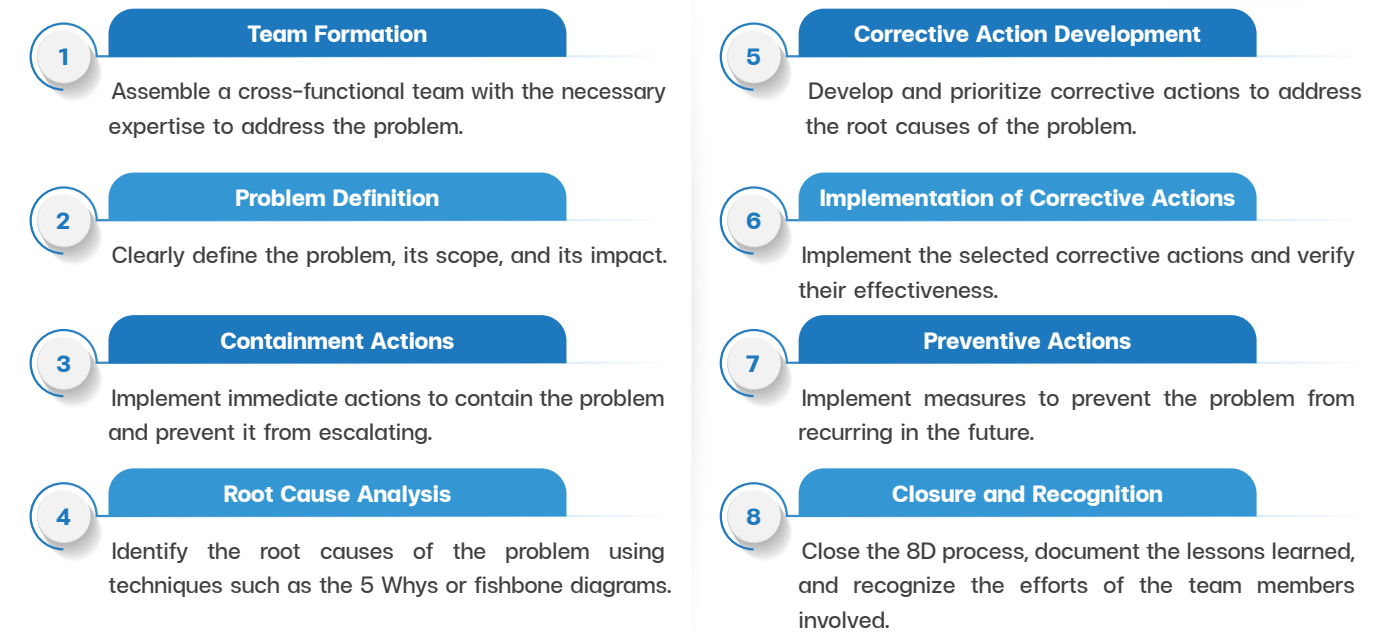
The Company employs a comprehensive suite of quality control methods, such as QCC, 8D, 7QC, and 5 Whys to ensure the excellence of our products.

### Quality Control Circles (QCC)

Quality Control Circle (QCC) is a participatory approach in quality management where small groups of employees voluntarily come together to address work-related problems and improve processes. These groups typically consist of individuals from different departments or levels within an organization who collaborate to identify, analyze, and solve quality issues.

### 8 Disciplines (8D)

The 8D provides a systematic framework for identifying, analyzing, and resolving complex problems to prevent their recurrence. The eight disciplines within the 8D process are:



### 7 Quality Control Tools (7QC)

The tools are used to analyze the root cause of quality issues in order to address them effectively. The 7 QC tools include:

- |                           |                   |                    |                |
|---------------------------|-------------------|--------------------|----------------|
| 1. Control Chart          | 2. Stratification | 3. Histogram       | 4. Check Sheet |
| 5. Cause & Effect Diagram | 6. Pareto Chart   | 7. Scatter Diagram |                |

### 5 Whys

The 5 Whys technique is a simple but powerful problem-solving tool used in quality control and continuous improvement processes based on the idea that asking "why" repeatedly can help to uncover the root cause of a problem.

#### Identify the Problem

- Start by identifying a specific problem or issue that needs to be addressed.

#### Ask "Why" Once

- Once the problem is identified, ask why it occurred. This should lead to a direct cause of the problem.

