



**NORTH EAST RUBBER PUBLIC COMPANY LIMITED**



**Purposeful Prosperity,  
Creating Value Beyond Profit**

**SUSTAINABILITY REPORT 2024**

# CARBON NEUTRALITY

BY 2030





# PURPOSE

"Creating value beyond rubber"



# VISION

" To be a global frontrunner in natural rubber solutions, creating lasting value and a regenerative future for all the communities we are part of."



# MISSION

"We are committed to delivering premium, cost-effective natural rubber products that meet the evolving needs of the market. Through continuous research and innovation, we strive to create diverse products and efficient operations that support the transition to a low-carbon society, nurture the environment, enhance well-being, and generate fair opportunities and long-term value for all our stakeholders and the communities we are part of."



# CORE VALUE

# T R U S T

TOGETHER

RESPONSIBILITY

UPLIFT

SAFETY

TRANSPARENCY



# ABOUT THIS REPORT

North East Rubber Public Company Limited has prepared its sustainability report to disclose the company's commitment to sustainable business practices, operational approaches with stakeholders, strategies for managing material issues affecting the business and stakeholders, as well as goals, indicators, and performance results in sustainability across all dimensions. This effort supports the achievement of the United Nations Sustainable Development Goals (SDGs).

The 2024 sustainability report is the third edition, covering the reporting period from January 1, 2024, to December 31, 2024. This report is the first in which the company discloses information in accordance with the principles of the Global Reporting Initiative (GRI). The reporting guidelines adhere to the GRI Universal Standards 2021 and utilize the GRI Sector Standard, specifically GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022. Consequently, the sustainability performance disclosed in this report reflects changes in data collection and calculation methods to align with the relevant Sector Standard and Topic Standards, resulting in significant differences from the 2023 sustainability report.

## Reporting Boundaries

This sustainability report presents the performance of North East Rubber Public Company Limited for the year 2024, focusing exclusively on operations in Thailand. It encompasses the production and sale of Ribbed Smoked Sheets (RSS), Standard Thai Rubber 20 (STR20), Mixtures Rubber, and rubber mats for livestock under the Rubber Flex brand. Operations conducted outside of Thailand are not included in this report.

In 2024, the company revised its approach to identifying material sustainability topics, referencing the principles of GRI 3: Material Topics 2021, alongside considerations based on the Double Materiality framework of the European Sustainability Reporting Standards (ESRS) and GRI Sector Standards GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022. This ensures a comprehensive view of material issues with risks and impacts on stakeholders, society, and the environment (Outward Impact), as well as effects on the business (Inward Impact) in both financial and non-financial aspects. The identification process revealed a total of 15 sustainability materiality topics, an increase from the 12 topics identified in 2023. Among these, 7 topics were rated as having a critical level of importance. The information presented in this report encompasses the management of all 15 sustainability materiality issues.

## Assurance of This Report

This report has undergone content verification, covering the certification of sustainability materiality issues and performance results across all dimensions by senior management from each department, the sustainability working group, the corporate governance and sustainability development committee, and the company's board of directors. This process ensures that the reported content is accurate, clear, and sufficiently detailed. The information provided is neutral and presents both the negative and positive impacts of the company in a balanced and fair manner, aligning with the key sustainability issues. However, the company has not yet utilized an external third-party verification for the report. Nonetheless, accuracy related to environmental performance data has been certified by a private entity registered with the relevant governmental authorities to ensure the reliability, accuracy, and transparency of the information.

## Accessibility and Contact Point

This report has been prepared in a digital format only. The current and previous sustainability reports can be accessed at the website [www.nerubber.com](http://www.nerubber.com). For additional information, inquiries, or recommendations, please contact:

## Sustainability Development Department

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# MESSAGE FROM THE CHAIRMAN



**Mr. Chanitr Charnchainarong**  
Chairman of the Board of Directors  
North East Rubber Public Company Limited

The year 2024 remains one of considerable challenge and complexity for both the global and Thai economies. We are confronting ongoing volatility and uncertainty driven by multiple factors—from uneven economic recovery and geopolitical tensions to climatic and environmental changes—each of which directly influences our overall economic landscape and the rubber industry in particular.

Climate change and increasingly stringent environmental regulations continue to play a significant role in shaping the industry's outlook. This year, the El Niño phenomenon has profoundly affected rubber production; reduced rainfall and drought conditions across numerous regions have resulted in a notable decline in yield, causing rubber prices to rise by approximately 40% compared to 2023.



Despite these headwinds, the demand for rubber remains robust, particularly driven by the recovering automotive sector and growing global environmental compliance standards, such as the European Union Deforestation Regulation (EUDR). Such a regulation has further contributed to the upward movement of rubber prices, impacting raw material costs severely.

Nevertheless, our company remains steadfast in its commitment to continuous improvement and adaptation. Since our listing on the Stock Exchange of Thailand in 2018, we have maintained steady growth, with annual sales increasing by an average of 18.22%, and net profits rising by 22.61%, underlining our financial robustness, profitability, and ability to generate sustainable returns for our shareholders.

In 2024, we have revised our organizational vision and mission to more accurately reflect our core principles and strategic focus on creating value and fostering a sustainable future for all communities involved. Beyond delivering high-quality, diverse natural rubber products to meet market demands effectively, we take pride in contributing to the sustainable development of our communities—creating livelihoods, employment opportunities, and improving the quality of life for Thai rubber farmers and local residents alike, fostering growth and stability across our operational footprint.

Our operational framework, “NER,” emphasizes three key pillars:

**Nurture Nature:** Since the environmental sustainability is a global challenge, we are committed to environmental preservation by using clean energy, reducing our carbon footprint, promoting resource reuse throughout all processes, and expanding to the entire supply chain. We also continuously invest in research and development to create innovative products that support the transition toward a low-carbon society.

**Empower People:** We focus on developing human potential, caring for employees’ physical and mental well-being to foster happiness at work, and improving the quality of life for all within the organization and local communities—covering economic, environmental, educational, health, and safety aspects.

**Rubber and Beyond:** We aim to increase our capacity to 515,600 tons per year and expand into downstream industries to add value to natural rubber—such as rubber flooring for livestock under the Cattle Flex brand.

At the core of our corporate philosophy lies a steadfast commitment to integrity, fairness, and respect for human rights throughout our entire value chain. We adhere to transparent, verifiable standards to ensure our stakeholders, whether large corporations or small partners, benefit equitably and ethically.

Our efforts in social responsibility and environmental stewardship, supported by robust governance practices, have been recognized through numerous accolades in 2024. These include continuous inclusion in the SET ESG Ratings at the “A” level, the Excellent Corporate Governance Award for four consecutive years, the CAC Certification for anti-corruption, and a Bronze EcoVadis sustainability rating for five successive years, among others.

We take great pride in every milestone achieved and every value created. Looking forward, our strategic objectives include achieving carbon neutrality by 2030 and expanding our manufacturing bases into new communities within Thailand and Africa. These initiatives aim to generate sustainable economic value, support environmental stewardship, and promote high-quality socio-economic development at every level of our operation.

On behalf of the Board of Directors, I wish to extend my sincere gratitude to all shareholders for your unwavering trust and ongoing support. We pledge to continue our efforts with dedication and integrity, aiming to deliver superior performance and sustainable value for all stakeholders.



# MESSAGE FROM THE CEO



**Mr. Chuwit Jungtanasomboon**  
Chief Executive Officer  
North East Rubber Public Company Limited

The year 2024 has proven to be a challenging year for the global business sector, including Thailand's rubber industry. Amidst a volatile global economic environment impacted by multiple factors such as trade wars, inflation, and rising interest rates, there have been significant effects on global rubber demand, leading to considerable fluctuations in rubber prices. Additionally, the intensifying climate change has caused severe drought in several regions of Thailand, inevitably affecting rubber production volumes.

However, the company has been able to adapt and manage operational risks effectively by adjusting its production processes to ensure traceability for EUDR-compliant products, thus increasing customer confidence by inviting third parties to audit the production processes under EUDR. The development of new products and market expansion to new customer segments resulted in the company achieving a sales revenue target of 27.448 billion THB in 2024, representing a 10% increase, and a net profit of 1.652 billion THB, up 7% compared to 2023.



The economic outlook for 2025 remains fraught with uncertainty. However, with government economic stimulus policies and the recovery of the global automotive industry, there will be support for improved rubber demand both domestically and internationally. The average price of rubber is projected to be 70 THB per kilogram, which will positively affect the company's revenue growth. Moreover, several manufacturers from China, affected by the trade tensions between the United States and China, have relocated their production bases to Thailand, allowing the company to expand its domestic customer base. Nevertheless, the company must remain vigilant regarding risk factors that could impact its business, such as the emergence of new infectious diseases, changes in government policies, exchange rate volatility, and regulations related to agriculture and international trade. The company has meticulously managed these risks and established appropriate measures to ensure continuous operations and long-term growth.

In addition to creating business value, the company places significant importance on sustainable growth alongside society, in line with its purpose "NER Creating value beyond rubber" and its vision "We are a global frontrunner in natural rubber solutions, creating superior value and a regenerative future for all the communities we are truly part of." The company therefore operates within a framework dedicated to sustainability, "**N E R**," and has established the "**4Ds (Good)**" strategy focusing on balancing business success, social development, and environmental care to achieve sustainable outcomes in all dimensions.

- D (Good) Product:** We manufacture and develop a diverse range of high-quality rubber products through innovation and competitive cost advantages, effectively meeting customer demands with an annual production capacity of 515,600 tons. Additionally, we are expanding into downstream industries to enhance the value of natural rubber, such as rubber mats for livestock under the Cattle Flex brand. This not only adds value to natural rubber but also supports the utilization of domestic raw materials, generates income for farming communities, and meets consumer demand for safe and environmentally friendly products.

- D (Good) Supplier:** We develop a transparent and fair supply chain while adhering to good governance principles, strictly complying with laws and human rights standards. We have elevated quality standards to align with international levels. The company has established a comprehensive ESG risk management system throughout the value chain and conducts ESG risk assessments for critical suppliers. Furthermore, we support the development of agricultural suppliers' capacities to mitigate

operational risks and enhance their ability to supply sustainably and environmentally certified raw materials such as EUDR and FSC, alongside various standards that reflect our commitment to conducting sustainable rubber business practices.

- D (Good) Environment:** We have set a target to achieve carbon neutrality by 2030. The company is committed to continually reducing combined GHG Scope 1&2 Intensity to 0.056 tons of CO2 equivalent per ton by 2024, while promoting resource recycling in all processes. For instance, we aim to reduce reliance on external water by utilizing 100% recycled water and limiting the percentage of waste directed to landfills to 4.04% of total waste. Additionally, we are engaged in research and development of products and innovations in manufacturing processes that support the transition to a low-carbon society.

- D (Good) Community:** We promote development and participation of everyone in the workplace and local communities for the safety and well-being of all. The company prioritizes employee care, addressing employee needs and expectations appropriately to ensure physical and mental health, as well as job satisfaction. Moreover, we enhance personnel capabilities that support job performance and company growth, resulting in an employee engagement score of 85.88% in 2024. Additionally, the company has initiated various projects focused on local community development in areas such as economy, environment, education, health, and safety. For example, we primarily support local employment, with 84.48% of our employees residing in Buriram Province, where the company is located. We promote clean energy use and continuously reduce environmental impacts through initiatives like the NER project supporting sustainable agricultural practices, sustainable supply chain development, green market activities, health check-ups and preventive health care for vulnerable groups, and supporting and enhancing the education of nine local schools, among numerous other initiatives.

The company will continue to be committed to creating value for all stakeholders in the future, particularly within the communities where we coexist. We firmly believe that sustainable business operations can only be achieved through genuine collaboration across all sectors to create economic value, foster sustainable environments, and build quality societies in every location where we operate.

**"With a vision to lead the rubber industry, I firmly believe that the company will achieve sustainable growth while delivering significant returns to all our shareholders, in tandem with our commitment to creating value for society."**



# AWARDS AND RECOGNITIONS



## EcoVadis Sustainability Rating

Achieved a Bronze Medal from EcoVadis, the international rater of supply chain sustainability, for the fifth consecutive year.

## SET ESG Ratings

Rated A in the SET ESG Ratings 2024 from the Stock Exchange of Thailand for the third consecutive year

## CAC Certification

Certified as a member of the Thai Private Sector Collective Action Against Corruption at a 2-Star level.



## Excellent CG Scoring

Received an 'Excellent' CG scoring in the Corporate Governance Report of Thai Listed Companies from the Thai Institute of Directors Association (IOD) for the fourth consecutive year

## AGM Checklist

Achieved a full score of 100 points in the assessment of the quality of the annual general meeting of shareholders of listed companies for 2024, conducted by the Thai Investors Association and the Federation of Thai Capital Market Organizations.



### ESG100

Selected as one of the ESG100 companies excelling in environmental, social, and governance practices for 2024 by the Thailand Institute of Directors for the sixth consecutive year.



### Environmental and Safety Governance Award

Received the Environmental and Safety Governance Award 2024 from the Ministry of Industry.

### CSR-DIW Continuous Award 2024

Received a CSR-DIW Continuous award for 2024 as an industrial factory that has continuously applied the CSR-DIW standard practices under the program promoting industrial factories to be responsible for the society and community by the Department of Industrial Works, for the second consecutive year.



### Green Industry Award 2024

Received the Green Industry Award Level 3 (Green System) for 2024 from the Ministry of Industry, for the eighth consecutive year.

### IAA AWARDS

#### for Listed Companies 2024

Received the Best CEO award in the Agriculture and Food Industry category, honoring executives with outstanding potential and excellence in business management according to corporate governance, awarded by the Investment Analysts Association (IAA) and the Stock Exchange of Thailand, for the second time.



### Standard on Prevention and Solution to Drugs Problems in an Establishment

Received a certification of the Standard on Prevention and Solution to Drugs Problems in an Establishment for 2024 from the Buriram Provincial Labor Protection and Welfare Office.



# HIGHLIGHTED PERFORMANCE IN 2024

## Economic and Governance

### Economic and Governance



**27,496.16 million THB**

### Production Capacity



**515,600 ton/year**

### Net Profit



**1,652 million THB**

Percentage of Suppliers Having Signed  
Acknowledgment of the Supplier Code  
of Conduct



**100%**

Percentage of Domestic Natural  
Rubber Raw Material Procurement



**100%**

## Environmental

### Reduction of GHG Emissions



**7,077**

Tons of CO2 equivalents

**Scope 3**

**16,474.49**

Tons of CO2 equivalents

Percentage of Treated  
Water Recycled



**100%**

**26,176.61**  
million THB

### Rubber Recycled in the Production Process



**100%**

Percentage of Suppliers Equipped  
with Odor and Devices Latex Leakage  
Prevention



**100%**

## Social

### Number of human rights complaints



**0 case**

### Percentage of Farmers Trained and Certified by Standards



**FSC-FM**

**100%**  
(117 suppliers)

**EUDR**

**100%**  
(1,346 suppliers)

### Local Employment



Thailand

**100%**  
(941 persons)

Northeast

**95.96%**  
(795 persons)

### Customer Satisfaction



**96.29%**





# NER AT A GLANCE

North East Rubber Public Company Limited is one of Thailand's leading manufacturers and distributors of natural rubber products. Founded on June 12, 2006, it was registered as a listed company on the Stock Exchange of Thailand on June 8, 2018, trading under the stock symbol "NER."

With over 18 years of experience in the rubber industry, the company originally focused on the production and sale of Ribbed Smoked Sheet (RSS), Standard Thai Rubber 20 (STR20), and Mixtures Rubber. Its primary customers include manufacturers in the automotive industry and intermediaries both domestically and internationally, such as in the People's Republic of China, Singapore, Japan, India, and Hong Kong. The company has since expanded into downstream businesses through research and development to add value to existing products and to create a diverse range of finished rubber products that meet the needs of new customer segments in related industries, such as livestock.

The company is committed to delivering high-quality natural rubber products that are produced in an environmentally friendly manner, considering the efficient use of natural resources. This supports the transition to a low-carbon society while ensuring fair treatment of all stakeholders. It promotes increased income and enhanced quality of life for rubber farmers and local communities in all areas where the company operates, creating long-term benefits and shared value.



## BUSINESS OVERVIEW

### Company's Name

North East Rubber Public Company Limited

### Head Office

398 Moo.4 Kok Ma Sub-district, Prakhonchai District, Buriram 31140

### Sales Office

589/156, 28th Floor, Central City Tower, Debaratana Road, Bang Na Nuea Sub-district, Bang Na District, Bangkok 10260

### Chief Executive Officer

Mr. Chuwit Jungtanasonboon

### Registered Capital

1,077.87 million THB

### Issued and Paid-up Capital

923.89 million THB

### Market Value\*

8,536.79 million THB

### Number of Full-time Employees\*

941 persons

### Production Capacity\*

515,600 tons per year

### Total Revenue\*

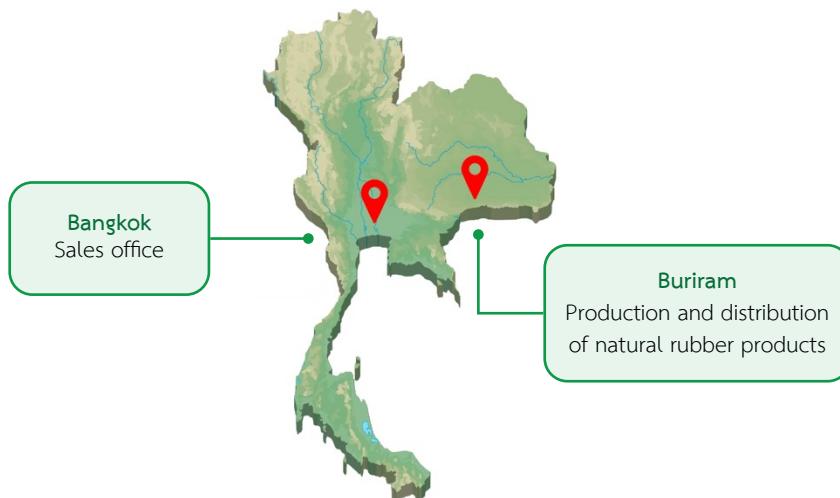
27,496.16 million THB

\* Note: As of 31 December 2024





## OPERATIONAL LOCATIONS



## NER'S PRODUCTS



### RIBBED SMOKE SHEET (RSS)

Natural rubber products that are processed by baking them into sheets using heat and utilizing smoke from combustion to coat the rubber surface. The company produces three grades of rubber sheets: Grade 2, Grade 3, and Grade 4, arranged in order of quality from highest to lowest.

**Application :**

Used to mold components that require high flexibility and excellent impact resistance, such as truck tires, aircraft wheels, and machinery pads.

### Standard Thai Rubber : STR

Natural rubber products obtained from the process of cutting, grinding, and blending cup lump rubber, crepe rubber (scraprolled rubber sheets) and other natural rubber scraps into a homogeneous mass. This mixture is then subjected to heat through baking in rectangular shapes that comply with the standards set by the Rubber Division, leading to the product's designation as "Standard Thai Rubber."

**Application :**

Downstream products that utilize Standard Thai Rubber as raw materials include automobile tires, shoe insoles, rubber hose components, flooring mats, and rubber wheels.

### Mixture Rubber

Primary semi-natural rubber products are created by adding synthetic rubber and/or chemicals into natural rubber, tailored to the specific properties or characteristics requested by customer groups. This type of product is referred to as "Mixture Rubber."

**Application :**

Synthetic rubber that exhibits resistance to abrasion, varied weather conditions, and good electrical resistance, such as is used in rubber hoses, insulation flooring, conveyor belts, packaging materials, and shoe soles.

### Livestock Rubber Mattress

Natural rubber products under RubberFlex brand have been certified for quality and performance testing at an international level. They are flexible and durable, capable of bearing heavy loads, reducing shock impact, and resistant to chewing. The products primarily target livestock operators to enhance animal welfare in accordance with animal welfare principles. Additionally, they aim to minimize environmental impact as they are fully recyclable at the end of their lifespan.

**Application :**

Used as bedding for livestock, these products help reduce injuries from pressure, alleviate animal stress, and improve both the quantity and quality of production.

## NER'S VALUE CHAIN

### MATERIAL SOURCING

1. Establishing security of raw materials to ensure sufficient and continuous procurement
2. Management of risks from fluctuations in rubber prices
3. Promoting local sourcing of raw materials and developing agricultural partners to obtain clean and high-quality raw materials
4. Monitoring compliance with regulations and human rights of suppliers in the supply chain
5. Environmentally friendly procurement, free from hazardous chemicals or substances on prohibited lists

#### Stakeholders

Employees  
Suppliers  
Creditors  
Regulators  
Competitors



### RESEARCH AND DEVELOPMENT

1. Development of a system for traceability of raw materials.
2. Improvement of existing product quality
3. Development of new and finished products
4. Development of the production process

#### Stakeholders

Employees  
Customers  
Suppliers  
Regulators



### SALES AND MARKETING

1. Setting appropriate selling prices
2. Expansion of existing and new markets
3. Development of finished products
4. Management of customer relationships and handling complaints
5. Management of communication channels with customers and providing accurate information
6. Analyzing the needs of current and potential customers for accurate responses

#### Stakeholders

Employees  
Customers  
Competitors  
Shareholders

### RAW MATERIAL INVENTORY MANAGEMENT

1. Selection and inspection of raw materials to ensure quality relative to price
2. Systematic management of raw material reception areas
3. Ensuring safety in raw material storage and maintaining raw material quality
4. Preventing and mitigating environmental, community, and social impacts from raw material storage

#### Stakeholders

Employees  
Suppliers  
Community

### PRODUCTION

1. Efficient management of resources used in the production process and reduction of waste generation
2. Quality control and product standards
3. Effective energy management utilizing renewable energy and biomass
4. Innovation management in processes for production excellence
5. Maintenance of machinery and equipment
6. Management of impacts on nearby communities

#### Stakeholders

Employees  
Community  
Regulators



### LOGISTICS AND DISTRIBUTION

1. Inspection of products according to standards before delivery
2. Effective and systematic inventory management
3. Orderly storage of goods for easy packaging
4. Efficient and safe transportation management

#### Stakeholders

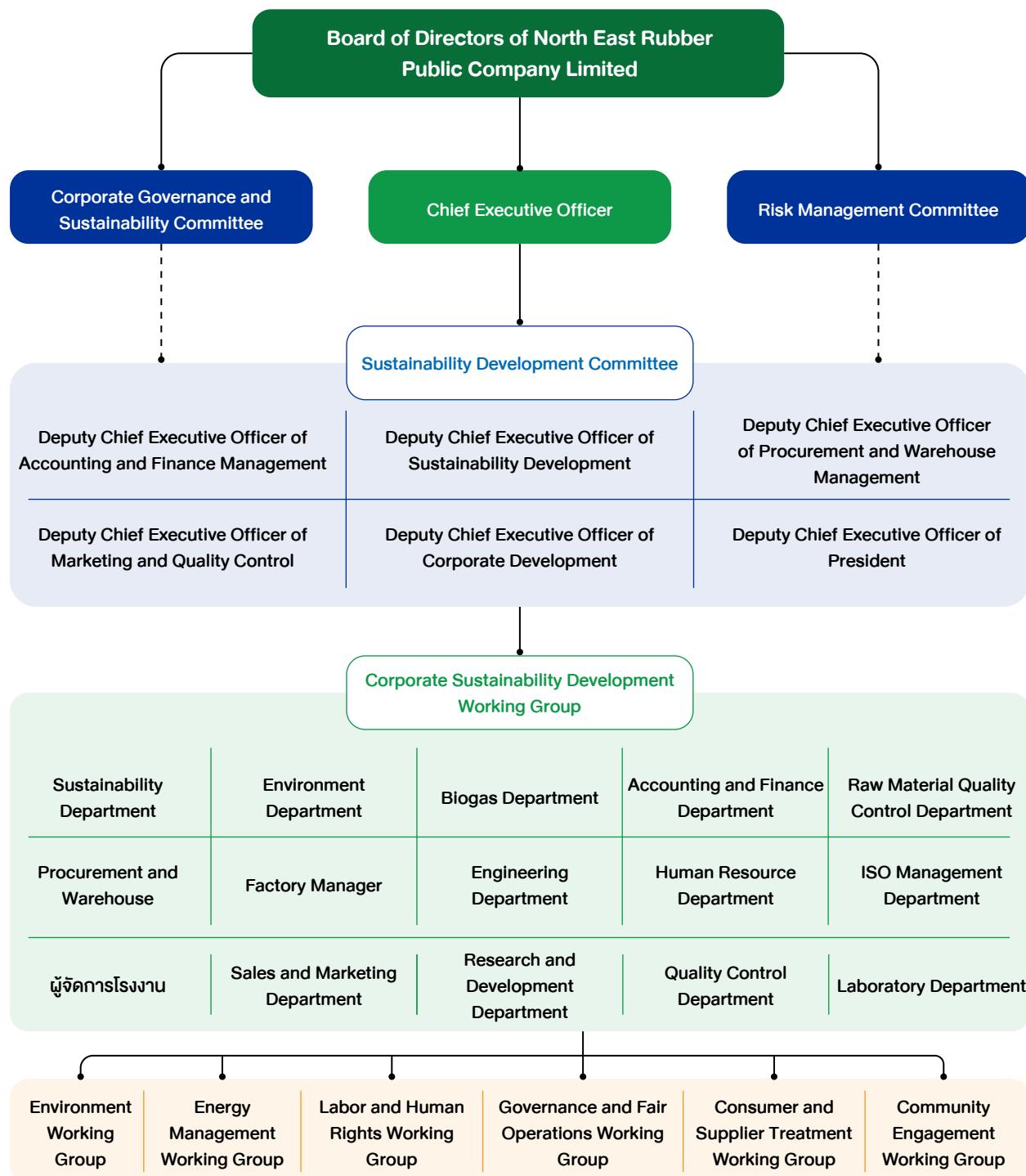
Employees  
Customers  
Suppliers  
Community



# NER'S SUSTAINABLE DEVELOPMENT

## STRUCTURE OF SUSTAINABILITY GOVERNANCE

The company drives its sustainability efforts by focusing on the participation of all sectors within the organization, from the board of directors and executive management to operational staff. To achieve this, it has established a comprehensive governance structure for sustainability operations and development across all dimensions, including economic, social, and environmental aspects, as follows:



## Roles and Responsibilities of the Board

The company has established a **Corporate Sustainability Development Committee** which consists of six executives at the Deputy Chief Executive Officer level from all business units, with the Chief Executive Officer serving as the Chairperson of the committee. The **Corporate Sustainability Development Working Group** includes representatives from all business units of the company, totaling 56 members, and is led by Ms. Py Attipisarn, the Deputy Chief Executive Officer of Sustainability Development. The working group has been divided into six subcommittees to facilitate faster and more effective management of sustainability issues across all dimensions. The committees and working groups have the following responsibilities:

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Establish sustainability and corporate governance policies.</li> <li>Delegate to the Corporate Governance and Sustainability Development Committee, in conjunction with the Risk Management Committee, the responsibility for formulating strategies and practices, as well as overseeing and monitoring operational outcomes.</li> <li>Approve, acknowledge, and track the results of these operations.</li> </ul>
<b>Corporate Governance and Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Set policies, strategies, and operational frameworks for sustainability that encompass economic, social, environmental, and governance aspects.</li> <li>Monitor progress and outcomes related to sustainability operations.</li> <li>Provide appropriate guidance and recommendations for operational practices.</li> </ul>
<b>Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Establish policies, strategies, and operational frameworks for enterprise-wide risk management.</li> <li>Monitor progress and outcomes related to risk management, encompassing environmental, social, and governance (ESG) risks.</li> <li>Provide recommendations for appropriate risk management measures.</li> </ul>
<b>Corporate Sustainability Development Committee</b>	<ul style="list-style-type: none"> <li>Implement the established strategies and guidelines.</li> <li>Set organizational and departmental goals.</li> <li>Monitor progress and performance.</li> <li>Report sustainability performance to the Chief Executive Officer and the Board of Directors.</li> </ul>
<b>Corporate Sustainability Development Working Group</b>	<ul style="list-style-type: none"> <li>Communicate strategies, goals, and practices, as well as sustainability knowledge to employees at all levels.</li> <li>Review and assess the impacts of global changes and challenges related to economic, social, and environmental aspects, as well as the impacts of the company's operations, to identify sustainability materiality issues relevant to business operations.</li> <li>Engage with stakeholders to gather feedback, interests, and concerns regarding the company's business practices.</li> <li>Initiate and implement projects and activities that align with organizational goals, manage material issues to reduce impacts and risks, and create business opportunities.</li> <li>Record and report on performance and progress towards goals across all dimensions.</li> <li>Prepare the annual sustainability report.</li> </ul>





## SUSTAINABILITY POLICY AND FRAMEWORK

Given the nature of the business as part of the agriculture industry, it has both positive and negative impacts on the economy, society, the environment, and human rights, both directly and indirectly, currently or with potential future consequences. Therefore, the company is committed to developing its business to grow alongside maintaining a balance between the industry and surrounding communities, ensuring they coexist in a quality manner. This is grounded in a strict commitment to social and environmental responsibility, with a focus on creating value and improving the quality of life for local communities in all areas where the company operates.

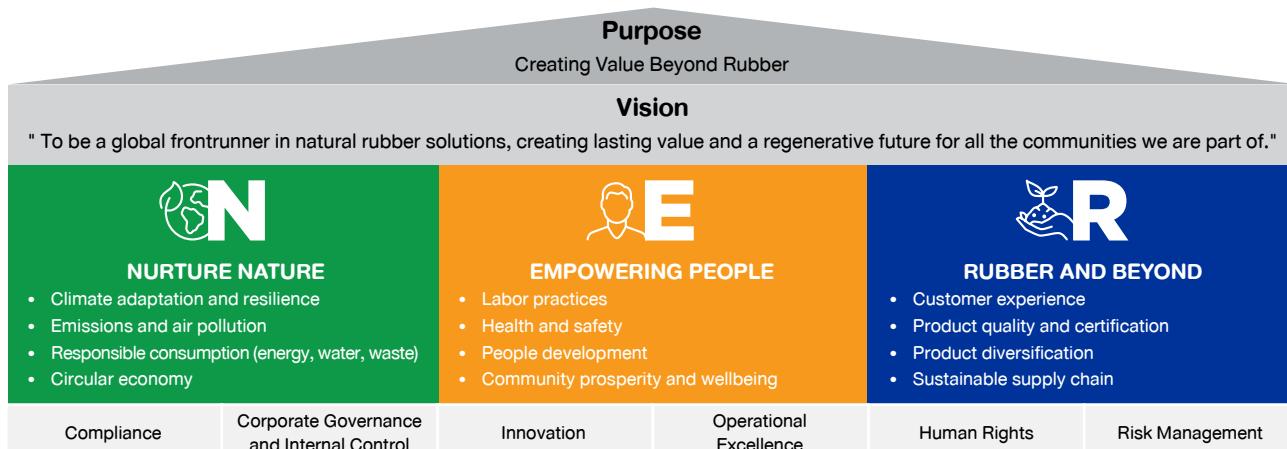
The company has established a **"Management and Sustainability Development Policy"** to serve as the guiding principles and framework for driving responsible business growth while managing impacts and risks across economic, social, environmental, and governance dimensions. This policy aims to appropriately respond to the needs of all stakeholder groups and aligns with international sustainability practices and standards, including the Ten Principles of the UN Global Compact related to human rights, labor, environment, and anti-corruption. It also adheres to the United Nations Sustainable Development Goals (UN SDGs), the OECD Due Diligence Guidance for Responsible Business Conduct, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and various ISO management system standards.



Learn more about the Management and Sustainability Development Policy  
at: [www.nerubber.com](http://www.nerubber.com) or scan QR Code

In 2024, the company revised its vision and mission to reflect its commitment to conducting business that creates value and a sustainable future for every community it genuinely serves. In addition to being a provider of premium natural rubber products that effectively meet market demands, the company aims to create a sustainable future for all communities in which it operates by fostering talent, creating jobs, generating opportunities, and enhancing the quality of life for Thai rubber farmers and local community members, ensuring that they grow alongside the company in a stable manner.

