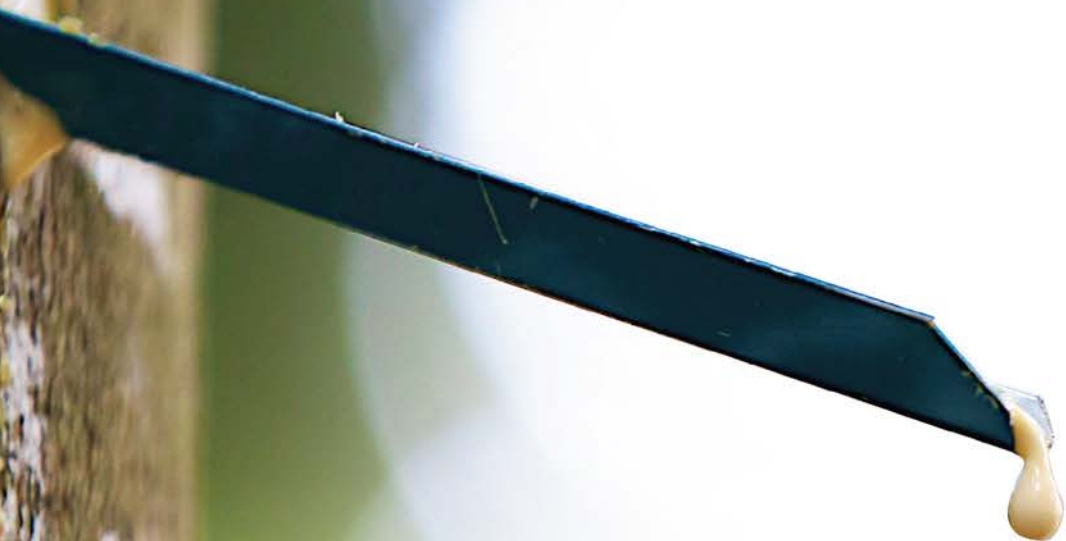




Sri Trang Agro-Industry Public Company Limited
Corporate Social Responsibility Report 2015



Passionately,
We Drive Possibilities

**>> THE GREEN
RUBBER
COMPANY >>**



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About the Report

The Sustainability Report of Sri Trang Agro-Industry Public Company Limited (“the Company”) is prepared in order to provide a complete and transparent picture of our significant performance in economic, social and environmental for shareholders, stakeholders, public, relevant private and public sectors to acknowledge the sustainable management the values, commitments made and results obtained in the area of sustainable development.

With the intention of conducting business with social responsibility, the Company disclosed the policy, business practices and programs in various fields, as well as activities compliance with the social responsibility, which has been an integral part of organization management system to provide consistent and measurable goals and balance in the economy environmental and social.

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

For more information, please contact our
CSR and Strategic Branding Department



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The electronic file of this report and the previous issues
can be downloaded from www.sritranggroup.com



Message From OUR CHAIRMAN AND MANAGING DIRECTOR

“

At Sri Trang Group, we are committed to operating as a “green rubber company,” which means we are a fully integrated rubber company that conducts business with transparency and fairness to produce quality and environmentally friendly products and that cares about all stakeholders in the supply chain, from upstream to downstream.

Implementation of our strategy to gain market share and expand production capacity, both domestically and internationally, has helped propel Thailand’s economy, create job opportunities and bring about the development of local communities. We have also sought to engage with the communities in our areas of operation through various projects and activities, including a project to teach rubber-tapping skills, a project to impart knowledge to the local communities, and a reforestation project. Above all, we are committed to conducting our business as a green company in accordance with the sustainability initiative of the Ministry of Industry.

As to the procurement of raw materials, we support the assembly of rubber farmers and enable the signing of a cooperative agreement among the cooperatives in the northern and northeastern regions. We also make regular visits to our suppliers to impart knowledge about raw materials and encourage the minimization of environmental impact caused by the rubber industry.

In 2015 we came up with a project to teach rubber farmers how to produce quality cup lump and to verify the quality of cup lump by using an easy chemical method that helps reduce the environmental impact from using the wrong stabilizer.

Another source of pride is our inclusion on the list of Thailand Sustainability Investment, which is a list of companies that have satisfied the sustainability criteria set out by the Stock Exchange of Thailand. We were also awarded the SET Sustainability Award, which is a testament that our approach to corporate social responsibility has inspired trust in all our stakeholders, from shareholders and customers to rubber farmers, suppliers and the local communities.

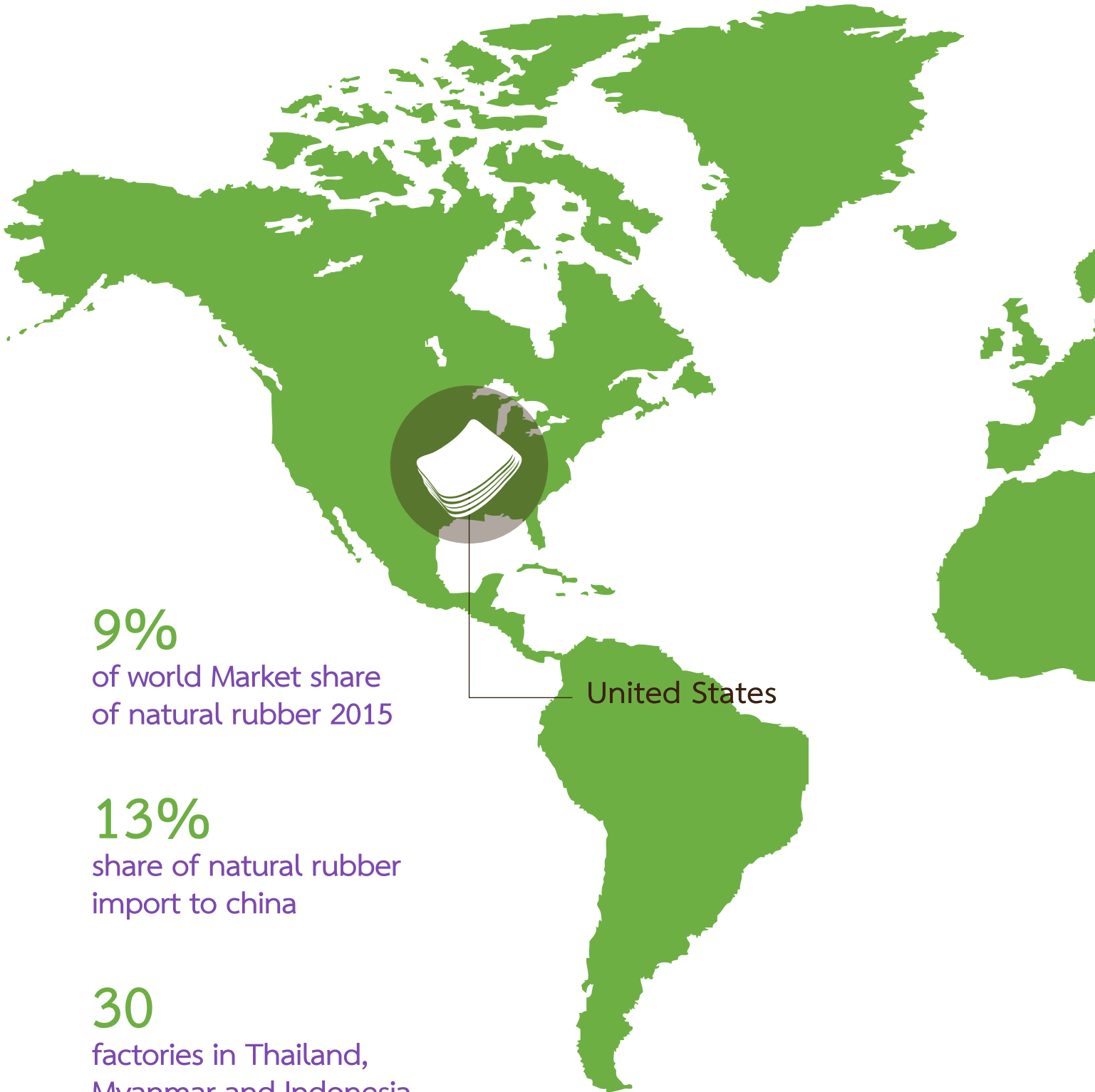
In 2015 we put an emphasis on efforts against corruption. We organized training sessions for our employees and encouraged our business partners to be socially aware through our participation in the CSR-DIW Award of the Ministry of Industry. We believe that this approach will help steer the company on a path toward lasting growth and to become the leader in Thailand’s rubber industry.