#### Repeat the Process

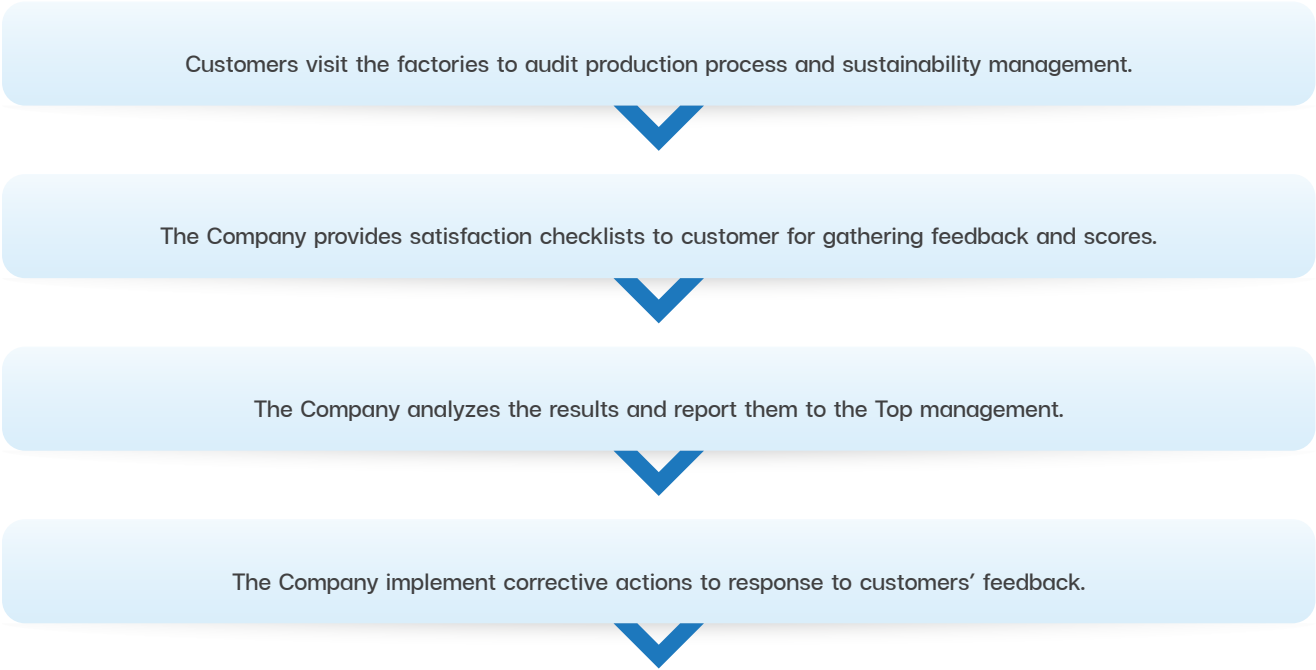
- For each answer obtained, ask "why" again. Continue this process of asking "why" **five** times or until the root cause of the problem is identified.



## 1.2 Customer Satisfaction

A customer satisfaction survey is employed to find customer feedback on our product quality as well as on our factory’s sustainability management. The provided feedback and any concerns brought forward by our customers will be communicated to top management and related groups to close the existing gaps and improve the Company’s operational management to tailor the products to customers’ needs, boost their reliability, and build repeat business simultaneously.

### » 1.2.1 Customer Satisfaction Process



### » Customer Satisfaction Results in 2023



## 2. Supplier Sustainability Awareness and Development

The Company has attached great importance to promoting sustainability awareness and development for both supplier and employees in order to strengthen ethical and responsible business practices and robust supply chain. Its efforts on this matter is reflected through the establishment of strategies and management as follows:

### Our Commitment

We are committed to continual engagement with suppliers and employees in the effort of promoting natural rubber sustainability and building a responsible supply chain which in turn will delight all our stakeholders.

### Strategies

#### Supplier Sustainability Development

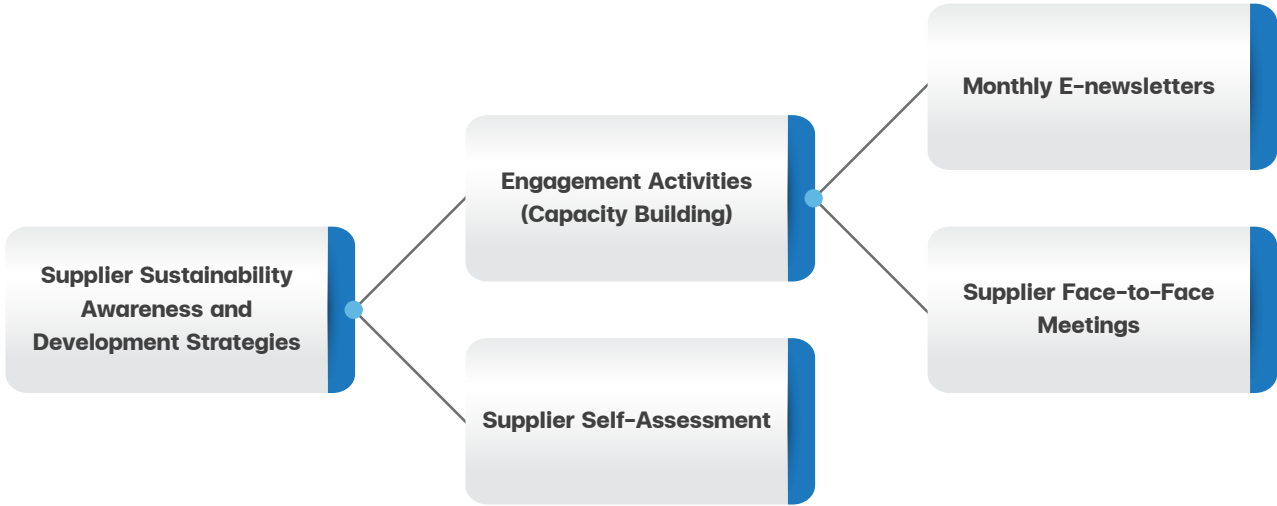
- Initiate engagement activities (capacity building) with suppliers to communicate the Company’s Policies and sustainability issues with them
- Develop supplier self-assessment to address sustainability risks in supplier’s business operation