The company has established a **"N.E.R. Sustainability Framework"** to serve as a guideline for managing critical issues across all dimensions. The operations in all areas must be based on principles of corporate governance, compliance with laws and regulations, effective risk management, respect for human rights throughout the supply chain, innovation management, and operational excellence. This sustainability framework enables the company to set clear goals in each area and develop appropriate strategies and action plans to support long-term business growth while creating value for local communities and stakeholders in alignment with the company's purpose and vision. The details are as follows:



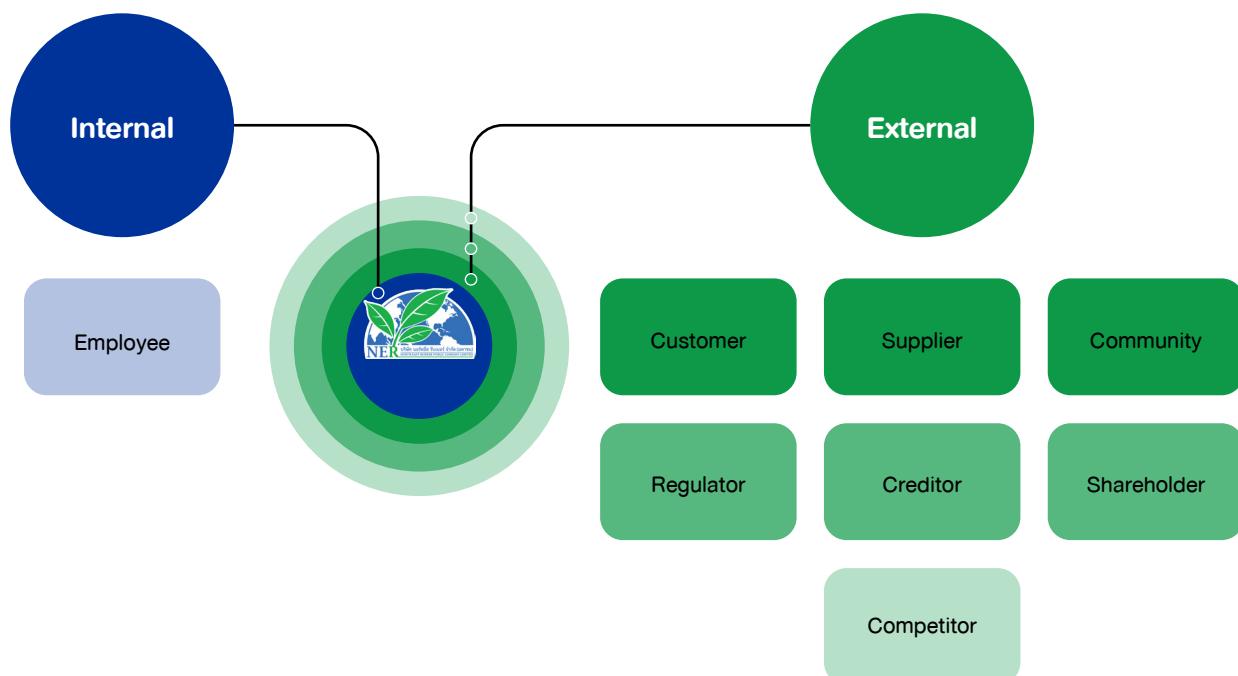
## STAKEHOLDERS IN THE VALUE CHAIN

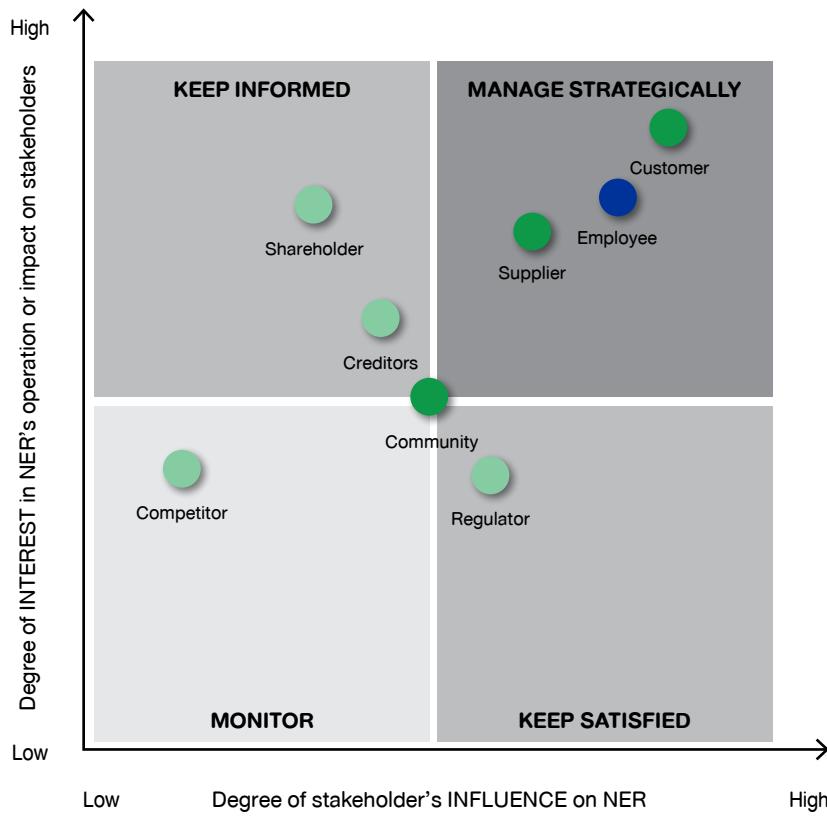
The company recognizes that both internal and external stakeholders are crucial for sustainable business operations, as they are affected or may be affected by the company's activities, or can create impacts or influence business operations. Therefore, the company emphasizes stakeholder involvement throughout the value chain, with operational processes for engaging stakeholders as follows:



## Identification and Prioritization of Stakeholder Groups

The company classifies its stakeholders in the value chain into eight groups, namely: employees, customers, suppliers, suppliers, regulators, shareholders, the community, creditors, and competitors. An internal stakeholder is employees, while external stakeholders consist of shareholders, customers, suppliers, the community, creditors, regulators, and competitors. The company prioritizes stakeholders based on the degree of impact of the company on each group concerning economic, social, environmental, and human rights aspects, along with the level of influence the stakeholders have on the company. This evaluation helps define approaches for building connections and engagement with stakeholders and planning appropriate operations tailored to each stakeholder group.





Based on the prioritization of stakeholders, the company has established stakeholder management strategies as follows:

- **Manage Strategically:** Foster strong relationships and collaboration to align stakeholder interests with the organization's goals, thereby achieving mutual benefits and long-term success.
- **Keep Satisfied:** Address the significant needs and concerns of stakeholders to maintain their support.
- **Keep Informed:** Provide accurate information and communicate transparently and consistently to keep stakeholders informed of progress and build trust.
- **Monitor:** Monitor and assess stakeholder interests and operations that may impact the company.

## Engagement with Stakeholders

The company assigns departments responsible for each stakeholder group to systematically survey their needs and expectations through various communication channels at least once a year, under the oversight of the Corporate Sustainability Development Committee. This process aims to foster stakeholder engagement and survey the impacts experienced by each stakeholder group, including both existing and potential impacts, as well as concerns and expectations. The company collects and analyzes the expectations, needs, concerns, and comments from significant stakeholders that are relevant to its business operations. It evaluates materiality issues and develops management approaches to appropriately address these issues. In 2024, the company engaged and responded to stakeholders as follows:



Employees		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Daily employee meetings before the start of work. 2) Monthly Executive Committee meetings and departmental meetings. 3) Quarterly Welfare Committee meetings. 4) Employee engagement surveys that are conducted twice a year. 5) Monthly Safety Committee meetings. 6) Monthly Risk Management Working Group meetings. 7) Communication through online media, intranet, and email. 8) Whistleblower and complaint reporting channels via online media, email, and a Red Box for collecting complaints and feedback within the company.	Transparent and fair performance evaluation	<ul style="list-style-type: none"> <li>Conduct a survey to establish an appropriate salary structure at each job level, linking compensation to performance in operations to simultaneously increase production and revenue.</li> <li>Enhance additional benefits, ensuring they align with the company's business performance, economic and social conditions.</li> <li>Provide allowances and benefits suitable for roles and responsibilities, such as meal allowances, attendance bonuses, funeral assistance, get-well gifts, group life and accident insurance, provident fund contributions, uniforms, traveling and accommodation expenses, etc.</li> <li>Ensure that benefits and various entitlements are provided appropriately, benchmarking against other companies in the same or similar industries, and in compliance with legal requirements.</li> <li>Link performance evaluations to various compensation aspects fairly and appropriately, considering each employee's knowledge, skills, experience, position, responsibilities, and performance.</li> </ul>
	Treatment of employees with respect for dignity, rights, and principles of human rights	<ul style="list-style-type: none"> <li>Promote awareness of human rights and fundamental labor practices to executives and employees at all levels.</li> </ul>
	Job security and opportunities for career advancement	<ul style="list-style-type: none"> <li>Establish clear career path plans for various positions within the company.</li> <li>Encourage employees to enhance their skills and knowledge while providing opportunities to showcase their abilities.</li> </ul>
	Health and safety in the workplace	<ul style="list-style-type: none"> <li>Improve the work environment to meet standards and promote good health and well-being.</li> <li>Enhance workplace safety by assessing risk factors and improving equipment and the work environment, conducting safety training, and providing adequate PPE (Personal Protective Equipment) according to job nature.</li> <li>Organize activities that promote both physical and mental well-being for employees.</li> </ul>
	Open communications and feedback	<ul style="list-style-type: none"> <li>Create manuals, records, or documents to communicate policies and significant changes through Morning Talk and various communication channels, including bulletin boards, internal emails, intranet, Line Open Chat, and short video clips, to ensure communication is easy to understand, clear, and transparent.</li> <li>Develop a systematic and clear process for handling complaints and suggestions that is easily accessible and communicates the results to employees.</li> </ul>



Customers		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Meetings/customer Visits 2) Customer satisfaction surveys every 6 months 3) Customer relations activities/marketing events 4) Communication through online media, email, and telephone 5) Channels for reporting complaints to the company	Products that meet quality standards and customer requirements	<ul style="list-style-type: none"> <li>Organize customer visits to the factory to audit and gain confidence in the production processes and product quality.</li> <li>Develop products and services that meet customer needs.</li> <li>Ensure transparency in operational disclosures.</li> </ul>
	Timely delivery of products	<ul style="list-style-type: none"> <li>Enhance systems for seamless integration across the organization to effectively plan sales, production, and delivery.</li> </ul>
	Flexibility in adhering to trade agreements	<ul style="list-style-type: none"> <li>Adhere to trade agreements while maintaining some flexibility in certain cases.</li> </ul>
	High-quality and efficient service	<ul style="list-style-type: none"> <li>Upskill the customer service team to provide comprehensive support with care and accountability towards customers.</li> <li>Communicate, provide information, or respond to customer inquiries promptly and accurately.</li> <li>Improve communication channels and complaint handling processes to effectively address customer complaints.</li> </ul>
	Maintenance of business confidentiality	<ul style="list-style-type: none"> <li>Strictly adhere to the company's Code of Conduct and policies.</li> </ul>
Communities		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Communication through online media, email, and telephone 2) Meetings with community representatives held once a year 3) Dialogues to gather feedback from the community held once a year 4) Survey on community satisfaction and engagement conducted once a year 5) Channels for reporting complaints to the company	Development of community economy and improvement of quality of life	<ul style="list-style-type: none"> <li>Develop and support projects that enhance the quality of life and economic development of the local community.</li> <li>Organize activities/projects to support the community during disasters or other social initiatives, such as donations for the community's traditional events.</li> <li>Build collaborative networks with other stakeholders to jointly develop the local community and society.</li> </ul>
	Job creation and employment opportunities for local residents	<ul style="list-style-type: none"> <li>Promote the company's employment opportunities for local residents.</li> <li>Promote and provide opportunities for local community members to access education and skill development to enhance their capabilities.</li> <li>Provide knowledge on how to utilize by-products to create job opportunities for community members.</li> </ul>
	Road safety	<ul style="list-style-type: none"> <li>Establish measures for transporting raw materials for suppliers and rubber farmers to ensure road safety.</li> <li>Organize basic safe driving awareness activities for the community and stakeholders around the company.</li> </ul>
	Environmental quality in the community.	<ul style="list-style-type: none"> <li>Strictly comply with environmental laws, regulations, and practices.</li> <li>Monitor and control pollution measurement to ensure compliance with legal requirements.</li> <li>Regularly assess environmental impacts on the community.</li> <li>Disclose information regarding environmental and pollution management transparently.</li> </ul>

Suppliers		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Joint meetings with suppliers and rubber farmers held twice a year 2) Regular visits to suppliers' premises every month 3) Communication through online media, email, and telephone 4) Channels for reporting complaints to the company	A transparent and fair procurement process	<ul style="list-style-type: none"> <li>Establish guidelines, measures, and procedures for procurement that are transparent, open, and verifiable.</li> <li>Conduct procurement activities transparently in accordance with the procurement policy and the anti-corruption policy to ensure fairness for all parties involved.</li> <li>Develop a raw material procurement system that treats both large and small suppliers equitably.</li> </ul>
	Compliance with laws and agreements	<ul style="list-style-type: none"> <li>Comply with relevant laws and regulations, as well as the procurement policy and contracts or agreements between parties.</li> </ul>
	Timely and complete payments	<ul style="list-style-type: none"> <li>Ensure payments are made according to the specified terms or credit terms outlined in the contract, adhering to principles of accuracy, transparency, and efficiency.</li> </ul>
	Development of capabilities and knowledge of suppliers	<ul style="list-style-type: none"> <li>Develop programs to educate suppliers about the rubber quality and productivity improvement, as well as principles of human rights and new regulations, both domestic and international, that affect the rubber business.</li> </ul>
Shareholders		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Annual General Meeting of Shareholders and Extraordinary General Meeting of the company's performance in accordance with the rules of the Stock Exchange of Thailand and disclosure standards	Accurate and transparent disclosure	<ul style="list-style-type: none"> <li>Disclose information in periodic reports, including quarterly and annual financial statements, Management Discussion and Analysis (MD&amp;A), summaries of the company's performance and that of its subsidiaries (Form F45), and the 56-1 One Report, among others.</li> </ul>
2) Quarterly Analyst Meetings with securities analysts and fund managers	Exchange of Thailand and disclosure standards	<ul style="list-style-type: none"> <li>Prepare and disclose business operations, performance, and financial status transparently.</li> </ul>
3) Quarterly Opportunities Day activities of the Stock Exchange of Thailand		<ul style="list-style-type: none"> <li>Disclose information on significant events, such as shareholder meetings, asset acquisitions and disposals, related parties transactions, and various investments.</li> </ul>
4) Quarterly company Snapshot updates on the Stock Exchange of Thailand's website		
5) Investor meetings at least once a year	Maintaining financial stability and security of the company	<ul style="list-style-type: none"> <li>Conduct business operations with caution while aligning with financial goals.</li> </ul>
6) Business sites visit at least once a year		<ul style="list-style-type: none"> <li>Closely monitor and oversee the company's financial status.</li> </ul>
7) Communication through online media, email, and telephone	Treating all shareholders equitably	<ul style="list-style-type: none"> <li>Provide information on performance and overall business growth to shareholders through accessible channels for all shareholders.</li> </ul>
8) Channels for reporting complaints to the company		
	Achieving business growth and strong performance for good returns	<ul style="list-style-type: none"> <li>Develop the business to maintain competitive costs and operational efficiency.</li> <li>Enhance competitiveness through innovative products and new business ventures to ensure continuous revenue generation.</li> <li>Seek and engage in joint investments with business partners to expand investment opportunities and build flexibility in operations.</li> </ul>
	Good corporate governance	<ul style="list-style-type: none"> <li>Strictly comply with laws and regulations.</li> <li>Operate with transparency and active anti-corruption.</li> <li>Enhance effectiveness of the corporate governance and risk management structure and systems.</li> </ul>



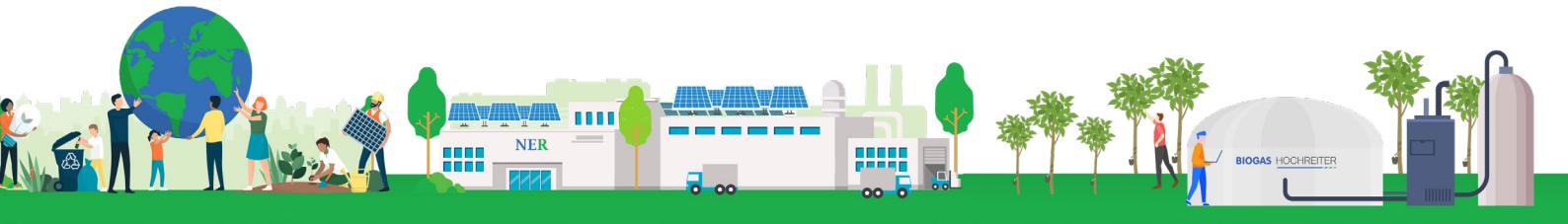
Creditors		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Meetings with creditors. 2) Business sites visit activities. 3) Communication through online media, email, and telephone.	Effective risk management	<ul style="list-style-type: none"><li>Manage risks comprehensively, including economic, social, environmental, and human rights risks that may impact the company's financial position.</li><li>Implement important internal control policy and procedures related to creditor transactions, as well as comply with auditors regarding the regular confirmation of balances during the accounting period.</li><li>Manage capital to maintain a suitable structure that supports the company's business operations and preserves trust among creditors.</li><li>Communicate and disclose the company's performance accurately and clearly.</li></ul>
	Compliance with the terms of the loan and bond agreements / Repayment of debts according to the stipulated conditions.	<ul style="list-style-type: none"><li>Rigorously adhere to contracts and conditions, upholding accuracy, transparency, and timeliness.</li><li>Commit to maintaining sustainable relationships with creditors and fostering mutual trust.</li></ul>
Regulators		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Participation in government-organized Collaboration and support for regulators, seminars related to the industry 2) Business sites visit activities 3) Communication through online media, email, and telephone	Compliance with laws and regulations.	<ul style="list-style-type: none"><li>Participate in meetings, seminars, or government programs that benefit the company, customers, and investors.</li><li>Strictly comply with laws, regulations, and rules relevant to the industry.</li></ul>
	Effective management of safety and environment in the factory.	<ul style="list-style-type: none"><li>Maintain environmental quality that exceeds legal requirements.</li><li>Prepare measures to respond to emergencies.</li></ul>
	Commitment to social and environmental responsibility, coexisting sustainably with the community.	<ul style="list-style-type: none"><li>Build relationships with the community and regulators through various projects and activities aimed at social and environmental development.</li><li>Monitor and address the negative impacts that the community may experience from the company's operations.</li></ul>
	Good corporate governance.	<ul style="list-style-type: none"><li>Ensure that operations across all departments are conducted correctly, transparently, and are auditable.</li></ul>
	Disclosure of the company's business performance.	<ul style="list-style-type: none"><li>Produce accurate business reports and publicly disclose them according to established timelines or provide information as requested by government agencies.</li></ul>
Competitor		
Engagement Channels and Methods	Needs / Expectations	NER's Responses
1) Meetings and gatherings at organizations or agencies related to the industry.	Fair competition	<ul style="list-style-type: none"><li>Conduct business with ethics.</li><li>Treat competitors fairly within the framework of good competition practices and fairness.</li></ul>



## MATERIALITY

In 2024, the company reviewed the material topics based on the GRI Universal Standards 2021, specifically GRI 3: Material Topics 2021, while considering the principles of the OECD Due Diligence Guidance for Responsible Business Conduct and the Double Materiality approach of the European Sustainability Reporting Standards (ESRS). This evaluation assessed sustainability materiality issues based on their impact on stakeholders, society, and the environment (Impact materiality), as well as their significant implications for the company in terms of financial performance and future business value creation (Financial materiality) with a process for identifying sustainability materiality issues as follows:

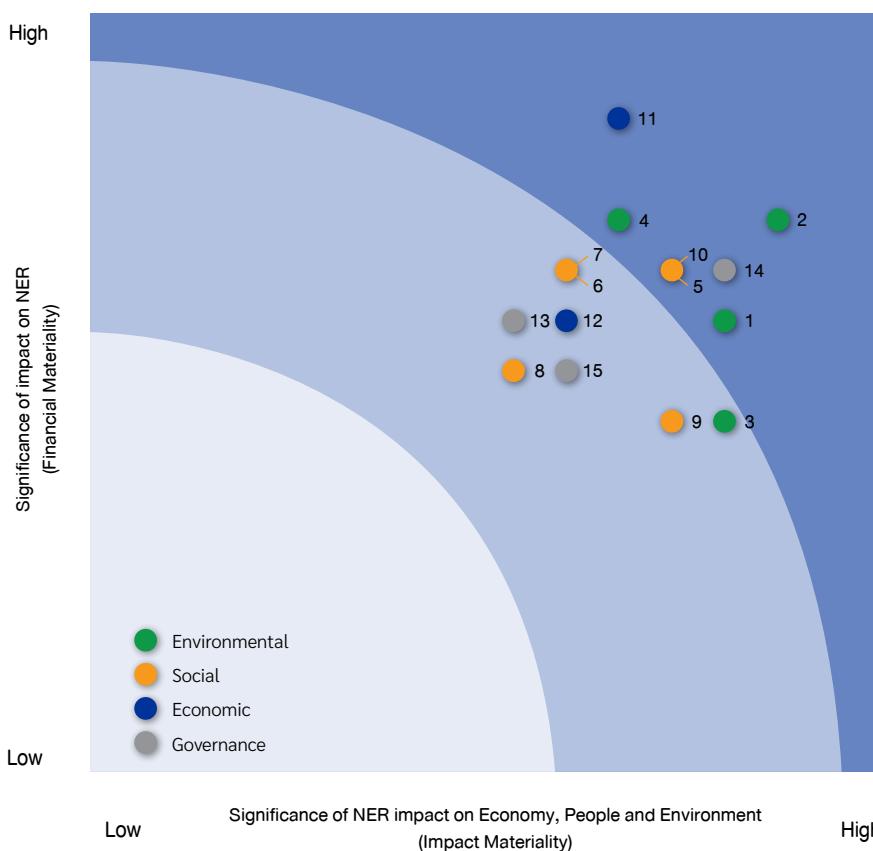
<b>1. Analyze the context of the company and the industry</b>	Study and analyze the activities within the supply chain carried out by the company and its business partners. Examine external factors such as global changes, economic challenges, environmental concerns, human rights issues, and social dynamics at local, regional, and global levels that are relevant to the company and its business relationships.
<b>2. Identify impacts occurring throughout the supply chain</b>	Identify both actual impacts and potential impacts on the economy, environment, and society, including human rights implications, resulting from the company's activities and its business relationships. This should encompass both negative and positive impacts, short-term and long-term effects, intended and unintended consequences, as well as reversible and irreversible impacts. The identification process may involve brainstorming sessions, in-depth interviews, survey results, complaints, and various performance statistics.
<b>3. Assess the significance of impacts on the economy, environment, and society, including human rights</b>	Assess the significance of impacts through input from executives and experts from various departments within the company, in conjunction with feedback from both internal and external stakeholders via multiple channels. The assessment should consider criteria such as the severity of impacts, nature of the impacts, scope of the impacts, likelihood of occurrence, and ability to mitigate these impacts. Negative and positive impacts should be evaluated separately.
<b>4. Evaluate the importance of impacts on the company</b>	Group the impacts on the economy, environment, and society, including human rights, into sustainability issues. Consider the likely material topics as outlined in GRI Sector Standards GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 to obtain a comprehensive perspective across all dimensions. These topics will then be used to assess the level of impact on the company regarding financial performance and its ability to create future value, as evaluated by senior management. This assessment should take into account the likelihood of occurrence and the severity of impacts in both financial and non-financial terms.
<b>5. Prioritize sustainability issues</b>	Prioritize the issues by establishing criteria or thresholds to determine which sustainability topics are of high, moderate, and low significance.
<b>6. Review and approve key sustainability issues</b>	Review the prioritization and accuracy of the process by the Corporate Sustainability Development Committee and external sustainability experts. Subsequently, approve the sustainability materiality issues by the Corporate Governance and Sustainability Development Committee and the Board of Directors, respectively.



The company presents the identified sustainability materiality issues by illustrating their prioritization in a Materiality Matrix, with the following criteria:

**The vertical axis (Y-axis)** represents the significance level of impacts from sustainability issues on the company regarding financial performance and future value creation.

**The horizontal axis (X-axis)** indicates the significance level of impacts on the economy, society, and the environment resulting from the company's business operations across various sustainability issues.



Critical Impact Materiality Issues	Moderate Impact Materiality Issues
1. Climate adaptation and resilience	3. Energy
2. Emissions and air pollution	6. Customer responsibility
4. Waste	7. Labour practices and human rights in supply chain
5. Water and effluent	8. Employee retention and development
10. Local communities	9. Occupational health and safety
11. Sustainable supply chain	12. Innovation and technology
14. Compliance to law and regulations	13. Corporate governance and business integrity
	15. Privacy and data security

The company identified a total of 15 materiality issues, which were prioritized using a Materiality Matrix. Among these, 7 topics were categorized as having critical impacts. Details on the management of all 15 materiality issues are disclosed in the 2024 Sustainability Report.

## Establishing Strategies for Sustainability

In addition to considering sustainability materiality issues as part of the overall enterprise risk management to comprehensively manage risks and create business opportunities, the Corporate Sustainability Development Committee has also prioritized sustainability issues of strategic importance and integrated sustainability issue management into the business strategy. Consequently, the company has established a new strategy called the **"4Ds Strategy"** to guide its operations in achieving both short-term and long-term objectives and goals, as follows:

### DRIVE

sustainable economic value through a trusted brand and high-quality, innovative, diverse, and cost-competitive rubber products.

### DEVELOP

a transparent, fair, and resilient rubber supply chain that adheres to internationally accepted standards



### DEPLOY

decarbonization and circularity within the company and promote the adoption of these practices across the supply chain.

### DEDICATE

efforts to enhancing development, safety, inclusivity, and social well-being in workplaces and local communities.





## Strategy D1 : D (Good) Product

Produce and develop a wide range of high-quality rubber products through innovation and competitive cost advantages to create sustainable economic value and establish a trusted brand.



8.1, 8.2, 8.3, 8.4



9.4, 9.5, 9B



12.2, 12.5, 12.6



16.3, 16.5, 16.6, 16.7



17.17

### Goals

### NER's Approaches

<ul style="list-style-type: none"><li>• Increase revenue and market share</li><li>• Manage costs effectively</li></ul>	<ul style="list-style-type: none"><li>• Market penetration – existing market</li><li>• New frontier expansion – new markets and customers</li><li>• Invest in research and development of natural rubber products to increase added value and diversify offerings that meet the needs of target industries.</li></ul>
<ul style="list-style-type: none"><li>• Become a trustworthy brand</li><li>• Customer satisfaction score exceeding 95%</li><li>• No violations of laws related to economy, society, or environment</li></ul>	<ul style="list-style-type: none"><li>• Improve production efficiency through innovation and technology.</li><li>• Reduce waste generation rates.</li><li>• Maximize resources used.</li></ul>
<ul style="list-style-type: none"><li>• Comprehensive and effective risk management across the entire organization (100%)</li></ul>	<ul style="list-style-type: none"><li>• Improve processes and standard certifications to enhance confidence in quality and safety.</li><li>• Provide a positive customer experience in purchasing both products and services.</li><li>• Disclose information transparently and ensure it is verifiable.</li><li>• Comply with laws and regulations, both domestically and internationally.</li><li>• Implement systematic and effective corporate governance.</li><li>• Promote stakeholder engagement for improvements and development.</li></ul>
	<ul style="list-style-type: none"><li>• Develop an enterprise risk management system that encompasses business risks and ESG Risks.</li></ul>

## Strategy D2 : D (Good) Supplier

Develop a supply chain that is transparent, fair, flexible, and aligned with international quality standards.



2.3



3.9



5.2



8.3, 8.7, 8.8



10.3



12.4



15.1, 15.2



16.2, 16.5, 16.6

### Goals

### NER's Approaches

<ul style="list-style-type: none"><li>• Elevate product quality to meet global standards.</li></ul>	<ul style="list-style-type: none"><li>• Promote the use of raw materials from certified environmentally friendly sources, such as the EU Deforestation Regulation (EUDR) and the Forest Stewardship Council (FSC).</li><li>• Obtain various certifications that demonstrate responsibility and a commitment to sustainable rubber business practices in accordance with international standards.</li><li>• Reduce raw material contamination.</li><li>• Ensure the stability of raw material supply.</li></ul>
<ul style="list-style-type: none"><li>• Increase the proportion of raw materials from small suppliers to exceed 20% of total production.</li></ul>	<ul style="list-style-type: none"><li>• Promote raw materials sourcing from small suppliers.</li><li>• Develop the accurate and transparent raw material procurement process for the benefit of small suppliers.</li></ul>
<ul style="list-style-type: none"><li>• Achieve 100% product traceability by 2027.</li></ul>	<ul style="list-style-type: none"><li>• Develop a data process and system to trace back the origin of raw materials.</li></ul>
<ul style="list-style-type: none"><li>• No human rights violations in the supply chain</li></ul>	<ul style="list-style-type: none"><li>• Develop a comprehensive supplier risk assessment system that covers economic, social, environmental, and governance risks.</li><li>• Regularly assess and monitor supplier risks.</li></ul>

## Strategy D3 : D (Good) Environment

Reduce carbon footprint and promote the reuse of resources in all processes of the company, extending the scope to the entire supply chain.



### Goals

### NER's Approaches

<ul style="list-style-type: none"> <li>Become Carbon Neutrality by 2030.</li> <li>Reduce greenhouse gas emissions (Scope 1 &amp; 2) by 22.5% compared to the baseline year of 2021 by 2030.</li> <li>Reduce greenhouse gas emissions (Scope 3) by 25% compared to the baseline year of 2021 by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions in the production process.</li> <li>Reduce greenhouse gas emissions from transportation.</li> <li>Encourage suppliers to reduce greenhouse gas emissions within the supply chain.</li> <li>Increase the production and proportion of renewable energy and biomass energy to replace fossil fuel energy.</li> <li>Seek certification for greenhouse gas emissions reduction targets in accordance with Science Based Targets Initiative (SBTi).</li> </ul>
<ul style="list-style-type: none"> <li>Zero Waste to Landfill</li> </ul>	<ul style="list-style-type: none"> <li>Develop a reusing process for waste from the production process.</li> <li>Increase the waste recycling rate.</li> <li>Collaborate with suppliers to develop environmentally friendly packaging.</li> <li>Improve a document working process from a paper-based system to an online system to reduce time and paper usage.</li> </ul>
<ul style="list-style-type: none"> <li>Use 100% recycled water in production.</li> <li>Reduce water intensity by 20% compared to the baseline year of 2023 by 2028.</li> </ul>	<ul style="list-style-type: none"> <li>Develop water management technology to reduce water consumption in the production process.</li> <li>Enhance the efficiency of advanced wastewater treatment systems to maximize the reuse of treated water.</li> </ul>

## Strategy D4 : D (Good) Society

Promote the development and engagement of everyone in the workplace and in the local community for the safety and well-being of all.



### Goals

### NER's Approaches

<ul style="list-style-type: none"> <li>Have sufficient employees in both number and capability to support future business expansion.</li> <li>Average training hours not less than 25 hours per person per year by 2028.</li> </ul>	<ul style="list-style-type: none"> <li>Implement a Talent Development Program for high-potential employees.</li> <li>Create Individual Development Plans (IDPs) for employees at all levels.</li> <li>Develop employees' soft skills in addition to their technical knowledge and expertise.</li> </ul>
<ul style="list-style-type: none"> <li>Employee engagement score not less than 90% by 2028.</li> <li>Voluntary turnover rate of less than 5% by 2028.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen employee engagement and involvement.</li> <li>Develop activity programs to promote the quality of life and well-being of employees.</li> </ul>
<ul style="list-style-type: none"> <li>Zero rate of fatalities or disabilities from workplace accidents (Zero major accidents).</li> <li>Zero occupational illnesses.</li> <li>Zero Lost Time Injury Frequency Rate (LTIFR).</li> </ul>	<ul style="list-style-type: none"> <li>Develop a risk assessment system for work processes and establish effective risk management and prevention measures.</li> <li>Foster a safety culture (Safety DNA) and ensure compliance with various procedures and measures among employees.</li> </ul>
<ul style="list-style-type: none"> <li>No complaints regarding air pollution from the community or regulators.</li> <li>Community engagement score exceeding 90% by 2028.</li> <li>Satisfaction score of exceeding 90% for community engagement activities by 2028.</li> <li>Improve the well-being and quality of life of community members.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and assess the impacts of business operations on the community.</li> <li>Promote environmentally friendly agricultural practices among rubber farmers to produce high-quality, clean rubber and encourage the use of non-hazardous chemicals.</li> <li>Initiate and implement community development projects to enhance the potential and well-being of local residents, such as creating job opportunities, promoting health and wellness, supporting education, and preserving cultural traditions.</li> <li>Build partnerships with non-profit organizations to amplify positive social impacts.</li> </ul>



## Management of Materiality Issues

NER's Materiality Issues	Key Issues in GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022 That Are Related	Impact on Economy, People, and Environment (Outward Impact)				Impact on NER		GRI Topic Disclosure	Report Contents	Page
		(Inward Impact)	From NER's Operations	From NER's Supply Chain	Risk	Opportunity				
1. Climate adaptation and resilience	Climate adaptation and resilience	<span style="color: red;">-</span> <span style="color: green;">+</span>	H	M	M	M	- 201-2 Financial implications and other risks and opportunities due to climate change	Climate and Decarbonization	70	
2. Emissions and air pollution	Emissions and air pollution	<span style="color: red;">-</span>	H	H	H	M	- 305-1 Direct (Scope 1) GHG emissions - 305-2 Energy indirect (Scope 2) GHG emissions - 305-3 Other indirect (Scope 3) GHG emissions - 305-4 GHG emissions Intensity - 305-5 Reduction of GHG Emissions - 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality Management	91	
3. Energy	Waste	<span style="color: red;">-</span> <span style="color: green;">+</span>	H	M	M	M	- 302-1 Energy consumption within the organization - 302-3 Energy intensity	Energy Management	82	
4. Waste	Water and effluents	<span style="color: red;">-</span> <span style="color: green;">+</span>	H	M	M	H	- 306-1 Waste generation and significant waste-related impacts - 306-2 Management of significant waste-related impacts - 306-3 Waste generated - 306-4 Waste diverted from disposal - 306-5 Waste directed to disposal	Waste Management	96	
5. Water and effluents	Water and effluents	<span style="color: red;">-</span> <span style="color: green;">+</span>	H	H	M	H	- 303-1 Interactions with water as a shared resource - 303-2 Management of water discharge-related impacts - 303-3 Water withdrawal - 303-4 Water discharge - 303-5 Water consumption	Water Management	102	
6. Customer responsibility		<span style="color: red;">-</span> <span style="color: green;">+</span>	M	M	H	M	- 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services - 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Enhancing Good Customer Experience	164	
7. Labor practices and human rights in the supply chain	- Non-discrimination and equal opportunity - Forced or compulsory labour - Child labour	<span style="color: red;">-</span> <span style="color: green;">+</span>	M	M	H	L	- 405-1 Diversity of governance bodies and employees - 405-2 Ratio of basic salary and remuneration of women to men - 406-1 Incidents of discrimination and corrective actions taken - 408-1 Operations and suppliers at significant risk for incidents of child labor - 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights in Supply Chain	58	
8. Employee retention and development	Employment practices	<span style="color: red;">-</span> <span style="color: green;">+</span>	M	L	M	M	- 401-1 New employee hires and employee turnover - 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees - 401-3 Parental leave - 404-1 Average hours of training per year per employee - 404-2 Programs for upgrading employee skills and transition assistance programs	Employee Care, Development, and Retention	108	



NER's Materiality Issues	Key Issues in GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022 That Are Related	Impact on Economy, People, and Environment (Outward Impact)			Impact on NER		GRI Topic Disclosure	Report Contents	Page
		From NER's (Inward Impact)	From NER's Operations	From NER's Supply Chain	Risk	Opportunity			
9. Occupational health and safety	Occupational health and safety						<ul style="list-style-type: none"> <li>- 403-1 Occupational health and safety management system</li> <li>- 403-2 Hazard identification, risk assessment, and incident investigation</li> <li>- 403-3 Occupational health services</li> <li>- 403-4 Worker participation, consultation, and communication on occupational health and safety</li> <li>- 403-5 Worker training on occupational health and safety</li> <li>- 403-6 Promotion of worker health</li> <li>- 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</li> <li>- 403-8 Workers covered by an occupational health and safety</li> <li>- 403-9 Work-related injuries</li> <li>- 403-10 Work-related ill health</li> </ul>	Safety at Work	121
10. Local communities	Local communities	<span style="color: red;">-</span>			H	M	<ul style="list-style-type: none"> <li>- 201-1 Direct economic value generated and distributed</li> <li>- 413-1 Operations with local community engagement, impact assessments, and development programs</li> <li>- 413-2 Operations with significant actual and potential negative impacts on local communities</li> </ul>	Creating Value for Communities and Society	133
11. Sustainable supply chain	Supply chain traceability	<span style="color: red;">-</span>	<span style="color: green;">+</span>		H	H	<ul style="list-style-type: none"> <li>- 204-1 Proportion of spending on local suppliers</li> <li>- 308-1 New suppliers that were screened using environmental criteria</li> <li>- 308-2 Negative environmental impacts in the supply chain and actions taken</li> <li>- 414-1 New suppliers that were screened using social criteria</li> <li>- 414-2 Negative social impacts in the supply chain and actions taken</li> </ul>	Sustainable Supply Chain	150
12. Innovation and technology		<span style="color: green;">+</span>			M	L	<ul style="list-style-type: none"> <li>- 3-3 Management of material topics</li> </ul>	Value-added Product and Process Development	168
13. Corporate governance and business integrity	Anti-corruption	<span style="color: red;">-</span>			M	M	<ul style="list-style-type: none"> <li>- 205-2 Communication and training about anti-corruption policies and procedures</li> <li>- 205-3 Confirmed incidents of corruption and actions taken</li> </ul>	Good Governance and Compliance	30
14. Law and regulatory compliance		<span style="color: red;">-</span>			H	H	<ul style="list-style-type: none"> <li>- 3-3 Management of material topics</li> <li>- 2-27 Compliance with laws and regulations</li> </ul>	Good Governance and Compliance	30
15. Data privacy and security		<span style="color: red;">-</span>			M	L	<ul style="list-style-type: none"> <li>- 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</li> </ul>	Information Security	54



## FOUNDATION FOR GROWTH

**The core of our business is integrity and fairness, respecting human rights throughout the value chain. We adhere to transparent and verifiable standards so that all customers and suppliers, large or small, benefit equally and fairly.**

- Good Governance and Compliance
- Risk and Crisis Management
- Information Security
- Human Rights in Supply Chain



# GOOD GOVERNANCE AND COMPLIANCE

Materiality Issue	Impact, Risk, and Opportunity
<b>13. Corporate governance and business integrity</b> <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Code of conduct</li> <li>Fair business operations and competition</li> <li>Anti-corruption</li> <li>Whistleblowing</li> </ul>	<p>Corporate governance, having good governance practices, and complying with both domestic and international regulations are crucial for business operations. If the company lacks effective governance mechanisms or fails to adhere to business ethics and regulatory standards, it may face both financial and non-financial impacts, such as those related to health, safety, and environmental consequences. Key stakeholders, including employees, communities, customers, partners, and shareholders may be affected. This could result in a loss of trust from stakeholders, damage to the company's reputation and image, lost opportunities for access to funding, higher financial costs, and a reduced ability to sustain long-term business operations.</p>
<b>14. Law and regulatory compliance</b> <ul style="list-style-type: none"> <li>Domestic and international law and regulatory compliance</li> <li>Compliance with contractual obligations</li> <li>adherence to public policies and Support</li> </ul>	<p>A robust corporate governance system and mechanisms ensure that the company manages its operations responsibly, in accordance with policies, business ethics, and relevant laws and regulations, contributing to sustainability in the economy, society, and environment. Furthermore, it supports the company's strategies and competitiveness, enabling the board of directors and management to supervise the organization thoroughly and make informed decisions. This fosters a strong risk culture with clear accountability at all levels, allowing for effective identification and management of risks across all dimensions, and building trust and confidence among all stakeholders associated with the company.</p>
<b>Contribution to SDGs</b>  16.3, 16.5, 16.6, 16.7	

	Long-term Goals	2024 Goals	2024 Performance
<b>Number of significant complaints related to corporate governance</b>	0	0	0
<b>Number of cases of corruption</b>	0	0	2
<b>Number of cases of code of conduct violations</b>	0	0	0
<b>Number of cases of economic, social, and environmental laws violations</b>	0	0	0





## GOVERNANCE APPROACH

The board of directors, management, and employees at all levels recognize the importance of good governance, integrity, and compliance with regulations, committing to conduct business with honesty, transparency, and accountability. This aims to maximize benefits for shareholders and all stakeholder groups fairly. The company has established a good governance policy and a corporate governance and code of conduct manual in written form, which serves as a framework and guiding principles for the board, management, and employees. This manual aligns with the principles of good governance for listed companies as outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the international guidelines from the Organization for Economic Co-operation and Development (OECD). The policy and governance manual are reviewed annually by the board of directors to ensure they remain current and support effective operations and sustainable development.