”

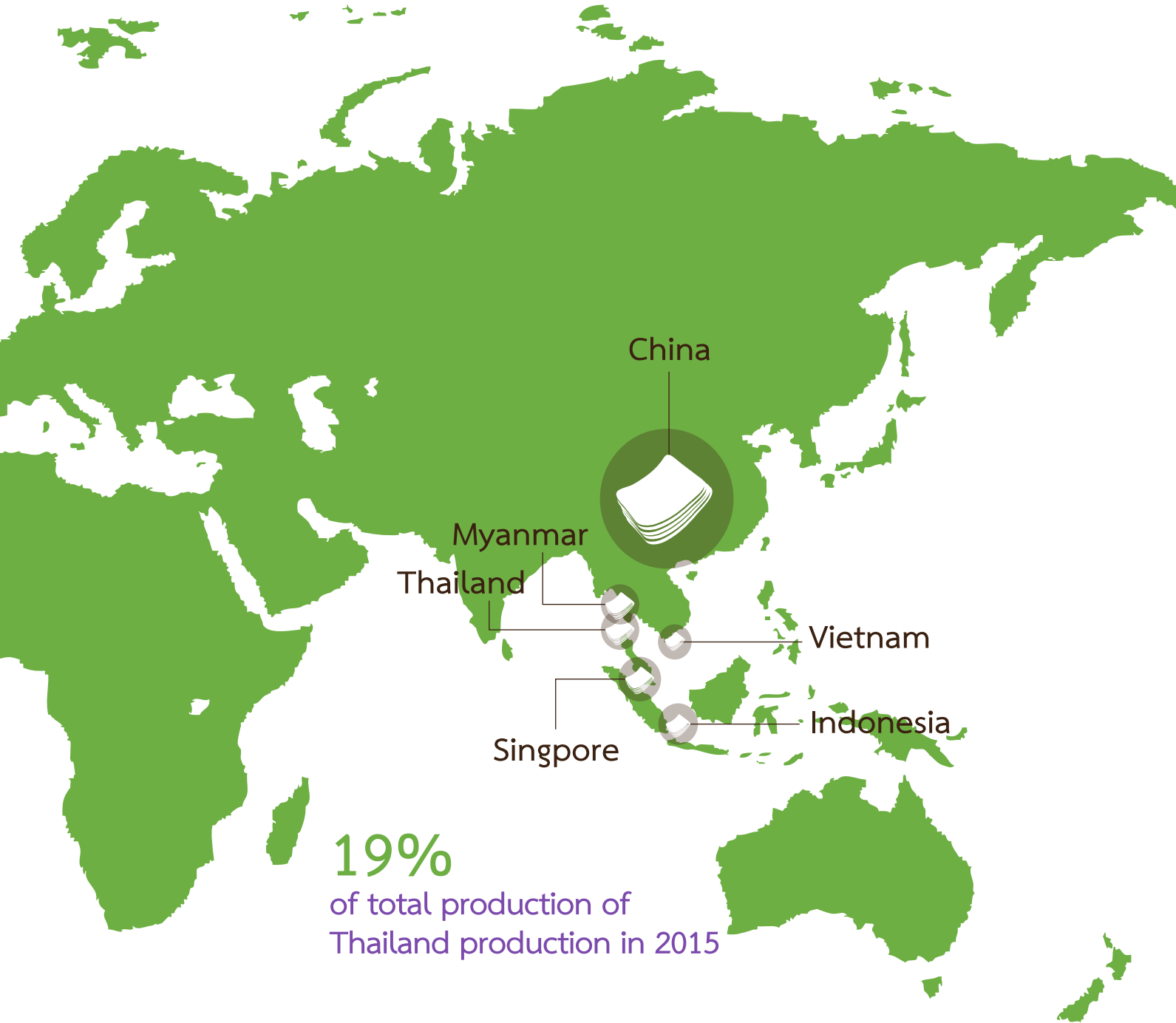
Sincerely yours,

Dr. Viyavood Sincharoenkul

Chairman of the Board and Managing Director



Getting to Know Sri Trang

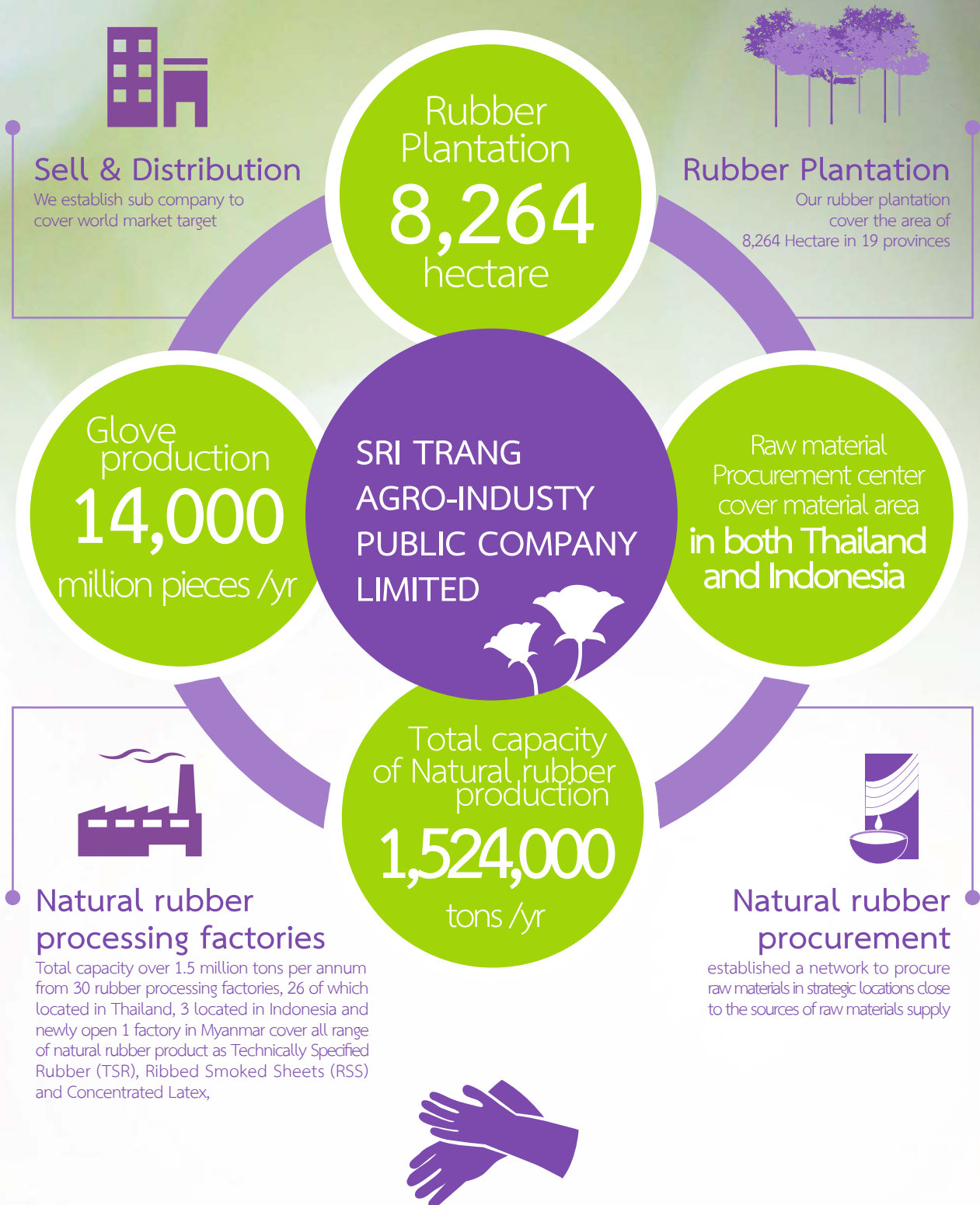


19%
of total production of
Thailand production in 2015

1,120,000 tons
of Total natural rubber sell in 2015



WE ENSURE
**Upstream
to
downstream**
GREEN PROCESS



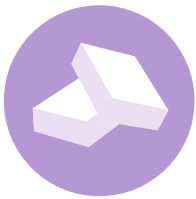
Invest in Downstream business

In both natural rubber and nitrile examination gloves

Main business of SRI TRANG GROUP

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

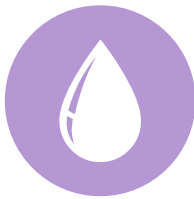
Natural Rubber Products



TSR



RSS



LTX

There are 3 natural rubber products that The Company produces, including Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS) and Concentrated Latex, sold mainly to tire makers and gloves manufacturers. At present, the Company has a total capacity over 1.5 million tons per annum from 30 rubber processing factories, 26 of which located in Thailand, 3 located in Indonesia and newly open 1 factory in Myanmar. The Company has established a network to procure raw materials in strategic locations close to the sources of raw materials supply.

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



United States



China

Myanmar
Thailand

Singapore

Vietnam

Indonesia

member of
SRI TRANG
 GROUP

Finished Products



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

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

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

Other Businesses and Services

Rubber plantation : At present the Company has approximately 51,650rai (8,264 hectares) in 19 provinces in the north and north east of Thailand. The rubber plantations of which more than 83 percent was already planted and will be mature for tapping start from 2015 onwards.

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

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

Maintenance Services : We design, manufacture, installation, R&D, spare parts, machinery, IT services, systems and calibration service with world standard equipment In 2015 SRI TRANG group established the R&D specific to Natural rubber to enhance Mid-stream product quality and ensure customer satisfaction. SRI TRANG group will continues develop Natural rubber product to be line with continuous development in customers industry.



Vision

Passionately,
We Drive
Possibilities

- 1 We adhere to deliver the highest satisfaction to our shareholders. We passionately pursue sustainability of growth for reasonable return to our shareholders.
- 2 Under our environmental-friendly production, we delineate our best products and services in order to achieve the satisfaction and the confidence of our customers and our suppliers.
- 3 We are strived for fair and transparent business operation to improve the quality of life of people and our stakeholders. We are also dedicated to good practices of corporate governance company.
- 4 We are committed to provide opportunities, pleasant working environment and competitive benefits to fulfill our staffs' potentials.
- 5 We value our best practices for the safety of our society and sustainable environment. We are also steadfast in the efficiency of natural resources consumption.

>> THE GREEN RUBBER COMPANY >>



Corporate Social Responsibilities Framework



Sector / Objective

Economic (Green Company)

“ build confidence with suppliers / customers in sustainable way ”

- Increase business partner, disclosure and transparency, accountability
- Emphasize on producing quality products to create value for society
- Focus on skill development of farmers to increase raw material quality.

Society (Green Procurement)

“ to Increased satisfaction internally and externally ”

- Build happier organization
- Establish a process to response toward feedback
- Create system to support business partners' toward social responsibility
- Strengthening the stakeholder's confidence toward organization.