#### Employee Sustainability Development

- Set up the policy Communication and Acknowledgement program to convey sustainability standards

Topics	Targets	Results	Remark
Supplier Sustainability Development			
Suppliers are communicated and acknowledge on the Company's policy:	100%	100%	Achieved
Suppliers participate in Supplier Capacity Building Program	100% of active suppliers	100%	Achieved
Suppliers assessed on their operational sustainability risks	100% of active suppliers	100%	Achieved
Employee Sustainability Development			
Our purchasing personnel trained on sustainability topics	100% of purchasing personnel	100%	Achieved

2.1 Supplier Sustainability Awareness and Development Strategies



» 2.1.1. Engagement Activities (Capacity Building)

Monthly E-newsletters

The Company has used e-newsletters to convey sustainability information to its suppliers. The engagement topics cover useful pieces of information for managing rubber plantations as well as the Company’ standards practices & other relevant sustainability issues essential to be upheld.

Monthly E-newsletters in 2023

Months	Topics
January	Cup lump production and agroforestry
February	Rubber plantation management after flood
March	Installation of wastewater storage tanks
April	Agroforestry farming and tips for saving electricity during the hot season
May	Factors affecting natural rubber prices and how to take care of rubber plantations in dry season
June	Non-discrimination and grievance mechanism
July	High conservation values (HCVs)
August	EUDR
September	Human rights
October	Greenhouse gas reduction
November	Anti-bribery and corruption
December	EUDR requirements



Supplier Face-to-Face Meeting



The Company organized face-to-face meetings to communicate natural rubber-related sustainability information to raw materials suppliers in different provinces, aimed at building mutual understanding of sustainability practices in the upstream operations. The Company, furthermore, invited speakers from the Rubber Authority of Thailand (RAOT) to impart their expertise in rubber plantations management, thereby assisting the suppliers in improving both the quantity and quality of latex yield.