For more information on the good governance policy, please visit [www.nerubber.com](http://www.nerubber.com) or scan the QR Code.

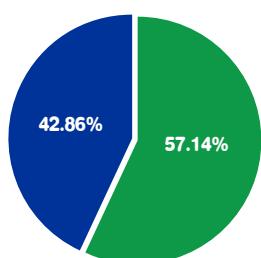
## Corporate Governance Structure

### Board of Directors

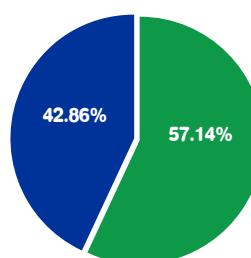
The board of directors plays a crucial role in overseeing and directing the management to achieve the established goals while ensuring the interests of various stakeholders are harmonized and any conflicts of interest are avoided. Therefore, the company has established a process for the selection of directors, assigning the Nomination and Remuneration Committee the responsibility to identify and vet qualified candidates. This ensures that individuals nominated for positions on the board possess the necessary knowledge, skills, and experience before being proposed for shareholder appointment. The Nomination and Remuneration Committee considers the list of qualified directors from the Director Pool prepared by the Thai Institute of Directors or names proposed by shareholders. Criteria for evaluation are based on qualifications as mandated by law and the Securities and Exchange Commission, as well as alignment with the company's Board Skills Matrix, which includes professional skills, specialized expertise, and work experience. The selection process is inclusive, not discriminating based on gender, age, race, or religion, and candidates must exhibit integrity, ethics, and moral principles in business while being able to dedicate sufficient time to their duties.

As of December 31, 2024, the company has a board of directors comprising 7 members, including 3 executive directors and 4 non-executive directors, which accounts for 57.14% of the board. Among them, 4 are independent directors, representing 57.14% of the total board. The board consists of 5 male directors and 2 female directors, with women comprising 28.57% of the total. The chairman of the board is not the same individual as the CEO to ensure a clear separation of powers and functions.

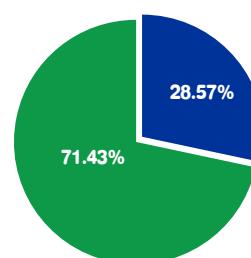
Executive directors  
Non-executive directors



Non-Independent directors  
Independent directors



Female directors  
Male directors



Board of Directors			Executive Director	Non- executive Director	Independent Director	Positions Held in Other Listed Companies (Number of Companies)
No.	List of Directors	Position				
1	Mr. Chanitr Charnchainarong	<ul style="list-style-type: none"> <li>- Director</li> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Corporate Governance and Sustainability Committee</li> <li>- Audit Committee</li> <li>- Independent Director</li> </ul>			✓	✓
2	Mr. Ronachit Jinadit	<ul style="list-style-type: none"> <li>- Director</li> <li>- Chairman of the Audit Committee</li> <li>- Nomination and Remuneration Committee</li> <li>- Corporate Governance and Sustainability Committee</li> <li>- Independent Director</li> </ul>			✓	-
3	Mr. Tepakul Poonlarp	<ul style="list-style-type: none"> <li>- Director</li> <li>- Chairman of the Risk Management Committee</li> <li>- Independent Director</li> </ul>		✓	✓	1
4	Mrs. Chanatip Weerasubpong	<ul style="list-style-type: none"> <li>- Director</li> <li>- Chairman of the Nomination and Remuneration Committee</li> <li>- Audit Committee</li> <li>- Risk Management Committee</li> <li>- Corporate Governance and Sustainability Committee</li> <li>- Independent Director</li> </ul>		✓	✓	2
5	Mr. Chuwit Jungtanasomboon	<ul style="list-style-type: none"> <li>- Director</li> <li>- Risk Management Committee</li> <li>- Nomination and Remuneration Committee</li> <li>- Corporate Governance and Sustainability Committee</li> <li>- Chairman of the Executive Committee</li> <li>- Chief Executive Committee</li> </ul>	✓			-
6	Mr. Sakchai Jongstapongpun	<ul style="list-style-type: none"> <li>- Director</li> <li>- Risk Management Committee</li> <li>- Executive Committee</li> </ul>	✓			-
7	Miss Py Attpisarn	<ul style="list-style-type: none"> <li>- Director</li> <li>- Executive Committee</li> </ul>	✓			-
Total (Persons)			3	4	4	





## Board Skills Matrix

List of Directors	1. Rubber Industry	2. Marketing Strategy and Competition	3. Economics, Financial Accounting, and Banking	4. Business-related Law	5. Risk Management	6. International Marketing	7. Crisis Management	8. Good Corporate Governance	9. Information Technology and Innovation	10. Sustainability Development
1. Mr. Chanitr Charnchainarong	✓	✓			✓			✓		✓
2. Mr. Ronachit Jinadit	✓	✓	✓	✓	✓	✓	✓	✓		✓
3. Mr. Tepakul Poonlarp	✓		✓	✓	✓		✓	✓	✓	✓
4. Mrs. Chanatip Weerasubpong	✓	✓			✓			✓		✓
5. Mr. Chuwit Jungtanasonboon	✓	✓		✓	✓	✓	✓	✓		✓
6. Mr. Sakchai Jongstapongpun	✓	✓	✓		✓	✓	✓	✓		✓
7. Miss Py Attpisarn	✓			✓	✓	✓	✓	✓		✓
Total	6	5	4	4	7	3	5	7	1	7

## Governance for Sustainability

During the third meeting of the board of directors on May 9, 2024, it was resolved to appoint two new subcommittees to replace the previous Nomination and Sustainability Development Committee: the Nomination and Remuneration Committee, and the Corporate Governance and Sustainable Development Committee.

The company has tasked the Corporate Governance and Sustainable Development Committee, comprising four board members of whom three are independent directors (75%), led by an independent chair, with overseeing adherence to established governance policies and manuals. This committee maintains the quality of operations according to the company's goals and strategies, ensuring compliance with laws and regulations both domestically and internationally, managing risk and internal controls, and regularly monitoring ESG (Environmental, Social, and Governance) performance following good governance principles. It reports to the board, providing guidance for improvements and enhancing governance mechanisms and systems.

The Corporate Governance and Sustainable Development Committee monitors management's performance through the Corporate Sustainability Development Working Group, which includes six subcommittees covering ESG dimensions. Regarding governance, the working group on Governance and Fair Operations is responsible for promoting good governance efficiency, risk management, and internal controls across the organization, reporting progress on governance system development and operational performance to senior management and the board of directors sequentially.



## Meetings of the Board of Directors

In 2024, there were a total of 8 meetings of the board of directors to monitor the performance of governance, risk management, and sustainability development. Each subcommittee responsible for specific duties was assigned to report quarterly. The key agenda items are summarized as follows:

Corporate Governance	
Board Meeting No.	Agenda
Board Meeting No. 1/2024 on February 27, 2024	<ul style="list-style-type: none"> <li>- Acknowledged the securities holdings of directors and executives.</li> <li>- Considered measures to prevent insider trading and actions that violate the regulations of the Stock Exchange of Thailand.</li> <li>- Reviewed the company's 2023 annual report 56-1 One Report.</li> </ul>
Board Meeting No. 3/2024 on May 9, 2024	<ul style="list-style-type: none"> <li>- Considered and approve the restructuring of governance to enhance the effectiveness of the systems and mechanisms for good corporate governance. The existing single subcommittee, the Nomination and Sustainability Development Committee, was replaced by two new subcommittees: (1) the Nomination and Remuneration Committee, and (2) the Corporate Governance and Sustainable Development Committee, with independent directors serving as chairs of both subcommittees.</li> </ul>
Board Meeting No. 8/2024 on November 7, 2024	<ul style="list-style-type: none"> <li>- Monitored the performance of good corporate governance and anti-corruption efforts, including the annual performance indicators for 2024 in accordance with the Corporate Governance Rating guidelines.</li> <li>- Acknowledged the results of certification from the Thai Private Sector Collective Against Corruption (CAC), which the company received on September 30, 2024, and establish a plan to develop into a Change Agent by promoting and supporting partners to join CAC in 2025.</li> <li>- Tracked the progress of training and awareness initiatives to foster a work culture aligned with the laws, regulations, and guidelines related to good corporate governance.</li> <li>- Reviewed and revised the company's vision, mission, and operational goals, and updated policies and charters related to good corporate governance to ensure compliance with best practices.</li> <li>- Scheduled the annual plan for shareholder meetings, board meetings, and all subcommittee meetings in advance to ensure all board members can participate fully.</li> </ul>





## Risk Management and Internal Audit

Meeting No.	Agenda
Board Meetings No. 1, 3, 6, and 8/2024	<ul style="list-style-type: none"><li>Monitored the quarterly performance of the Risk Management Committee and the effectiveness of risk prevention and mitigation measures.</li><li>Reviewed the results of the internal control system assessments conducted quarterly by the Audit Committee to evaluate the adequacy and effectiveness of the company's internal control systems.</li><li>Reviewed the company's financial statements and transactions with parties that might have conflicts of interest each quarter to ensure operations align with good governance policies and principles.</li><li>Provided additional recommendations on potential risk management perspectives for consideration by each subcommittee and the executive committee to improve, prevent, and reduce risks, ultimately leading to value creation for the business and sustainable growth.</li></ul>
Audit Committee Meeting No. 9/2024 on December 12, 2024	<ul style="list-style-type: none"><li>Organized meetings of the independent board members with the internal audit team and external auditors, without the presence of executive directors or management, to receive information and provide feedback freely. This approach facilitated the improvement of assessments and risk management, leading to the establishment of control measures to reduce or eliminate risks associated with those issues.</li></ul>

## Sustainability Development

Meeting No.	Agenda
Board Meetings No. 1, 3, 6, and 8/2024	<p>Monitored the performance of sustainability development through quarterly reports from the subcommittees as follows:</p> <ul style="list-style-type: none"><li>Sustainability development action plan which included the annual performance indicators for 2024 to achieve the goal of attaining sustainability index rankings both nationally and internationally.</li><li>Gap analysis to identify gaps for improvements in environmental, social, and governance operations.</li><li>Training and providing knowledge to personnel on sustainability data disclosure in sustainability reports and annual reports, ensuring alignment with GRI standards.</li><li>Progress and outcomes of various projects and activities related to sustainability development.</li></ul>

## Evaluation of the Board of Directors' Performance

The company conducts an annual evaluation of the board of directors' performance using a self-assessment questionnaire developed in accordance with the criteria set by the Stock Exchange of Thailand. The evaluation consists of three formats: the overall assessment of the board, individual assessments of each subcommittee, and individual assessments for each director. The results of the evaluations and the recommendations derived from them will be utilized to enhance and improve the board's operational effectiveness, ultimately benefiting the company and its stakeholders.

- Self-Assessment for the Board by Subcommittee: The evaluation topics include the structure and qualifications of the board, board meeting effectiveness, performance in roles and responsibilities, and the relationship between the board and management.
- Self-Assessment for Subcommittees by Subcommittee: The evaluation topics involve the structure and qualifications of the subcommittee, subcommittee meeting effectiveness, and performance in roles and responsibilities.
- Self-Assessment for Each Director and Subcommittee Member: The evaluation topics cover the structure and qualifications of the board, board meeting effectiveness, and individual performance within the board.

	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Sustainability Development Committee*	Nomination and Remuneration Committee	Corporate Governance and Sustainable Development Committee
Number of meetings	9	9	12	4	4	3
Attendance Rate of Directors	100%	100%	100%	100%	100%	100%
Performance Evaluation Score	Overall 98.96%	98.75%	99.65%	98.68%	98.68%	97.92%

\*Note: - During the third board meeting on May 9, 2024, it was resolved to appoint two new subcommittees: 1) the Nomination and Remuneration Committee and 2) the Corporate Governance and Sustainable Development Committee, replacing the previous single subcommittee, which was the Nomination and Sustainability Development Committee.

## Development of Board of Directors' Capacity

Director	Course	Organized by
Mr.Chanitr Charnchainarong	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
Mr. Ronachit Jinadit	ESG in the Boardroom: A Practical Guide for Board; ESG 1/2024 (On – Site)	Thai Institute of Directors (IOD)
	Strategic Board Master Class (SBM) Class 14/2024	Thai Institute of Directors (IOD)
	The Life Long Lens (LLL 2024) Starting Right for Transformation	DCC Synergy Co. Ltd.
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
	How will humans live when AI rules the world?	Prof. Dr. Worsak Kanok-Nukulchai (Member of Royal Institute of Thailand)
Mrs.Chanatip Weerasubpong	ESG in the Boardroom: A Practical Guide for Board; ESG 1/2024 (On – Site)	Thai Institute of Directors (IOD)
	Ethical Leadership Program (ELP) Class 35/2024	Thai Institute of Directors (IOD)
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
	Pillar 2 Global Anti-Base Erosion Model Rules (Global Minimum Tax)	NYC MANAGEMENT Co. Ltd
Mr. Tepakul Poonlarp	ESG in the Boardroom: A Practical Guide for Board; ESG 1/2024 (On – Site)	Thai Institute of Directors (IOD)
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
Mr.ChuwitJungtanasomboon	The Masterclass in Overcoming Suffering for Senior Executives (DorThor BorSor) – Batch 1	Sunyattawiharn Foundation, Military Education Innovation Center, National Defense Studies Institute
	The CEO Experience Learning Program – Batch 5	Digital Economy Promotion Agency (DEPA)
	The National Security Management Course (BAMCH) – Batch 17	National Intelligence Agency, through the Intelligence Institute
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)



Director	Course	Organized by
Mr. Sakchai Jongstapongpun	Insight in SET Class 1/67	The Stock Exchange of Thailand
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
	ESG in the Boardroom: A Practical Guide for Board (ESG) Class 3/2024	Thai Institute of Directors (IOD)
	Pillar 2 Global Anti-Base Erosion Model Rules (Global Minimum Tax)	NYC MANAGEMENT Co. Ltd
Miss Py Attpisarn	Yuanta Thailand's Investment Insights	Yuanta Securities (Thailand) Co., Ltd.
	Digital Jumpstart Class 1	Digital Economy Promotion Agency (DEPA)
	SET Sustainability Forum 2/2024: Scaling up Synergies and Solutions for Net-Zero	The Stock Exchange of Thailand
	Strategic Sustainable Supply Chain Workshop _July' 2024	The Stock Exchange of Thailand
	ESG Risk Management	The Stock Exchange of Thailand
	Climate Action	Thai Institute of Directors (IOD)
	GRI Standards 2021	MTP Solution Co. Ltd.
	Roles of Directors, Executives, and Employees in Combating Corruption	Thai Private Sector Collective Action Against Corruption (CAC) / Thai Institute of Directors (IOD)
	Readiness and Resilience of the Thai Industry under EUDR	The Federation of Thai Industries (FTI)

## 2024 Performance

- The company mandates that all employees, at every level, undergo training on good corporate governance. This includes new employees who must receive training on the policies of good governance and business ethics, as well as the company's vision, mission, and operational goals. This ensures that everyone has a common understanding and adheres to the policies and regulations. In 2024, a total of 303 new employees completed the training, representing 99.34% of all new hires. Overall, 771 employees received this training, accounting for 81.89% of the company's total workforce.
- To prevent conflicts of interest, the company requires the disclosure of personal information and any potential conflicts of interest (Conflict of Interest Report), with performance reports submitted to the Audit Committee quarterly, and this information is also disclosed in the annual report (56-1 One Report).
- As a result of improvements and developments in the good corporate governance processes and disclosures according to the corporate governance survey criteria, the company has been consistently ranked at an excellent level (5 stars) for the fourth consecutive year in the Corporate Governance Report (CGR) for 2024.



## CODE OF CONDUCT AND ANTI-CORRUPTION

The company is committed to conducting its business with integrity, honesty, and responsibility towards all relevant stakeholders. Therefore, it has established a business code of conduct within the Corporate Governance & Business Code of Conduct Handbook to serve as a guideline for directors, executives, and employees at all levels in their dealings with the company and all stakeholder groups. The management approach is as follows:

Develop	The company assigns the Corporate Governance and Sustainable Development Committee the responsibility of creating the Code of Conduct, company regulations, anti-corruption policy, whistleblower policy, and other policies that promote adherence to the Code of Conduct, including the Supplier Code of Conduct. These policies are reviewed annually to ensure alignment with good governance principles set by regulatory agencies and appropriate international practices.
Communicate	The company communicates the Code of Conduct and operational guidelines clearly and transparently. The Corporate Governance Manual and Code of Conduct, along with various policies, are made accessible to all employees through channels such as the intranet system and the company website. Additionally, training sessions are provided, and employees' knowledge levels are assessed annually.
Monitor	The company promotes strict adherence to its policies and Code of Conduct by the board of directors, management, and employees. All are expected to perform their duties with integrity, transparency, and fairness while considering the impacts and interests of stakeholders. There should be no involvement in bribery, conflicts of interest, and respect for the human rights of all stakeholders. The company has established channels for complaints and for reviewing processes to identify shortcomings and facilitate continuous improvements.

In terms of combating corruption, the company appointed and assigned a working group dedicated to anti-corruption, which reported directly to the Audit Committee. This group was responsible for developing a guideline manual to prevent and combat corruption, including the procedures for reporting wrongdoing within the company. These guidelines applied to the board of directors, executives, and all employees, with a focus on instilling best practices and raising awareness about the importance of fighting corruption in all its forms. Additionally, the company promoted a transparent and accountable organizational culture within a framework of good corporate governance to build trust among all stakeholders.

Learn more about the Business Ethics Policy at: [www.nerubber.com](http://www.nerubber.com) or scan QR Code



Good Corporate  
Governance Policy



Good Corporate Governance  
and Business Ethics Guide



Business Partner  
Code of Conduct

## 2024 Performance

- The company communicated and disseminated information about business ethics and anti-corruption to executives and employees throughout the organization via various channels, such as Line, morning talks, and organizational emails, to raise awareness and promote understanding of good governance practices.
- The company organized training courses on business ethics and anti-corruption for directors, executives, employees, including partners and relevant stakeholders. The trainers were from the Thai Institute of Directors (Thai IOD). The sessions were held on May 19 and October 1, 2024, conducted both at the office and online. The aim was to raise awareness about preventing and avoiding corruption in all internal and external organizational contexts and to support the anti-corruption alliance at the organizational level. A total of 249 participants attended, including 7 directors, 152 company executives and employees, and 95 partners and other stakeholders.
  - A total of 7 board members attended, representing 100% of the total number of directors.
  - A total of 152 executives and employees participated, accounting for 16.15% of the total workforce.
  - A total of 81 suppliers attended, representing 15.88% of all tier-1 suppliers of the company.
  - A total of 9 stakeholders participated, comprising representatives from nearby communities and government agencies.



- To ensure that all employees strictly adhere to anti-corruption and anti-bribery policies and practices, and to utilize evaluation results to enhance and review practices for greater effectiveness, the company has established a process for monitoring, reviewing, and reinforcing understanding of all operational activities and procedures. In 2024, an assessment test on anti-corruption and anti-bribery was conducted, with a target for employees to achieve at least an 80% passing score. The results showed that 94.26% of all employees passed the test, achieving an average score of 82.49%.
- The company has developed a Supplier Code of Conduct that encompasses issues related to human rights, labor, environmental protection, and legal compliance. This serves as a guideline for collaborative business operations between the company and its suppliers. The code has been published on the company website, and suppliers are required to sign an acknowledgment of the guidelines to promote alignment with the code of conduct and sustainable growth together. A total of 510 suppliers signed, representing 100% of the company's tier-1 suppliers.
- The company has declared its commitment to participating in the fight against bribery and corruption, ensuring that suppliers, stakeholders, investors, and business associates are informed. Emails were distributed to establish good workplace standards without expecting any benefits in return, and to prevent corruption.

- **The company has received certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC Certification) at the 2-star level** as of September 30, 2024 (with certification expiring on September 30, 2027). The company plans to elevate its anti-corruption activities to become a Change Agent and encourages its suppliers to join the anti-corruption initiative, supporting at least 10 suppliers in meeting CAC criteria by the year 2025.



- Through the improvement and development of good corporate governance oversight procedures and transparency in accordance with the criteria set forth by the Corporate Governance Report (CGR), the company has been continuously ranked as **"Excellent" or 5-star for the 4th consecutive year in the 2024 Corporate Governance Report.**

## Compliance

The company conducts its business with a strong commitment to strict compliance with applicable laws and regulations, as outlined in its policies and business ethics. All directors, executives, and employees are required to operate within the framework of legal and regulatory standards and must not engage in, support, or be complicit in any actions that violate these laws and regulations. Additionally, the company closely monitors changes in laws and regulations relevant to its business to mitigate legal and financial risks, and to be well-prepared to efficiently address changes in stakeholder demands. For instance, it considers regulations such as the EU Deforestation Regulation (EUDR) that affect the export of rubber products, while also creating opportunities for market expansion and increasing stakeholder confidence through proactive risk management and innovation in production processes. These elements are crucial for enhancing the company's long-term competitiveness.

The company's board of directors review policies and practices to ensure proper governance in compliance with applicable laws and regulations. Annual assessments of legal compliance and regulatory requirements are conducted by the quality management unit (ISO) to ensure the company operates in full adherence to all legal and regulatory obligations.

The company has established a dedicated unit responsible for monitoring changes in relevant laws and regulations, with the following operations in place:

1. The company closely monitors new laws and changes in trade regulations and laws of importing countries to prepare for legal and trade compliance risks.
2. The risk management task force monitors risks, analyzes and assesses impacts, and develops recommendations for preparation to be presented to the risk management committee.
3. The company communicates with relevant entities in both the public and private sectors, as well as international suppliers, to exchange information and feedback. This proactive communication enables the company to stay informed and sufficiently equipped to analyze and enhance operational processes, establish control measures, and ensure alignment with standards and requirements.

## 2024 Performance

In 2024, the company reported no violations of laws and regulations, both domestically and internationally, and there were no incidents or cases of legal infringements concerning environmental or social regulations by employees. Nevertheless, the company remains committed to strict governance of operations in accordance with legal requirements and is dedicated to continuous improvement in order to elevate its standards to international levels.





## MONITORING COMPLIANCE WITH THE CODE OF CONDUCT AND ANTI-CORRUPTION PRACTICES

The company has established channels for receiving complaints and reporting misconduct as outlined in its anti-corruption policy and whistleblower policy. These channels allow directors, executives, employees, and stakeholders to report or provide information regarding operations that are not in compliance with legal requirements, regulations, governance principles, business ethics, or instances of corruption. The company offers various options for submitting complaints, as follows:



Learn more about  
the Anti-Corruption Policy  
and Whistleblowing Policy at:  
[www.nerubber.com](http://www.nerubber.com) or scan QR Code

### Whistleblowing Channel

#### Four complaint boxes located within the company

- 1.1 Customer Reception Building
- 1.2 Production Building 2
- 1.3 Canteen Building
- 1.4 Rubber Block Manufacturing Facility

#### Postal Mail

Address to  
"Chairman of the Audit Committee"  
North East Rubber Public Company Limited  
398 Moo.4 Kok Ma Sub-district, Prakhonchai District,  
Buriram 31140

#### Email

To Chairman of the Audit Committee  
(**Mr. Ronachit Jinadit**)  
Tel: 089-767-4222  
Email: [CAC@nerubber.com](mailto:CAC@nerubber.com)

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## COMPLAINT MANAGEMENT PROCESS

The company has established a systematic and fair process and mechanism for managing complaints, in accordance with the internal control guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the principles of personal data use under the Personal Data Protection Act (PDPA) B.E. 2562, as well as practices related to human rights. The company has implemented measures to protect complainants, informants, and anyone cooperating or assisting the company to ensure that they are not subjected to unethical treatment or unsafe conditions. Additionally, the information of the complainants and relevant factual details will be kept confidential, with restricted access limited to those responsible for investigating the tips, ensuring that only authorized personnel can access this information.



## 2024 Performance

The company monitored compliance with the code of conduct and anti-corruption measures throughout 2024. The details are as follows:

Violations of Corporate Governance and Code of Conduct (cases)	2024			Disciplinary Action Measures				
	Complaints/ Wrongdoing Clues	Under Investigation	Case with Merit	Case without Merit	Verbal Warning	Written Warning	Suspension	Termination of Employment
Corruption	2	-	2	-	-	-	-	✓
Fraud	-	-	-	-	-	-	-	-
Bribery and Acceptance of Bribes	-	-	-	-	-	-	-	-
Harassment of Any Kind and Sexual Harassment	-	-	-	-	-	-	-	-
Conflicts of Interest	-	-	-	-	-	-	-	-
Insider Trading of Company Information	-	-	-	-	-	-	-	-

In 2024, the company received reports of two cases of employee corruption: one involved the misappropriation of company assets for personal use, and the other involved the sale of company assets externally. The company conducted an investigation and fact-finding inquiry with the corporate development team and officials from government agencies, confirming that misconduct had occurred. Consequently, the company took legal action and terminated the employees involved in both cases.

To prevent and mitigate the risk of employee corruption in similar situations, the company implemented strict measures for monitoring access to its premises, reducing the number of entry and exit points from two to one, and installing CCTV cameras in various locations around the company to minimize potential theft risks. Additionally, security personnel are required to inspect the belongings of visitors and monitor the premises continuously, ensuring security 24 hours a day. Furthermore, the company communicated additional information to employees, emphasizing the anti-corruption policy and the disciplinary penalties for violations, to ensure strict compliance.



# RISK AND CRISIS MANAGEMENT

Materiality Issue	Impact, Risk, and Opportunity
<p>13. Corporate governance and business integrity</p> <ul style="list-style-type: none"><li>Risk management and internal control</li></ul>	<p>The current global situation, influenced by economic, financial, trade, investment factors, geopolitical developments, as well as laws and societal interests, is complex, volatile, and rapidly changing. This creates challenges for businesses striving to grow and sustain their operations. Effective risk management is therefore critical for the company, as ineffective management of risks and crises can impact not only the company's financial and non-financial aspects but also significantly affect stakeholders and the environment. This includes issues such as pollution, loss of natural resources, health and safety risks for employees and communities, and potential human rights violations. Such shortcomings could lead to diminished trust from stakeholders, harm to the company's reputation and image, or the loss of future business opportunities.</p>
<p>Contribution to SDGs</p>  <p>8.2 16 13</p>	<p>A systematic and effective risk management approach can help identify, prevent, and manage risks that may affect the long-term stability of the organization, including environmental, social, and governance (ESG) risks, which are central to sustainability. Furthermore, it enhances the company's ability to manage and respond to the rapid changes in the current environment and future challenges, such as climate change or emerging regulations. This strategy can reduce costs or mitigate impacts from potential damages and enable the company to recognize business opportunities that lead to value creation and enhancement for both the company and its stakeholders. Ultimately, it strengthens the company's competitive edge, allowing it to grow sustainably and securely.</p>

	Long-term Goals 2028	2024 Goals	2024 Performance
<p>Coverage of Risk Management Across All Departments (%)</p>	100	100	100



## RISK MANAGEMENT APPROACH

The company recognizes the importance of risk management and promotes the management of risks throughout the value chain of all its businesses across all dimensions to acceptable levels. This enables the company to operate according to the established strategic plan. In addition to operational risks, the company also emphasizes environmental, social, and governance (ESG-related) risks that could potentially harm the achievement of the company's long-term objectives and goals.

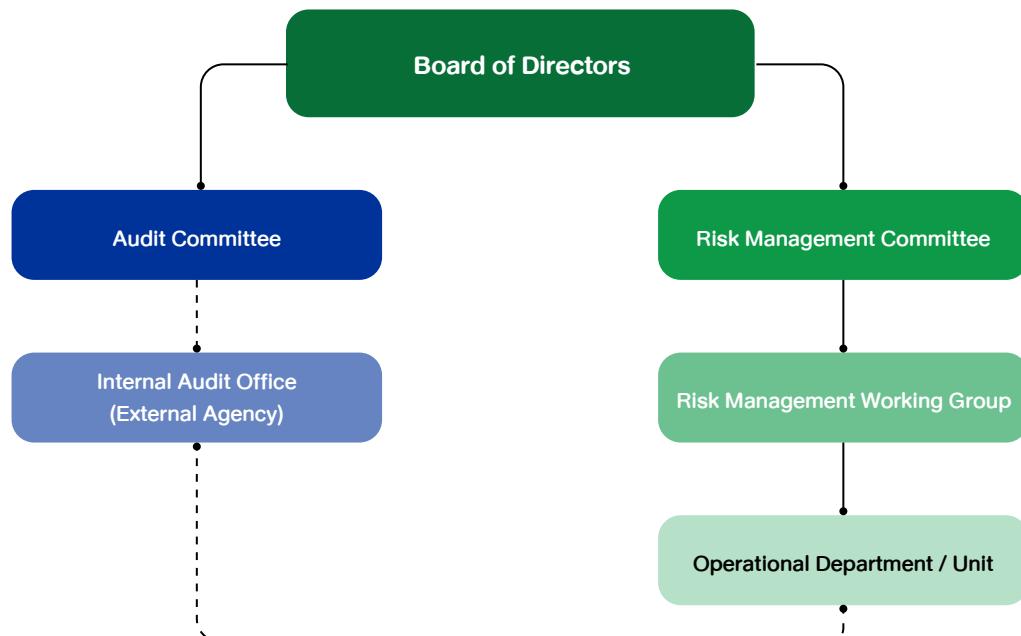
The company has established a 'Risk Management Policy' and a risk management manual that are reviewed and updated annually to align with current circumstances. In terms of enterprise risk management, the company utilizes the risk management framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO), incorporating both the COSO ERM 2017 (Enterprise Risk Management Integrating with Strategy and Performance) and COSO ESG 2018 (Enterprise Risk Management – Applying Enterprise Risk Management to Environmental, Social, and Governance-related Risks)

as guidance for its corporate risk management practices, tailored to fit the company's operations to ensure risk management at all levels and connection throughout the organization.

The company has assigned a Risk Management Committee, consisting of 2 independent directors, 2 executive directors, and 1 senior executive, totaling 5 members, with the independent director serving as the chairperson. This committee is responsible for establishing policies and practices for risk management, overseeing and monitoring existing risk management, and considering anticipated risks from economic conditions, business competition, technological development, cultural changes, legal regulations, as well as transition risks that may impact future business operations.

To ensure that all executives and employees participate in the organization's risk management, the company has formed a risk management working group comprising 27 representatives from all departments. The group is chaired by Mr. Nattaporn Inprakhon, Assistant Deputy Chief Executive Officer of Procurement and Warehouse Management, and its role is to collaboratively identify and assess significant risks across the organization, track the implementation of risk management and control measures, and summarize performance reports for the Risk Management Committee on a monthly basis.

Additionally, the company conducts regular audits of internal control systems and the effectiveness of the risk management system, identifying risks within internal processes through an external third-party internal auditor. Ms. Pirada Tonhangsa, Assistant Deputy Chief Executive Officer of Organizational Development, is responsible for coordination, and internal control system audits are conducted quarterly.