Environmental (Green Factory and Green Process)

“ Focus on the effective environmental management system ”

- Increase efficiency of energy consumption annually
- Oriented towards managing to reduce the environmental impacts of the production.
- Develop the communities and share the innovation toward environmental responsibility
- Efficiency improvement in odor elimination and waste water treatment system

Project

- Good Corporate Governance
- Signing purchasing MOU with the cooperative
- R&D team specific to Natural rubber
- Rubber Tapper Skill Development Project (5 years)
- SRI TRANG community education program

- Happy Workplace
- SRI TRANG Volunteers improvement at the partner Schools
- Supplier Evaluation checklist
- SRI TRANG privilege member

- Energy saving
- Water management
- Internal Audit pollution treatment system
- Promote cup lump clamping and encouraging to install gutters and barrels to hold the runoff from cup lump rubber during delivery
- STA Innovation Award
- Risk Assessment Working Group
- Planting and increasing the green areas in factory
- Test kit on sulfate content in raw material

Core Values



GOODWILL

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



POSSIBILITY THINKING

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



DETERMINATION

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



COLLABORATION

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



ENDLESS LEARNING

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

Mission

Year 2016

“Standardization”

Natural rubber market and industry has been going through the downturn since 2011. In 2015, the downturn has continued unabated and the price has been slashed since 2011 by as much as 80%. In 2016, we do not expect much optimism and believe price will continue to stay low until 2017. The world oversupply situation has improved but still needed to be further curtail until the equilibrium is reached between supply vs demand. We believe this equilibrium will reach some time in 2017. Then there is a chance for market and the rubber industry to stabilize and probably recover.

As of today, the casualties from the rubber industry continues to pile up and no relief is at sight for some time to go. To survive, Sri Trang Group has been prepared well since 2011, we have been working on cost cutting, productivity, HR matters, marketing and sales and technology and improvement on management. These continual improvements in all areas has made Sri Trang Group strong and efficient and the key success of our company.

Where every
factory will be
targeting

“ONE STANDARD”

Dr. Viyavood Sincharoenkul

Chairman of the Board and Managing Director

“

I believe our management,
after going through 2015 intensive
management upgrading, all of us
will be ready to face this new challenge.

Wish you all the best of efforts and
success in coming 2016.

”

Code of Business Conducts



Conducts of Responsibilities to Shareholders

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



Conducts of Relations with the Customers

- Create the satisfaction and confidence to the customers to receive the good products and services with decent price and quantity and to raise the higher level with consistent and earnestness.
- Disclose the sufficient, precise and up to dated information concerning the products and services without any distortion including maintaining the good and lasting relationship.
- Delivery products within the agreed time and warranty the products and services within the proper time.
- Provide the complaints center for the customers and general public regarding the products and services with quickly response to the customer and general public.
- Set the fair commercial conditions to the customers.
- Keep confidential information of customers and not allow to utilize for own benefits or others as illegally.



Conducts of Relations with the Business Partners, Competitors and Creditors



Relations with Business Partners

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



Relations with Competitors

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



Relations with Creditors

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



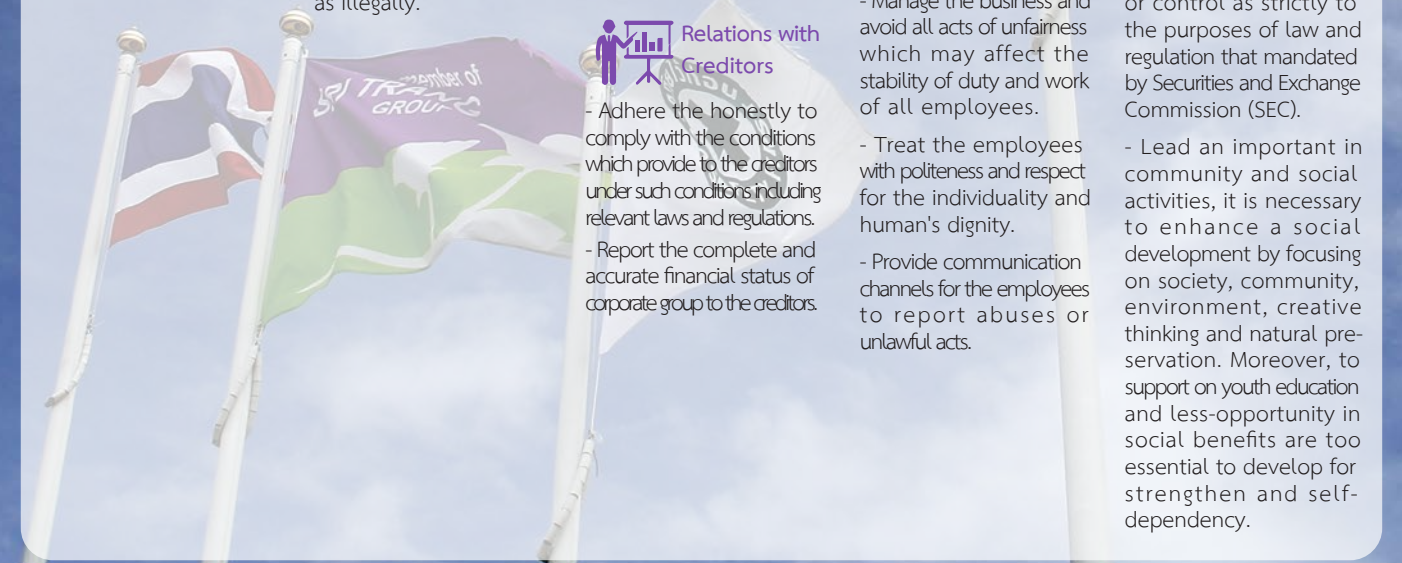
Conduct of Responsibilities to employees

- Offer fair remunerations to the employees in form of salary, incentive and/or bonus payment.
- Provide a good circumstance for their working, including safety in their life and belongings always.
- In considering to promote and remove position of all employees, including reward proposal and punishment, the Company shall make a decision with equity and honest in regarding to knowledge, competency and suitability of employees as criteria.
- Give priorities to development of employee's capabilities and knowledge sharing and thoroughly and regularly provide employees with opportunities for the development.
- Impartially and equally open to feedback and suggestions by all employees.
- Comply with laws and other regulations in regarding employees strictly.
- Manage the business and avoid all acts of unfairness which may affect the stability of duty and work of all employees.
- Treat the employees with politeness and respect for the individuality and human's dignity.
- Provide communication channels for the employees to report abuses or unlawful acts.



Conduct of Responsibilities to social and environment

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



Corporate Social Responsibility

Over the past 29 years that Sri Trang Group has committed to processing and exporting Natural Rubber products, we have dedicated to conduct business with good practices of corporate governance and corporate social responsibility (CSR) and become a leader in global rubber industry. Towards our 3rd decade of sustainable business operation, we still maintain our global leadership in rubber industry and pursue sustainable business development. Our philosophy is to grow contingently with the community and society and to be an effective mechanism to constantly strengthen the stability of rubber industry. We value our way to conduct business in parallel with creating activities

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

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

Good Corporate
Governance

Environmental
Friendly and Safe
Operation

Nurture Sustainability
Attitudes Towards
Organisation

Green

Responsibility to
Supply Chain

Engagement with
Transparency

1. Good Corporate Governance :

The Company is dedicated to good practices of corporate governance focusing on the structure of the Board of Directors, management, and shareholders to create a competitive advantage which will build growth and increase value of shareholders in the long run. In addition, other stakeholders are also taken into consideration to be involved with society and community.

2. Responsibility to Supply Chain :

The Company has extended its business to cover the whole supply chain starting from rubber plantations to the production of finished products. This allows the Company to strictly control the quality of products to respond to downstream businesses who focus on the quality of the product at most. Another main concern of downstream businesses, either latex examination glove producers or tyre makers, is to ensure the safety for users. Thus, our responsibilities through supply chain management cover;

2.1 Rubber farmers and rubber dealers

The Company is strived for fair, transparent, clear principles and accountability procurement of natural rubber which is the main raw materials for our production. We also encourage rubber farmers to produce high quality of rubber without contamination and properly store the rubber so that the quality of raw materials will meet our factory's standards. Moreover, we support rubber farmers with knowledge to properly operate rubber plantations in order to increase yield which will, in return, increase their revenues as well as sustainable quality of life.

2.2 Customers

The Company is committed to producing high quality products and providing good services to create the highest satisfaction for the customers. We sincerely handle complaints from customers and promptly improve and correct flaws that might be caused from productions and/or services to achieve customer satisfaction and also to create the highest effective and efficient production.

3. Environmental Friendly and Safe Operation:

As our Company's nature of business is directly related to the natural and environment, we strictly adhere to environmental practices by implementing the effective environmental management systems. We also set up measures to prevent and minimise the environmental impacts caused by different activities from our Group to comply with laws and regulations. Furthermore, we aim to develop and promote more green areas in the factories to retain moisture, increase fresh air and reduce unfavorable odors from production process. In addition, we reduce the use of chemicals in rubber plantation and

production of natural rubber products as well as finished products since it might affect the environment and communities in the long run.

In addition of environmental-friendly production and being aware that we are part of community, we stick to practice guidelines to preserve and maintain the ecological and social environment of the surrounding communities which will not only create the livable community but also support the Company to smoothly and steadily run the business in the long term.

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

4. Engagement with Transparency:

The Company is committed to operating business with fairness, transparency and accountability in all process. We believe that to operate business with fairness and ethics, comply with laws and respect the rules of society, this could build the confidence of stakeholders and reduce any conflict of interests. This also will benefit business operation of the Company in the long run. We also encourage every level of our employees to work with integrity and adhere to business ethics. Employees should not exploit benefits that may cause conflict of interests to the Company and its stakeholders and should not improperly indulge on business operation. We also have a policy against all forms of corruptions to establish standards of transparent business operation which will benefit the organisation and rubber industry in the long run.