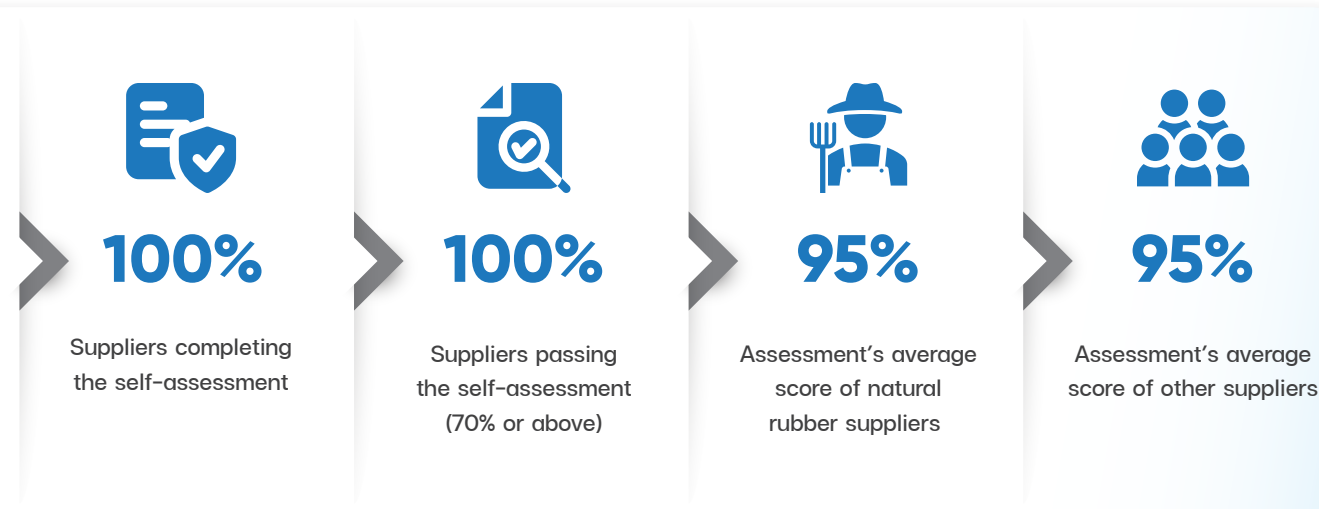
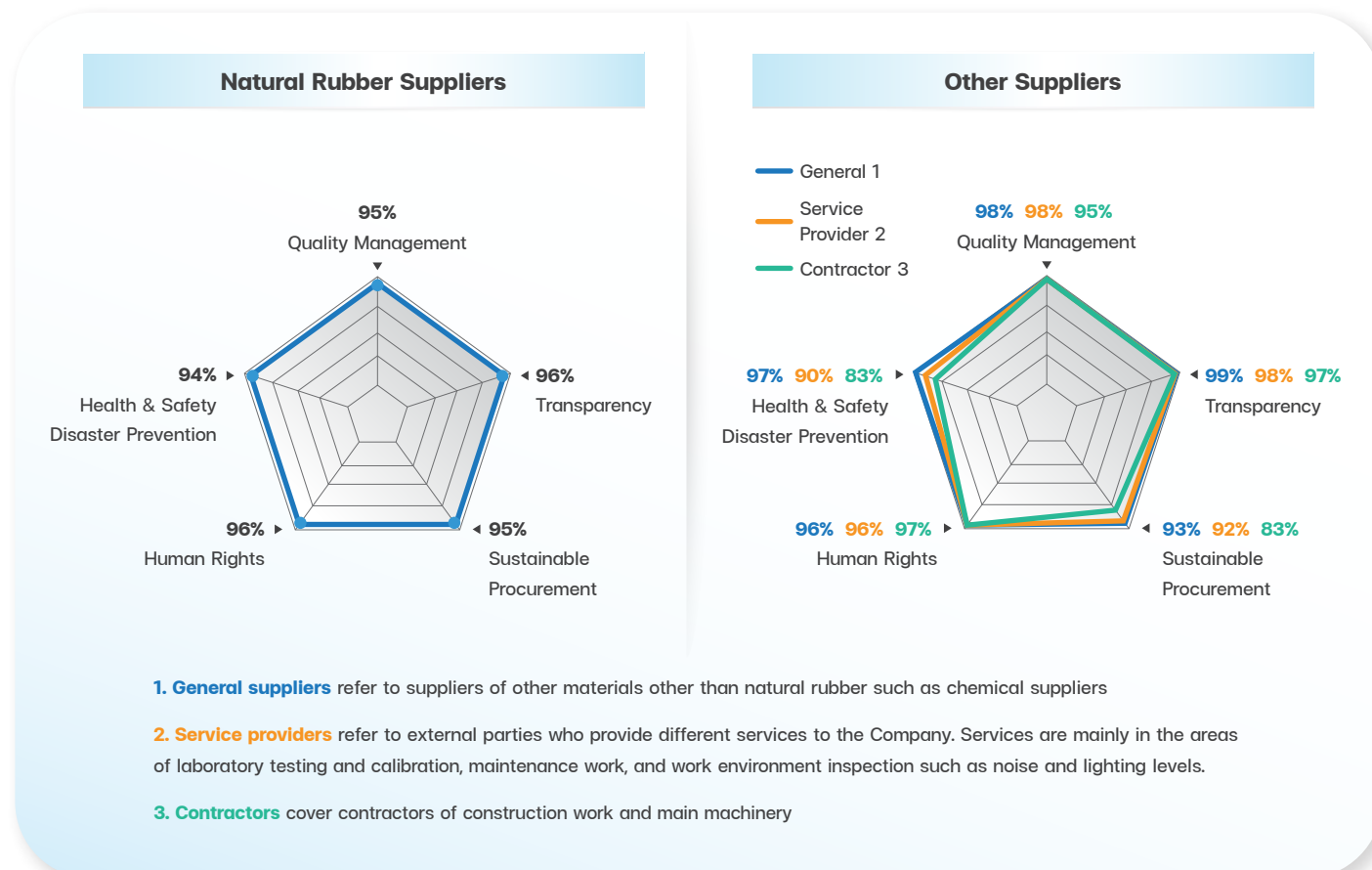


## » 2.1.2 Supplier Sustainability Self-Assessment

The Company used the supplier self-assessment to identify potential risks in the business operation of its suppliers and to evaluate their business practices in greater depth. The assessment was revised to be consistent with GPSNR principles and other relevant standards, which are categorized into five topics: **quality management, transparency, sustainable procurement, human rights, health and safety & disaster prevention**. All active suppliers are also required to do the assessment once a year to assess their continuing adherence to the ethical standards. Through this approach, the Company can take appropriate actions in advance to mitigate any identified risks pertaining to suppliers' operations.

### » Results

The assessment result was divided into 2 groups: natural rubber suppliers and other suppliers as follows:



## 2.2 Employee Sustainability Awareness and Development

### » 2.2.1 Policy Training for Our Purchasing Personnel and Relevant Persons

In addition to supplier sustainability development, the Company has continued its commitment to cultivating sustainability awareness and development in the workplace through the Policy Communication & Acknowledgement program. The program is designed as the training session through which the Company can impart all of its policies and standards to **our purchasing personnel and related groups—including branch managers, quality management representatives (QMR)**. Since these target groups work closely with suppliers, the Company set up this program to ensure that they are, prior to reaching the suppliers, well prepared so that they can communicate those policies and standards with the suppliers effectively.

#### Performance



### 3. Sustainable Supply Chain

We recognize that sustainable supply chain management can reduce potential risks and their probability that may develop to exert negative impacts on the entire business operation and the Company’s reputation. Therefore, the Company has developed strategies and management as a contribution to strengthening sustainability from upstream to downstream, taking into account environmental, social, and economic responsibilities.

**Our Commitment**

We are committed to achieving our corporate mission “To Continue to be a Reliable and Dependable Supplier of Quality Natural Rubber” by continuously engaging with customers and strengthening our product quality control measures.