**Risk Management Committee**

- Approval and review of risk management policy and procedures
- Providing operational guidance to the risk management task force to ensure effective and appropriate responses to the company's key risk management issues

**Operational Department / Unit**

- Responsible for managing risks in accordance with the measures set by the Risk Management Committee.
- Support and cooperate with the Risk Management Committee to ensure that risk management achieves the company's objectives.

**Risk Management Working Group**

- Establish policies, risk assessment criteria, and guidelines for determining risk measures and risk management approaches for the company.
- Identify and evaluate risks and risk factors, including implementing risk control measures to keep risks within acceptable levels.
- Support risk management activities across all departments to ensure compliance with policies, standards, and relevant regulations.
- Prepare a risk register.
- Communicate policies, guidelines, and conduct training on risk management for employees at all levels to raise awareness of risk factors that could impact the company's objectives and promote the importance of risk management among staff.
- Collect data and regularly report operational results to the Risk Management Committee on a monthly basis.

**Internal Audit Office**

- Review internal control systems and the effectiveness of the risk management system, as well as identify risks within organizational processes.



## Risk Management Process

The company manages organizational risks by establishing a process aligned with the international standards of COSO ERM 2017 and COSO ESG 2018. The focus is on comprehensive risk management that covers the four main types of risks: strategic, operational, financial, and compliance with regulations and anti-corruption, while also expanding the scope of risk management to include environmental, social, and governance (ESG-related risks) as well as emerging risks that could impact the achievement of the company's objectives and goals in the short, medium, and long term. The risk management process includes the following steps:



## 1. Governance and Cultivating a Risk Management Culture

- Establish clear risk management policies and structures, including defined responsibilities at all levels, along with factors that support effective risk management such as best practices, workflows, and information systems.
- Foster an organizational culture and awareness across the company through training and communication across various channels, and implement these practices in daily operations and business decision-making.

## 2. Strategy and Objective Setting

- Align risk management with business strategies and objectives.
- Define evaluation criteria and risk appetite that comply with industry standards and ethical benchmarks.

## 3. Risk Identification

- Identify risks across all departments and levels of the organization.
- Recognize risk factors stemming from both internal and external elements that may hinder the organization from achieving its short, medium, and long-term objectives.

## 4. Risk Assessment and Prioritization

- Analyze risks based on likelihood, potential impact, and severity to prioritize risks accordingly.

## 5. Risk Response

- Consider risk management strategies such as mitigation, avoidance, risk transfer, and risk acceptance.
- Choose appropriate risk response methods, taking into account cost-effectiveness, return on investment, and overall business impact.

## 6. Risk Monitoring and Review

- Monitor the effectiveness and efficiency of risk management measures using Key Risk Indicators (KRIs) as tools for tracking and assessing risk status to determine effective management actions, allocate resources, and provide appropriate support.
- Conduct regular reviews of risks, risk levels, and reassessments in response to significant changes both internally and externally.

## 7. Continuous Improvement

- Analyze lessons learned after risk events occur, and determine methods for improvement, remediation, and prevention of recurrence.
- Review and update risk policies, strategies, frameworks, and management practices to suit changing business environments.

## 8. Reporting and Communication

- Prepare risk reports for management in accordance with governance hierarchy and disclose findings to stakeholders.
- Regularly communicate risk management information and promote knowledge sharing throughout the organization.
- Leverage technology to monitor risks in a timely and up-to-date manner.

The company conducts a review of significant organizational risks at least once a year to consider emerging risks or changes to existing risks that may arise due to shifts in the economic environment, regulations, or technology. This review provides management with sufficient information to formulate strategies and make informed decisions. The assessment of risk management effectiveness and monitoring of risk management across all departments ensures that risk management is conducted efficiently and effectively, supporting the company in achieving its defined objectives and goals.



Learn more about

the Risk Management Policy

at: [www.nerubber.com](http://www.nerubber.com) or scan QR Code



## 2024 Performance

In 2024, the Risk Management Committee held a total of 12 meetings to monitor performance, summarizing the key points of their duties as follows:

- Reviewed and refined risk management policies, evaluated the company's business risk management plans, and established measures for risk prevention and mitigation. This included regular and continuous monitoring to reduce or accommodate the impacts of risks.
- Reviewed the annual risk management manual for 2024.
- Assessed the risk management committee's charter annually.
- Communicated and reported risk management performance to the Audit Committee and the Board of Directors to keep them informed and to gather additional insights on a quarterly basis.
- Monitored the performance of the Risk Management Committee and working group in identifying and thoroughly assessing various risks by analyzing external factors and company performance data. Appropriate risk management measures were developed to reduce risk levels to acceptable thresholds.
- Followed up on the development of the Emergency Response Plan (ERP) to serve as a guideline for responding to emergencies or crises that, if uncontrolled, could halt business operations. Additionally, prepared a Business Continuity Plan (BCP) to minimize disruptions and mitigate impacts to an acceptable level.

In 2024, the company conducted a comprehensive risk assessment across the entire organization, covering all departments (100%). The risk prioritization revealed several significant organizational risks that may impact the company's operations, as follows:

Type of Risk	Economic Risk	Environmental Risk	Social Risk	Governance Risk
Strategic Risk	<ul style="list-style-type: none"><li>Risk from high competition in the rubber industry.</li><li>Risk from fluctuations in raw material conditions.</li></ul>	<ul style="list-style-type: none"><li>Risk from the transition to a low-carbon society (emerging risk).</li></ul>		
Operational Risk		<ul style="list-style-type: none"><li>Health risks from air pollution.</li><li>Risks from water scarcity.</li><li>Water pollution risks.</li></ul>	<ul style="list-style-type: none"><li>Risks of human rights violations in the supply chain.</li></ul>	<ul style="list-style-type: none"><li>Risks of human rights violations in the supply chain.</li></ul>
Financial Risk	<ul style="list-style-type: none"><li>Risk from fluctuations in exchange rates.</li></ul>			
Compliance Risk	<ul style="list-style-type: none"><li>Legal and regulatory trade risks.</li></ul>	<ul style="list-style-type: none"><li>Risk from the European Union Deforestation Regulation (EUDR) (emerging risk).</li></ul>		

## 1. Strategic Risk

### Risks from fluctuations in raw material conditions

The company is engaged in the production and distribution of natural rubber products and the processing of rubber. The main raw material, natural rubber, experiences price fluctuations based on global market prices, which are influenced by the supply and demand for natural rubber. Several factors affect rubber prices, including market supply and demand, the quantity of natural rubber affected by climate conditions and production seasons, the price of crude oil which impacts synthetic rubber prices that can substitute natural rubber, and the prices of agricultural commodities traded on the Singapore futures market, which the company uses as a baseline for daily raw material purchases. Additionally, intense competition from neighboring countries and the risk of decreased yields due to farmers shifting to cultivate more profitable crops contribute to this volatility. Therefore, fluctuations in both price and quantity of raw materials have a significant impact on the company's financial performance.

### Risk Management Measures

The company enhanced the capabilities of its procurement and sourcing department to secure high-quality raw materials from diverse sources. This effort included diversifying sourcing locations and increasing the number of raw material producers within its network. The company implemented strategies to plan and order a minimum amount of raw materials for production 3 to 5 months in advance, effectively mitigating risks associated with raw material shortages and fluctuations in rubber prices while maintaining adequate inventory levels to support year-round production.

The company closely monitored rubber prices in both global markets and domestic trading centers, as well as gathered comprehensive information related to rubber from various sources. This approach allowed for rapid analysis of the raw material situation, enabling the company to set appropriate prices for purchasing and selling products. Moreover, in 2024, the company collaborated with business partners to establish advance purchasing and delivery contracts, ensuring timely procurement of raw materials at reasonable costs.

### Risk from high competition in the rubber industry

Rubber products, especially Ribbed Smoked Sheet (RSS), Standard Thai Rubber 20 (STR20), STR Mixtures Rubber, and RSS Mixtures Rubber, are crucial raw materials for the automotive tire manufacturing industry and the automotive parts industry. Therefore, the demand for natural rubber has increased in line with the growing automotive industry. Although Thailand remains the world's largest exporter of natural rubber, the supply from other rubber-producing countries is trending downwards. This has led tire manufacturers to seek raw materials from countries other than Thailand, such as rubber from the African region and rubber from CLMV countries (Cambodia, Laos, Myanmar, Vietnam), where Chinese investors have expanded rubber planting areas from 2006 to 2012, and production has started to enter the market more significantly. As a result, Chinese customers have shown increased demand for imports and are reducing their reliance on Thai rubber. This has led to heightened competition in the rubber industry, and Thai rubber producers may lose market share to these competing countries, particularly in the segment of rubber blocks.

### Risk Management Measures

The company focuses on enhancing its competitive capabilities through high-quality products at competitive prices while maintaining product quality in accordance with international standards and continuously improving to gain acceptance among customers. The company also aims to elevate production standards for higher efficiency by developing personnel with expertise in production and business operations, equipping them with modern and precise production tools and analytical instruments. Additionally, product quality has been certified by the Rubber Research Institute of the Department of Agriculture, Ministry of Agriculture and Cooperatives. The company has established a research and development unit for continuous product development, enabling the production of goods that meet customer demand and timely delivery. Furthermore, the company is adjusting its strategic plans for more proactive market expansion, both domestically and internationally, to mitigate risks from competition in the current market.



## 2. Operational Risk

### Risk from water scarcity

The production and processing of rubber products rely heavily on water at every stage. With increasing production capacity, the demand for water also rises accordingly. Additionally, climate change in the northeastern region, which is considered a high water-stress area, may lead to water scarcity at certain times or fluctuations in water quality. Without effective water usage planning and sustainable water resource management, there is a risk of water shortages, which would directly impact the company's production processes and product quality.

### Risk Management Measures

To ensure sustainable business growth, the company recognized the importance of efficient water resource management, focusing on maximizing water usage. The company developed a water recycling and reuse system and enhanced water conservation measures to help reduce water loss in both the factory and office. It managed water usage during the production process and controlled the volume of water consumed to maintain product quality. Additionally, to ensure water security for the production process without relying on external public water sources, the company constructed a total of five water wells on its premises. Three of these wells, with a total capacity of 326,368 cubic meters, were used to collect rainwater for use in the factory area. The other two wells, with a total capacity of 89,361 cubic meters, stored treated water for reuse in the production process. The company closely monitored water quality and quantity while collaborating with government agencies and local communities to develop sustainable water management practices. This approach helped effectively address changes in water resources, reduce potential risks, and maintain product quality at the highest standards.

### Water pollution risk

The rubber industry generates a significant amount of wastewater from the washing and cleaning of raw materials and the company's production processes, as well as latex that may leak during the transportation of raw materials by suppliers. Without appropriate management, this could lead to environmental impacts, such as contamination of water sources, soil, and surrounding ecosystems, or cause unpleasant odors that disrupt nearby communities.

### Risk Management Measures

The company places great importance on controlling the quality of wastewater and implements strict measures to treat wastewater in accordance with legal standards and environmental regulations. This includes using effective technologies such as anaerobic wastewater treatment systems, which are capable of reducing pollution by more than 50%, and aerobic wastewater treatment systems. Additionally, the company closely monitors the quality of wastewater and treated water. Furthermore, the company undertakes preventive measures to reduce the volume of wastewater at the source, such as improving water usage efficiency, recycling water, and developing production technologies that reduce water consumption. This is accompanied by regular monitoring and inspection of wastewater quality, with reports provided to the Risk Management Working Group on a monthly basis, ensuring that the water released into the environment meets safety standards and requirements while preventing impacts that may arise to the surrounding communities and ecosystems.

### Health risk from air pollution

The processing of natural rubber, particularly in the drying, smoking, and wastewater treatment processes, can generate air pollutants such as sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOCs), and particulate matter (PM<sub>2.5</sub>, PM<sub>10</sub>). These pollutants may lead to health issues for factory employees and local communities, including respiratory diseases, allergies, and problems with the circulatory system if there is continuous long-term exposure. Additionally, odors from rubber piles, production processes, and wastewater treatment may affect the quality of life for employees and surrounding communities, potentially impacting the relationship between the factory and the community if not managed properly.

### Risk Management Measures

To mitigate the impacts of air pollution and odors, the company has implemented various measures, such as installing air pollution control systems, including dust collectors, air filters, and toxic gas elimination systems. The company utilizes production technologies that reduce emissions, such as improving the rubber drying process and ventilation systems in ovens, using clean energy, and developing technologies to minimize chemical evaporation. Additionally, the company controls and treats odors at the source by enhancing the storage facilities for raw materials to be more secure and using absorbent

materials to manage odors. Wastewater treatment is conducted using closed systems. Furthermore, the company monitors the health of employees and the community by providing annual health check-ups and creating opportunities for the community to participate in reporting issues and collaboratively addressing problems transparently.

## Risk of cyber threats and data security

The company aims to be a high-efficiency organization driven by data to enhance its competitiveness and decision-making in a complex and highly uncertain business environment. This has led to an increased adoption of digital technology and the use of the Internet of Things (IoT) in operations, meetings, production, cloud data storage, and the use of software for supply chain design and management, as well as controlling internal data. Meanwhile, cyberattacks have continuously evolved, and there has been an increase in cyber fraud, which may disrupt production systems or business operations or lead to the leakage of critical operational data.

## Risk Management Measures

The company takes action to reduce the risks associated with cyber threats and data security by upgrading its infrastructure and establishing an information security management system based on international standards. It reviews its IT processes to minimize vulnerabilities, such as installing firewalls to protect against cyberattacks over the internet, defining access rights to sensitive data according to necessity, and enforcing password protocols for all employees. The company conducts automatic data backups and maintains storage areas both internally and externally. Access to data storage locations is controlled, and access rights to databases are assigned based on employees' levels.

Additionally, the company monitors and surveys new threats in both office and factory systems, regularly assessing its systems to facilitate proactive preventive planning against potential attacks. It has established a response plan for cyberattack threats and a recovery plan for IT systems, both of which are regularly reviewed and practiced to ensure timely responses to incidents and to reduce the severity of any resulting damage. The company also promotes cybersecurity awareness among employees, keeping them informed about current threats and emerging attack methods, while fostering greater caution in the use of information technology systems and data within the organization.

## Risks of human rights violations in the supply chain

In the rubber industry, the risk of human rights violations can arise from various factors in the supply chain, such as the use of child labor and illegal migrant labor, employment in unsafe and unsuitable working conditions, such as lack of health and safety care, or paying wages below the minimum standard. There are also violations related to land rights, such as forcibly relocating communities to expand rubber plantation areas. Additionally, there are risks associated with the use of hazardous chemicals in the production process, which can negatively impact the health of workers and surrounding communities.

## Risk Management Measures

To prevent and mitigate such risks, the company has established a Supplier Code of Conduct that complies with legal requirements and aligns with the UN Guiding Principles on Business and Human Rights and ILO Conventions. The company conducts assessments and audits of suppliers in the supply chain, focusing on labor, health and safety, land acquisition, and environmental management. This ensures that business partners are socially and environmentally responsible and do not engage in any direct or indirect human rights violations. The company regularly audits suppliers in the supply chain and provides training to employees and partners on labor rights and the prevention of child labor. Additionally, it implements comprehensive Human Rights Due Diligence processes both within the organization and throughout the supply chain. The company has established channels for reporting disputes or human rights issues, ensuring actions are conducted transparently and fairly for all parties involved.





### 3. Financial Risk

#### Risk from fluctuations in exchange rates

The company derives 25% of its sales revenue from exporting goods to foreign countries, primarily using the US dollar for transactions. Fluctuations in the exchange rate on the day payment is received can result in exchange rate differences, which may lead to either gains or losses for the company. Such exchange rate volatility can therefore have a significant and unavoidable impact on the company's revenue.

#### Risk Management Measures

The company closely monitors exchange rate fluctuations and has established policies to mitigate the risks associated with such volatility by entering into forward contracts for foreign currency transactions. This is done for no less than 60-100% of foreign sales whenever products are exported. The company also carefully manages the timing of forward contracts to ensure appropriateness. Additionally, the company strives to diversify sales across multiple foreign currencies, tailoring this approach to the suitability of each customer group and country. The company collaborates closely with individual customers to determine the currency for transactions, and it does not engage in currency speculation.

### 4. Compliance Risk

#### Legal and regulatory trade risk

The rubber industry faces increasingly complex international trade barriers, particularly in the form of customs measures such as import tariffs on natural rubber in certain countries to protect domestic producers. This situation forces exporting countries like Thailand to compete heavily on price. Additionally, non-tariff measures play a significant role, such as hygiene and environmental regulations that impose restrictions on chemical residues in rubber products or requirements related to labor and sustainability. Standards like the European Union REACH and FSC standards for sustainable rubber compel exporters to adapt to comply with these requirements, leading to increased production costs and creating obstacles to access major global markets.

#### Risk Management Measures

The company closely monitors trade regulations and legal requirements of importing countries, analyzing their impacts and preparing recommendations. It also communicates with relevant public and private agencies, as well as international partners, to exchange information and opinions. This collaborative approach enables the company to stay informed about changes in laws and regulations in a timely manner, allowing for the analysis and development of work processes, controls, and preventive measures to ensure that business operations remain in compliance with evolving standards and requirements. Furthermore, the company focuses on developing environmentally friendly and highly safe innovations and production processes to mitigate the impacts of trade measures and build long-term competitiveness in the global market.

### 5. Emerging Risk

#### Risk from the European Union Deforestation Regulation (EUDR)

The company is a producer and processor of products made from natural rubber, which must comply with the European Union Deforestation Regulation (EUDR) since the European market is a key export market that is important to Thailand's economy. The improvement of EU regulations has a significant impact on the export of rubber products. EUDR is focused on conserving and protecting forest areas, which poses risks to the company if it fails to comply with these regulations, both in terms of potential revenue loss and increased costs associated with compliance with EUDR.

#### Risk Management Measures

The company is committed to conducting its business in accordance with the regulations of the European Union Deforestation Regulation (EUDR) to support environmental conservation and reduce deforestation. Consequently, the company has established an EUDR task force to manage risks and support projects related to compliance with this regulation. This includes gathering and verifying relevant data and supporting necessary activities to ensure that operations adhere to EUDR measures effectively. Additionally, the company promotes awareness among its raw material suppliers regarding the compliance guidelines.

## Risk from the transition to a low-carbon society

Climate change, which has clearly impacted the environment, society, and the global economy, has led to calls for collaboration from all sectors to actively address climate change issues. Governments and businesses worldwide, including those in Thailand, have set policies and targets aimed at reducing greenhouse gas emissions and established operational guidelines to move towards a low-carbon society. This is being pursued through the use of renewable energy, clean technology, and the efficient circulation of resources in the value chain, resulting in new regulations and laws concerning greenhouse gas reduction such as carbon taxes, the Emission Trading System (ETS), and carbon footprint regulations that may be used to establish standards in various industries. Implementing measures like the Carbon Border Adjustment Mechanism (CBAM) could impact exports, presenting challenges for the rubber industry. Additionally, changes in consumer behavior and market trends are increasingly favoring environmentally friendly products. The initial rise in operational costs due to investments in low-carbon technology and the transition to environmentally friendly energy sources or raw materials may increase costs in the short term but is a preparation for long-term sustainability in transitioning to a low-carbon society.

## Risk Management Measures

The company set a target to reduce greenhouse gas emissions from the 2021 baseline and aimed to achieve carbon neutrality by 2030. To this end, it undertook improvements and modifications in processes and equipment and utilized technology to enhance production efficiency and energy usage. This included research and development efforts to reduce greenhouse gas emissions from manufacturing processes and decrease reliance on fossil energy by increasing the use of renewable energy sources such as solar power and biomass. The company also built a collaborative network between itself and its partners to establish goals for reducing greenhouse gas emissions throughout the supply chain while supporting and developing partners to enhance their capacity to meet the defined targets.

## Business Continuity Management

The production process at each stage is crucial for the operations of the rubber industry. Disruptions or malfunctions in any one of these processes can significantly impact the overall production line of the company. Factors that may lead to disruptions can arise from external sources, such as natural disasters or emerging diseases, or internal factors, such as machinery breakdowns, infrastructure issues like electricity and water supply, labor shortages, and various emergencies such as fires or accidents in the factory. All of these constitute risks that could lead to business interruptions.

To manage these risks, the company has implemented Business Continuity Management (BCM), which includes an Emergency Response Plan (ERP) and a Business Continuity Plan (BCP). These plans focus on preparedness in terms of strategies, processes, and resources, while also establishing systems to support potential crises, such as emergencies from fires or accidents in the factory. This includes the provision of firefighting equipment and personnel evacuation plans. Additionally, the company coordinates with the provincial electricity authority to receive prior notification of any power outages, which helps in planning and managing operations effectively. Furthermore, maintenance of machinery and equipment is scheduled regularly, with spare parts kept on hand for any damages that may occur, ensuring that the production process can continue without interruption.

## Promoting a Risk Management Culture

The company focuses on enhancing the capabilities of employees across the organization by providing knowledge and understanding of risk management as part of the employee development plan. This includes conducting training on risk management that encompasses risks related to the environment, society, and governance (ESG). This training aims to ensure that employees at all levels within the company are aware of, recognize, and understand the various risks facing the organization so they can apply this knowledge in their daily operations. In 2024, the company implemented initiatives to promote a risk management culture within the organization as follows:

- On May 10, 2024, the company conducted a training course on risk management according to international standards (ISO 31000:2018) for the risk management working group, executives, and employees from all departments. The training was led by an expert instructor from the Accounting Professionals Association, with the objective of enhancing knowledge and understanding of risk management and enabling attendees to apply the principles of risk management in the company's operations and their daily work. A total of 66 employees participated in the training.



- The company set performance indicators for the organization and the operational results of senior executives to align with organizational risks or risk indicators, linking them with the performance indicators of the responsible risk management units. This ensured effective monitoring and evaluation of control measures and risk management plans in accordance with the organization's core strategies. The responsible departments set performance indicator targets that were aligned with risk indicators. For example, regarding the risk of transitioning to a low-carbon society, the company set a target to reduce greenhouse gas emissions from the 2021 baseline and aimed for carbon neutrality by 2030. Accordingly, it undertook improvements and modifications in processes and equipment, as well as implemented technologies to enhance production efficiency and energy use, thereby reducing greenhouse gas emissions from its production processes and decreasing reliance on fossil energy by increasing the use of renewable energy from solar and biomass sources, among others.

- The company integrated risk management as part of its strategic planning, project development, and operational activities to achieve the defined objectives, goals, and strategies. It was also a critical component in decision-making for investments in various projects, such as major capital-intensive projects. The Risk Management Committee was involved in reviewing and providing feedback on the adequacy of risk assessments and risk management measures, serving as input for the Board of Directors' investment approval decisions. The committee systematically monitored project progress to ensure that the company's investment projects were executed according to the established plans and evaluates completed projects to continuously improve project management.
- The company managed organizational risks by holding meetings of the Risk Management Working Group, which includes senior executives, departmental managers, and operational staff, to monitor organizational risk management. Additionally, specific risk indicators and risk appetite were established, along with a Risk Mitigation Plan, which includes setting targets and performance indicators. Continuous monitoring and evaluation of the risk level after implementation were conducted to closely identify control measures. The outcomes were reported to the Risk Management Committee monthly.





# INFORMATION SECURITY

Materiality Issue	Impact, Risk, and Opportunity
<b>15. Data privacy and security</b> <ul style="list-style-type: none"> <li>Protection of Confidential Information and Privacy</li> <li>Data security</li> <li>Cybersecurity</li> </ul>	Business information, such as strategic plans, financial reports, and personal data of the company's stakeholders, is critical assets that must be protected. If this information is leaked—whether due to negligence on the part of individuals or cyber threats—it can significantly affect the stability of operational systems, the reputation and image of the company, as well as stakeholder confidence. If the information is misused, it can cause severe damage to the data owners and result in the company losing customers and business partners. Furthermore, it may violate data protection laws, such as Thailand's PDPA or the EU's GDPR, which could lead to fines and legal repercussions. However, if there is support for the effective and secure utilization of data, it not only helps mitigate risks in this area but can also build stakeholder confidence, enhance production efficiency, promote innovation in operations, and create a competitive advantage for the company.
<b>Contribution to SDGs</b>  16.3, 16.10	

	Long-term Goals 2028	2024 Goals	2024 Performance
Number of complaints regarding breaches of personal data and business confidentiality	0	0	0
Incidents resulting in damage from cyberattacks	0	0	0
*Percentage of supervisory-level employees who completed data security training	ร้อยละ 100	ร้อยละ 100	ร้อยละ 100
*Percentage of operational-level employees who completed data security training	ร้อยละ 100	ร้อยละ 100	ร้อยละ 81.98

\* Only supervisory-level and operational-level employees are authorized to use the company's information systems.

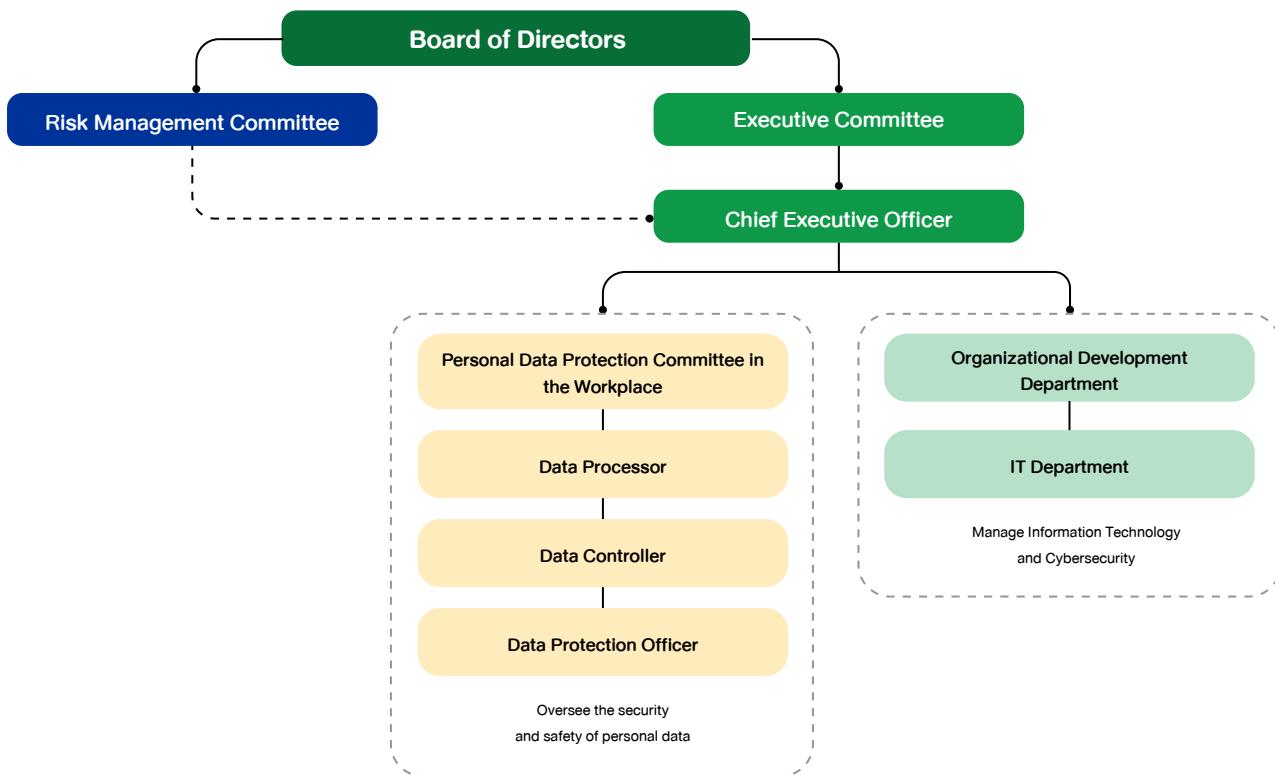


## MANAGEMENT APPROACH

The company recognizes the importance of protecting privacy and data security and has established a **"Policy on Governance and Management of Information Technology,"** a **"Personal Data Protection Policy,"** and a manual for the management of personal data protection. These guidelines are intended for directors, executives, and employees at all levels to ensure proper handling, access, and use of data, especially sensitive information pertaining to the company or stakeholders, in accordance with the Cybersecurity Act B.E. 2562 and the Personal Data Protection Act B.E. 2562.

The company has implemented an information technology and cyber security governance structure that complies with international standards, specifically ISO/IEC 27001. The IT department is responsible for overseeing, controlling, and managing operations, as well as monitoring performance. They report progress and cyber security outcomes to the Chief Executive Officer on a monthly basis before presenting to the Board of Directors and the Risk Management Committee.

For personal data security governance, the company has established a Personal Data Protection Committee, chaired by the Chief Executive Officer. This committee is responsible for setting measures for the security of personal data and practices related to personal data protection for company employees and relevant stakeholders, including communication and oversight to ensure compliance with established goals.



For more information about the Policy on Governance and Management of Information Technology and the Personal Data Protection Policy, please visit [www.nerubber.com](http://www.nerubber.com) or scan the QR Code.

## DATA SECURITY STRATEGY

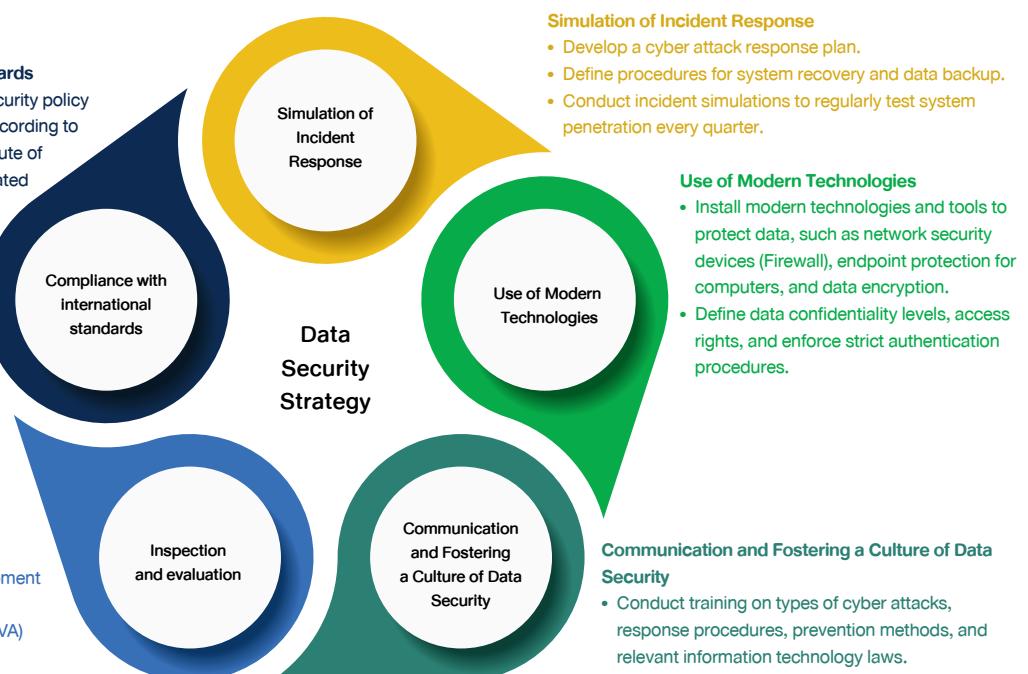
The company has established a strategy to control the risks of data leakage and cyberattacks, focusing on reducing the likelihood of occurrences and minimizing the severity of impacts as follows:

### Compliance with international standards

- Establish information technology security policy
- Define the operational framework according to ISO/IEC 27001, NIST (National Institute of Standards and Technology), and related asset security practices
- Designate departments and personnel responsible for cyber security oversight and personal data protection
- Continuously monitor changes in relevant laws and regulations

## Inspection and evaluation

- Conduct regular inspections and evaluations of the efficiency of equipment and system continuity.
- Perform Vulnerability Assessments (VA) conducted by external experts.
- Analyze data to inform the improvement and development of various security measures.



## Communication and Fostering a Culture of Data Security

## Communication and Fostering a Culture of Data

- Conduct training on types of cyber attacks, response procedures, prevention methods, and relevant information technology laws.
- Promote awareness of roles and responsibilities in collecting, maintaining, and disclosing personal information appropriately.

## CYBERATTACK PREVENTION

The company identifies and assesses risks related to cybersecurity to establish appropriate risk management measures, such as access control management, data encryption, multifactor authentication (MFA), and the installation of antivirus software (endpoints) to protect against cyberattacks on all computers and electronic devices within the organization. Additionally, the company conducts regular data backups and processes to check the readiness of backup data every quarter to prepare for potential cyberattacks or threats from malicious individuals, as cyberattacks can disrupt operations. To further ensure readiness, the company has developed a Business Continuity Plan (BCP) and a Recovery Plan to enhance preparedness.

Moreover, the company has implemented an information security management system based on international standards referencing ISO/IEC 27001 and the NIST Security Framework from the National Institute of Standards and Technology (NIST). The company continuously develops its infrastructure and cybersecurity systems while monitoring and surveilling emerging threats resulting from the rapid evolution of technology, both in the office and factory systems. This proactive approach allows for preventive planning against potential attacks. The company also regularly tests its systems to respond to cyber threats and conducts drills for recovering information systems.

Additionally, raising cybersecurity awareness among executives and employees is essential to keeping up with the evolving situation and new attack methods, as data may leak due to employee operations or a lack of awareness of threats. Therefore, the company provides ongoing training on the nature of attacks, operational practices, preventive measures, and relevant information technology laws to instill a sense of caution in employees regarding the use of equipment and information technology while recognizing the risks and potential impacts.

## Data Management and Access Control

The company has established measures to ensure the security of personal data in accordance with legal requirements and aligned with international operational standards. A Data Protection Officer (DPO) has been appointed to play a crucial role in overseeing and monitoring activities related to personal data within the organization, ensuring compliance with the Personal Data Protection Act. The DPO also provides guidance, supervises, and coordinates both internally and externally to ensure that personal data management is conducted correctly. In addition to implementing modern technologies to protect data from cyberattacks or unauthorized intrusions, the company has established a system for managing important data and documents, as well as controlling access to information within the organization to maintain the highest level of data security and privacy.

<b>Classification of Data Confidentiality Levels</b>	Establish levels of confidentiality to effectively control access to data by categorizing information into three levels: General information, Confidential information, and Highly Confidential information.
<b>Access Rights Assignment</b>	Assign data access rights based on each employee's role and responsibilities, applying the principle of "least privilege" to ensure employees can only access the information necessary for their duties.
<b>Use of Authentication Systems</b>	Implement robust authentication systems such as complex passwords, two-factor authentication (2FA), and digital ID cards.
<b>Monitoring and Recording of Data Access</b>	Monitor and log data access to enable review and analysis of access activities in the event of anomalies.
<b>Training and Awareness Building</b>	Train employees on data security policies and best practices to ensure they understand and adhere to security measures.