5. Nurture Sustainability Attitudes Towards Organisation:

The Company believes that effective and sustainable CSR practices is rooted from the awareness of employees in every level from all departments. They need to have a positive attitude to follow the policies and have responsibility to society and other related parties. Our people also volunteer to participate in the community development and business partners' quality of life improvement. Moreover, they have cooperated to change their working behaviors and daily lifestyle in accordance with environmental conservation guidelines, to reduce energy consumption costs and to enhance the effectiveness of organisation.

The Company promotes and supports staffs to devote to social activity, for example, to volunteer and participate activities of community, alleviate natural disaster victims, appropriately and continuously support any kinds of shortages in the community and create a benevolent society and social care for each other.

The Green Rubber Company

MOVE FORWARD TO THE GREEN RUBBER COMPANY

With over 29 years of our extensive experience and our commitment to sustainably developing natural rubber industry, we have initiated the concept of

“Green Rubber Company”

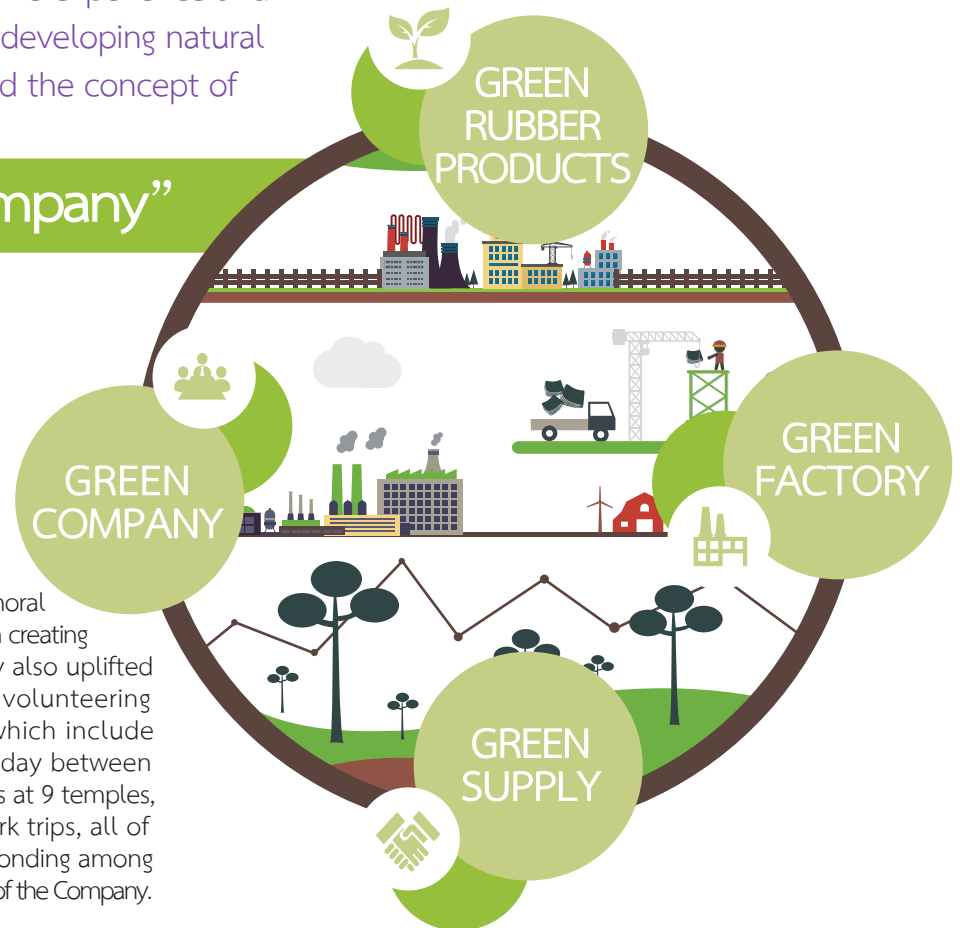
Under the framework that integrates social responsibility in four aspects as stated above, the Company has outlined the following activities:

1. In-house activities

or activities set up for employees to give moral supports and spirit to employees, along with creating unity among one another. The Company also uplifted the creation of good attitude towards volunteering through Happy Workplace activities, which include in-house sports days in factory, sports day between factories, annual alms giving, making merits at 9 temples, big cleaning day, children’s day and work trips, all of which would promote loves, unity and bonding among employees, which will lead to a common goal of the Company.

2. Communities and Society

The Company gives full support to activities of the communities surrounding the factories. These include local traditional and cultural activities such as various types of merit making ceremonies and long-tail boat race, to name a few. The Company also gives donations to different agencies to support for various activities as well as to improve public utilities and donate funds to assist natural disaster victims, both domestically and internationally. For community developments, the Company has been encouraging its employees to take part in community activities, which included the repairing and restoring of public utilities in the communities such as schools and monasteries. The Company also provides more jobs to nearby communities so as to create stronger and more sustainable communities with good environment. The Company, moreover, focused on building good relations between surrounding communities for a peaceful and happy societies.



3. Environmental Concerns:

In order to support the “Green Rubber Company” principle, the Company has valued the importance of having good environment in the factories through regular pollution control inspections to make sure that the pollution rates are under and complied with the laws, setting up an environmental management system that operates continuously as well as participated in green projects such as the Industry Ministry’s Green Industry project, the Carbon Footprint project organised by the Centre for Environment under the Industry Council and Thailand Greenhouse Gas Management Organization (Public Organization), STA Innovation Award. The Company also pays extra attention to the expanding of green areas in the factories and joined in activities to plant more trees, conserve the marine species and any other activities organised by the social responsibility networks.

4. Rubber Industry Concerns:

The Company values the importance of national rubber industry development, which relies mostly on rubber farmers to propel the industry forwards. With this bearing in mind, the Company has then decided to give support to a special project of “Rubber Tapper Skill Development”, co-created by the Rubber Replanting Aid Fund (ORRAF), mainly to provide training for amateur rubber tappers and present them with knowledge of quality production of raw materials, while also making sure that the environments for rubber farmers in the Northeastern and Northern regions are in good conditions. The Company further targets that at every location where the Company has set up its business, it would assist in creating more jobs for rubber farmers in such areas to help them create a sustainable future.



Good Corporate Governance

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

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

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

that could ensure that the Company's operations in compliance with laws, rules and regulations and that the Company has been treating all relevant parties with fair and justice. More details of such system and control are disclosed in our Annual Report 2015.

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

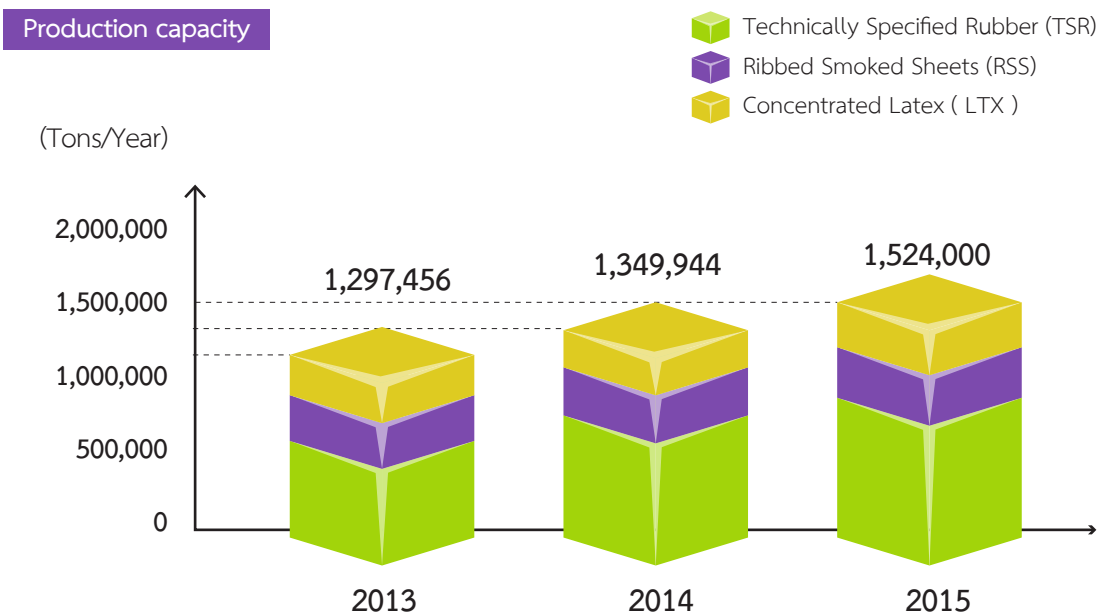
The Company participated in the Good Corporate Governance Survey Project for listed companies, in which the Company has organised meeting with different relevant units to oversee operations under the code of good corporate governance, in order to ensure that the governance remains developing and improving for better efficiency and implementation. In 2015, the Company has published anti-corruption policy, communicated to employees and the Company's website at www.sritrangroup.com.