**Strategies**

**Compliance with EUDR**

- Implement EUDR standard management process to prevent non-compliant products exported to the EU market

**Sustainable Raw Material Procurement**

- Impose the Sustainable Procurement Policy
- Develop traceability program

**Journey to Agroforestry Concept Farm**

- Distribute plants that can be integrated with rubber trees to raw material suppliers

Topics	Target	Result	Remark
Traceable raw material at district level	100%	100%	Achieved



### 3.1 Compliance with EUDR

The Company has managed its business operations in preparation for the EUDR, which will be effective in 2024 aimed at ceasing deforestation and forest degradation leading to global warming and biological damage attributed to agricultural-land expansion to produce forest-based products, including rubber.

To ensure regulatory compliance, the Company implemented the management strategies which are geared towards reducing the risks of deforestation within the supply chain and prevent non-compliant products as follows:





## 3.2 Sustainable Raw Material Procurement

### » 3.2.1 Sustainable Procurement Policy

Our sustainable procurement policy is established to promote responsible procurement practices, ensuring the Company's raw materials are sourced conforming to ethical and legal standards. The Company's sustainable procurement policy is aligned with the 12 principles of **GPSNR**, covering three sustainability dimensions as follows:



### » 3.2.2 Traceability Program

The Company initiated the traceability program to trace back to the provinces and districts where natural rubber raw materials are derived and to identify Point of Origins with respect to transparency in raw material sourcing. In addition, the Company also developed the in-house traceability tool to collect data for traceability and conducted supplier's onsite visits for risks mapping and obtaining insights on how the raw material suppliers' operate their business activities.

Traceable Raw Material at District Level

**100%**

Traceable Raw Material at Point of Origins

**2,461.68** tons

### » 3.2.3 Chain of Custody

Furthermore, the Company has introduced to our business operation sustainability warranty in producing forest-based products to align with recognized standards under the PEFC Chain of Custody and FSC Chain of Custody. The Company implemented PEFC CoC procedures in PT and developed the FSC CoC system in BJ1 and BJ4. This is to certify that the natural rubber products manufactured by the Company come from sustainably managed plantations and are in line with certified international requirements.



PEFC CoC  
certification

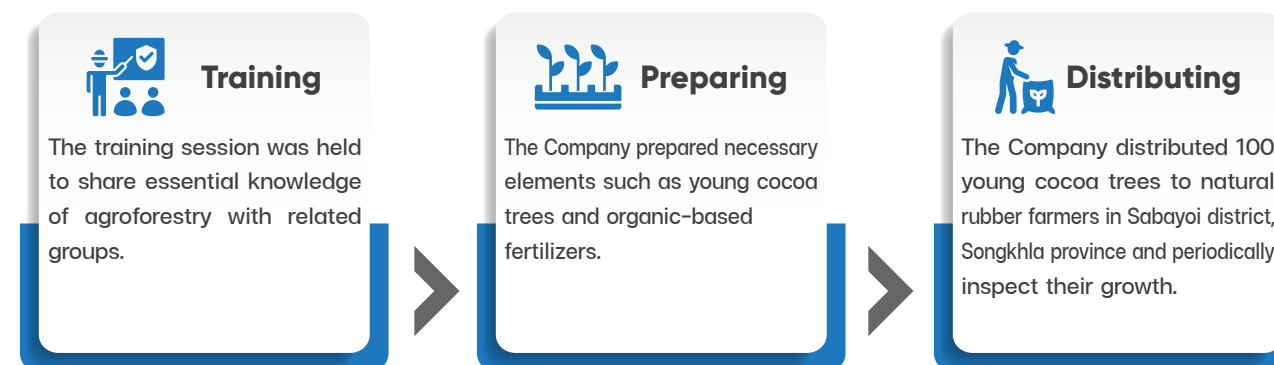
FSC CoC  
certification

## 3.3 Journey to Agroforestry Concept Farm

Realizing that natural rubber plantations could be turned into multifunctional and economically viable farms, the Company initiated the program, entitled "Journey to Agroforestry Concept Farm" by diversifying crops, plants, and animals as so to promote agricultural alternatives in the suppliers' rubber plantations. The Company started an inter-cropping project this year (as a step in the Agroforestry Concept) by distributing the Cocoa tree that can be grown alongside the rubber trees to its supplier in Sabayoi district, Songkhla province. Following the distribution of cocoa trees, the Company provided the suppliers with organic-based fertilizers. While increasing diversification in the rubber plantation, agroforestry could help our smallholders spread the income risks. Therefore, farmer's economic well-being and livelihood are more secured.