## Data Breach Complaint Management

The company has established channels for stakeholders to report incidents of confidential or personal data breaches. There is a process in place for investigating the facts of these reports. If a complaint involves personal data, the Data Protection Officer will assess the situation and report to management accordingly.

### Complaints channels

Postal mail:

Human Resources Department North East Rubber Public Company Limited  
398 Moo.4 Kok Ma Sub-district, Prakhonchai District, Buriram 31140

Tel.: 044- 666-928 / 044-666-929

Email: hr@nerubber.com

Website: <https://www.nerubber.com>

## 2024 Performance

In 2024, the company implemented various programs and activities to educate and raise awareness among employees at all levels about cyber threats, data confidentiality, privacy, and information security. This was done through diverse communication channels such as the company website, intranet, electronic bulletin boards, and LINE. These efforts ensured that employees received sufficient information and understood the importance of protecting and safeguarding data.

The company conducts annual training on data security for all employees to enhance knowledge regarding data security policies, compliance with personal data protection laws, cyber threat prevention, and the correct use of digital devices and technology. Special emphasis is placed on supervisory-level employees who use the company's information systems, such as email and ERP systems.

In 2024, the company organized two training sessions, both in-office and online. Employees participating in the training were required to pass a skills assessment test on data security with a score of 80% or higher. A total of 72 supervisory-level employees successfully completed the training, along with 91 operational-level employees authorized to use the company's information systems. This represents 100% and 81.98% respectively of all employees in each group utilizing the information systems. The proportion of supervisory-level employees passing the training met the target for 2024. However, the training for all operational-level employees was not completed within the year. In 2025, the company plans to implement additional training and communication strategies for data security for new employees during orientation, as well as conduct knowledge refreshers for current employees through Morning Talk sessions, ensuring that all staff understand and can adhere to data security guidelines effectively.

On September 18, 2024, the company held a course titled "When AI Dominates the World, How Will Humans Adapt?" to prepare and enhance knowledge for coping with changes brought about by AI technology, which is becoming increasingly significant in business and operational processes. This training was attended by 86 members of the Board, executives, and employees at all levels, with the instructor being Professor Dr. Worsak Kanoknukoolchai, an academic

from the Royal Institute of Science and former Director of the Chulalongkorn University Integrative Innovation Institute.

As a result of strict adherence to policies and measures, the company experienced no incidents of cyberattacks or data breaches in 2024, and there were no complaints regarding leaks of personal data or business confidentiality. However, in addition to training employees and regularly auditing systems, the company plans to enhance security effectiveness and keep pace with technological changes by conducting penetration testing and vulnerability assessments by certified external experts in 2025.





# HUMAN RIGHTS IN SUPPLY CHAIN

Materiality Issue	Impact, Risk, and Opportunity								
<p>7. Labor practices and human rights in the supply chain</p> <ul style="list-style-type: none"> <li>Child labor</li> <li>Forced labor</li> <li>Fair and equal treatment of workers</li> <li>Diversity, Equity, and Inclusion (DEI)</li> </ul>	<p>The natural rubber industry is a business that relies heavily on labor throughout the supply chain from upstream to downstream, making it unavoidable for human rights risks to arise in the supply chain. This includes treatment of labor, compensation, health and safety, impacts on communities, as well as issues related to child labor or forced labor. Without stringent oversight, this may lead to social criticism, legal action, and the loss of opportunities in key markets such as the European Union.</p>								
<p><b>Contribution to SDGs</b></p> <div data-bbox="171 707 555 853">  <table border="1"> <tr> <td>5. GENDER EQUALITY</td> <td>8. DECENT WORK AND ECONOMIC GROWTH</td> <td>10. REDUCED INEQUALITIES</td> <td>16. PEACE, JUSTICE, AND STRONG INSTITUTIONS</td> </tr> <tr> <td>5.2</td> <td>8.5, 8.7</td> <td>10.3</td> <td>16.2</td> </tr> </table> </div>	5. GENDER EQUALITY	8. DECENT WORK AND ECONOMIC GROWTH	10. REDUCED INEQUALITIES	16. PEACE, JUSTICE, AND STRONG INSTITUTIONS	5.2	8.5, 8.7	10.3	16.2	<p>Conducting business ethically and responsibly, while treating stakeholders with respect for human rights throughout the value chain, will help strengthen the relationship between the company and its stakeholders, particularly employees and partners. This, in turn, leads to sustainable collaboration that enhances competitive capability, serving as a crucial foundation for driving business growth securely over the long term and truly becoming a leader in the rubber industry.</p>
5. GENDER EQUALITY	8. DECENT WORK AND ECONOMIC GROWTH	10. REDUCED INEQUALITIES	16. PEACE, JUSTICE, AND STRONG INSTITUTIONS						
5.2	8.5, 8.7	10.3	16.2						

	Long-term Goals 2028	2024 Goals	2024 Performance
Number of salient human rights complaints	0	0	0
Use of child labor or forced labor in the supply chain (cases)	0	0	0



## MANAGEMENT APPROACH

The company recognizes the importance of respecting the human rights of stakeholders in all activities throughout the supply chain. Therefore, it conducts business in accordance with international practices related to respecting the human rights of stakeholders, including rights concerning natural resources and the environment. This ensures that the company's operations are conducted with careful consideration and prudence, treating all stakeholder groups equally and without discrimination based on gender, race, religion, or different opinions, while avoiding any actions that may lead to direct or indirect human rights violations.

The company has established a Labor and Human Rights Working Group consisting of 9 members from relevant departments, chaired by the Executive Vice President of Organizational Development. This working group is responsible for overseeing and monitoring operations related to labor, such as compliance with labor laws and human rights principles, employment practices, working conditions, health and safety, as well as human resources development. Additionally, the working group plays a role in conducting comprehensive human rights due diligence (HRDD), providing advice and recommendations to establish measures for mitigating or preventing risks per set objectives. It also disseminates and communicates information on human rights both internally and externally to foster a correct understanding throughout the organization. The working group holds regular monthly meetings to monitor ongoing operations and reports to the Corporate Sustainability Development Committee and the Corporate Governance and Sustainability Committee at least once per quarter.



The company has developed a framework for human rights operations that aligns with the United Nations Guiding Principles on Business and Human Rights (UNGPs) to serve as a guideline for the Board of Directors, executives, and employees at all levels as follows:

<b>Commit to Respect Human Rights</b>	Adopt a public policy commitment to respect human rights, aligned with international standards like the Universal Declaration of Human Rights and ILO core conventions.
<b>Conduct Human Rights Due Diligence</b>	Identify, address, and monitor human rights risks and impacts to uphold standards and ensure compliance across operations, supply chains, and partnerships.
<b>Provide Access to Remedy</b>	Establish or participate in grievance mechanisms to address and resolve human rights violations promptly and fairly.
<b>Engage Stakeholders</b>	Communicate and involve affected stakeholders, such as employees, communities, and supply chain partners, in decision-making processes related to human rights.
<b>Report Transparently</b>	Disclose policies, processes, and performance on human rights through public reporting mechanisms.

## Human Rights Policy

The company has established a Human Rights Policy and a Human Rights Practices Handbook that align with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Due Diligence Guidance for Responsible Business Conduct, the Universal Declaration of Human Rights (UDHR), as well as relevant laws in Thailand and abroad concerning business operations. These documents serve as guidance for the Board of Directors, executives, and employees at all levels to treat all stakeholder groups in all activities throughout the supply chain in accordance with human rights principles and to respect human dignity, rights, and freedoms equally.



Learn more about Human Rights Policy  
and a Human Rights Practices Handbook  
at [www.nerubber.com](http://www.nerubber.com) or scan QR Code

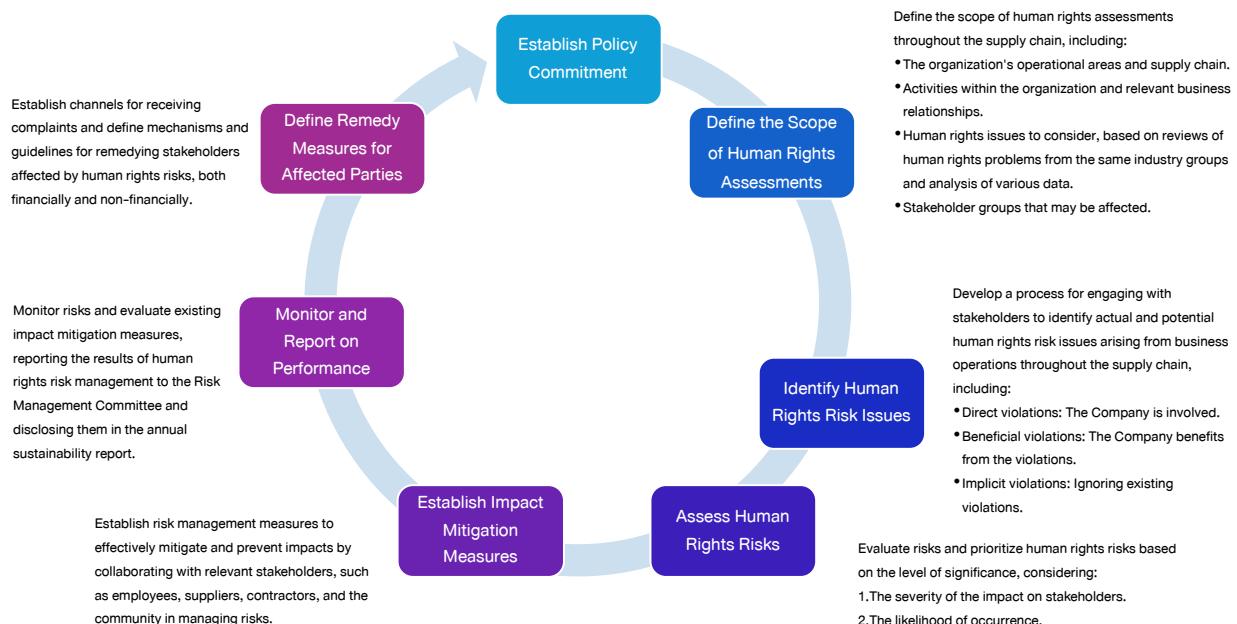


## Labor Rights Practices Guidelines

<b>1. Treatment of Employees and Workers</b>	<ul style="list-style-type: none"> <li>Treat employees and workers equally without discrimination.</li> <li>Support diversity among employees.</li> <li>Promote equal opportunities for women and persons with disabilities.</li> <li>Prohibit and do not tolerate physical punishment, physical and psychological harassment, or verbal abuse.</li> </ul>
<b>2. Employment Practices</b>	<ul style="list-style-type: none"> <li>Promote diversity and equal opportunities in employment.</li> <li>Hire under terms and conditions that comply with local laws and established practices.</li> </ul>
<b>3. Labor Utilization</b>	<ul style="list-style-type: none"> <li>No use or support for child labor (individuals under the age of 18).</li> <li>No use or support for forced labor or human trafficking in any form.</li> <li>No forcing of employees to work overtime without their consent.</li> </ul>
<b>4. Wages and Benefits</b>	<ul style="list-style-type: none"> <li>Provide fair and equal wages and benefits for all employees.</li> <li>Compensate appropriately according to the salary structure and market conditions, meeting at least the minimum wage requirements set by the country.</li> <li>Respect the rights to rest and ensure reasonable working hours.</li> </ul>
<b>5. Workplace Safety</b>	<ul style="list-style-type: none"> <li>Provide a safe and hygienic working environment and facilities that are accessible to everyone, including persons with disabilities.</li> </ul>
<b>6. Freedom of Association and Collective Bargaining</b>	<ul style="list-style-type: none"> <li>Respect the rights and freedoms of employees to join associations and engage in collective bargaining.</li> <li>Support the establishment of welfare committees to develop benefits that are beneficial and suitable for employees' needs.</li> </ul>

## Human Rights Risk Assessment

The company mandates a comprehensive Human Rights Due Diligence (HRDD) at least once a year to identify and evaluate risks, as well as to establish corrective and preventive measures against human rights violations across all business activities, including the operations of stakeholders throughout the supply chain. The operational processes align with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the principles of Free, Prior, and Informed Consent (FPIC) for Indigenous Peoples. The comprehensive Human Rights Due Diligence process includes the following steps:





## 2024 Performance

In 2024, the company conducted a comprehensive human rights risk assessment covering 100% of its operational areas. The assessment scope extended to the supply chain and related business activities through business relationships, such as activities of raw material suppliers. The company identified human rights risk issues by integrating them into the risk assessment process undertaken by various departments in line with their responsibilities. This included analyzing environmental impacts and addressing environmental issues according to the standards of the Environmental Management System (ISO 14001:2015) and assessing safety risks in accordance with the Occupational Health and Safety Management System (ISO 45001:2018).

## Related Human Rights Risk Issues

The company has identified human rights issues that impact each key stakeholder group, both actual and potential risk issues. This encompasses all activities conducted by the company and by entities with business relationships throughout the value chain. Various methods were employed to collect data for analysis to identify human rights risks as follows:

Methods	Affected Stakeholder Groups in the Supply Chain	Responsible Parties
<ul style="list-style-type: none"><li>Human Rights Risk Assessment covering social and environmental issues</li><li>Stakeholder interviews</li><li>Document analysis</li><li>Site visits</li></ul>	<ul style="list-style-type: none"><li>Employee</li><li>Community</li><li>Supplier</li><li>Supplier/contractor's worker</li><li>Customer</li></ul>	<ul style="list-style-type: none"><li>Labor and Human Rights Working Group</li><li>Human Resources Department</li><li>Procurement Department</li></ul>

The company has identified human rights issues related to its operations throughout the supply chain, as follows:

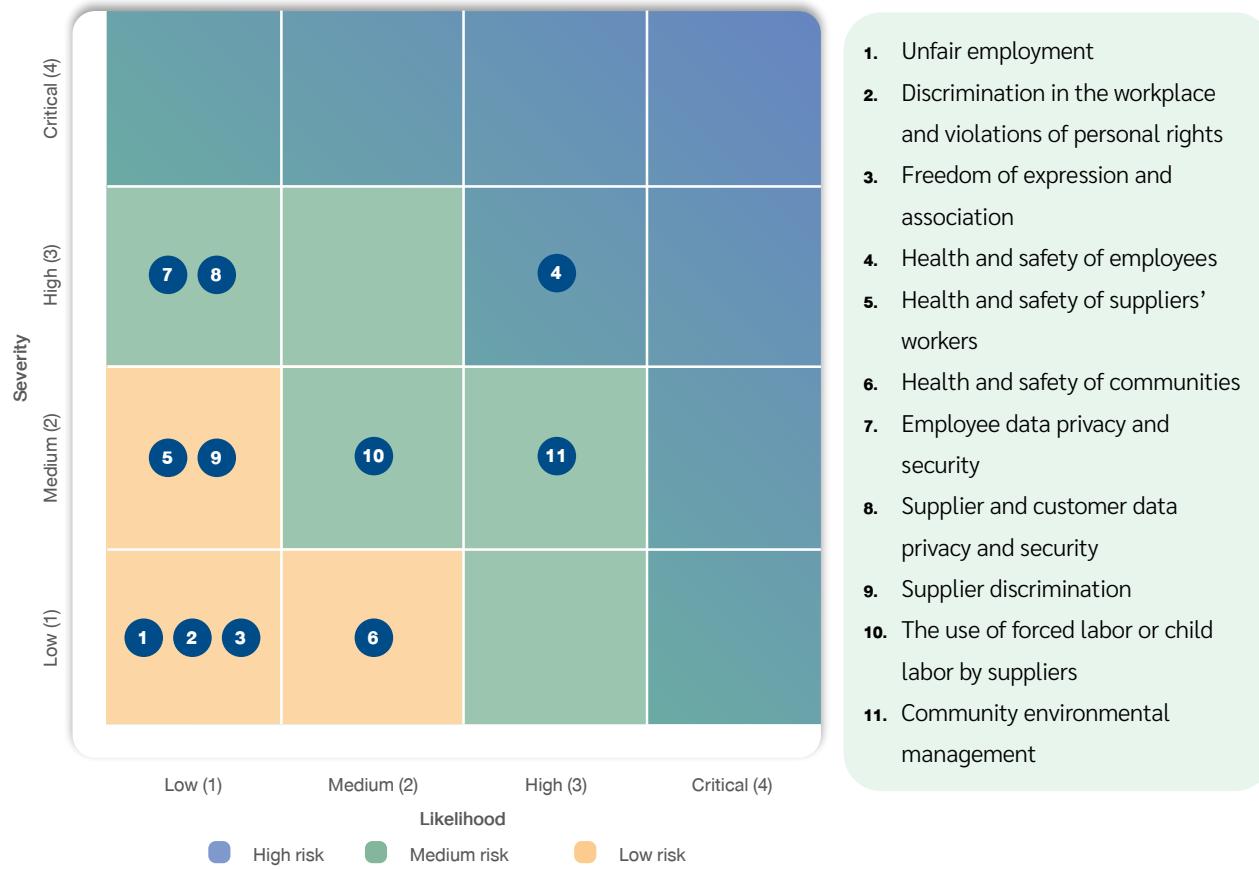
Labor Rights	Community Rights	Supplier Rights	Customer Rights	In Supply Chain
<ul style="list-style-type: none"><li>Discrimination in the workplace and violations of personal rights</li><li>Unfair employment</li><li>Freedom of expression and association</li><li>Health and safety of employees</li><li>Employee data privacy and security</li></ul>	<ul style="list-style-type: none"><li>Health and safety of communities</li><li>Community environmental management</li></ul>	<ul style="list-style-type: none"><li>Supplier discrimination</li><li>Supplier data privacy and security</li></ul>	<ul style="list-style-type: none"><li>Customer data privacy and security</li></ul>	<ul style="list-style-type: none"><li>The use of forced labor or child labor by suppliers</li><li>Health and safety of suppliers' workers</li></ul>

## Assessment of Salient Human Rights Risks

The company assessed the level of human rights risks using criteria that evaluate the severity of the impacts on stakeholders based on the level of impact (scale), the number of affected individuals (scope), and the potential for remedying those impacts (irremediable character), along with criteria for the likelihood of occurrence.

Areas Assessed for Human Rights Risks	Proportion of Areas Identified with Human Rights Risks	Proportion of Areas with Human Rights Risks that Have Established Prevention and Impact Mitigation Measures
Total activities in the company's own operations	100%	100%
Tier-1 suppliers	19.39% (96 suppliers)	100%

The results of the assessment and prioritization of human rights risks throughout the supply chain are illustrated in the following table:



## Human Rights Risk Management

The company identified one high-level human rights risk issue, which is the health and safety of its employees, as well as four medium-level risk issues. Consequently, the company has established management measures to mitigate impacts and prevent future occurrences, along with appropriate remediation for the affected individuals. This process involves collaboration with stakeholders who have been or may be directly affected, such as employees, suppliers, customers, and local communities, to determine effective, appropriate, and sufficient measures. The company has implemented the following various measures:

Scope	Salient Human Rights Risk	Affected Stakeholder Group	NER's Corrective, Preventive & Remedial Action
Activities in the company's operations	Labor Rights:		
	Discrimination in the workplace and violations of personal rights	Employee	<ul style="list-style-type: none"> <li>Establish a human rights policy and practices that ensure equal treatment and non-discrimination for employees.</li> <li>Train employees to be aware of and respect rights related to equality and non-discrimination.</li> <li>Provide whistleblowing channels, including an effective complaint management process and appropriate remedies.</li> </ul>
	Unfair employment	Employee	<ul style="list-style-type: none"> <li>Set a clear employment policy and practices that offer equal opportunities.</li> <li>Establish a remuneration and benefits structure that is appropriate and complies with legal minimums.</li> </ul>
	Freedom of expression and association	Employee	<ul style="list-style-type: none"> <li>Support the formation of a welfare committee with members elected by employees, who meet with management to improve benefits and propose suggestions that are beneficial to employees.</li> </ul>



Scope	Salient Human Rights Risk	Affected Stakeholder Group	NER's Corrective, Preventive & Remedial Action
<b>Activities in the company's operations</b>	Health and safety of employees	Employee	<ul style="list-style-type: none"><li>Conduct risk assessments and Job Safety Analysis (JSA) to identify causes and proactively prevent accidents.</li><li>Provide appropriate and sufficient personal protective equipment.</li><li>Improve the workplace environment and occupational health within the organization, such as installing adequate clean drinking water stations for the workforce.</li><li>Conduct safety training throughout the organization.</li><li>Organize activities to campaign for reducing workplace accidents to zero.</li><li>Foster a safety culture within the company and promote a Safety DNA to instill employee awareness and engagement in assessing and managing work risks, such as daily safety morning talk and Kiken Yoshi Training (KYT) before starting work to prepare for safe operations.</li></ul>
	Employee data privacy and security	Employee	<ul style="list-style-type: none"><li>Establish a policy and practices regarding the protection of employees' personal data.</li><li>Develop a secure information technology system and conduct regular testing.</li><li>Raise awareness about cybersecurity, the confidentiality and security of information.</li><li>Monitor and track incidents of personal data breaches.</li></ul>
<b>Community Rights</b>			
	Health and safety of communities	Community	<ul style="list-style-type: none"><li>Establish a policy and practices regarding social responsibility and environmental stewardship that may impact the community.</li><li>Monitor and assess the effects on surrounding communities, and develop measures to remediate, prevent, and mitigate environmental impacts in collaboration with the community.</li><li>Promote health care and provide annual health check-ups for the community.</li><li>Install a complaint box at the front of the factory or allow submissions through the security team at the factory entrance.</li></ul>
<b>Supplier Rights</b>			
	Supplier discrimination	Supplier	<ul style="list-style-type: none"><li>Establish a policy and a procurement manual as guidelines for engaging with suppliers for company employees.</li><li>Treat suppliers with equity, fairness, transparency, and non-discrimination.</li><li>Train employees and monitor compliance with the procurement policy and manual.</li><li>Provide complaint channels and an effective complaint management process, along with appropriate remedies.</li></ul>
	Supplier data privacy and security	Supplier	<ul style="list-style-type: none"><li>Establish a policy and practices regarding the protection of suppliers' personal data.</li><li>Develop a secure information technology system and conduct regular testing.</li><li>Separate the management system for the protection of suppliers' personal data from employee data to prevent breaches of business confidentiality.</li><li>Define levels of confidentiality and access rights to the data.</li></ul>

Scope	Salient Human Rights Risk	Affected Stakeholder Group	NER's Corrective, Preventive & Remedial Action
<b>Activities in the company's operations</b>	Customer Rights Customer data privacy and security	Customer	<ul style="list-style-type: none"> <li>Establish a policy and practices regarding the protection of customers' personal data.</li> <li>Develop a secure information technology system and conduct regular testing.</li> <li>Define levels of confidentiality and access rights to the data.</li> </ul>
<b>Activities in the supply chain</b>	Labor Rights in the Supply Chain The use of forced labor or child labor by suppliers	Workers of raw material suppliers, suppliers, and contractors	<ul style="list-style-type: none"> <li>Require suppliers to strictly comply with labor laws and regulations.</li> <li>Communicate policies and the supplier code of conduct related to human rights, as well as procurement practices that include labor practices, ensuring that suppliers are informed and adhere to these regulations rigorously.</li> <li>Verify the labor licenses of suppliers and contractors before conducting transactions with the company.</li> <li>Conduct regular assessments of labor practices, including self-assessments and on-site audits at the premises or rubber plantations of raw material suppliers, suppliers, and contractors.</li> </ul>
	Health and safety of suppliers' workers	Workers of raw material suppliers, suppliers, and contractors	<ul style="list-style-type: none"> <li>Communicate the safety-related policies and ethical standards to suppliers, ensuring their awareness and strict adherence to regulations.</li> <li>Provide safety training to contractors before the start of each project.</li> <li>Verify the readiness of equipment and the health of contractors providing labor before each type of work.</li> <li>Conduct regular safety assessments, including self-assessments and on-site audits at the establishments or rubber plantations of raw material suppliers, suppliers, and contractors.</li> </ul>
	Community Rights Health and safety of communities	Community	<ul style="list-style-type: none"> <li>Require suppliers to strictly comply with safety laws and regulations.</li> <li>Monitor the operations of suppliers and contractors regarding labor and environmental practices to prevent human rights violations.</li> <li>Mandate that suppliers and contractors implement measures to prevent and be accountable for potential impacts arising from human rights violations.</li> <li>Oversee that suppliers and contractors have appropriate remedies in place in cases where their actions lead to human rights violations against the community.</li> </ul>
	Community environmental management	Community	<ul style="list-style-type: none"> <li>Require suppliers to strictly comply with environmental laws and regulations.</li> <li>Monitor the operations of suppliers and contractors regarding environmental management to prevent adverse impacts on the community.</li> </ul>

## Communication and Training on Human Rights

The company conducts training to promote awareness of human rights among executives, employees, and suppliers, with the aim of fostering an understanding of the fundamental concepts and principles of human rights. This training enhances awareness of the respect for rights and human dignity, cultivates an organizational culture that supports equality and diversity, and promotes peaceful and effective collaboration within the organization. In the year 2024, the company implemented the following activities:

### Human Rights Training for Employees

The company requires all new employees to undergo initial training on the company's human rights policy to ensure understanding of practices aligned with international standards, including the rights and responsibilities of employees in respecting human rights. This training is part of the orientation program. In 2024, all new employees, totaling 289 people (100%), completed this training.

Additionally, the company conducted human rights refresher training for employees across all departments, totaling 308 individuals, representing 32.73% of the total 941 employees. This training aimed to review knowledge related to human rights issues concerning labor law compliance, privacy rights, prevention of discrimination, respect for diversity in the workplace, and building understanding and awareness of various indicators that may lead to forced labor violations and legal labor protections. It also included managing situations of human rights violations, with training conducted by company instructors in collaboration with Mr. Chamnan Kiatwongnuk, a legal expert from the Department of Labour Protection and Welfare in Buriram Province.



### Human Rights Training for Suppliers

In 2024, the company initiated a special lecture for its natural rubber suppliers for the first time, to promote sustainability and transparency within the supply chain. The focus was on raising awareness, fostering understanding, and encouraging collaboration in accordance with international human rights standards and Thai labor laws. A total of 61 suppliers participated in the training, representing 22.85% of the total 267 natural rubber suppliers, held on December 26, 2024.



### Internal Communication on Human Rights

The company conducted activities and communicated information on human rights through various channels, such as newsletters, intranet, and information boards, to raise awareness and understanding of human rights among employees at all levels. Additionally, the company organized participatory activities, such as workshops and discussions on human rights, to provide opportunities for employees to express their opinions, share experiences, and recognize their important role in adhering to the human rights policy.

## Establishment of a Welfare Committee

The company supported and promoted employees' rights and freedoms to establish a welfare committee within the workplace to present opinions and engage in discussions with employer representatives regarding the development of additional benefits beyond those required by law, ensuring that they were appropriate and aligned with employees' needs. Therefore, an election for the welfare committee at the company's workplace was held on July 16, 2024, to replace the previous committee whose term had expired. A total of 17 employees applied to participate in the election for the welfare committee and 13 were selected as committee members. A total of 608 employees voted, representing 64.61% of the total workforce.

## Occupational Health and Safety Training and Development for Employees

Employee health and safety is a significant risk issue; therefore, the company supports the enhancement of knowledge and skills regarding workplace safety for employees at all levels. This includes organizing training focused on accident prevention and reducing risks arising from numerous factors, such as working in environments that pose health risks, lack of expertise in job performance, and insufficient skills and knowledge to effectively handle emergencies. Training also includes proper use of tools and equipment suitable for the specific tasks. Additionally, the company provides health services and annual health check-ups to monitor and prevent health issues.

## Collaboration on Labor and Human Rights with External Organizations

The company has established a network of collaboration on labor and human rights with both government and private sectors in the province, supporting knowledge sharing and participation in significant activities related to labor and human rights. For example, by participating in Labor Day events or sending staff from the company to serve as speakers on safety and basic knowledge regarding work in transportation and storage facilities as part of the 'Driving Safety in Transportation' initiative organized by the Safety Officers Association of Buriram Province at the meeting room of the Buriram Provincial Labour Protection and Welfare Office.





## Promotion of Diversity, Equity, and Inclusion (DEI)

The company places great importance on promoting diversity and treats all employees with respect and equity in every aspect of its operations. It is committed to creating a fair and discrimination-free working environment, focusing on employment, skill development, and providing opportunities for career advancement. The company has implemented the following concrete practices:

Policy	Approach
1. Fair Employment and Management	The company conducts employment, compensation, training, promotions, and termination of employment in an equitable manner, free from discrimination based on race, religion, nationality, gender, disability, or any other personal status. Selection and compensation considerations are based primarily on abilities and suitability for the positions, adhering to principles of equality. This includes equal pay for equal work, regardless of gender or age.
2. Respect for Personal Rights and Freedoms	The company respects the personal rights of employees to practice their beliefs, faith, or personal needs, such as race, religion, or gender differences, as long as such activities do not affect their job responsibilities, colleagues, or the organization.
3. Prevention of Harassment and Exploitation	Any form of expression or behavior that constitutes oppression, intimidation, sexual harassment, or exploitation of employees is prohibited. Additionally, actions that violate organizational ethics are not permitted, with disciplinary sanctions for violations specified in the company's work regulations.
4. Support for Women's Labor Rights	There is no requirement for women to undergo pregnancy tests or contraceptive measures, and the company provides care for pregnant women in accordance with legal requirements, creating a work environment that supports equal labor rights.
5. Capacity Development and Career Advancement Promotion	The company establishes career paths and supports the development of all employees' capacities equally by providing individual development plans and opportunities for diverse training and skill development. This includes learning, training, and preparation for changes or new responsibilities in the future, along with transparent performance evaluations, such as assessing performance, competencies, and appropriate behaviors.



## Monitoring and Evaluation

The company requires a review of human rights risk issues to be conducted regularly, at least once a year, as the human rights risks associated with the company's business operations may change due to different activities and stakeholder groups. Additionally, the company monitors and evaluates the effectiveness of corrective and preventive measures by establishing indicators to serve as tools for tracking and assessing the effectiveness of the risk management measures employed. The details are as follows:

Human Rights Issues	Indicator	2024 Target	2024 Performance
Labor Rights	• Percentage of employees trained on human rights.	100%	32.73%
	• Number of complaints or lawsuits related to labor rights violations for which the organization is at fault.	0	0
	• Lost Time Injury Frequency Rate (LTIFR).	0	2.93
	• Rate of fatalities or disabilities due to work-related accidents (Major Accidents).	0	0
Community Rights	• Turnover rate of employees caused by human rights violations.	0	0
	• Number of significant complaints from the community related to human rights violations.	0	0
Supply Chain	• Percentage of suppliers signing to acknowledge the company's Supplier Code of Conduct.	100%	100%
	• Percentage of critical tier-1 suppliers who have received training on human rights.	100%	12.32%

## Complaints and Whistleblowing

The company has monitored human rights risks by providing accessible complaint channels for all stakeholder groups. These include feedback boxes in various areas of the company, an online complaint system via Red QR Code, email, intranet, Line Chat Group, complaints through representatives of the welfare committee, or human resources management staff. External stakeholders can submit complaints via written letters, the company's website, social media channels, a complaint box installed at the front of the factory or directly submit documents to the security team at the factory entrance, or through community representatives.

The company has established a systematic and fair process for reviewing complaints and mechanisms for remedying affected individuals in the event of human rights violations, as outlined in the human rights practice manual, as follows:

Record and register complaints	Categorize complaints based on severity, type, and impact to prioritize response actions
Evaluate and verify	Conduct impartial internal investigations within specified timelines, collect factual evidence, and consult external experts if necessary
Remediate	Provide appropriate remedies to those affected according to each case's nature and severity, including: <ul style="list-style-type: none"> <li>• Apologizing or publicly acknowledging the misconduct</li> <li>• Compensation in monetary or material form</li> <li>• Rehabilitation, such as medical support or psychological recovery</li> <li>• Restitution</li> <li>• Assurance of non-repetition through policy changes or additional training</li> </ul>
Follow-up and monitor	Ensure that remedies and prevention of recurrence are appropriate by evaluating stakeholder satisfaction and conducting long-term follow-up.
Report for transparency	Communicate the results to impacted stakeholders and disclose in the company's sustainability report.

Throughout 2024, as part of its human rights operations, the company did not encounter any cases of human rights violations within the organization or its supply chain, nor did it receive any significant complaints related to human rights violations from any stakeholder groups.



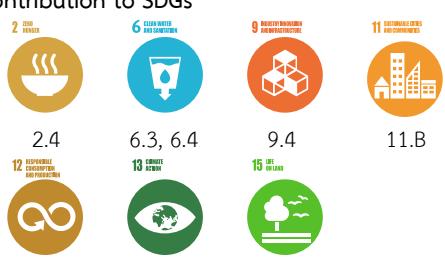
## NURTURE NATURE

As the environment is a global challenge, we are ready to strive for carbon neutrality and promote efficient resource recycling in all processes, extending across the supply chain. We also focus on creating products and innovations that support the transition to a low-carbon society.