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

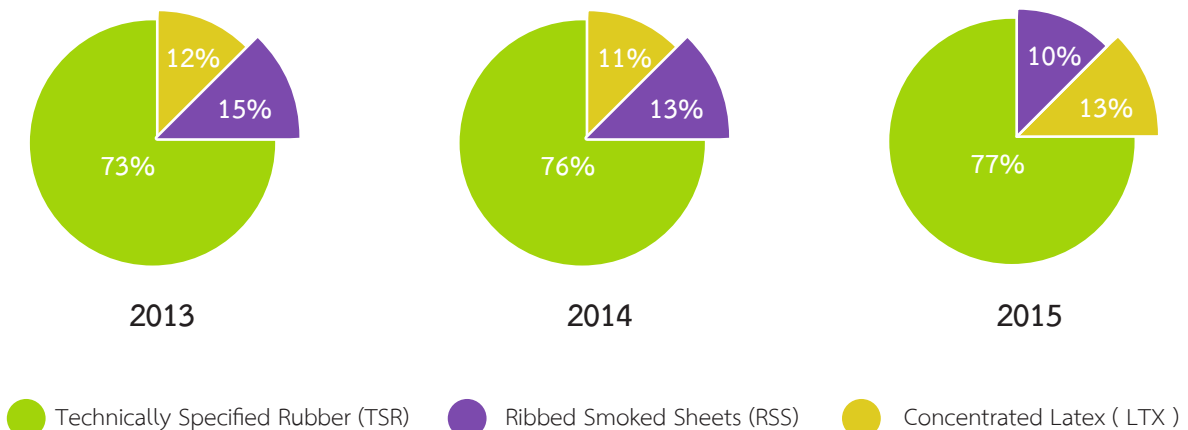
Business Overview and Economic Performance

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

As at December 31, 2015, the Company has 30 factories, out of which 26 are in Thailand, 3 are in Indonesia and new opening in Myanmar with a total production capacity over 1.5 million tons per annum.



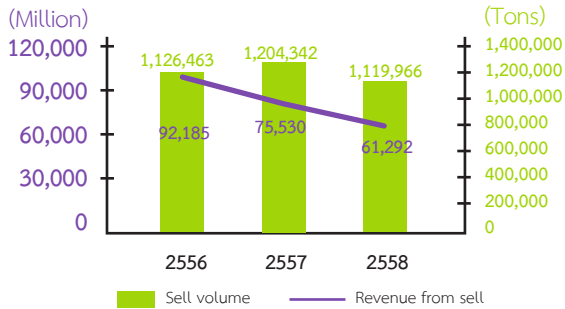
Production Breakdown by Product Type for 2013-2015



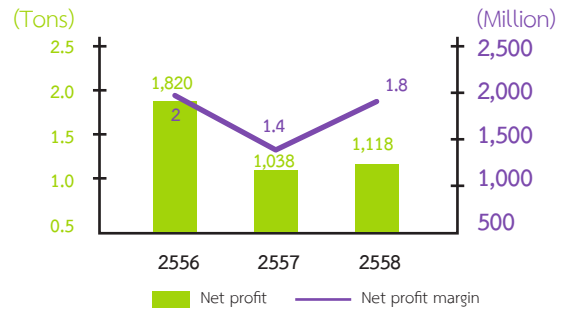
Revenue from Sales and Services

The main product of the Company is natural rubber which accounts for 98 percent of the Company’s total revenue during the year 2013-2015. 70 percent of our revenue is attributed

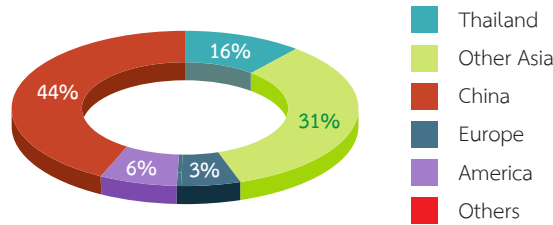
to the sales of TSR followed by RSS, Concentrated Latex and other products, respectively.



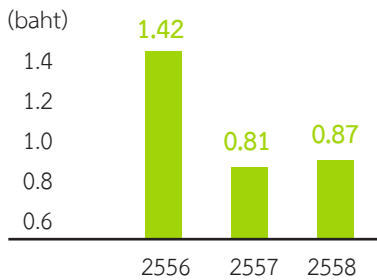
Revenue



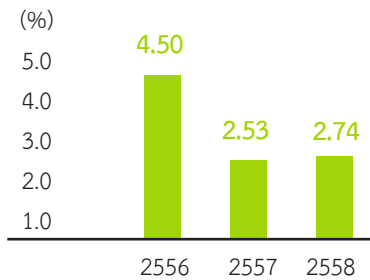
Net profit



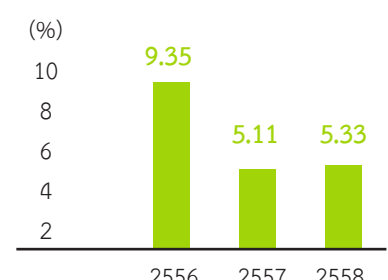
Revenue by geography



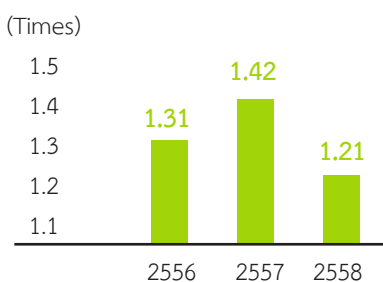
Earning per Share (baht)



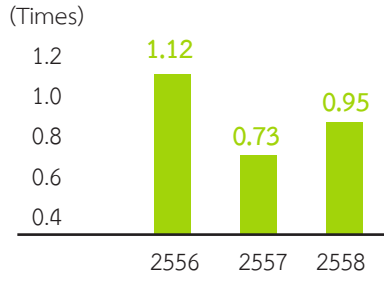
ROA (%)



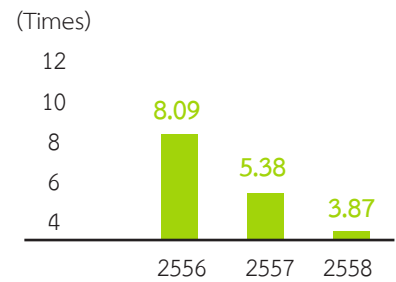
ROE (%)



Current Ratio (Times)



Net Debt to Equity ratio (Times)



Fixed Asset Turnover (times)



Corporate Social Responsibility Performance

Responsibility to business partners and competitors

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

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

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

Every year the Company has joined the auctions at various rubber auction markets, which are conducted with transparency and fairness. While in the South, the Company has been participating

in auctions overseen by the Rubber Research Institute of Thailand. Here is the list of rubber auction markets in which the Company has been joining:

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

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

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

Partnership Development

From the idea of Green Supply, we focus on transparent and fair purchasing processes, the sourcing of clean raw materials, and giving importance to creating sustainability for partners and communities, especially those of raw material suppliers. This has prompted the Company, in 2012, to sign an MOU with the Office of the Rubber Replanting Aid Fund (ORRAF) in creating a special program to train rubber tappers in the Northeastern region of Thailand for, “Rubber Tapper Skill Development Project”, with an aim to provide appropriate tapping methods for inexperienced rubber farmers in the region. The project has already been completed nine sessions in the North and Northeastern part of Thailand, including, Nan, Phitsanulok, Phrae, Chiangrai, Mukdahan, Sakon Nakhon, Udon Thani, Loei. And Nakhon Phanom. For such projects, the Company provides financial support to ORRAF and the trainees. Each project contains 7-day sessions with an extensive training program under our support around 90,000 baht per session. The projects have provided more than 300 rubber farmers the knowledge of appropriate tapping skills in order to preserve rubber trees for long-term tapping. The training also provides the rubber farmers the knowledge on fertilizers and how to look after the rubber plantation, to nurture the best quality of produce, while being able to use their newly learnt skills to carry out an occupation with stable income to enhance their quality of lives.

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

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Purchasing

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

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

Customers and Consumers

The sales and marketing department of the Company has

been abiding by the Company’s business ethics concerning customer relations, with an aim to create the best satisfaction and confidence with the customers in receiving the best quality products and services, with the right prices. The department also provides complete and correct information about every product, on-time delivery, product guarantees as well as sufficient communications channels for customers to make complaints about the Company’s products and services. Moreover, The Company is responsible for keeping customers’ confidential information private and secured, organized visiting trips to the Company’s factories for customers to create better understandings about the Company’s operations and products. The Company strives to strengthen the relationships with the clients, by organizing annual meet ups, while also establishing an evaluation system for customers to obtain feedbacks of their satisfaction towards the Company.

The customer’s satisfaction target is Grade A and B are more than 80%, the result year 2013-2015 as table below;

Year	Target (%)	Actual (%)	Grade			
			A	B	C	D
2013	80%	95%	65%	30%	5%	0%
2014	80%	98%	65%	33%	2%	0%
2015	80%	100%	81%	19%	0%	0%

*data from customer satisfaction survey year 2015

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

The quality control system taken care by our quality assurance department is responsible for monitoring every step of from purchasing and raw material preparation and all the way to quality inspections in the last step to ensure that our high standard of production always maintained. If a customer had filed a complaint about the Company’s products, the marketing and the quality assurance departments would handle the complaints in accordance with the Company’s procedures. Both departments would collaborate together to find out the causes and solutions for such problem under our standard procedures so as to respond to customers’ need as quickly as possible, while also gathering the information of the problems and complaints for continuous development in the future.

Communications

The Company has provided channels for the information and public relations through its website, at www.sriranggroup.com and telephone number 02-207-4500, for the customers, partners, suppliers, public, and all stakeholders to conveniently contact the Company and be treated without any discrimination. Such communication channels would also provide convenience for anyone to inquire about the Company’s products and request for any other information. In 2015 we re-constructed CSR & Branding team to have better access and new communication channel to the company. For internal communication, the Company has an intranet system for its employees to get information regarding the Company’s news, policies and any updated ongoing activities.