### Project Process



### Possible Earnings from Cocoa by 2027

**400-500**  
kg

**80-120**  
THB/kg

**48,000 – 72,000**  
THB/Year

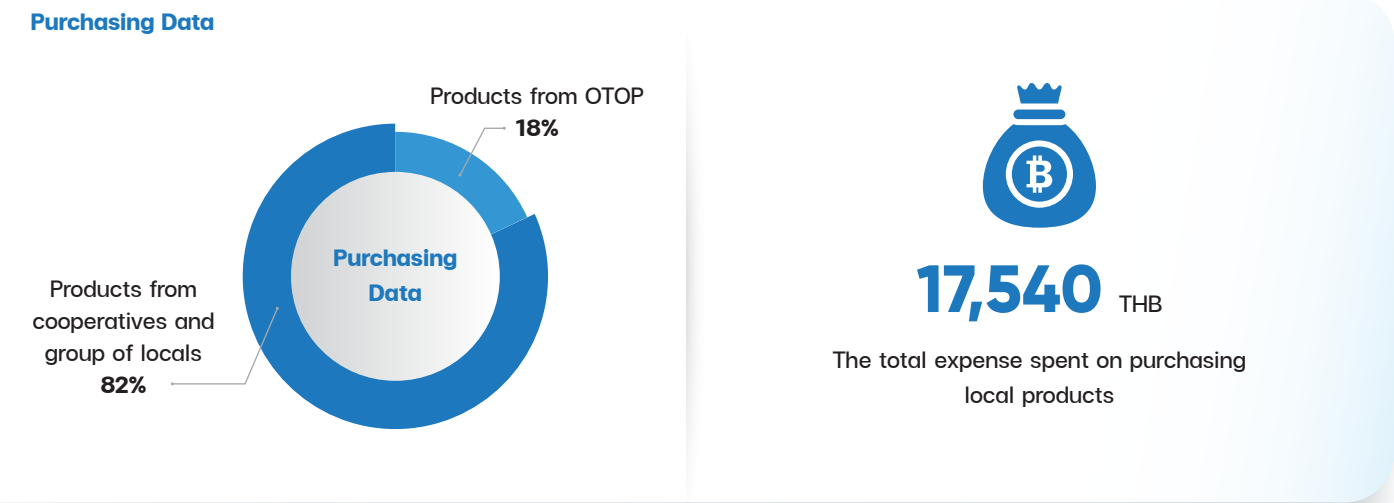


### Our Future Plan

- To expand further, the Company will seek out other suppliers who are interested in the project and have sufficient available spaces within their rubber plantations to grow the coco trees.
- The Company will make contact with a local cocoa enterprise in order for the suppliers to place cocoa beans in the community market.
- The Company will consider different agroforestry systems in order to introduce additional plants and species into the supplier's rubber plantations.

# 4. Supporting Local Communities

The Company has extended its support to stimulate the community’s economic well-being by purchasing several local products sold around the factories. The variety of products the Company has purchased are food and consumables such as curry paste, coconut leaf brooms, and Hom-Mali rice—which are made by cooperatives & groups of locals and Thai OTOP (One Tambon One Product) entrepreneurs and normally used in the factories.



Product Buyers

Staff and Workers

Local Communities

Sales Channels

Online platform such as Line application

Directly purchasing products from the local market

Visiting local people and directly purchasing products from them



# Sustainability Performance

The following table is the Company’s performance results on the economic aspect in 2023.

Topics	Target	Result	Remark
Product Quality Management			
1. On-time product delivery	100%	100%	Achieved
2. Internal quality audit	100%	100%	Achieved
3. Quality feedback from customers (complains)	Zero	0.21%	Quality complains from (percentage from total export shipment)
Customer Satisfaction			
4. Customer satisfaction score	≥ 90%	ACC 91.32%	RSS 93.11%, STR 89.33%, and Latex 88.20%
Supplier Sustainability Awareness and Development			
5. Suppliers are communicated and acknowledge on: • the Supplier Code of Conduct • the Sustainability and Sustainable Procurement Policy	100%	100%	Achieved
6. Suppliers participate in Supplier Capacity Building Program	100% of active suppliers	100%	Achieved
7. Suppliers assessed on the sustainability risks (Supplier Self-Assessment Exercise)	100% of active suppliers	100%	Achieved
Employee Sustainability Awareness and Development			
8. Purchasing personnel and relevant persons are trained on: • the Supplier Code of Conduct • the Sustainability Procurement Policy • the Quality Policy	100%	100%	Achieved
9. Employees trained on Anti-Corruption Policy	100%	100%	Achieved
Sustainable Supply Chain			
10. <sup>1</sup> Traceable raw material at district level	100%	100%	Achieved

1. District level refers to the district where first tier suppliers receive or collect natural rubber from.



# Our Achievement

The following are our achievements which include the EcoVadis assessment result, different awards and recognition for our sustainability development and good governance efforts.

More information is available on our website: <https://www.southlandholding.com/overview/award.html>

## EcoVadis Silver Medal on Sustainability Assessment



In **2023**, Southland Resource was once more honored with the silver medal for EcoVadis sustainability assessment, marking the fourth consecutive occasion of this recognition.