- Climate and Decarbonization
- Energy Management
- Air Quality Management
- Waste Management
- Water Management



# CLIMATE AND DECARBONIZATION

Materiality Issue	Impact, Risk, and Opportunity								
<b>1. Climate adaptation and resilience</b> <ul style="list-style-type: none"> <li>Physical Risk Management from Climate Change</li> <li>Climate Transition Risks (Regulatory)</li> </ul>	he escalating and unavoidable changes in climate conditions have impacts not only on the company but also on stakeholders throughout the supply chain. The rubber industry relies heavily on natural raw materials and utilizes thermal and electrical energy as fundamentals while facing pressures and expectations from society and consumers regarding environmental responsibility. Additionally, there is an enforcement of stricter laws and regulations, which creates risks that directly impact operational processes, labor, and business costs, as well as the company's image and customer confidence.								
<b>2. Air Pollution Emissions</b> <ul style="list-style-type: none"> <li>Greenhouse Gas and Carbon Emissions</li> <li>Carbon Neutrality</li> </ul>	However, climate change is not only a challenge for the company's operations; if the company executes effective management, conducts comprehensive risk assessments, and can adapt promptly, it can create business opportunities and competitive advantages with products that meet market demands, as well as establish collaborative networks within the supply chain to adjust to both physical changes and regulatory requirements domestically and internationally. This not only creates value for the company but also promotes sustainability in the rubber industry and among related stakeholders.								
<b>Contribution to SDGs</b>  <table border="1"> <tr> <td>2.4</td> <td>6.3, 6.4</td> <td>9.4</td> <td>11.8</td> </tr> <tr> <td>12.2</td> <td>13.1, 13.2</td> <td>15.1</td> <td></td> </tr> </table>	2.4	6.3, 6.4	9.4	11.8	12.2	13.1, 13.2	15.1		
2.4	6.3, 6.4	9.4	11.8						
12.2	13.1, 13.2	15.1							

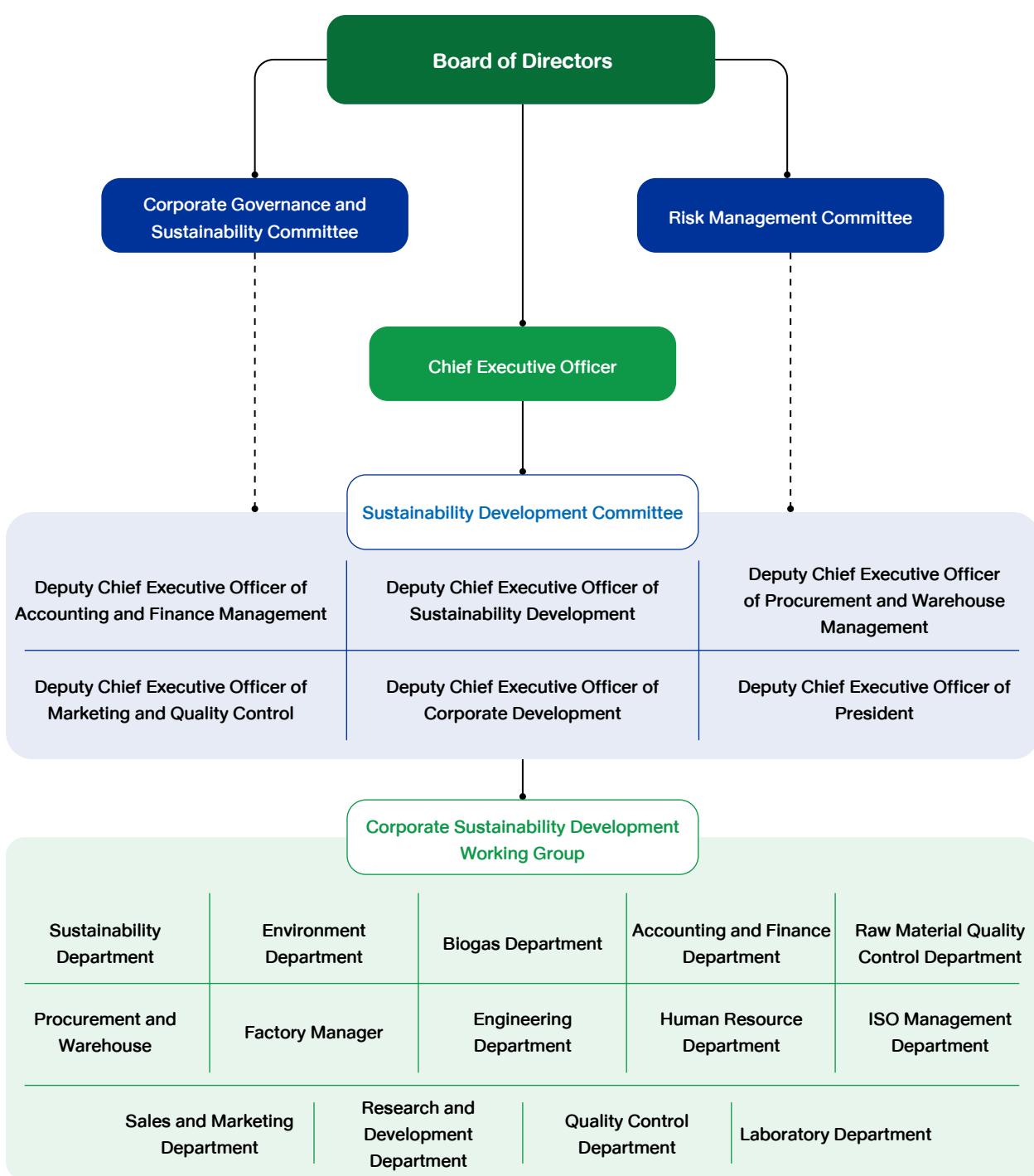
## Long-term Goals

Become a carbon neutral organization	2030
Being certified for greenhouse gas emissions reduction targets in accordance with Science Based Targets Initiative (SBTi)	2027

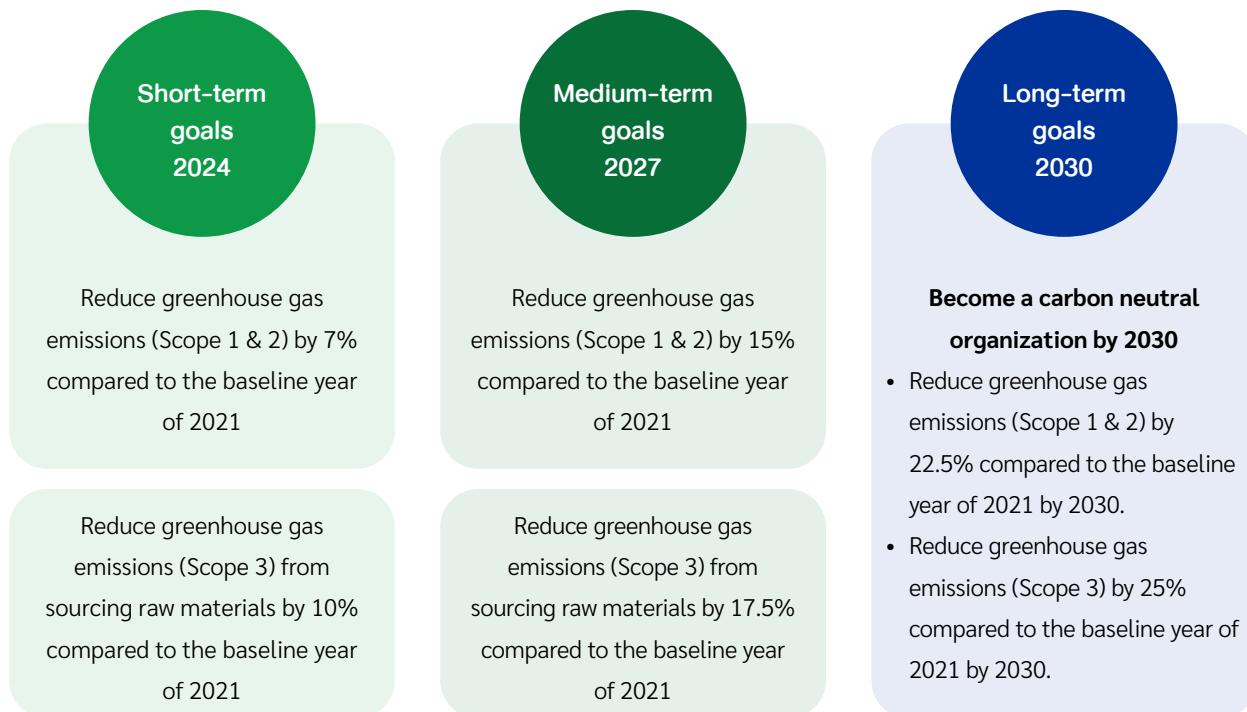
## CLIMATE GOVERNANCE

The company places significant importance on overseeing and managing risks or opportunities related to climate change. Therefore, it has established a **"Climate Change Management Policy"** and assigned the Corporate Governance and Sustainability Development Committee to oversee operations related to addressing climate change, as well as the business opportunities that arise from it. In collaboration with the Risk Management Committee, it is responsible for overseeing risk management that encompasses climate change-related risks, such as the security of raw materials and water and changes in laws and regulations affecting business operations. Both committees monitor the progress of various measures through the Sustainability Development Working Group, chaired by Ms. Py Attipisarn, the Deputy Chief Executive Officer of Sustainability Development, which comprises subcommittees from all departments within the company.

The Sustainability Development Working Group, consisting of executives from all departments, plays a key role in assessing risks arising from climate change, establishing measures to prevent and mitigate risks from physical changes (physical risks), and transition risks from legal regulations both domestically and internationally that must be complied with. The working group also sets targets for reducing greenhouse gas emissions in line with international best practices while monitoring performance results to report to the Board of Directors and disclose information to stakeholders accordingly.

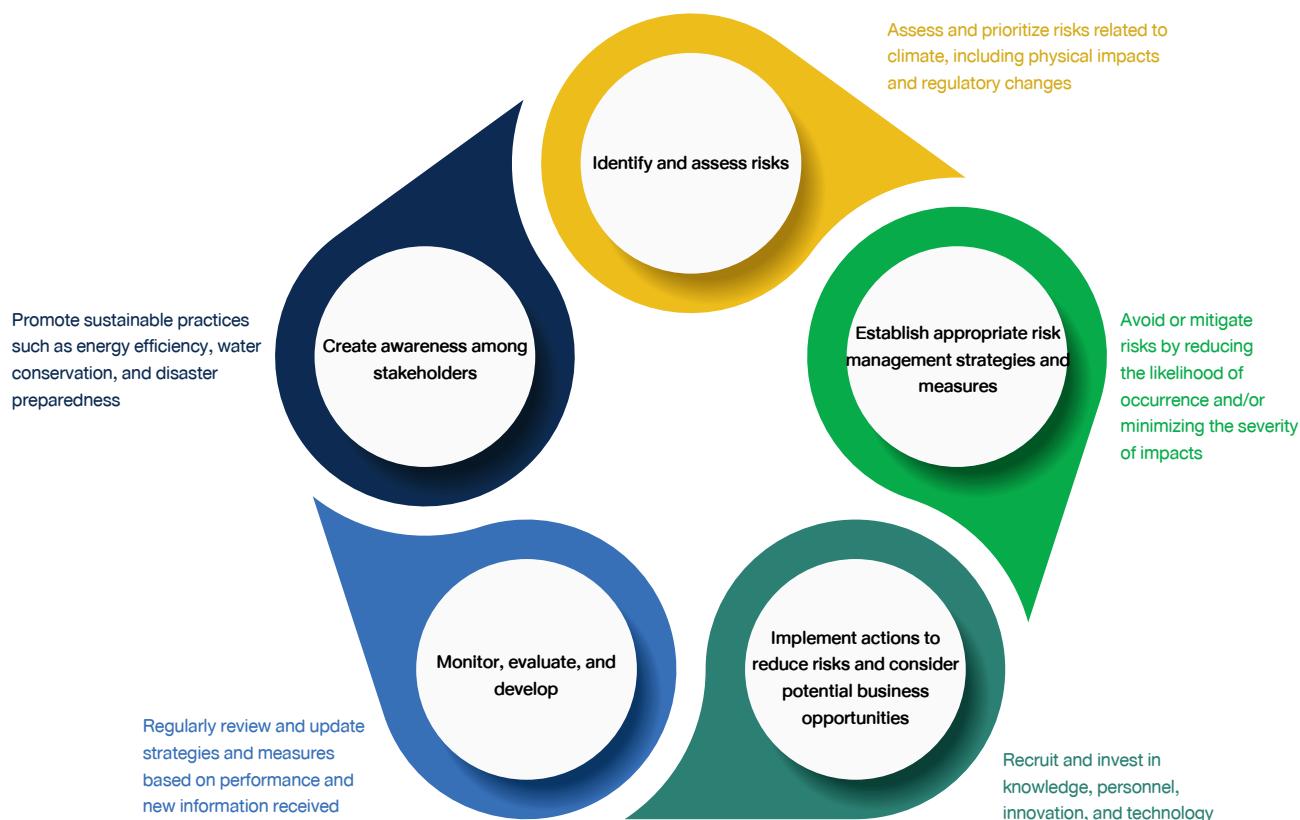


The company is committed to becoming a carbon-neutral organization by 2030, and has established organizational goals to achieve this aim as follows:



## MANAGEMENT APPROACH

The company has established operational guidelines to address climate change and build resilience so that the business can continue to operate effectively while also identifying business opportunities arising from various risks as follows:

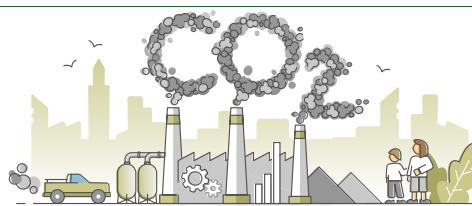


## 2024 Performance

### Assessment of Climate Change-Related Risks

The company has assessed the risks associated with climate change that relate to its business operations and has established risk management measures to reduce or prevent potential impacts in the future as follows:

	Risk Factor	Impact/Opportunity and Risk Management Measure
<b>Physical Risk</b>	Drought	<b>Impact/Opportunity</b> Drought may result in water shortages in the area, leading to insufficient freshwater for use in the production process. This could cause disruptions in production and public utility systems, as well as increasing costs associated with water procurement. <b>Risk Management Measure</b> <ul style="list-style-type: none"><li>Water conservation to reduce usage and loss in the system</li><li>Utilization of treated water</li><li>Use of weather forecasting technology and data analysis to assess climate change-related risks</li></ul>
	Flood or storm-related disasters	<b>Impact/Opportunity</b> Flooding may cause disruptions in operations, or storms may damage manufacturing facilities or rubber plantation areas, directly impacting the company's revenue losses as well as the safety of personnel and infrastructure. <b>Risk Management Measure</b> <ul style="list-style-type: none"><li>Develop an emergency response plan for disasters and a business continuity plan to manage situations that disrupt production, aiming to minimize impact. This includes strategies such as product distribution, relocation of raw materials, or sourcing additional products in case of flooding.</li><li>Obtain insurance to mitigate risks from natural disasters, enabling the business to receive compensation if damage occurs due to extreme weather conditions.</li></ul>
	Raw material shortage	<b>Impact/Opportunity</b> Unusually high temperatures reduce the flow duration of latex, resulting in lower than normal latex yields. This is a key factor contributing to insufficient raw materials for production capacity, leading to lost sales opportunities or potential penalties and reputational damage. Additionally, the cost of sourcing raw materials increases due to competition for materials and transportation from more distant sources. <b>Risk Management Measure</b> <ul style="list-style-type: none"><li>Diversify sources of raw materials from various rubber planting areas to reduce the risk of reliance on a single source.</li><li>Enter into long-term contracts with rubber farmer suppliers to ensure the supply of raw materials in the desired quantity and quality, while also controlling costs in the long term.</li><li>Build a network of relationships with rubber farmer suppliers for quick responses in the event of shortages.</li><li>Encourage the cultivation of rubber varieties that are resilient to weather conditions and environmental changes, such as those tolerant to high temperatures or resistant to certain diseases and pests.</li><li>Provide education to farmers on the principles of tapping rubber to achieve higher yields.</li></ul>



	<b>Risk Factor</b> <b>Impact/Opportunity and Risk Management Measure</b>
	<p>Quality of rubber products</p> <p><b>Impact/Opportunity</b></p> <p>Due to the chemical and physical properties of rubber being sensitive to changes in high temperatures, this affects the quality of rubber products, leading to degradation. This deterioration reduces the mechanical properties of rubber, which in turn has a continuous impact on the production process, resulting in inconsistent product quality. This can financially harm the company due to complaints or returns, lost sales opportunities, and a loss of credibility for the company.</p> <p><b>Risk Management Measure</b></p> <ul style="list-style-type: none"> <li>• Develop temperature-controlled storage areas for rubber to avoid sunlight and heat, preserving the properties and lifespan of the products as much as possible.</li> <li>• Establish a rubber operations center to monitor product quality and control rubber quality at every stage.</li> </ul>
	<p>Employee health and occupational Safety</p> <p><b>Impact/Opportunity</b></p> <p>Climate change directly impacts employee health, with rising temperatures in the workplace affecting health in various ways. In environments with hot weather or excessively high temperatures, there is an increased risk of workplace accidents. Heat can cause employees to experience drowsiness, loss of concentration, and slower reaction times, thereby increasing the risk of accidents when operating machinery in the production process.</p> <p><b>Risk Management Measure</b></p> <ul style="list-style-type: none"> <li>• Reduce heat in the workplace by inspecting and installing ventilation systems to ensure proper air circulation.</li> <li>• Install adequate drinking water stations and rest areas, and establish rest schedules to allow employees time to recuperate.</li> <li>• Provide training to employees on recognizing various abnormal symptoms caused by heat, along with corrective and preventive measures.</li> </ul>
<b>Transition Risk</b>	<p>Compliance with laws and policies</p> <p><b>Impact/Opportunity</b></p> <p>Stricter climate-related laws and regulations may require the company to adapt and incur higher costs or investments. Carbon-related policies or mechanisms, such as greenhouse gas emission allowances and carbon taxes, could significantly impact the company's costs and profit margins.</p> <p><b>Risk Management Measure</b></p> <ul style="list-style-type: none"> <li>• Closely monitor changes in policies, laws, and regulations related to greenhouse gas reduction, both domestically and internationally.</li> <li>• Comply with sustainable production standards and seek certification from international standards, such as ISO environmental standards or standards that reduce environmental impact, such as the Forest Stewardship Council (FSC) standards.</li> <li>• Reduce greenhouse gas emissions in Scope 1 and 2.</li> <li>• Support farmer suppliers in increasing their knowledge and enhancing their capabilities.</li> </ul>



	Risk Factor	Impact/Opportunity and Risk Management Measure
Transition Risk	Customers' demand for Sustainable Products	<p><b>Impact/Opportunity</b></p> <p>The trend towards reducing greenhouse gas emissions has heightened societal and consumer expectations regarding environmental responsibility in the industrial sector, leading customers to increasingly desire sustainable products. This shift impacts the company in terms of investment and competitiveness, as well as stakeholder confidence in the company.</p> <p><b>Risk Management Measure</b></p> <ul style="list-style-type: none"><li>Designing environmentally friendly and low-carbon products presents an opportunity for the company to expand its product market, resulting in increased revenue.</li><li>Using raw materials that are environmentally certified and traceable.</li><li>Reducing greenhouse gas emissions in Scope 1, 2, and 3 while seeking certification for low-carbon products.</li><li>Investing in research and development of technologies that enhance the reduction, capture, and storage of greenhouse gases, aiming for carbon neutrality.</li><li>Building collaborative networks among farmers, industry, and government to develop sustainable rubber throughout the supply chain.</li></ul>
	Financial Aspects and Investment in Technology	<p><b>Impact/Opportunity</b></p> <p>The company needs to invest in environmentally friendly technologies and production processes to remain competitive in the market and comply with changing regulations. This investment may involve significant costs, impacting production expenses and selling prices. However, such investments also provide business opportunities to generate additional revenue from new products that better meet customer demands.</p> <p><b>Risk Management Measure</b></p> <ul style="list-style-type: none"><li>Conduct market research and cost-benefit analysis: Evaluate the feasibility of investments by comparing expected benefits with the costs involved.</li><li>Study and improve technologies and production processes to increase the proportion of renewable and clean energy usage.</li><li>Collaborate with research institutions and universities to develop technologies suitable for the business.</li></ul>

## Raising Awareness and Organizational Engagement

The company is focused on raising awareness and encouraging participation from employees at all levels in managing climate change and reducing greenhouse gas emissions. To support this, it organizes training activities and various projects both internally and externally to enhance the knowledge and skills necessary for operations that address climate change risks as follows:

### Workshop Training for Internal Carbon Pricing (ICP)

#### Initiatives

The company participated as a pilot organization in the "Economic Mechanism Development Project for Carbon Pricing and Investment in Greenhouse Gas Reduction, Year 3," organized by the Office of the Natural Resources and Environmental Policy and Planning (ONEP). This initiative aims to enhance knowledge and understanding of carbon pricing mechanisms, as well as to apply this approach within the organization as a tool for managing environmental risks. It also supports decision-making by management regarding operations and investments in various projects in a manner that aligns with the company's goal of reducing carbon emissions.



## Workshop Training for Developing External Assessors to Support Thailand's Carbon Footprint Certification System

The company encourages employees to participate in workshop training for the courses "Carbon Footprint for Organization (CFO)" and "Carbon Footprint of Product (CFP)," organized by the Office of the Natural Resources and Environmental Policy and Planning (ONEP) and the Energy Research and Development Institute, Chiang Mai University (ERDI). Employees such as Mr. Witwat Paknok, Mr. Tharawut Jetana, and Ms. Warunee Sihanat are able to apply the knowledge gained within the organization and contribute to developing the organization's greenhouse gas management plan, aiming for carbon neutrality in line with the company's goals, and to obtain certification for greenhouse gas reduction targets through the Science Based Targets Initiative (SBTi). This initiative helps the company save over 150,000 baht per year in consultant fees.



### Seminar Training on Knowledge in the Greenhouse Gas Management throughout the Supply Chain (GHG Emission Scope 3)

The company promotes and supports employees to participate in the seminar program "Greenhouse Gas Management throughout the Supply Chain (GHG Emission Scope 3)," organized by the Stock Exchange of Thailand. This training prepares employees to cope with climate change and implement measures to reduce Scope 3 greenhouse gas emissions across all 15 categories, covering other indirect greenhouse gas emissions that occur within the company's supply chain, both upstream and downstream. This training helps employees understand data collection, data accuracy verification, and the selection of emission factors for greenhouse gas assessment. It enables them to develop projects and activities aimed at effectively reducing greenhouse gas emissions in the supply chain according to the goal of achieving a 25% reduction in Scope 3 emissions from raw material sourcing by 2030, compared to the 2021 baseline.



โครงการพัฒนาผู้ประเมินภารกิจ  
เพื่อบรรลุมาตรฐานการรับรองคุณภาพของประเทศไทย

#### วัสดุประสงค์

- เพื่อพัฒนาศักยภาพและเพิ่มขั้นตอนที่ปรึกษาและผู้ควบคุมสอบ  
การรับรองคุณภาพที่มีประสิทธิภาพและรวดเร็วต่อไป

รายละเอียดโครงการฯ



#### ผู้เข้าร่วมโครงการฯ ฯลฯ

- การพัฒนาทักษะความรู้และประสบการณ์การประเมิน และการควบคุมดำเนินการรับรองคุณภาพ
- การพัฒนาทักษะการขอของค่าใช้จ่ายที่ต้องการที่มีประสิทธิภาพ และถูกต้องของค่าใช้จ่ายที่ต้องการ
- การเตรียมความพร้อมที่ดีของการรับรองระบบงานเบ็ดเตล็ดของบุคลากร

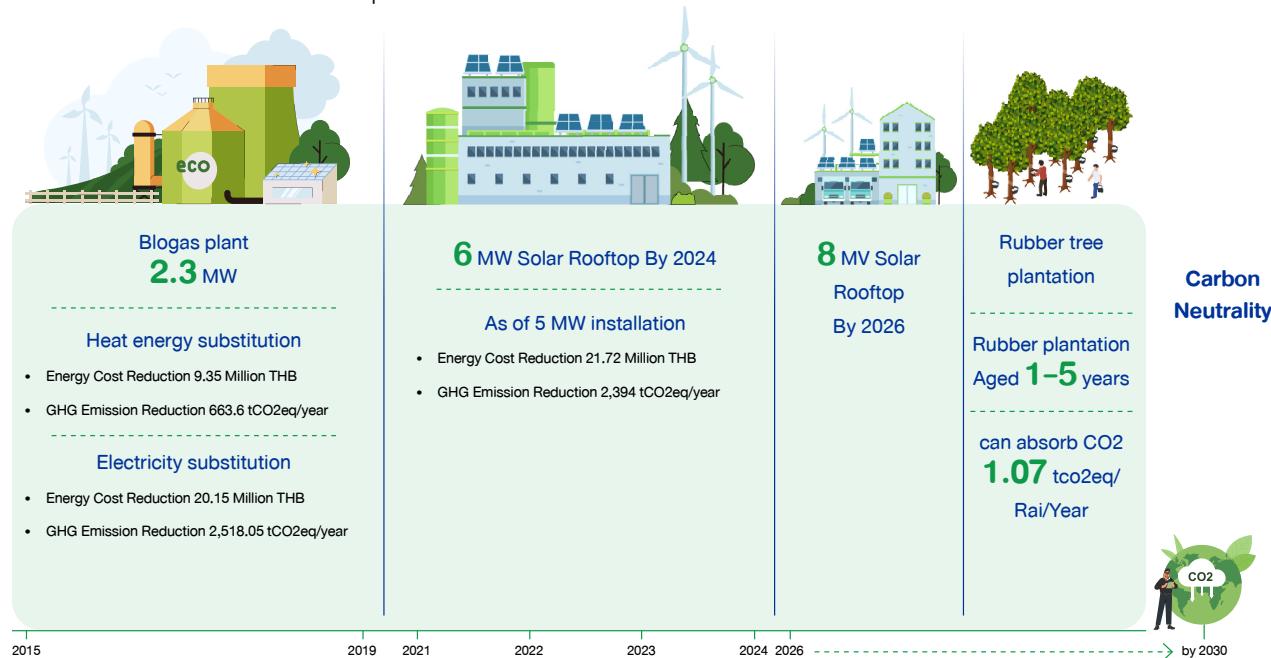
#### หลักสูตรที่มีความหมายให้ได้รับการอบรม

- การอบรมเชิงปฏิบัติการประเมิน LCA
- การอบรมเชิงปฏิบัติการเชิงลึกการประเมิน CFP
- การอบรมเชิงปฏิบัติการเชิงลึกการประเมิน CFO และ การบรรยายหัวข้อของงานควบคุม



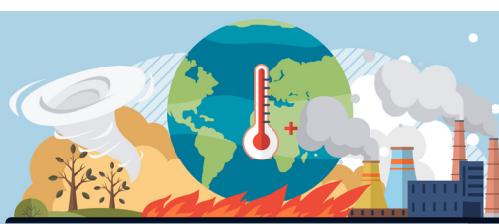
## Greenhouse Gas Management Plan for the Organization 2024-2027

The company is committed to achieving carbon neutrality by 2030 and has set long-term targets to reduce greenhouse gas emissions by 22.5% in Scope 1 and 2, and to reduce Scope 3 greenhouse gas emissions from raw material sourcing by 25% compared to the 2021 baseline, also by 2030. A greenhouse gas management and carbon offset plan for the organization from 2024 to 2027 has been developed as follows:



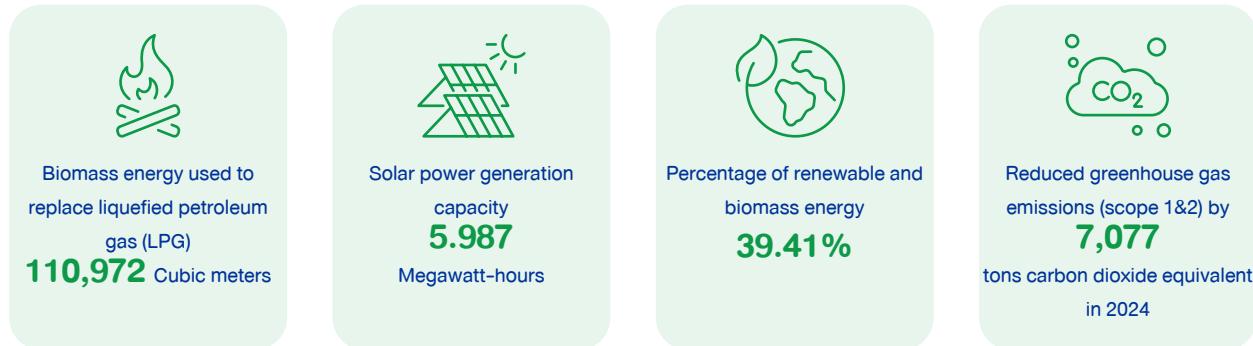
## Strategies to Reduce Emissions and Increase Greenhouse Gas Sequestration

Strategy	Scope			Operational Approach
	1	2	3	
Increase the use of renewable energy and biomass energy	●	●		Expand production capacity and the use of renewable energy, biomass, and solar energy to reduce dependence on fossil fuels and electricity from non-renewable sources.
Enhance the efficiency of electricity usage in the production process		●		Inspect and improve machinery and production processes to enhance the efficiency of electricity usage.
Manage resources and waste efficiently		●		Utilize resources efficiently and reduce waste generation at the source by promoting recycling and resource circulation, as well as effective waste management to minimize landfill disposal.
Promote collaboration within the supply chain		●		Support suppliers in reducing greenhouse gas emissions throughout the supply chain, from upstream to downstream.
Research and develop green technologies	●	●	●	Invest in research and development of technologies that accelerate the reduction, capture, and storage of greenhouse gases in the production process.
Restore and conserve natural resources		●		Restore forest integrity by supporting the planting of rubber trees as a carbon sequestration source.



## Performance based on 2024 Strategy

### 1. Increasing the Proportion of Renewable and Biomass Energy Consumption



### 2. Increasing energy efficiency in the production process



### 3. Promoting collaboration in the supply chain

- **Sustainable supply chain management:**

The company has sourced and selected suppliers using sustainability assessment criteria in addition to business evaluation criteria to select suppliers who have policies for reducing greenhouse gas emissions, utilize renewable energy in their operations, disclose greenhouse gas emission data, and support collaborative efforts to achieve greenhouse gas reduction goals. In 2024, 104 suppliers met the sustainability evaluation criteria, representing 11% of the total number of suppliers.

- **Transportation and logistics**

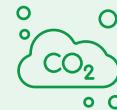
The company has supported the transportation of goods or rubber materials by utilizing a more efficient logistics system, such as rail or water transport, which emits fewer greenhouse gases compared to air transport. Additionally, the company has employed electric trucks for transportation and consolidated shipments by using trucks for rubber material delivery instead of pickups in order to reduce transportation cycles and enhance delivery efficiency. In 2024, the company implemented changes to transport rubber containers for export, with a distance of approximately 377 kilometers from the factory to the Laem Chabang Port in Chonburi. By using a diesel-powered container truck, only one container could be transported at a time. In contrast, using rail transport allowed for the simultaneous transportation of up to 60 containers in a single trip. Throughout 2024, the company transported a total of 4,970 containers by rail, resulting in a reduction of greenhouse gas emissions from transportation by approximately 16,120 tons of carbon dioxide equivalent.

## 4. Resource management and waste management

- The company reduced waste generation in the production process that requires disposal by incineration or landfilling by 107.62 tons.
- The company increased the proportion of raw materials containing recycled material, and adjusted the use of rubber raw materials with a lower greenhouse gas emission factor, accounting for 0.18% of total raw materials.
- The company decreased electricity consumption in the wastewater treatment process by 23,748 kilowatt-hours in 2024 through improved water efficiency and reduced wastewater generation from the production process before entering the wastewater treatment system.
- The company sorted recyclable waste to reduce the amount of waste sent to landfills by 471.56 tons.



Recycled  
**29.36%**  
of total waste in 2024



Reduced greenhouse gas emissions  
(scope 3) by **16,474.49**  
tons carbon dioxide equivalent

## 5. Green technology research and development

The company is currently studying the use of clean technology to reduce greenhouse gas emissions in the production process, such as renewable energy, efficient production technologies, and energy management systems. It is anticipated that these technologies will be implemented in 2025.

## 6. Restoration and conservation of natural resources

The company supported tree planting initiatives to absorb carbon dioxide, which is a key strategy for mitigating the impacts of climate change and enhancing ecosystem balance. In 2024, the company engaged in the "Jor-Por Charity Planting" project, aiming to expand and restore green areas of 2 rais within the NER's premises. Trees planted included 15 Ironwood trees, 15 Pterocarpus macrocarpus trees, 15 Yellow Meranti trees, 15 Teak trees, 15 Rubber trees, 10 Senna siamea trees, and 15 Indian Gooseberry trees.



## Organizational Greenhouse Gas Emissions Data

The company has conducted an annual Carbon Footprint for Organization (CFO) report, following the calculation methods outlined by the Thailand Greenhouse Gas Management Organization (Public Organization). The reporting scope is limited to the company's establishment located in Prakhonchai District, Buriram Province.

In 2024, the company received registration for its carbon footprint, reflecting data from January 1 to December 31, 2023, from the Thailand Greenhouse Gas Management Organization (Public Organization) on November 26, 2024.

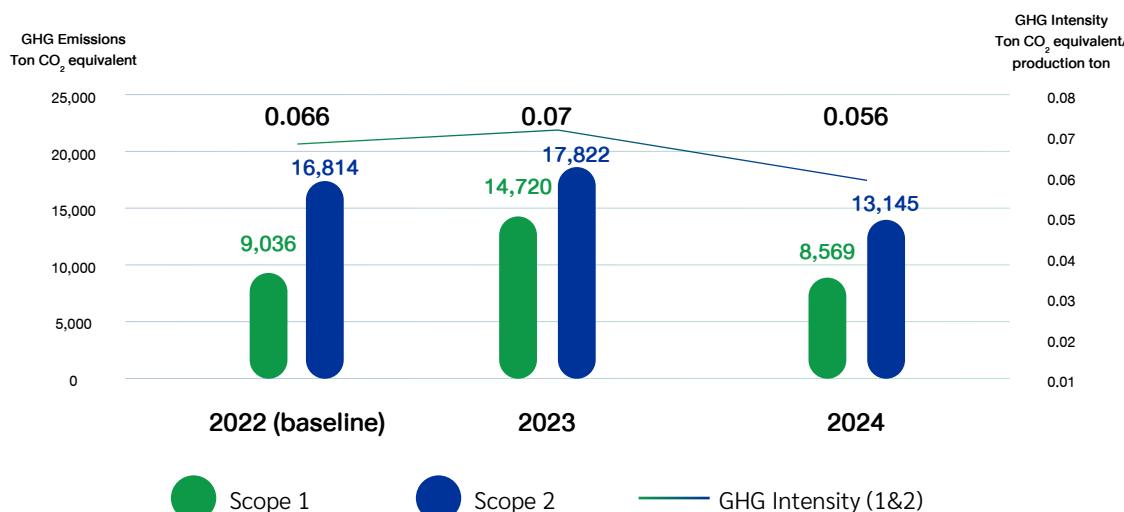


The company has prepared a report on greenhouse gas emissions and absorption for the period from January 1 to December 31, 2024, which was verified by ECEE Co., Ltd., an accredited auditor. The company is currently in the process of seeking certification and registration of its carbon footprint from the Thailand Greenhouse Gas Management Organization (Public Organization), which is expected to be completed by May 21, 2025.

In 2024, the company emitted a total of 91,461 tons of carbon dioxide equivalent from its operations. This includes direct greenhouse gas emissions (Scope 1) of 8,569 tons of carbon dioxide equivalent and indirect emissions from the use of purchased electricity (Scope 2) of 13,145 tons of carbon dioxide equivalent. The total direct and indirect emissions (Scope 1 and 2) amount to 21,714 tons of carbon dioxide equivalent, representing a reduction of 33.28% compared to 2023 and a 16.00% decrease compared to the baseline year of 2021. This reduction was attributed to improved energy efficiency, decreased energy consumption in operational activities, and increased use of renewable energy in operational processes. The company also improved production processes, leading to a significant reduction in both direct and indirect greenhouse gas emissions (Scope 1 and 2) in 2024.