Human Rights and Employee Benefits

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

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

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

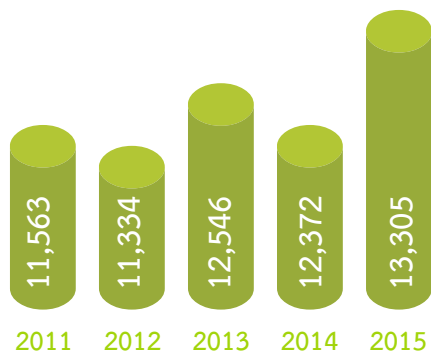
Apart from Human right , The company also moving toward "Convention on the Rights of the Child" therefore in 2015 , the company registered in 1 of 30 companies in Thailand who would be the pilot companies in the project with Unief and Thaipat Institute to promote and drive business to child friendly operation on 14th December 2015

Employees Statistics

Employment

As of December 31, 2015 the Company has a total of 13,305 employees.

Manpower

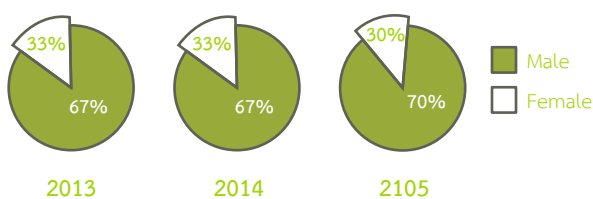


Employee proportion by age

Age	2013	2014	2015
20-25 year	8 %	17 %	5 %
25-30 year	29 %	22 %	23 %
30-35 year	24 %	24 %	28 %
35-40 year	21 %	20 %	21 %
Over 40 year	17 %	18 %	21 %

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

Employee Proportion by Sex* (%)



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

Employee proportion by jobs position

Level	2013	2014	2015
1 - 3	50.2 %	40.8 %	56.2%
4 - 5	38.4 %	44.8 %	34.0%
6 - 7	10.5 %	13.5 %	8.9%
8 - 9	0.7 %	0.8 %	0.6%
10 - 11	0.3 %	0.1 %	0.3%

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

Turnover ratio

Type	2013	2014	2015
TSR	4.37 %	4.29 %	4.30%
RSS	4.53 %	3.04 %	2.50%
LTX	3.78 %	2.55 %	3.57%
Finished Product	2.96 %	3.52 %	3.74%
Service	1.70 %	2.14 %	3.26%

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

Employee Evaluations

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

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

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

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

Trainings and Employee Developments

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

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

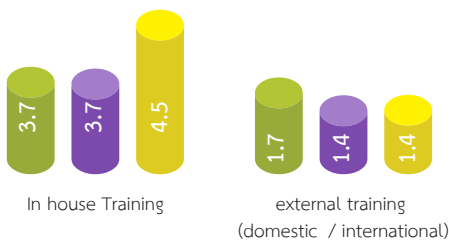
The employee training and development unit under the human resources department has been appointed to create training courses that would provide knowledge, skill development and experiences to employees, while also maintain and develop employees' potentials in accordance with the Company's operational plans of 2015. This unit has been organizing in-house training sessions based on surveys and evaluations taken within the Company itself concerning the necessity for skill training courses. Based on the findings, this unit has divided in-house training courses for 2015 into four categories as follow:

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

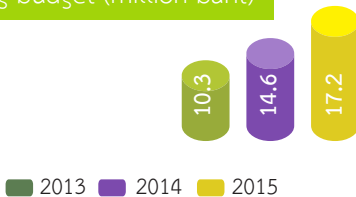
By divided the training courses into 4 groups, employees were able to receive trainings that suit their responsibilities and work fields. The Company also organized trainings and work trips abroad to expand the employees' experiences and new knowledge for their jobs.

In 2015, the company have been improve the internal training program for organization expansion and comply with productivity policy such as the blue collar Team Building, English for AEC and training course before retired.

In house and external training (person / hr)



Training budget (million baht)



Internal Communication Channels for Employees

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

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

In 2015, the Company has sustain to create a Happy Workplace, which includes the developments of the Company's employees with purpose and good strategies, which is in line with the Company's visions to become a competent organization, ready for any changes ahead and would lead the Company into sustainable growth.

SRI TRANG Happy Workplace...



Happy Relax

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



Happy Soul

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



Happy Heart

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



Happy Body

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



Happy Money

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



Happy Family

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



Happy Brain

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



Happy Society

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

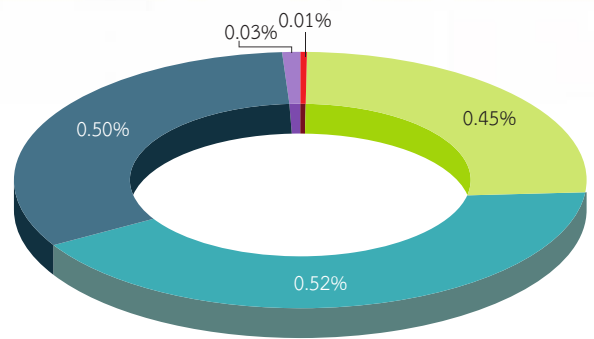


Health and Safety

The Company always adheres to the regulations concerning occupational health and safety, paying extra attention to the health and safety of all employees as the Company realizes that every employee is the most important resource for the Company and is one of the main contributors to the organization. To fulfill the obligation of making sure that all employees are healthy and safe, the Company has provided the employees with health insurance, regular medical checkups, safe working atmospheres, along with a frequent inspection of the environment within working areas, which include, noise, light, dust, and gas levels.

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

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



- The percentage of accidents do not stop
- Percent loss of body parts
- The percentage of accidents Less than three days off work
- The percentage of disability
- The percentage of accidents on strike three days later.
- Percent died

Summary of 2015 Health and Safety work frame

1. Implement Forklift safe drive into training program as KPI
2. SA center carry the duty of orientation the new recruit safety officer
3. Inspect the efficiency of Health and Safety management
4. Conduct Hand book for health and safety
5. In case of the accident we learn from the mistake and construct the preventive plan to prevent repeatable accident.

Concerns on Stakeholder

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

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

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



Environmental Performance

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

- Comply with the laws, regulations, all requirements as stipulated by official authorities and related bodies regarding environment
- To prevent, reduce waste and support recycling to alleviate environmental impact

- To improve and develop environmental management system continually through regular inspection
- To emphasis on conservation resource and energy by using it as necessarily and maximize the best use of all resources
- To educate and provide environmental training to employees and any persons working in our organization in order to build awareness and protection of the environment

To disclose and disseminate environmental policy to the public The Company's policy does not only provide a clear guideline for day-to-day production, but also incorporate and promote environmental activities with communities such as reforestation program. In the meantime, the Company also provides further knowledge and education contingently with our environmental policy; having social responsibility and clear vision as **"The Green Rubber Company"**





Environmental Management

The Company has been adopting the environmental management system for a long time, especially in factories that pose higher environmental risks. The aim of the Company is to earn an ISO14001 certification within a year after the factory establishment or after the plant has been certified with ISO9001. In 2015, Sri Trang Agro-Industry, Udon Thani Branch succeed to obtain the certificate in 2015. there are a total of 8 factories that adopted the ISO14001: 2004.

1. Sri Trang Agro-Industry, Trang Branch
2. Sri Trang Agro-Industry, Hat Yai Branch
3. Sri Trang Agro-Industry, Thong Song Branch
4. Sri Trang Agro-Industry, Sikao Branch
5. Rubberland Products, Bungkarn Branch
6. Rubberland Products, Buriram Branch
7. Rubberland Products, Mukdahan Branch
8. Sri Trang Agro-Industry, Udon Thani Branch

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



Water Pollution Management

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

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

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



Air Pollution Management

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

Every concentrated latex factory has installed a system to control ammonia emissions in the workplace. STR factories have installed air treatment system to reduce odor emission in 2 type.

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

The factories also use boiler with a multi-cyclone system to treatment air before emission. The air quality passes the standard air quality stated by law after every inspection. The Company has also controlled odor emissions of cup lump rubber stored at the factory by using wood vinegar to keep smells at a minimal level. As for the quality inspection of odor control from rubber drying, the Company has set up teams to undergo special trainings and seminars with the Pollution Control Department to obtain a certification for a correct way to check the level of odor omission from the factories that have installed odor omission control system for the specified schedule. Results of air qualities from the chimneys are as follow:

Total Solid Particle – TSP

Branch	2013	2014	2015
STA-TS	17.9	18.4	14.6
STA-SK	18.3	28.1	50.4
RBL-BK	29.6	24.0	33.0
RBL-BR	27.0	15.0	21.0
RBL-MD	34.0	26.8	26.7
STA-UD	-	-	42.0

*Standard value < 320 mg/m³

Carbon Monoxide-CO (ppm)

Branch	2013	2014	2015
STA-TS	31.4	51.1	23.1
STA-SK	107.4	55.4	113.7
RBL-BK	1.0	2.0	250.0
RBL-BR	2.0	2.0	5.0
RBL-MD	21.6	19.6	17.6
STA-UD	-	-	344.2

*Standard value < 690 ppm

Sulphur Dioxide – Sox (ppm)

Branch	2013	2014	2015
STA-TS	5.2	3.9	2.9
STA-SK	20.9	15.6	26.2
RBL-BK	1.5	1.0	33.5
RBL-BR	4.0	1.0	2.5
RBL-MD	10.6	18.2	43.2
STA-UD	-	-	49.4

*Standard value < 60 ppm

Notrogen Dioxide- NOx (ppm)

Branch	2013	2014	2015
STA-TS	5.305	13.79	10.35
STA-SK	48.1	74.15	73.75
RBL-BK	3.0	3.0	79.5
RBL-BR	7.0	3.0	4
RBL-MD	2.8	3.4	8.6
STA-UD	-	-	43.03