## Thai Labor Standard (TLS 8001-2020) for Basic Level



Awarded / Endorsed by	Factory Awarded / Endorsed
Cooperation between the public and private sectors	Southland Rubber Co., Ltd. (YL)

## Prevention and Solution to Drug Problems in an Establishment



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Labor Protection and Welfare	<ul style="list-style-type: none"><li>• Southland Rubber Co., Ltd. (YL)</li><li>• Southland Rubber Co., Ltd. (HX)</li><li>• Southland Rubber Co., Ltd. (SN)</li><li>• Southland Resources Co., Ltd. (BJ1)</li><li>• Southland Resources Co., Ltd. (BJ2)</li><li>• Southland Resources (Chumphon) Co., Ltd. (FB)</li><li>• Southland Resources (Phetchabun) Co., Ltd. (BH)</li><li>• Southland Latex Co., Ltd. (NTW)</li></ul>

## The Excellent Establishment on Labor Relations and Welfare Award



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Labor Protection and Welfare	Uni Rubber Co., Ltd. (TSU)

## Good Workers Following the Sufficiency Economy Way



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Labor Protection and Welfare	Uni Rubber Co., Ltd. (TSU)

## CSR-DIW Award



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Industrial Works of Thailand	<ul style="list-style-type: none"><li>• Southland Resources (Phetchabun) Co., Ltd. (BH)</li><li>• Unimac Rubber Co., Ltd. (TG)</li><li>• Southland Rubber Co., Ltd. (YL)</li></ul>

## CSR-DIW Continuous Award



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Industrial Works of Thailand	<ul style="list-style-type: none"><li>• Southland Rubber Co., Ltd. (HX)</li><li>• Southland Rubber Co., Ltd. (SN)</li><li>• Uni Rubber Co., Ltd. (TSU)</li><li>• Southland Resources Co., Ltd. (BJ1)</li><li>• Southland Resources Co., Ltd. (BJ2)</li><li>• Southland Resources Co., Ltd. (BJ4)</li><li>• Southland Latex Co., Ltd. (NTW)</li><li>• Southland Latex Co., Ltd. (BK)</li><li>• Southland Latex (Phatthalung) Co., Ltd. (PT)</li></ul>

## Green Industry Level 3



Awarded / Endorsed by	Factory Awarded / Endorsed
The Department of Industrial Works of Thailand	<ul style="list-style-type: none"><li>• Southland Resources Co., Ltd. (BJ3)</li><li>• Southland Resources (Chumphon) Co., Ltd. (FB)</li><li>• Southland Resources (Trang) Co., Ltd. (FC)</li><li>• Southland Rubber Co., Ltd. (YL)</li><li>• Southland Latex Co., Ltd. (BK)</li><li>• Uni Rubber Co., Ltd. (TSU)</li></ul>

# GRI Index

GRI Standard	Disclosure Number	Disclosure Title	Page	Comment
GRI 2: General Disclosure				
1. The organization and its repoerting practices				
	GRI 2-1	Organization Details	3, 6-7	
	GRI 2-2	Entities included in the organization's sustainability reporting	3, 7	
	GRI 2-3	Reporting period, frequency, and contact point	3	
2. Activities and workers				
	GRI 2-6	Activities, value chain and other business relationships	6-7, 8	
	GRI 2-7	Employees	7, 32	
3. Governace				
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	3, 9-11	
	GRI 2-13	Delegation of responsibility for managing impacts	10	
	GRI 2-14	Role of the highest governance body in sustainability report	3	
	GRI 2-15	Conflicts of interest	13, 15	
	GRI 2-16	Communication of critical concern	14, 37	
4. Strategy policies and practices				
	GRI 2-22	Statement on sustainability development strategy	4, 5	
	GRI 2-23	Policy commitment	9, 34-36, 38	
	GRI 2-24	Embedding policy commitment	13, 38	
	GRI 2-25	Processes to remediate negative impacts	14	
	GRI 2-26	Mechanisms for seeking advice and raising concerns	14	
	GRI 2-27	Compliance with laws and regulations	79	
	GRI 2-28	Membership associations	-	Being a member of Global Platform for Sustainable Natural Rubber (GPSNR), Thai Rubber Association, Thai Latex Association, Thai National Shipper's Council, and The federation of Thai Industries
5. Stakeholder engagement				
	GRI 2-29	Approach to stakeholder engagement	16-17	

GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / comments			Unit	Page
			2021	2022	2023		
GRI 302: Energy (2016)							
	GRI 205-1	Operations assessed for risks relatated to corruption	Information Unavailable	100% (Through Internal Audit)	100% (Through Internal Audit)	Percent	15
	GRI 205-2	Communication and training about anti-corruption policies and procedures					9, 15
		- Percentage of governance body members communicated and trained on anti-corruption policies	100%	100%	100%	Percent	15
		- Percentage of employees communicated and acknowledged on anti-corruption policies	100%	100%	100%	Percent	15
		- Percentage of employees trained on anti-corruption policies	100%	100%	100%	Percent	
	GRI 205-3	Confirmed incidents of corruption and actions taken	No confirmed corruption incident	No confirmed corruption incident	No confirmed corruption incident	Case	15
GRI 206: Anti-competitive Behavior							
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero	Zero	Zero	Case	-

GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / comments			Unit	Page
			2021	2022	2023		
GRI 302: Energy (2016)							
	GRI 302-1	Consumption within the organization	219534.75	230210.07	197611.47	MWh	55
		Fuel	91,093.43	96,454.02	83,134.69	MWh	
		Electricity	128,441.32	133,756.05	114,476.78	MWh	
	GRI 302-3	Energy intensity	0.315	0.338	0.361	MWh/Ton of production	55
	GRI 303: Water and Effluents (2018)						
	GRI 303-2	Management of water discharge-related impacts	Wastewater treatment system	Wastewater treatment system	Wastewater treatment system	100% (All operating unit)	57
	GRI 303-3	Water withdrawal <sup>1</sup>	919,045.11	682,137.27	602,089.46	m <sup>3</sup>	-
	GRI 303-4	Water discharge	0.00	0.00	0.00	m <sup>3</sup>	57
	GRI 303-5	Water consumption	19,354,438.15	21,561,012.72	16,267,436.09	m <sup>3</sup>	57
GRI 304: Biodiversity (2016)							
	GRI 304-2	Significant impacts of activities, products and services on biodiversity					
		- Activities	Green areas in factories	Green areas in factories and Biodiversity survey	Green areas in factories and Biodiversity survey	-	47, 49
		- Tree Planted	18,272.00	13,789.00	15,391	Trees	47, 49
		- Species	117	86	63	Species	47, 49
	GRI 304-3	Habitats protected or restored	Information Unavailable	Biodiversity survey with risk mitigation palns conducted for habitats conservation, and 11 biodiversity sites found around the factories	Biodiversity survey with risk mitigation plans conducted for habitat conservation, and 14 biodiversity sites found around the factories	Biodiversity sites	50-51
	GRI 305: Emission (2016)						
	GRI 305-1	Direct (Scope 1) GHG emissions	35,852.76	38,174.91	33,077.99	tCO <sub>2</sub> eq	55
	GRI 305-2	Energy Indirect (Scope 2) GHG emisions	76,884.97	79,936.45	68,511.00	tCO <sub>2</sub> eq	55
	GRI 305-4	GHG emission intensity	0.162	0.173	0.186	tCO <sub>2</sub> eq/ Ton of production	55
	GRI 305-5	Reduction of GHG emissions	Information Unavailable	Information Unavailable	4,907.82 tCO <sub>2</sub> eq (CO <sub>2</sub> Reduction by the use of solar rooftop)	tCO <sub>2</sub> eq	53, 54
	GRI 305-7	Nitrogen oxides (NO <sub>x</sub> ), Sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Pass	Pass	Pass	-	64
GRI 306: Waste (2020)							
	GRI 306-3	Waste generated	456.00	676.20	418.43	Tons	59
	GRI 306-4	Waste diverted from disposal	Information Unavailable	Sludge-to-Fertilizer	Sludge-to-Fertilizer	-	60
	GRI 306-5	Waste directed to disposal	383.98	416.55	0	Tons	59
GRI 307: Environmental Compliance (2016)							
	GRI 307-1	Non-compliance with environmental laws and regulations	0	0	0	Case	-

1. In 2022 and 2023, we deducted rainwater from the water withdrawal. In 2021, rainwater was included.



GRI Standard	Disclosure Number	Disclosure Title	Performance in each reporting year / comments			Unit	Page
			2021	2022	2023		
GRI 401: Employment (2016)							
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Information Unavailable	Living allowance and education loan	Education loan	-	28
GRI 403: Occupational Healthy and Safety (2018)							
	GRI 403-1	Occupational health and safety management system	14 factories certificated by ISO 45001	14 factories certificated by ISO 45001	15 factories certificated by ISO 45001	Factories	7, 19, 45
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	-	-	-	-	21
	GRI 403-5	Worker training on occupational health and safety	12.68	13.18	18	Average training hours per person per year	25, 33
	GRI 403-9	Work-related injuries					
		- IFR	2.19	1.07	0.97	-	20, 45
		- LTIFR	2.19	1.07	0.97	-	
		- ISR	703.98	14.67	7.99	-	
	GRI 404: Training and Education (2016)						
	GRI 404-1	Average hours of training per year per employee	33.51	35.17	43.3	Average training hours per person per year	31, 33, 45
	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	32
GRI 405: Diversity and Equal Opportunity (2016)							
	GRI 405-1	Diversity of governance bodies and employees					
		- Male employees	42%	55%	53%	Percent	32
		- Female employees	58%	45%	47%	Percent	
		- Employee with disabilities	53	43	43	Person	
GRI 406: Non-discrimination (2016)							
	GRI 406-1	Incidents of discrimination and corrective actions taken	No incident of discrimination reported during the reporting period	No incident of discrimination reported during the reporting period	No incident of discrimination reported during the reporting period	Case	-
GRI 413: Local Communities (2016)							
	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	33	62	61	Engagement activities with local communities	39-44, 82
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Management approach	Management approach	Management approach	-	
GRI 413: Customer Privacy							
	GRI 418-1	Substantiated complains concerning breaches of customer privacy and losses of customer data	No Substantiated complains	No Substantiated complains	No Substantiated complains	Case	-







**Southland Rubber**

Think Good, Better Will Follow

# SUSTAINABILITY REPORT 2023

Moving Towards  
the Sustainable Development

## Goals

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