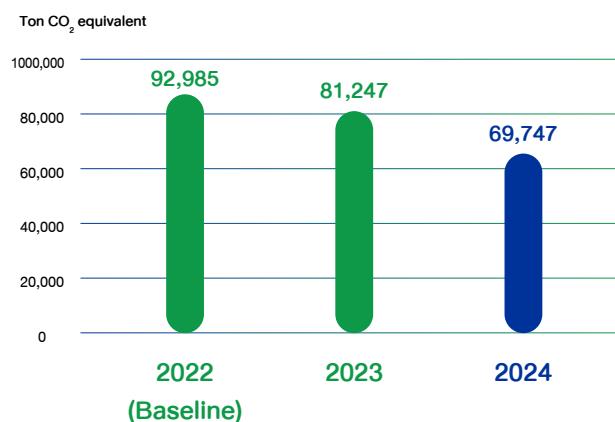
However, when calculating the greenhouse gas emissions intensity (Combined GHG Scope 1 & 2 Intensity) for 2024, it was found to be 0.056 tons of carbon dioxide equivalent per ton of production, representing a reduction of 19.71% compared to 2023 and a 14.82% decrease compared to the baseline year of 2021. This indicates improved operational efficiency, resulting in a lower level of greenhouse gas emissions relative to the production of one ton of goods.

### Greenhouse Gas Emissions (Scope 1&2)

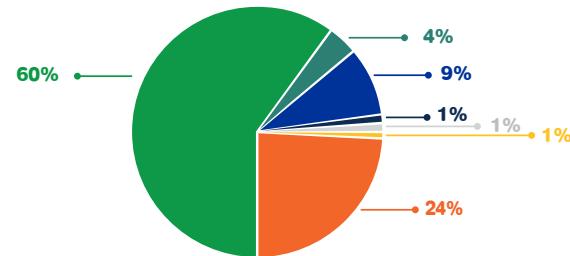


The company reported indirect greenhouse gas emissions in the supply chain (Scope 3) totaling 69,747 tons of carbon dioxide equivalent, representing a reduction of 14.15% compared to 2023 and a 24.99% decrease compared to the baseline year of 2021.

### Greenhouse Gas Emissions (Scope 3)



### Other Indirect Greenhouse Gas Emissions – Scope 3 (Ton CO<sub>2</sub> equivalent)



- Categories1: Purchased goods and services
- Categories3: Fuel-and-energy-related activities
- Categories4: Upstream transportation and distribution
- Categories5: Waste generated in operations
- Categories6: Business travel
- Categories7: Employee commuting
- Categories9: Downstream transportation and distribution

The company identified that four activities in the supply chain contributing the most to other indirect greenhouse gas emissions were as follows: sourcing of raw materials (60%), transportation and distribution of products outside the organization (24%), transportation from raw material producers (9%), and activities related to fuel and energy (4%). Therefore, the company planned to provide training and support for operations of its rubber farmers and transportation suppliers to collaboratively reduce greenhouse gas emissions in Scope 3 in 2025.





# ENERGY MANAGEMENT

Materiality Issue	Impact, Risk, and Opportunity	
<b>3. Energy</b> <ul style="list-style-type: none"> <li>• Fuel energy</li> <li>• Clean energy</li> <li>• Electricity</li> </ul>	<p>The rubber industry is a business that consumes a significant amount of energy throughout the entire supply chain, both in production processes and transportation of raw materials and products. The use of fossil fuel energy contributes to an increase in greenhouse gases in the atmosphere, which is a primary cause of climate change. There are risks associated with reliance on external energy and fuel sources, which may expose the business to price volatility and the impacts of increasingly stringent environmental regulations and standards. Additionally, there are risks of future energy shortages and climate changes that could affect rubber production.</p>	
<b>Contribution to SDGs</b> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7.2, 7.3</p> </div> <div style="text-align: center;">  <p>8.4</p> </div> <div style="text-align: center;">  <p>12.2</p> </div> <div style="text-align: center;">  <p>13.1, 13.2</p> </div> </div>	<p>Efforts to reduce energy consumption in production processes and transportation, as well as to increase the proportion of renewable and clean energy as a replacement for fossil fuels, not only reduce production costs and minimize the impact of pollution on people and society but also lower greenhouse gas emissions throughout the value chain. This will lead to opportunities to develop low-carbon products that meet the current and future demands of customers and create business opportunities.</p>	
Long-term Goals 2027	2024 Goals	2024 Performance
Energy intensity compared to the baseline year of 2023	30% reduction	20% reduction
Percentage of renewable energy consumption to total energy consumption	No less than 50%	No less than 35%
		21.75% reduction
		39.41%

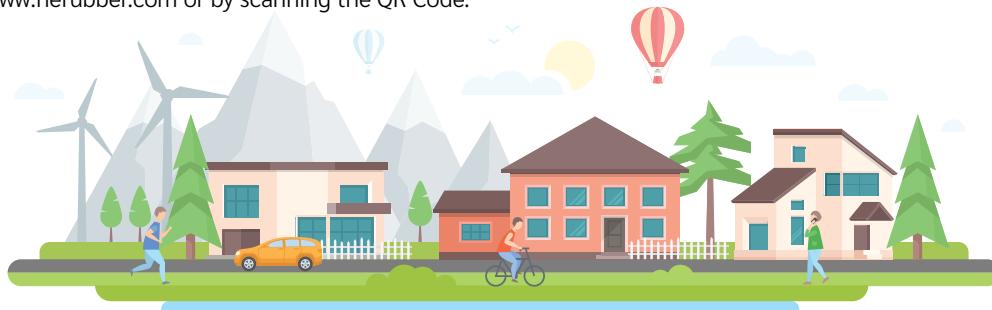


## MANAGEMENT APPROACH

The company recognizes that the rubber industry is a manufacturing sector that relies heavily on a variety of energy sources in large quantities. As a result, the company faces challenges in balancing business growth with reducing greenhouse gas emissions for global sustainability. Therefore, the company has established an '**Energy Management and Conservation Policy**' to optimize energy use within the organization, reduce dependence on fossil fuel sources, and increase the production and utilization of energy from renewable sources. Additionally, the company promotes and supports partners in managing energy efficiently to reduce greenhouse gas emissions throughout the supply chain.



Further information on the Energy Management and Conservation Policy can be found at [www.nerubber.com](http://www.nerubber.com) or by scanning the QR Code.



The company has appointed an Energy Management and Conservation Working Group that reports directly to the Corporate Sustainability Development Committee. This group is responsible for managing energy according to the policy and measures, overseeing and monitoring energy management operations in compliance with the Energy Conservation Promotion Act of 1992. The group analyzes and implements energy-saving measures and improves energy efficiency, as well as develops renewable energy and alternative energy projects. Its operational scope covers all production processes, including design, procurement of raw materials, production, distribution, and transportation, as well as waste management in the production process, both direct and indirect. This includes the execution of new projects and improvement projects to ensure the continuity of operations.

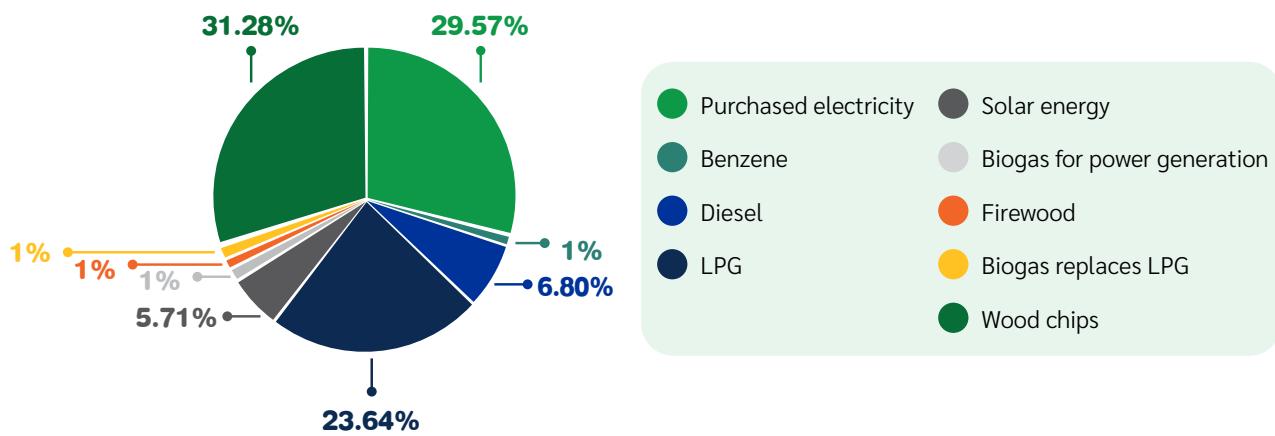
The company defines its energy management approach based on the PDCA (Plan-Do-Check-Act) principles and a process focused on systematically analyzing and improving energy efficiency through the assessment of the potential of significant machinery and equipment to establish appropriate energy conservation measures as follows:



The company has core activities in the business process related to the use of various types of energy as follows:

Core Activities	Non-Renewable Energy Sources				Renewable Energy Sources				
	Gasoline	Diesel	LPG	Electricity purchased from external sources	Solar energy	Wood chips	Firewood	Biogas as a substitute for LPG	Biogas for electricity generation
Activities in the Production Process									
Electrical system in the production process				●	●				●
Thermal energy in production			●			●	●	●	
Transportation of raw materials	●								
Packaging of products		●							
Maintenance of machinery			●						
Supporting Business Activities									
Lighting electrical system				●					
Office electrical system				●		●			
Business travel	●	●							
Employee transportation for work		●							
Wastewater treatment system				●					
Landscape improvement	●								
Transportation of raw materials		●							

#### Percentage of Energy from Different Sources Used in Business Operations





## 2024 Performance

### Improving Energy Efficiency in the Production Process

In 2024, the company implemented six projects and measures to enhance energy efficiency in the production process. These included upgrading equipment on the production lines to achieve greater energy savings, controlling lighting usage during daylight hours in production areas, warehouses, and throughout the factory, optimizing the operation of the wastewater treatment system, and replacing chillers with cooling towers. As a result of these initiatives, the company reduced electricity consumption by a total of 463,790.62 kilowatt-hours, equivalent to 1,669.63 gigajoules, which corresponds to a reduction in greenhouse gas emissions of 237 tons of carbon dioxide equivalent. Additionally, the total savings from all projects amounted to 1,947,922 THB.

Energy Conservation Projects/Measures	Electricity reduced (kilowatt-hours)	Energy savings (gigajoules)	Reduction in greenhouse gas emissions (tons of carbon dioxide equivalent)
Conversion of belt drive motor system from magnetic to inverter	60,652.80	218.35	30
Measures to control the lighting switch-on/off during daytime in the production area, warehouse, and other locations	6,573.00	23.66	3
Measures to turn off the surface aeration equipment of the wastewater treatment system while the Root Blower aerator is in operation	166,766.40	600.36	83
Project to replace existing lighting equipment with LED fixtures, totaling 68 units	60,166.00	216.59	37
Project to replace existing capacitor banks, totaling 15 units	96,034.42	345.72	48
Project to install cooling towers to replace Chiller A and B	73,598.00	264.95	36
<b>Total</b>	<b>463,790.62</b>	<b>1,669.63</b>	<b>237</b>



## Energy conservation in offices

The company has promoted awareness among all employees at both the headquarters in Buriram and the Bangkok office about the importance of energy conservation and the responsible use of natural resources. The following actions were implemented:

- The company adjusted the office air conditioning temperature to no lower than 25 degrees Celsius. Furthermore, the company promoted the practice of keeping doors and windows closed when air conditioning is in use and not bringing in hot or humid items into air-conditioned rooms.
- The company encouraged refraining from using air conditioning before working hours and turning off the air conditioning for one hour during the lunch break.
- The company promoted turning off all office lights during the lunch break.
- The company encouraged employees to use stairs instead of elevators.
- The company ensured that computer screens were turned off when not in use.



- The company encouraged employees to unplug electrical devices after use and chose appliances with a "5-star" energy efficiency label.



- The company transitioned to energy-saving lighting by replacing 46-watt fluorescent bulbs with 18-watt LED bulbs.
- The company plans for regular maintenance and cleaning of air conditioning units at least twice a year.

In 2024, the total electricity consumption of the company's two offices was 234,992 kilowatt-hours, representing a reduction of 13.20% compared to 2023.



## Renewable Energy Consumption in the Production Process

The company promotes the production of renewable energy within its operations, including solar energy and biomass, to replace fossil fuel energy in various activities and processes. This approach not only reduces energy costs but also helps mitigate environmental impacts by lowering greenhouse gas emissions. Therefore, the following energy projects have been developed:

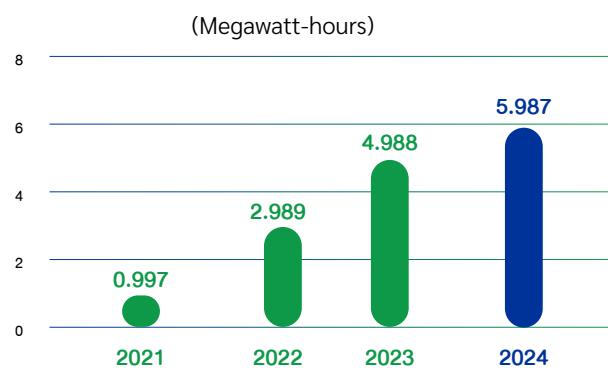
### 1. Renewable Energy Generation Project to Replace Electricity Purchased from External Sources

Renewable Energy Power Generation Project	Electricity produced (kilowatt-hours)	Electricity consumed (kilowatt-hours)	Renewable energy used (gigajoules)
NER 360 Degree Clean Energy Project Electricity generation from solar power installed on rooftops, with a capacity of 5.987 MWp	5,036,445	5,036,445	18,131.20

The company has been operating the NER 360 Degree Clean Energy project since 2021, aiming to generate electricity from solar panels installed on rooftops. In 2024, the company expanded its solar energy production capacity by installing an additional 0.999 megawatts for the Phase 2 (STR2) rubber production process. As a result, the total solar energy production capacity has now reached 5.987 megawatts (MWp). Currently, the company can generate solar electricity, which substitutes a total of 5,036,445 kilowatt-hours of electricity in the production process, accounting for 16.08% of the total electricity consumption in production. This initiative has led to a reduction of indirect greenhouse gas emissions from purchased electricity (Scope 2) by 2,518 tons of carbon dioxide equivalent per year.



**Solar Power Generation Capacity**



### 2. Renewable Energy Production for LPG Substitution Project

The Renewable Energy Replacement Project Using Biogas	Biogas Produced (cubic meters)	Biogas Used (cubic meters)	Renewable Energy Used to Replace LPG (Gigajoule)
The "NER 360 Degree Zero Waste" project involves using biogas from Napier grass to replace LPG in the rubber drying process	110,972	110,972	2,835.34

## The "NER 360 Degree Zero Waste" project – Biogas production from Napier Grass

The company has implemented the NER 360 Degree Zero Waste project to produce and use biogas from Napier grass as a substitute for liquefied petroleum gas (LPG) in the rubber drying process. The biogas is produced through fermentation technology, and Napier grass is recognized as a highly potential energy crop for biogas production due to its high methane yield and low cultivation costs. It can be harvested up to three times a year from a single planting, providing continuous yields for 4-5 years, and it propagates easily and quickly. The company has expanded its Napier grass cultivation area to 961 rais to ensure sufficient raw materials for operations. A maintenance plan for machinery has been developed, along with continual system improvements to enhance operational efficiency and achieve adequate biogas production for internal use.

In 2024, the company produced a total of 110,972 cubic meters of biogas, which was utilized as fuel in the production of STR rubber, replacing the use of liquefied petroleum gas (LPG). This initiative resulted in a reduction of greenhouse gas emissions by 825 tons of carbon dioxide and cut production costs totaling 1,803,486 THB.

The by-product of the project is 1,093 tons of sludge from Napier grass fermentation annually. The company has analyzed the quality of this sludge through Central Laboratory (Thailand) Co., Ltd., which confirmed that the sludge possesses favorable properties, contains high nitrogen content, and is non-toxic. Consequently, the company uses it as a soil amendment in Napier grass cultivation areas, where it effectively restores soil fertility and halts land degradation.

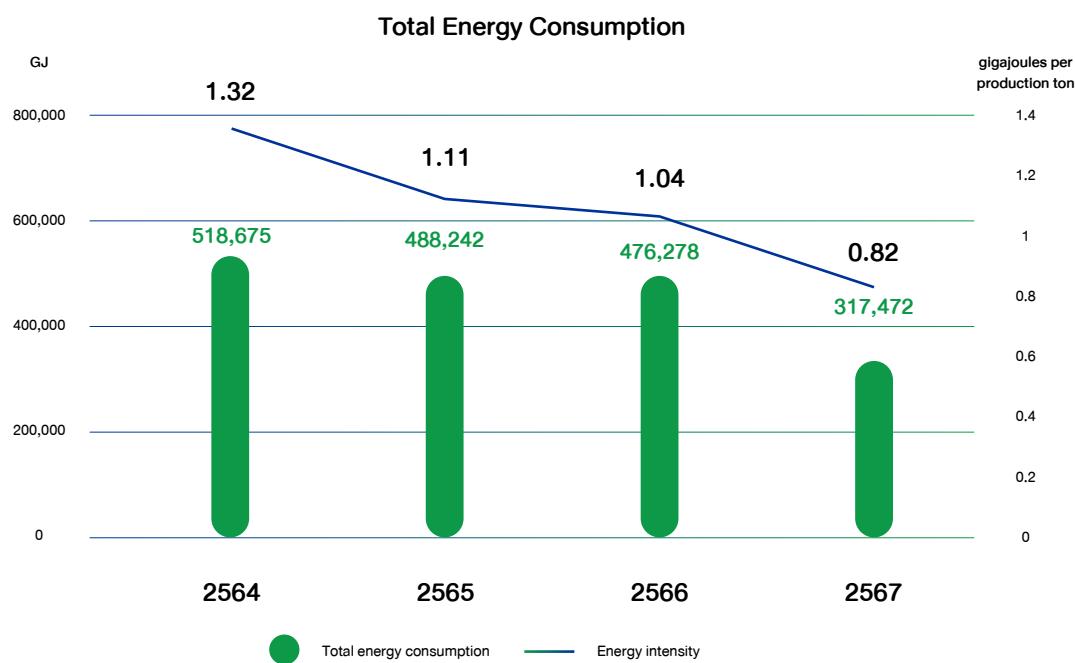


Benefit to the Company	Benefit to the Environment	Benefit to the Society
<ul style="list-style-type: none"> <li>Utilized as fuel in the rubber profile production process, replacing liquefied petroleum gas (LPG) with 110,972 cubic meters.</li> <li>Reduced production costs by a total of 1,803,486 THB.</li> <li>Supports the company's carbon neutrality objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced waste from the production process sent for landfill by 1,093 tons per year.</li> <li>Decreased overall greenhouse gas emissions by 825 tons of CO<sub>2</sub> equivalent.</li> <li>Utilized soil amendment materials to restore soil fertility, protect biodiversity, and halt land degradation in cultivation areas.</li> </ul>	<ul style="list-style-type: none"> <li>Employees, farmers, community members, and stakeholders received training on the principles of using soil amendments derived from Napier grass fermentation. This method aims to increase crop yields and reduce chemical fertilizer costs.</li> </ul>



## Total Energy Consumption in the Organization

In 2024, the company utilized a total of 317,471.94 gigajoules of energy across all processes, including production and office operations, representing a reduction of 34.98% compared to 2023. This decrease can be attributed not only to the implementation of energy efficiency projects and measures throughout the year but also to improvements in production processes that significantly reduced overall production capacity, including a notable decrease in the production of biogas from Napier grass. Despite the reduction in total energy consumption, the energy intensity for 2024 was recorded at 0.82 gigajoules per ton of production, reflecting a decrease of 21.75% compared to 2023. This indicates more efficient energy usage in the production process. Additionally, the proportion of renewable energy consumption to total energy consumption was 39.41%, in line with the targets set for 2024.



## Personnel Development in Energy Savings

### Electrical Theory Course for Senior Energy Responsible Personnel

The company supported three employees from the Engineering Department to participate in the Electrical Theory Course for Senior Energy Responsible Personnel on June 10, 2024. The training was organized by the Department of Alternative Energy Development and Efficiency, Ministry of Energy, in collaboration with Energy Conservation Technology Co., Ltd. The course covered fundamental and advanced electrical system theories, as well as laws related to energy conservation. This enabled participants to perform their duties accurately and to effectively develop electrical energy management plans within the organization.



## Training on Energy Management

The company, in collaboration with Piem Energy Conservation Co., Ltd., organized training sessions on energy management as follows:

- Training on "Energy Management for Employees" on September 7, 2024, with 55 employees from engineering, production, and biogas departments participating. The objectives are to develop understanding and skills in efficient energy use across various units, reducing unnecessary energy consumption and promoting renewable energy use. The training covered topics such as awareness building, foundational knowledge, practical application within the organization, energy planning and management, and fostering continuous improvement.
- Training on "Simple Energy Savings for Employees" on September 7, 2024, with 53 employees from engineering, production, and sustainability development departments attending. The aim is to raise awareness of the importance of efficient energy use in daily life, focusing on easily applicable principles such as simple tips, household energy management, and motivating energy-saving behaviors. The goal is for participants to recognize the importance of energy conservation and implement practical savings in their everyday routines.





# AIR QUALITY MANAGEMENT

Materiality Issue	Impact, Risk, and Opportunity		
2. Air Pollution Emissions	<p>The production process in the rubber industry involves several steps that generate air pollution, such as odors from rubber and smoke, which directly impact the health of employees working in the area. Without an efficient pollution management system, this may lead to health issues such as respiratory diseases and affect employees' work efficiency, as well as the retention of the workforce in the long term. Furthermore, surrounding communities are also affected by odors and pollution that disperse with the wind, potentially creating dissatisfaction and resulting in complaints that could lead to conflicts, legal actions, fines, or even the shutdown of operations to improve the production process. However, if the company demonstrates social and environmental responsibility by controlling air quality to meet standards and monitoring the impacts of odors, it will help improve the quality of life for employees and the surrounding community. This can enhance relationships and cooperation between the company and the community.</p>		
<b>Contribution to SDGs</b>			
 3.9	 11.6	 12.4	
Long-term Goals 2028	2024 Goals	2024 Performance	
Complaints regarding air pollution from the community and regulators	0	0	0
Average air pollutants emissions below the legal standards.	At least 90%	At least 90%	95.87%

## Management Approach

Managing odors and air quality from production processes is a critical factor that impacts the trust of the surrounding community, reflecting the company's commitment to environmental responsibility and the health of the community. The company adheres strictly to its environmental management policy by implementing its operations strategy of "Control, Maintain, Improve, and Monitor." This approach emphasizes the integration of modern technology and appropriate innovations to enhance air pollution control. Efforts include reducing the use of chemicals that may contribute to odors or pollution, promoting the use of high-quality raw materials with low contaminants, treating air pollution with advanced technologies, and installing air quality monitoring stations around the factory area. These initiatives aim to assess outcomes and provide transparent information to the community. To carry out these operations, the company has assigned the Environmental Working Group to oversee the activities, chaired by Mr. Ekaphong Duang-atch, the Environmental Manager. This group is responsible for ensuring compliance with the company's environmental policies in collaboration with the Risk Working Group and the Sustainability Working Group, enabling comprehensive oversight of pollution management and potential future impacts.

The company is committed to continuously developing its odor and air quality management processes by implementing a strategy focused on 'Control, Maintain, Improve, and Monitor.' This strategy emphasizes the integration of modern technology and appropriate innovations to enhance pollution control efficiency. Additionally, the company promotes employee and community participation in the management of odor and air quality to create strong and sustainable cooperation in environmental protection.



## 2024 Performance

### Air Quality Risk Assessment

The company has conducted a comprehensive assessment of air quality risks, taking into account various factors that may have direct and indirect impacts from its business operations, including unpleasant odors, dust, chemicals, and various contaminants that may arise from production processes, transportation, or storage of raw materials. Based on this assessment, the company has established preventive and corrective measures as follows:

Risk Factor	Preventive and Corrective Measures
1. Dust from the production process emitted through exhaust vents	<ul style="list-style-type: none"> <li>Install a wet scrubber system to filter dust and air emissions from the production process.</li> <li>Transition from fossil fuels to clean energy.</li> <li>Regularly monitor air quality for contaminants in air emitted from exhaust vents.</li> <li>Conduct regular inspections and maintenance of the air duct conveyance system to prevent the accumulation of dirt, enhance the efficiency of the scrubber systems, and reduce the emission of dust and odors.</li> </ul>
2. Chemicals/VOCs/Odors from the production process emitted through exhaust vents	<ul style="list-style-type: none"> <li>Install a wet scrubber system to filter volatile organic compounds (VOCs), chemicals, and odors emitted from the production process.</li> <li>Install a bio-scrubber system at the rubber oven to improve the removal of VOCs and treat high-intensity odors.</li> <li>Consistently monitor air quality for contaminants in air emitted from exhaust vents.</li> <li>Conduct regular inspections and maintenance of the air duct conveyance system to prevent the accumulation of dirt, enhance scrubber system efficiency, and reduce odor emissions.</li> </ul>
3. Odor from latex transportation vehicles.	<ul style="list-style-type: none"> <li>Develop policies for rubber suppliers and transport vehicles to install drainage and collection tanks for leachate from cup lump rubber on transport vehicles, preventing leakage. In 2024, all suppliers selling rubber to the company (100%) successfully installed the drainage systems and tanks on transport vehicles per the company's specifications.</li> <li>Provide a designated parking area for suppliers that can accommodate up to 200 vehicles, equipped with drainage systems to collect leachate from cup lump rubber for treatment.</li> </ul>
4. Odor from the accumulation of rubber stack.	<ul style="list-style-type: none"> <li>Upgrade storage buildings to closed systems for raw material storage.</li> <li>Regularly spray wood vinegar and organic deodorizers around the rubber stack area three times a day to control odors.</li> </ul>
5. Odor from wastewater treatment	<ul style="list-style-type: none"> <li>Improve wastewater treatment systems to utilize an anaerobic fermentation process, which is a closed system, to minimize odor dispersal and facilitate biogas production.</li> <li>Spray the fresh rubber leachate collecting areas with organic substances to reduce unpleasant odors.</li> </ul>

## Odor Management and Control

The issue of unpleasant odors arising from rubber business operations is a significant concern that the company pays close attention to and manages diligently. Activities within the operational process, such as transportation, storage of raw materials, production, and wastewater treatment, are all sources of undesirable odors that may impact the environment, the quality of life of employees, and the well-being of the surrounding community. Therefore, to address and minimize such impacts, the company consistently implements air quality control measures outlined for all processes that are sources of odors. The following actions are taken:

### Odor Management from Transportation

The company is aware of the potential for odor arising from latex leakage from rubber transport vehicles, which may spill onto roads and roadside areas during transportation from rubber plantations to the company's receiving area. Such incidents can lead to both odor issues and road accidents affecting the wider community. Consequently, the company has set conditions for purchasing rubber from its suppliers, requiring that all rubber transport vehicles must be equipped with proper drainage channels and catching tanks for latex according to specified requirements. If any supplier fails to comply with these measures, the company will suspend the purchase or acceptance of rubber for that instance to ensure that suppliers recognize the importance of adhering to the company's conditions, thus reducing the risk of environmental impact on the surrounding community. By 2024, all suppliers selling rubber to the company (100%) installed drainage channels and catching tanks on their transport vehicles in compliance with the company's requirements.



Additionally, the company has designated specific areas within its premises for suppliers to park their transport vehicles while waiting to unload rubber, accommodating up to 200 vehicles. In this designated transport parking lot, a drainage system has been constructed to collect runoff from rubber transport vehicles, directing all rubber runoff into the company's wastewater treatment system for proper disposal.



### Odor Management from Rubber Stack

The unpleasant odor from cup lump rubber, which is the company's main raw material, arises from the growth of microorganisms present in the rubber while awaiting use. Storing this raw material in large quantities in outdoor areas intensifies the odor and can easily affect the surrounding community. To address this issue, the company has improved the storage area by utilizing a closed system building that separates designated spaces specifically for storing cup lump rubber. Additionally, the company has mandated regular cleaning of the area containing recently received cup lump rubber from suppliers and consistently sprays wood vinegar and odor treatment solutions made from natural organic substances over the rubber piles. This process is scheduled to occur three times a day to minimize the odor as much as possible.



### Odor Management from Wastewater Treatment

In addition to the wastewater from the production process that is treated by the company's wastewater treatment system, fresh latex runoff collected from the rubber receiving area is also directed from the transport vehicle parking lot. This runoff contains high levels of impurities and has a strong odor, which may affect the central wastewater treatment system. Therefore, the company has enhanced the management of this wastewater by channeling fresh latex runoff into an anaerobic fermentation process, which is a closed system used as feedstock for biogas production. This process can partially eliminate odors. Additionally, the company has increased the application of organic natural substances in the channels receiving fresh latex runoff in the parking lot area, which helps accelerate the breakdown of proteins that are a significant cause of odor.

### Odor Management in the Production Process

The foul odors from the slab rubber production process mainly occur during the rubber drying stage, which is a source of odors and smoke that may impact the environment and air quality in the surrounding area. The company has installed a wet scrubber air treatment system that effectively captures dust, odors, and smoke from the production process. Additionally, a bio-scrubber system for treating exhaust air has been installed to help eliminate volatile organic compounds and reduce high concentrations of odors. Furthermore, the company has established a routine for regularly cleaning the air duct system according to usage frequency in order to reduce the accumulation of impurities in each section of the duct, thus enhancing the efficiency of the treatment system and effectively managing the release of dust and odors from the system.



### Management and Control of Air Quality from Emission Stacks



Ventilation through the emission stack is a point of discharge for dust, gas, and pollutants into the air during the rubber production process, which may impact air quality and the health of people in the surrounding area. The company has been conducting environmental quality measurements regarding pollutants in the air released from the stack, including dust and chemicals, in accordance with the standards set forth in the Ministry of Industry's announcement on the limits of pollutants in the air discharged from factories, B.E. 2549 (2006), on an annual basis. It has been found that all measurements are within the specified standards. However, in its commitment to exceed these standards for the better quality of life for employees and the local community, the company has taken additional measures.

The company has installed a wet scrubber air treatment system at the laboratory's emission stack to help reduce heat temperature and more effectively capture dust and chemical vapors. Additionally, a bio-scrubber system for treating exhaust air has been installed near the rubber oven to enhance the efficiency of removing volatile organic compounds and treating



intensive odors. Furthermore, the company is transitioning from the use of fossil fuels to cleaner energy sources, such as replacing liquefied petroleum gas (LPG) with biogas in the rubber drying process to reduce pollution from fossil fuel combustion.

After implementing all measures, in 2024, the company conducted annual measurements of dust and chemical levels from exhaust vents at various points, carrying out checks at a total of 24 exhaust locations associated with the production process. These measurements were performed by an accredited external agency with laboratory analysis standards. In addition to the annual checks, the company requires operating staff to perform weekly inspections and cleanings of the air treatment system according to the established plan to monitor and control air quality emissions throughout the year. The company found that the measured air quality values were below the standards set forth by the Ministry of Industry in all categories, with an average result lower than the standard by 95.87%. In 2025, the company plans to install continuous automatic air monitoring equipment to enhance the efficiency of tracking air quality resulting from its operations.

The measurements of pollutant levels in the air emitted from the company's flues were conducted on August 20-24 and September 9-10, 2024, with the following average results:

<b>F1 Oven Flue Monitoring Point (Lock Wood Chips AB)</b>	<b>Unit</b>	<b>Standard values</b>	<b>Measured values</b>
Total Suspended Particulate Matter (TSP)	mg/m <sup>3</sup>	<320	31.66
Sulfur dioxide (SO <sub>2</sub> )	ppm	<60	<0.01
Nitrogen dioxide (NO <sub>2</sub> )	ppm	<200	<0.01
Carbon monoxide (CO)	ppm	<690	<0.01
Hydrogen sulfide (H <sub>2</sub> S)	ppm	<80	<0.01

<b>F1 Oven Flue Monitoring Point (Lock Wood Chips CD)</b>	<b>Unit</b>	<b>Standard values</b>	<b>Measured values</b>
Total Suspended Particulate Matter (TSP)	mg/m <sup>3</sup>	<320	25.11
Sulfur dioxide (SO <sub>2</sub> )	ppm	<60	<0.01
Nitrogen dioxide (NO <sub>2</sub> )	ppm	<200	<0.01
Carbon monoxide (CO)	ppm	<690	1
Hydrogen sulfide (H <sub>2</sub> S)	ppm	<80	<0.01

## Monitoring the Impacts of Air Quality

In addition, the company recognizes the concerns of stakeholders regarding this matter and has actively monitored the potential health impacts on employees and the surrounding community. Annual health check-ups for employees and support for health screenings in the community have been organized. It was found that there were no respiratory diseases associated with air pollution, dust, or odors among employees at risk or among the vulnerable groups in the four surrounding villages, totaling 4,413 people. This aligns with the company's goal of minimizing air pollution impacts to the lowest possible levels or eliminating them altogether, ensuring that the community has confidence in the company's commitment to responsible business practices.

Through the implementation of policies and serious measures to prevent and mitigate air quality impacts, the company received no complaints regarding odors or air pollution from the community or regulators in 2024. Furthermore, air quality measurements from all monitoring points throughout the year were below the legal standards established.





# WASTE MANAGEMENT

Materiality Issue	Impact, Risk, and Opportunity
<b>4. Waste</b> <ul style="list-style-type: none"> <li>• Hazardous Waste</li> <li>• Non-Hazardous Waste</li> <li>• Recycling or Reusing</li> <li>• Circular Economy</li> </ul>	<p>Waste and by-product management from business operations is an issue that stakeholders prioritize and expect the company to comply with laws and regulations rigorously. Ineffective or inappropriate waste management can lead to severe impacts on both the company and its stakeholders, such as soil and water contamination that may affect the health and safety of people in the surrounding community. This can result in substantial costs for remediation, compensation, and rehabilitation of affected areas, as well as legal actions, fines, or business suspensions, which affect revenue loss, reputation, and the organization's image, along with future trust from investors and customers.</p>
<b>Contribution to SDGs</b>	
 11.6	<p>Implementing circular economy principles in waste management presents an opportunity for the company to reduce operational costs associated with purchasing new raw materials and managing waste, while also generating revenue through the development of new products that meet the demands of environmentally conscious customers. Additionally, it fosters good relationships with the community. Therefore, waste management is not just a measure to mitigate environmental impacts but also a crucial tool for driving the organization towards sustainable growth in all dimensions.</p>
 12.2, 12.4, 12.5	

	Long-term goal 2028	2024 Goal	2024 Performance
Percentage of waste to landfill to total waste	0%	Not exceeding 5%	4.04%
Percentage of recycled waste to total waste	100%	More than 95%	95.32%



## MANAGEMENT APPROACH

The company places great importance on effective waste management within the organization, as it not only minimizes the impact of business operations on the environment and surrounding communities but also enables the company to produce high-quality natural rubber with a cost advantage. Therefore, the company has established an 'Industrial Waste Management Policy' that mandates all departments to strictly comply with relevant laws and regulations concerning waste management. It is committed to minimizing the amount of waste generated and increasing the proportion of waste repurposed through circular economy principles, with the goal of reducing the amount of waste sent to landfills to zero. Additionally, the company promotes collaboration with stakeholders throughout the supply chain to enhance their understanding of waste management processes, including collection, segregation, and recycling, to foster sustainability in operations.