*Standard value < 200 ppm



Waste Management

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

Main waste for the Company’s factories between 2012-2014, of non-hazardous wastes include, scrap irons, plastics, and hazardous wastes such as used fuel are categorized into the following: There are many steps of producing TSR. There are also involved with many materials and equipment used to produce this type of rubber than the others. This means that more wastes are generated with each production. The amount of non-hazardous wastes include, scrap irons from equipment maintenance, plastics from packaging processes, while hazardous wastes include used fuel from machine repairs and maintenance. The production of RSS is not complicated, as it heavily relies on natural resources of water and electricity which allow its production to produce limited amount of wastes. Hazardous wastes from Concentrated Latex production increased from the pre-scheduled fuel change for its regular maintenance

1. Waste - Metal scrap (170405)

Factory	STA-TS	STA-SK	STA-TG (LTX)	STA-HD	RBL-BK	RBL-BR	RBL-MD
2015	49,905	169,220	9,440	497	9,650	21,930	11,520
2014	63,775	84,590	8,978	1,000	17,580	8,950	8,720
2013	70,200	50,260	5,510	1,053	45,653	22,556	N/A

2. Waste - Plastic scrap (150102)

Factory	STA-TS	STA-SK	RBL-BK	RBL-BR	RBL-MD
2015	6,285	18,170	1,440	5,221	6,769
2014	5,940	20,750	6,010	4,106	6,159
2013	5,980	11,250	5,720	4,711	N/A

3. Waste - Used oil (130208 - HA)

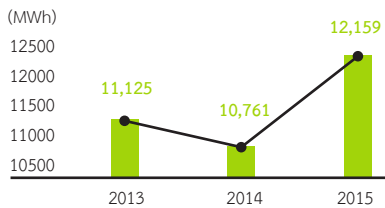
Factory	STA-TS	STA-SK	STA-TG (LTX)	STA-HD	RBL-BK	RBL-BR	RBL-MD
2015	1,000	1,800	1,200	215	1,150	170	2,100
2014	1,200	3,600	0	1,000	1,850	400	1,300
2013	2,000	2,800	1,200	210	1,880	500	N/A

Energy Sufficiency and Renewable Energy*

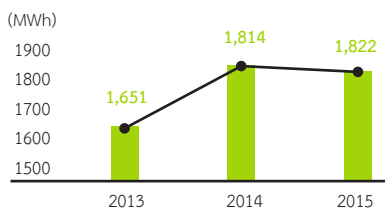
The Company has been adhering to the Energy Conservation Act, by carrying out measures to preserve energy, including, the use of energy saving equipment and alternative energy such as using biomass in boilers to smoke rubber instead of diesel as well as lower the use of LPG.

Meanwhile, factories with a certified system of ISO14001 for environmental management have targeted the use of energy by creating different operation plans such as operating the factories during off-peak periods and reducing moisture in raw materials to reduce the use of fuel for drying rubber. The average use of electricity to produce one ton of TSR in 2014 has shown a lower tendency due to the fact that the factories in the Northeastern region of the country have decreased their electricity usage. This is as a result of machine redesign for an appropriate number of production needs to be suitable for the better quality of cup lump in such region. This has also improved the production capacity and reducing electricity usage as a whole. In 2015 the consumption have been increase due to This is as a result of machine redesign for an appropriate number of productions needs to be suitable for the better quality of cup lump in such region. This has also improved the production capacity and reducing electricity usage as a whole.

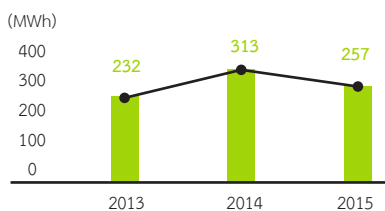
Average Electricity usage of STR factory



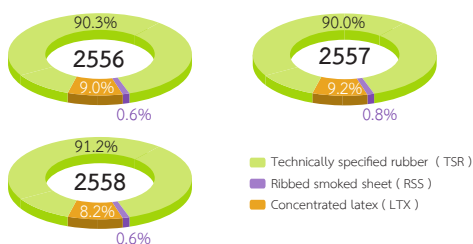
Average Electricity usage of RSS factory



Average Electricity usage of LTX factory



Proportion Electricity usage of NR group

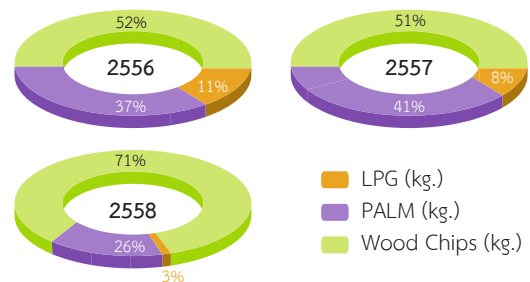


Data of renewable energy for STR products

To support the measure of energy sufficiency and renewable energy, the Company has developed two new processes for STR Drying as follows: First Part: Instead of using the direct heat gathered through the burning of cooking fuel and diesel, the Company has been using the heat burn from LPG. Second part: Develop a drying procedure by taking heated wind through the boiling of renewable biomass such as palm oil and wood chips to create fuel.

The Company has managed to fully control air pollution in accordance with the laws and regulations. In 2015 there are 3 mores factories have change from LPG to Biomass power.

Proportion of Different Type of Energy Used for Drying Rubber Process each year



Climate Change

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

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

For the moment there are 3 products of Natural rubber from 5 factories which obtain Carbon Footprint of Products type B to B (Business to Business) from THAILAND GREENHOUSE GAS MANAGEMENT ORGANIZATION (PUBLIC ORGANIZATION) and Anwar Parawood company Ltd also certified for their rubber wood product for carbon footprint product label, and it also major packaging supply for TSR product in the group.

In 2015 The company also increase the GREEN area in the factories and surrounding area which are one of the main project of CSR .



In 2015, there was tree plantation participating by RBL-BR with government authorities and local people at Khokma Tumbon in order to develop community and Pa-Khok-Klang Temple, to make the nice environment and to decrease hot weather of our world.

Support Community and Society Development

The Company fully realizes that sustainable business operation, should include the participation of communities and society development in the Company’s plans. Apart from improving each community’s economy, the plan to development the community should also improve the quality of lives to the people, which the Company value as a vital goal. Since the Company’s establishment, it has been participating in numerous activities and projects to help develop the communities and society as a whole. Since 2013, the Company et up team visits to communities around the factories to inspect the impacts of the factories on the communities has improved the lives of the people living around the factories, particularly at the new plant in Northeastern region. The Company has constantly sent out employees to inspect the effects and needs of the communities nearby in order to use information to gain better development of the society.

In 2015 , through re structured of CSR , the team member have been add on have better understanding and get more requirement of north east and northern region which is the new expand area of the TSR production.

Participation in Communities Development

Launched a project to developed and restore schools, under the theme, “SRI TRANG Volunteers improvement at the partner Schools”. The project was to restore and renovate libraries, playgrounds as well as provide sport equipment to schools where the factories are located to support better education in the areas. The Company further sent out its employees to provide basic knowledge to students such as how to correctly sort wastes, another effort by the Company to engage the children to help develop their communities.



▶ STA – PL School ‘s Toilet improvement



▶ STA-SKW Playground from used tire



▶ RBL- BK reclaim pallet wood reuse as book shelf donated to partner school



▶ STA- HD construct Greenhouse mushroom cultivation from reclaim wood to support free lunch program to the school



▶ STA – SK Playground from used tire



▶ STA – BK Playground from used tire

Occupational Training and Living Condition Development

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

Catching fish festival In the north and northeast’s factory we constructed ponds to reserve water for using in the production and released fish to the pound as also indicators of water quality. We founded that every 3 years when the fish have reproduce themselves to sufficient amount, the company will organize an event to the local people in the area to join the fishing activity. Revenues from activity brought to use for the next activities and as a fund for community activities.

“A fight drought” The project Every year the company in the northeast such as Rubberland Products ,Buriram branch will pump the water from the pond which are reserved

rain water into the irrigation canals of nearby communities in order to they can use the water in the dry season

“Eatable road” On of the mission CSR of the company is to increase “ GREEN ” area by plant eatable vegetable and tree along the road and free the neighborhood to pic it for their kitchen. This program are implemented in STA-SK and STA-KS



▶ STA-SK together with villager collaboration in “Eatable road”



▶ RBL – BR donate the fish to fill fish pond of the school to support their “Free lunch program”



▶ “Rubber Tapping Skill Development” Thoen districts, Lampang province



▶ “Rubber Tapping Skill Development” Mae Ai districts, Chiangmai province



▶ “Rubber Tapping Skill Development” Nong Kung Si districts, Kalasin province

The special project of, “Rubber Tapping Skill Development”, was co-organized by the Company and the Office of the Rubber Replanting Aid Fund (ORRAF) to provide the right training for inexperienced rubber tapper to create a new jobs in the community and to support the rubber industry in Thailand. The main target group for the project is first time plating rubber plantation especially in the Northeastern part of the country, focus in the provinces that the Company has established business operations. On top of providing locals with an occupation and the correct ways to gain the best output from the rubber trees, rubber tapping is the skill that could be used throughout of a person’s life to earn a living. The project also support the return of rubber tappers into the community, where local residents from Northeastern and the Northern regions, after attending the trainings, could return to their hometown at their own rubber plantation or be employed in other rubber farms in the province. During 2012-2015, the Company organized 14 sessions of the project in the North and the Northeastern region, where the Company’s factories are located, including in, Mukdahan, Sakon Nakhon, Udon Thani, Loei, Nakorn Pranom, Nan, Phitsanulok, Chiang rai, Phare, Chiangmai, Lampang and Kalasin provinces. Such project has created more than 400 jobs. The Company would focus to continue this project mainly in the Northeastern and the Northern part of Thailand where our factory and procurement station located.

Good Environment

The Company had co-joined the environmental activities as following:

Good Environmental Governance Projects Started by Department of Industrial Works and Provincial Industry Officer to elaborate environmental responsibility by the community participates in the inspection process of the factory .

Green Industry Project Since 2011, the management of the Company has been adhering to a policy that stated that each company should advance to at least level 2 of being a certified green industry, or known as the ‘Green System’. The companies which have been certified with ISO14001 would participate to level Green Industry.

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

Sri Trang Volunteer project The Company has assisted in cleanliness development by cleaning up wastes in nearby communities such as community roads, monasteries, and schools to improve and rebuild good environmental atmosphere in the areas as well as to unity and sacrifice among the Company’s employees. Moreover, the participation showed the Company’s sincerity in trying to live sustainably with surrounding communities.



▶ Siam Sempermed Co.,Ltd jointed with group of Environmental Governance to give life for Fish on Mother’s day (12 August 2015)



▶ STA -SK jointed with Environment team at Tambon Na-Meung Petch to build Weir Water surrounding this area.



▶ STA-UB jointed with team to clean the road in front of Ubonratchathani University.

Philanthropy Initiatives

Sri Trang group is committed to work responsibly via a business model that identify sustainability as a key element of every decision. The objective is to create value for all stakeholders while assuring the sustainable development of the Group and the territories in which we operate.

Contributed to Education

Sri Trang group continue support the education and life quality of the children especially in the territories in which we operate. We continue support the scholarship annually

Contribution to the cultural development of the local

Sri Trang group continuously support to local culture in every location we operate. Local culture such as Long tail boat racing, local fire work , food offering to the monk and merit flower offering to keep local culture and conserve their culture.

Contribution to sport activities

Sri Trang group believe sport help contribute to better society. We contribute the budget to support the sport activities, sport equipment , sport cloth and joint local community sport event to provincial office of labor and welfare, department of Labor protection, sub district administrative organization and local school. We organize the sport event annually in each location we operate.

Contribution to healthcare

Apart from employees welfare and health care program, The company also contribute to health care of the community. We contribute Examination gloves and cervical inspection tool to local health center in order to support their ambition to reduce cervical cancer rate in the area. The earlier they would be able the detect, the better change for treatment.



▶ STA- SK made the annual merit at Khao-Kaew Temple



▶ STA-SK provided toys which are made of Tire, sport equipment to Kling-Klong School nearby our Factory.



▶ CSR & Branding and Domestic Glove Marketing team of Sri Trang Glove supported the project for neutering dogs. Soi-Dog Foundation (Thailand) joined with Siam City Cement Public company Limited (Saraburi Province)



▶ Management of Sri Trang Group provided Medical Gloves.



▶ STA-KS provided Medical Gloves to the hospital.

Contribution to community activities

In additional to participating in social and community development. We also supporting fund to the events or cultural important day to local community such as Child's day New Year celebrate with schools, community & government are the other ways to support and develop good relations and quality of life to surrounding community that the company operate by joining the events and a sponsor to support the events regularly. The company also contribute to Soi Dog Foundation , who improve the welfare of dogs and cats in Thailand, resulting in better lives for both the animal and human communities, to end animal cruelty, and to ultimately create a society without homeless animals.

Contribution to natural disaster victim and Unfortunate People

To support and contribute to help the victim of Natural disaster is the activity that comply with the CSR policy that the Company continuously practice toward our stakeholder both local and worldwide. In 2015, A 7.9-magnitude earthquake has struck Nepal and India, killing more than 1,800 people and injuring hundreds. The most severe damage was seen in Nepal's capital, Kathmandu, where buildings collapsed, burying people alive under the rubble. Thee company have contributed gloves and fund through Songkhla red cross.

Social innovation

Community SRI TRANG group is the pioneer, who invests in Plasma odor elimination technology and enhance wet scrubber performance to consume less water but give equivalent performance which in the meantime could reduce waste water treatment load. We control and treat air pollutants before the air is released from the plants. Our Engineering Company, Premier system obtained training program from Pollution control department to achieved odor measuring standard method. Strict monitoring throughout the operation unit which the result of the levels of dust particles, nitrogen oxide, sulfur dioxide, carbon monoxide and opacity are lower than legal requirements in all business units. However the odor unit measured from drying process in North east has significantly higher than the south due to different process of cup lump coagulation.

The Company will continue focus in developing more efficiency air treatment system in order to reduce the impact toward community and moving forward to the environmental friendly company.

Waste Management Recyclable material after process which can be put into good use are recycle back again and distribute to local community. This activity not only create good community relationship but also make employee proud to be able to contribute to their own community. The crate of SBR rubber can be recyclable as shoe shelves, book shelves to be use internally and donate to school in need. Moreover, The earth from washing process and sludge

from waste water treatment can turn to biological fertilizer. Sample have been collected and passed the standard test. The result of the test stated that the earth and sludge contained insignificant heavy metal content they also have nutrient elements for plants. After succeeded in experimental internally we shared it to Bann Koi community and get positive feedback toward the fertilizer. In the part of finish product, Sempermed and Semperflex Asia have set up the organization to following up the waste in systematically. there are also involve in waste to value program by crushing false former which ensure no heavy metal contamination to use as road surface, filler for cement mixing and fill in big bag in order to prevent flood. They also arrange the waste to value contest which the Songkhla governor honor as a guest for the opening day.

Responsibility Raw material transportation Unaware supplier who transport Cup lump from the plantation to factory can be effect to community due to the leakage of the water from the cup lump. The odor from the waste water could disturb community and surrounding. The company took this issue very seriously and conducts the hand over flyer to introduce the best practice of Cup lump transportation adjustment to prevent the leakage. We also create campaign with Cup lump supplier to cover the vehicle with canvas and also install gutter and tank to keep the waste water from cup lump. We encourage supplier to keep their cup lump until it reach satisfaction DRC to prevent water leakage.



▶ Government authority of Sonkhla province joined the booth to show Recycle product.



▶ Management of Recycle product



▶ Management of Recycle product

Awards

Sri Trang Agro-Industry PCL.

- Prime Minister's Export Award 2012 "Best Exporter" for export value over THB 5,000 million.
- CSR Recognition 2014 in the category of Rising Star from the Stock Exchange of Thailand.

Hadyai branch

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

Thong Song branch

- Certificate for Good Environmental Governance from the Industry Ministry 2009
- Certified by the Department of Industrial Works (DIW) for its environmental management system for both the first and second steps
- Green Industry Level 3, in 2012
- CSR-DIW Awards 2014
- CSR-DIW Continuous Awards 2015

Pattani branch

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

Karnchanadit branch

- Certificate for Good Environmental Governance from the Industry Ministry, in 2010
- CSR-DIW Award 2015
- Green Industry Level 3.

Ubon Ratchathani branch

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

Chumphon branch

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

Trang branch

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

Huay Nang branch

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

Surat Thani branch

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



Sikao branch

- Certificate for Good Environmental Governance from the Industry Ministry
- Received honored from the Department of Primary Industries and Mines as it participated in a pilot project for preparation of excellent practices for Green Supply Chain of rubber industry, main target for export industry, 24 September 2012
- Green Industry Level 3, in 2012
- CSR-DIW Award 2015

Udon Thani branch

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

Nam Hua Rubber Co.,Ltd.

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

Anvar Parawood Co.,Ltd.

- IPPC approval list
- A list of registered manufacturers of wood packaging material requirements IPPC

Sadao P.S. Rubber Co.,Ltd

- Honored for the assessment of quality of natural rubber exports from Bridgestone Singapore Pte Ltd., on 21 November 1997 and 5 November 1999
- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 19 September 2013
- Certificates Carbon Footprint Organization label for Rubber product S.T.R, 19 September 2013
- Green Industry level 2, in 2014

Rubberland Products Co.,Ltd.

Hadyai branch

- Certificate Carbon Footprint Product Label for Natura Rubber product and other Industries
- Certificate Carbon Footprint Product label B to B endorsed by Greenhouse Gas Management Organization (Public Organization), on 3 December 2012
- Green Industry Level 2

Bungkarn branch

- received an award for its excellent well planned out workplace and developments of human resources.
- one of the selected winners for the "Love Your Mother, Love and Preserve the Water 2012" Award for the Northeastern region group for its cooperation to preserve and rehabilitate rivers.
- Green Industry Level 3, in 2012
- CSR-DIW Award 2014
- CSR-DIW Continuous 2015

Burirum branch

- Implementation of prevention and drug abuse in the workplace, according to White Factory, 2011 from the Office Labour Protection and Welfare.
- Received Good Environmental Governance Certificate, in 2012
- one of the selected winners for the "Love Your Mother, Love and Preserve the Water 2012" Award for the Northeastern region group for its cooperation to preserve and rehabilitate rivers.
- Green Industry Level 3, in 2012

Mukdahan branch

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

Siam Sempermed Co.,Ltd.

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

Siam Sempermed Co.,Ltd.

- Received Good Environmental Governance Certificate 2012.

Awards in Year 2015

1. SET Sustainability Awards

The Stock Exchange of Thailand (SET) grants "SET Sustainability Award 2015," for the listed companies with outstanding performance in sustainability business conduct which developed from corporate government award and social responsibilities award. While listed companies selected for "Thailand Sustainability Investment", which is list of stocks with prime performance on environmental, social and governance (ESG) aspects.



2. CSR-DIW Awards

CSR-DIW Award Reward to Sri Trang Agro-Industry Public Company Limited at Sikao Branch, Kanchanadit Branch and Rubberland Products Company Limited at Buriram Branch

CSR-DIW continuous Award Reward to Sri Trang Agro-Industry Public Company Limited at Tung Song Branch and Rubberland Products Company Limited at Bungkan Branch from joining the Industry development Project to have social responsibilities in Year 2015 (The Flagship Project)

SUSTAINABILITY
AWARDS 2015







We Drive Possibilities

>> **THE GREEN
RUBBER
COMPANY** >>



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