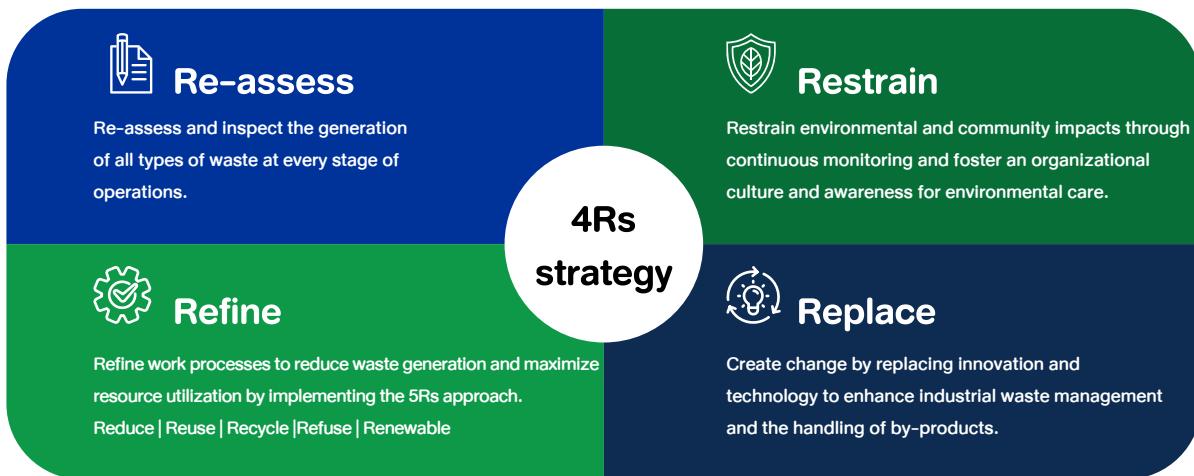
The company has assigned an Environmental Working Group, which reports directly to the Corporate Sustainability Development Committee, with Mr. Ekaphong Duang-atch, the Environmental Manager, serving as the head of this group. This group is responsible for overseeing and monitoring operations across the organization to ensure compliance with the policy to achieve stated goals. The policy will be reviewed at least once a year to ensure its effectiveness and alignment with changes in the company's operational processes.



Further information on the Industrial Waste Management Policy can be found at [www.nerubber.com](http://www.nerubber.com) or by scanning the QR Code.

The company manages waste and by-products in accordance with the legal requirements in Thailand, such as the Factory Act of 1992 and other relevant environmental laws, by utilizing an Environmental Management System (ISO 14001: 2015). This system enables the company to appropriately control the management of both hazardous and non-hazardous waste. It also mandates that all employees at every level and contractors working on the company's premises must strictly adhere to the environmental policies and standards. The company undergoes audits, reviews, and performance evaluations related to environmental management by external agencies, such as the Department of Industrial Works and the Buriram Provincial Office of Natural Resources and Environment, to ensure that all operational processes comply with established laws and standards.

The company adopts the principles of a circular economy and the "5Rs" approach, which include Reduce, Reuse, Recycle, Refuse, and Renewable. This is implemented under the 4Rs strategy—Re-assess, Restraine, Refine, and Replace—to systematically manage waste and reduce the risks of impacts on both the surrounding community and the environment.



## 2024 Performance

### Waste Management

The total waste generated from the company's operations can be categorized by type of waste, including hazardous and non-hazardous waste, and by source of generation, which includes waste from production processes and offices, and waste from employee consumption. In 2024, the company generated a total of 1,641.38 tons of waste, representing an 83.55% reduction from 2023. This comprises 10.43 tons of hazardous waste and 1,630.95 tons of non-hazardous waste, accounting for 0.63% and 99.37% of the total waste, respectively.

	From production processes and offices (tons)	%	From employee consumption	%
Hazardous waste	10.43	0.66	0	0
Non-hazardous waste	1,564.56	99.34	66.39	100
Total	1,574.99	100	66.39	100

Management of Various Types of Waste has the following performance results:



## Management of Waste and By-products from Production Processes and Offices

### Hazardous Waste

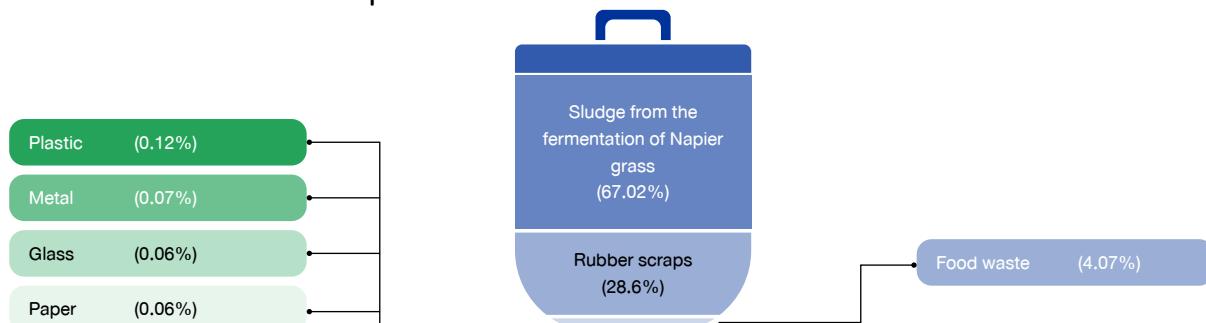
The company has assigned the Waste Management Materials Distribution Committee and Pollution Control System Supervisors to be responsible for managing hazardous waste from the production process, which includes chemicals used to enhance rubber quality, contaminated cloth gloves and rags, used engine oil from machinery changes, and machining scraps (100%). These hazardous wastes are sent for disposal outside the organization, carried out by a licensed waste disposal company with Type 106 permits, ensuring that all hazardous waste is managed in compliance with legal standards. The company also prepares delivery documentation according to the requirements of the Department of Industrial Works. Furthermore, the company has carefully selected and reviewed the operations of its waste disposal contractors to ensure that hazardous waste is disposed of according to standard methods and in accordance with legal regulations.

### Non-Hazardous Waste

In 2024, the total amount of non-hazardous waste was 1,630.95 tons. This includes waste from production processes and offices totaling 1,564.56 tons, all of which the company separated as recyclable waste or waste that can be reused, resulting in a recovery rate of 100%. Among this, the majority consisted of sludge from the fermentation of Napier grass, amounting to 1,093 tons, followed by rubber scraps at 466.44 tons, and plastic at 2 tons, with metal at 1.12 tons, and paper and glass at 1 ton each. The company utilized the sludge from the fermentation process as a soil conditioner (100%), while all rubber scraps were reused in the production process (100%). As for plastic, metal, paper, and glass, the company sold these materials to external organizations classified as Type 105 factories for further management and also contributed to various projects.

Additionally, total waste generated from employee consumption amounted to 66.39 tons, including food waste and contaminated packaging that could not be reused. This waste was disposed of by sanitary landfill methods by the Khok Ma Subdistrict Municipality, accounting for 4.04% of the total non-hazardous waste disposed of through landfill in 2024.

### Proportion of non-hazardous waste in 2024



## Reducing Waste Generation in the Production Process

### Management of Plastic Waste from Production Processes

The company uses a significant amount of plastic in the packaging process for rubber products. In 2023, it was found that 7.9 tons of plastic waste was generated from packaging. To address this, the company resized the rubber cushioning plastic sheets to appropriate dimensions to reduce trimming waste, resulting in a reduction of plastic usage in the production process by 18 grams per piece, or a 12.38% decrease in the original plastic weight. As a result, in 2024, the company successfully reduced plastic waste from packaging by 3.16 tons, which translates to a cost savings of 145,360 THB.

## Utilization of Waste and By-products

### Segregation of Waste for Reuse

The company has constructed a sorting and waste storage facility equipped to handle the segregation of different types of waste generated from production activities and offices. This initiative aims to enhance waste management efficiency and minimize environmental impacts. Regular segregation activities are conducted every month. The waste that can be segregated from production processes and office activities includes rubber scraps, plastics, cans, metal scraps, paper, and employee consumables such as glass bottles and plastic water bottles. Each type of waste is managed to facilitate reuse both internally within the organization and externally.

### Management of Rubber Scrap from Production Processes

The production process generates rubber scraps during the rubber shredding and washing stages before the rubber drying process. Employees collect these scraps in baskets and reintegrate them into the production process as components for new rubber products. This practice not only reduces resource waste but also effectively adds value to the waste generated. In 2024, a total of 466.44 tons of rubber scraps were produced, with 100% being reused. This enabled the company to save on the cost of purchasing new raw materials by 26,176,612 THB and generated value from production amounting to 1,413,314 THB.

### Digestate from Biogas Production

In 2024, the company initiated the 'Waste and By-product Utilization Project (5Rs) based on Circular Economy principles,' which has been developed continuously from the project for producing biogas from Napier grass through a biological fermentation process generates waste in the form of sludge totaling 1,093 tons per year. The company conducted a study on utilizing this sludge as a soil conditioner for agricultural purposes. Analyzing the quality of the sludge across 19 parameters revealed that all items had toxicity levels below the standards set by the Ministry of Industry regarding the management of waste materials. Additionally, tests for nitrogen, phosphorus, and potassium minerals in the soil after using the sludge indicated a significant increase in these minerals. Consequently, the company utilized 1,093 tons of sludge from Napier grass as a soil conditioner for planting Napier grass on 961 rai of company land, resulting in the improvement of soil quality, increased moisture retention, and faster growth with better weight. This also allowed the company to reduce costs and save on expenses for purchasing various soil nutrients by an amount of 182,159 THB.

Testing Items	Results of Mineral Analysis in Soil		
	Nitrogen (N) (%)	Phosphorus (P2O5) (%)	Potassium (K2O) (%)
Soil from the planting area	0.58	0.009	0.02
Digestate from Napier grass	1.13	2.10	2.04
Soil from the planting area after using soil amendment from Napier grass digestate	0.75	0.011	0.02



### Development of New Products with Consideration for Efficient Resource Utilization

The company is committed to maximizing resource efficiency and has adopted circular economy principles as a foundation for designing and developing new downstream products. This includes producing high-quality products such as flooring mats for livestock stalls or bedding for various economically important animals, made entirely from natural rubber (100%). These products provide superior quality compared to other bedding materials, ensuring that livestock care adheres to animal welfare standards, and they can be fully returned to the manufacturing process as raw materials at the end of their lifecycle. The company continues to focus on ongoing research and development of innovations to create unique products and enhance product quality to meet customer demands while being more environmentally friendly.

## Promoting Participation in Waste Management within the Organization

The company emphasizes the importance of raising awareness and promoting knowledge about waste and by-product management among employees. In 2024, the following activities were conducted:

- Conducted educational activities for 200 employees to enhance understanding of proper waste segregation and promote reducing plastic bag usage by carrying reusable bags.
- Organized a quiz with prizes on World Environment Day and World Recycling Day, focusing on household waste management, segregation of different waste types, and methods to reduce plastic bag usage.
- Provided training for all new employees to instill knowledge about the importance of environmental issues and the company's related policies, both directly and indirectly, with 173 new employees (100% of all new hires) participating and successfully completing the training.
- Held two additional training sessions on the proper management of industrial waste for employees from production, organizational development, marketing and quality control, and sustainability departments, with 100 participants. This aimed to equip employees with knowledge and skills for proper industrial waste management, reduce disposal costs, and increase opportunities for resource reuse.



### Project 'NER Together to Reduce and Sustainably Separate Plastic Waste'

This project was initiated by the company due to the significant amount of plastic waste generated from employee consumption, accounting for 13.82% of the total waste produced by employees. The company organized awareness campaigns, such as activities for World Environment Day and World Recycling Day in 2024, to promote waste segregation, establish designated recycling bins, and reduce the use of single-use plastic bags. As a result, all employees showed increased interest and concern for the environment, beginning to use reusable bags, meal containers, and personal water bottles. Through these initiatives throughout the year, the company was able to reduce plastic waste from employee consumption by 0.23 tons in 2024, representing a 23.53% decrease compared to 2023.

Additionally, the segregated recyclable plastic waste was sold to external companies capable of processing it properly (Type 105 facilities) and donated to various projects, such as the production of monk robes or PPE suits and the creation of concrete blocks for paving roads.

## Sharing Knowledge and Creating Benefits for the Community and Society in Waste Management

The company is committed to sharing knowledge and creating benefits for the local community and society in the area of waste management. Therefore, it has outlined plans for 2025 to support ongoing knowledge sharing and community benefits, focusing on projects related to waste management. This includes managing waste within the community to promote proper segregation at the source and creating jobs from waste and by-products, such as recycling materials to add value and generate income for community members. The aim is to foster collaboration between the company and the surrounding community, equipping them with the knowledge and skills necessary for effective waste and by-product management.



Through the waste and by-product management in accordance with the established policies and strategies, the company generated a total of 1,641.38 tons of waste and by-products in 2024, representing an 83.55% decrease from 2023. This significant reduction was due to improvements in the production process, which resulted in decreased product output and reduced biogas production from Napier grass. Consequently, the waste generated in 2024 decreased significantly. The total amount of waste sent for disposal through landfilling was 66.39 tons. Although the amount of waste sent to landfills decreased by 13.54% compared to 2023, the proportion of waste disposed of through landfilling relative to total waste increased to 4.04%, up from 0.77% in 2023. The proportion of waste that was reused accounted for 95.32% of total waste, which, although reduced from 2023, still met the targets set for 2024.

The company anticipates that the production process improvements will be completed in 2025, allowing production capacity to return to levels similar to those of 2023. The company will continue to focus on reducing waste generation and minimizing the amount of waste sent for landfill disposal in accordance with its established goals.

Throughout its operations in 2024, the company did not encounter any legal violations or receive complaints regarding waste and by-product management. The company remains committed to managing waste and by-products to maximize benefits for stakeholders and the organization moving forward.





# WATER MANAGEMENT

Materiality Issue	Impact, Risk, and Opportunity
<b>5. Water and effluents</b> <ul style="list-style-type: none"> <li>Water consumption</li> <li>Wastewater</li> <li>Effluent</li> </ul>	<p>The rubber business is an industry that consumes a significant amount of water; therefore, it is essential to manage both water usage and wastewater properly and comprehensively throughout the supply chain—from cultivation, transportation, to the production process. This ensures water security for business operations while minimizing negative impacts on local communities. Irresponsible water management can have severe consequences for both the company and the surrounding community. For instance, excessive withdrawal of water from surface or groundwater sources may lead to water resource degradation and destruction of ecosystems. Furthermore, contaminated wastewater entering water sources or soil can result in environmental pollution and increased health risks for community members. This not only damages the company's image and credibility but can also lead to lawsuits or legal measures that negatively affect financial status or operational permits.</p>
<b>Contribution to SDGs</b> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>3.9</p> </div> <div style="text-align: center;">  <p>6.3, 6.4</p> </div> <div style="text-align: center;">  <p>12.2, 12.4</p> </div> <div style="text-align: center;">  <p>13.1, 13.2</p> </div> </div>	<p>Effective water use through the development of water management technologies to reduce water consumption in production processes and enhance the efficiency of water recycling systems will help mitigate the risks of future water shortages due to climate change. Additionally, it will reduce production costs and create long-term water security for business operations.</p>

	Long-term goal 2028	2024 Goal	2024 Performance
Reuse treated water within the company*	100%	100%	100%
Reduce water intensity compared to the baseline year of 2023	20%	10%	14.44%

\*Only water used in the company's premises in Buriram



## MANAGEMENT APPROACH

Water use and wastewater are critical issues that both stakeholders and the company prioritize, as they are essential natural resources for sustaining life and business operations. The company has established a 'Sustainable Water Resource Management Policy' to demonstrate its commitment to responsible water usage, reducing and preventing negative impacts on the environment and the rights of local communities to access freshwater resources. This policy also aims to promote and protect water resources throughout the value chain while complying rigorously with the Factory Act of 1992, the wastewater standards of the Pollution Control Department, and ISO 14001:2015 environmental standards. Additionally, the company's facility is located in Buriram Province, which is classified as a water-stressed area. As such, the company has evaluated water resource risk using the Aqueduct Water Risk Atlas from the World Resources Institute (WRI) and implemented risk management measures. These measures include improving water use efficiency in production processes, ensuring wastewater treatment meets standards, and systematically recycling water for reuse in production processes.



Further information on the Sustainable Water Resource Management Policy can be found at [www.nerubber.com](http://www.nerubber.com) or by scanning the QR Code.

The company has established a Water Management Working Group composed of representatives from the Environmental and Production departments, chaired by Mr. Nattadet Chanaprakon, Engineering Manager. This group is responsible for assessing and analyzing water situation trends, evaluating risks associated with water management, creating plans, action plans, and budgets for water management, and monitoring water-related activities in production to align with the organization's goals. Additionally, the group is tasked with sourcing water and increasing storage capacity for normal and crisis situations, as well as communicating to raise awareness about efficient water use among employees. The group reports directly to the Chief Executive Officer and provides regular performance updates to the management committee on a monthly basis.

The company has established a water resource management strategy known as "4Rs" to enhance water use efficiency, reduce environmental impact, and ensure operational stability. This strategy relies on collaboration with stakeholders both inside and outside the organization, as follows:

#### Water Resource Management Strategy



## 2024 Performance

### Creating Water Security

The company recognizes the considerable water consumption in the production process, which poses a risk of water scarcity in the event of severe climate change. To mitigate this risk, the company has established a backup water source within its premises, ensuring that operations do not rely on external water sources. This is achieved through the excavation of seasonal rainwater collection ponds to serve as surface water reserves for production activities and consumption within the facility. Currently, the company has three rainwater collection ponds with a total capacity of 326,368 cubic meters and two treated water ponds with a combined capacity of 89,361 cubic meters, which gather all treated water for reuse in the production process. This practice ensures that the company does not discharge effluent into public waterbodies and can operate continuously without encountering water scarcity issues. Additionally, in the event of a drought, the company can utilize the entire backup water reserves for production for approximately 2.2 years.

In 2024, the company sourced water from various sources for its offices and production facility in Buriram Province, including surface water and groundwater, with the following distribution:

Water Withdrawn from Water Sources	Amount (Cubic meter)	Percentage of Water Consumption (%)
Surface water	1,338,301	99.80
Groundwater	2,657	0.20
Total water withdrawal	1,340,958	100

## Reducing Water Consumption and Water Loss in the Organization

The company has set a goal to reduce water usage in both production processes and offices, and has implemented the 'NER Together for Sustainable Water Conservation' project to encourage all employees to actively participate in water resource conservation and use water efficiently in all activities. The Water Management Working Group is responsible for controlling and monitoring the progress of activities within the various projects as follows:

- Enhancing water use efficiency of equipment and fixtures: The company selected fixtures designed for water conservation. Additionally, float valves were installed in all water tanks to control water levels and prevent overflow issues.
- Inspecting and repairing water leaks in equipment and piping systems: The company conducted weekly inspections of equipment and piping systems. All employees were encouraged to actively monitor and report any water leaks within the company, such as dripping faucets or restroom fixtures, enabling immediate corrective actions.



- Educating and raising awareness among employees about water consumption and conservation: The company organized awareness campaigns to inform employees about water-saving measures for both the office and production processes. A total of 230 employees participated in these activities, and team leaders were assigned to communicate with those who could not attend to ensure everyone was informed. Furthermore, the company developed awareness signage to remind employees to turn off taps when not in use and to regularly check for leaks. Employees were also encouraged to use containers for washing dishes and cleaning equipment instead of running water directly from faucets, thereby reducing unnecessary water waste.

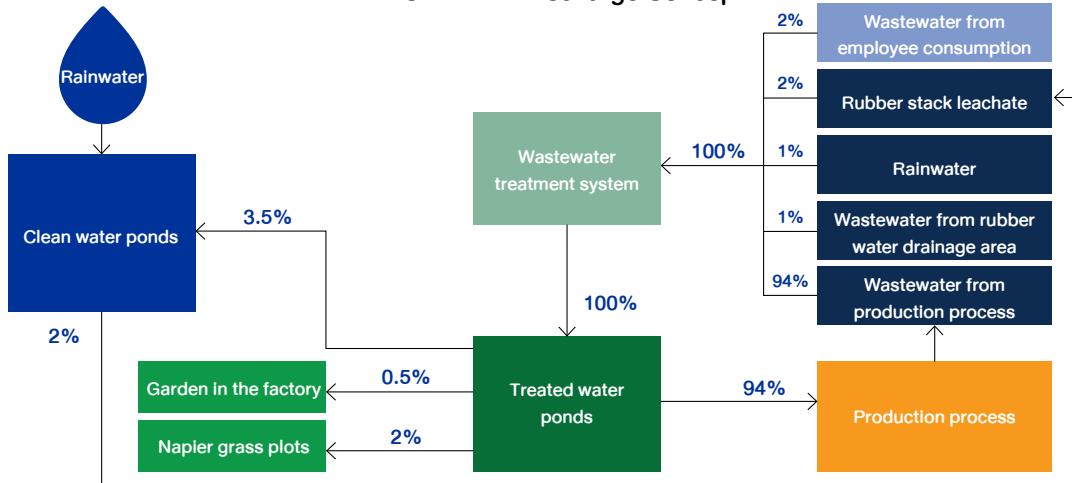
## Wastewater Management and Recycling

The company recognizes the environmental and community risks associated with wastewater management. Therefore, it has implemented a comprehensive collection system for wastewater from all operations within its responsibility, including wastewater from the washing of raw cup lump rubber, wastewater from rubber stacking, wastewater from the rubber production process, and wastewater from consumption activities. This ensures proper and effective management of wastewater as follows:

### Wastewater Treatment

The company has established a drainage system in all areas where wastewater is generated, such as in the production process, raw material soaking process, rubber storage areas, transport parking lots, and for utility water usage. This system effectively collects wastewater from all activities for treatment. In 2024, the total volume of wastewater entering the treatment systems at both facilities amounted to 1,338,301 cubic meters. This wastewater was processed through Phase 1 treatment systems (Rubber Sheet Factory 1 and Livestock Flooring Factory) and Phase 2 treatment systems (Rubber Sheet Factory 2), which have a combined treatment capacity of 15,000 cubic meters per day. Both aerobic and anaerobic treatment methods were employed to maximize the efficiency of wastewater treatment. All treated wastewater totaling 1,338,301 cubic meters (100%) was directed to the treated water storage ponds for reuse in production processes and for irrigating green areas and Napier grass plots without being discharged into public waterways, following the principle of Zero Water Discharge.

**ZERO WATER Discharge Concept**



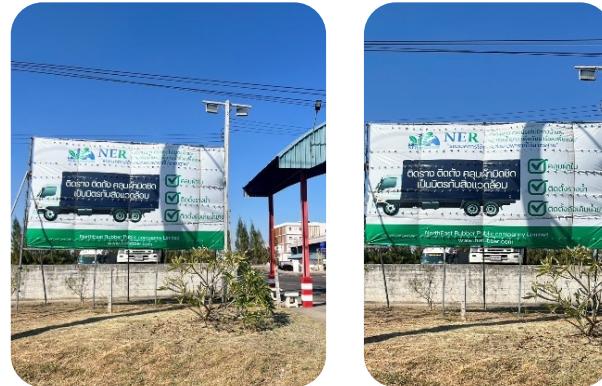
## Water Quality Control

The company conducts monitoring to control the quality of treated wastewater to ensure that the treatment system remains effective and that the treated water can be reused without impacting production efficiency and product quality. The treated water is tested daily by the company's internal laboratory and audited monthly by external accredited agencies. In 2024, the average Chemical Oxygen Demand (COD) of the treated water was recorded at 76 milligrams per liter, and the Biochemical Oxygen Demand (BOD) was 15.4 milligrams per liter, both of which are below the legal standards of 120 milligrams per liter and 20 milligrams per liter, respectively, throughout the year.

In 2024, the company utilized a total of 1,340,958 cubic meters of water, a decrease of 610,993 cubic meters, or 31.34%, from the previous year. This reduction is attributed not only to the implementation of water consumption reduction projects and the full utilization of recycled water throughout the year, but also to improvements in the production process that significantly lessen water consumption. Furthermore, the company achieved a water intensity of 3.57 cubic meters per ton of production, reflecting a reduction of 14.44% compared to 2023. This rate aligns with the established goal and demonstrates a more efficient use of water in production processes.

## Building Engagement with Stakeholders

In addition to managing wastewater within its own processes, the company places significant emphasis on managing wastewater that is not generated by its operations but may contaminate the environment and impact the community. For example, latex spills from the trucks transporting rubber from agricultural suppliers can cause road accidents. Therefore, the company has established a policy and practices regarding the purchase and sale of cup lump rubber and has communicated these to agricultural suppliers comprehensively. Large banner signage has been installed at both the collection yard and the rubber water drainage area to inform all parties involved. It is mandated that all vehicles transporting rubber from suppliers must be equipped with drainage channels and containers to capture any rubber runoff to prevent spills during transportation. If this requirement is not met, the company will not accept rubber from those suppliers who do not comply with the policy. Additionally, the company has designated the rubber water drainage area as a parking space for rubber transport vehicles and has installed drainage systems to collect wastewater from the trucks for subsequent treatment. Through stringent enforcement of this policy, 100% of the company's cup lump rubber suppliers have adhered to the policy and successfully implemented systems to manage rubber wastewater properly.



Furthermore, the company has collaborated with the surrounding community to jointly monitor and address potential wastewater leakage points from its operations that could contaminate local water sources or land. To facilitate rapid response to community concerns, the company has established a complaint channel through the Open Chat Line group, allowing for prompt problem resolution. In the event of any reported issues, the environment working group will visit the site to analyze the source and causes of the problem to determine whether it is related to the company's activities. They will collect samples for preliminary testing and communicate the findings to community leaders or representatives, discussing the causes of the issue as well as possible remedies and preventive measures for the future. This initiative aims to build confidence within the surrounding community. In 2024, the company did not receive any complaints from the community or regulators regarding wastewater issues or latex spills from transport vehicles that caused disturbances to the community.





## EMPOWERING PEOPLE

We take pride in building a sustainable future for every community we are part of, fostering talent, creating jobs, and generating opportunities. We promote development and participation from everyone, both inside and outside the organization, to enhance the quality of life for Thai rubber farmers and local community members, ensuring that they grow alongside us in a stable manner.

- Employee Care, Development, and Retention
- Safety at Work
- Creating Value for Communities and Society



# EMPLOYEE CARE, DEVELOPMENT, AND RETENTION

Materiality Issue	Impact, Risk, and Opportunity
<p>8. Employee Retention and Development</p> <ul style="list-style-type: none"> <li>Employment</li> <li>Employee care</li> <li>Employee potential development</li> <li>Recruitment of competent employees</li> <li>Employee engagement</li> </ul>	<p>The rubber industry in Thailand relies heavily on skilled labor and personnel. If the company cannot retain knowledgeable and capable employees or fails to prioritize the development of personnel in line with the company's business direction, it may face risks of losing business opportunities and diminishing competitive ability, as it will be unable to deliver products and services that effectively meet customer demands.</p>
<p>Contribution to SDGs</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>4.4, 4.5</p> </div> <div style="text-align: center;">  <p>8.3, 8.5, 8.8</p> </div> <div style="text-align: center;">  <p>10.3</p> </div> </div>	<p>Building employee engagement with the company and developing personnel potential to grow alongside the organization not only contributes positively to business success but also has a beneficial impact on the local economy. This includes increasing job opportunities, reducing unemployment issues, and preventing the migration of young workers, as well as raising the quality of human resources in the region. This enhancement attracts skilled personnel to join the company and fosters collaborative networks for various developmental aspects. Effective human resource management is therefore a crucial cog that drives the business toward stable long-term growth.</p>

Long-term goal 2028	2024 Goal	2024 Performance
Average training hours per employee per year	Not less than 25 hours	Not less than 15 hours
Employee engagement score	Not less than 90%	Not less than 85%
Voluntary turnover rate*	Not exceeding 5%	Not exceeding 10%

\* Employees refer specifically to permanent staff who receive a monthly salary.



## MANAGEMENT APPROACH

The company has established a '**Human Resources Management and Development Policy**' to serve as a guideline for managing human resources and promoting personnel potential in support of business operations to achieve the organization's goals as outlined in its vision and mission. The company's practices comply with relevant labor laws, regulations, and international standards, as well as human rights principles, covering the entire process from recruitment, employment, employee care, and development to the end of employment. The Human Resources department has been assigned the responsibility of adhering to the policy and strategic plan for employee care and development, addressing employee needs and expectations appropriately. This is aimed at ensuring that employees maintain good physical and mental health, find happiness in their work, and enjoy a good quality of life. The Human Resources department is required to report progress and performance results regularly on a monthly basis to senior management in the organizational development division, the Chief Executive Officer, and the management committee accordingly.



Learn more about the Human  
Resource Management and  
Development Policy at:  
[www.nerubber.com](http://www.nerubber.com) or scan QR Code



## 2024 Performance

### Recruitment and Employment

The company places great importance on the recruitment and selection process, ensuring transparency, fairness, and compliance with relevant laws and regulations. Employment is conducted equitably, free from discrimination, primarily based on knowledge, skills, and suitability for the position. The company employs proactive recruitment strategies through various channels to reach qualified candidates, while also focusing on developing the potential of employees in critical and sought-after roles.

### Local Employment

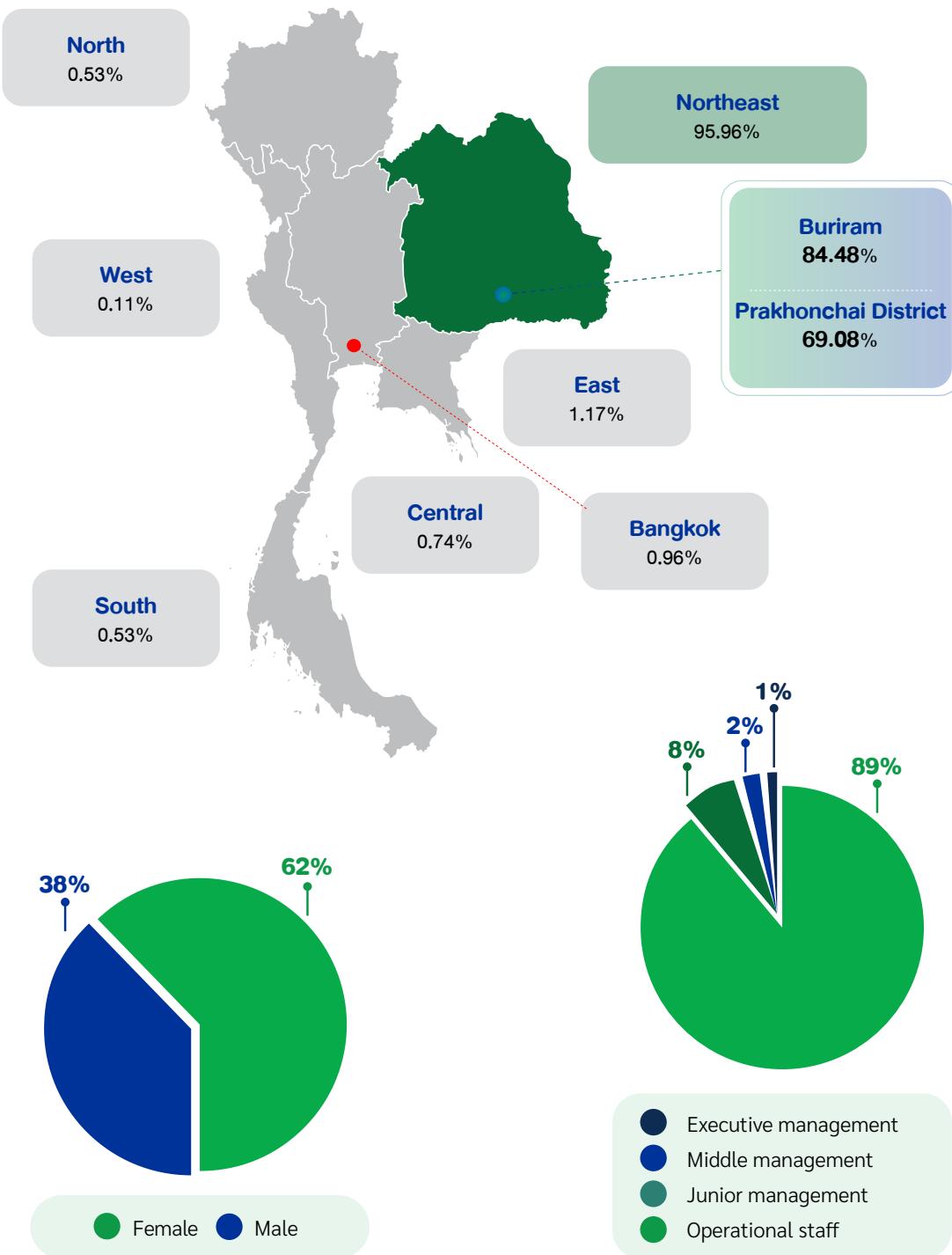
The company has established a recruitment and employment policy aimed at providing career opportunities specifically to Thai citizens, especially those from Buriram Province, in order to help improve the local economy through stable employment. This will allow local residents to work close to home without the need to relocate for jobs in other regions. The company recruits suitable candidates through diverse channels, including websites and social media networks, as well as actively seeking employees by engaging with the local community around the factory, promoting through community leaders, village chiefs, sub-district administrative organizations, the Buriram Provincial Municipality, and a friend-referral program.



In 2024, the company employed 941 individuals, all of whom are Thais, representing 100%. Among these, 903 individuals, or 95.96%, are native to the Northeastern region. The majority of employees are from nearby communities, with 795 individuals residing in Buriram Province, accounting for 84.48%, and 650 individuals living in Prakhonchai District, where the company is located, representing 69.08% of the total workforce.

Of this number, there are 11 persons with disabilities within Buriram Province, accounting for 1.17% of the total workforce, which is a higher proportion than that prescribed by law.

## Employee's Domicile



## Post-Retirement Employment

Although the company has regulations regarding retirement, which sets the retirement age at 55 years old, it recognizes the skills, knowledge, and experience of retirees who still have the ability to work. Therefore, the company offers employees the opportunity to continue working under a voluntary post-retirement hiring policy, based on their willingness and readiness to work. This allows them to count their years of service continuously and receive compensation that is not less than their pre-retirement salary. For employees who do not wish to continue working, they will receive compensation as stipulated in the Labor Protection Act B.E. 2541. In 2024, there were 34 employees who retired, of which 31 expressed a desire to continue working after retirement.



## Employee Care

Employees are crucial in driving the business to grow and achieve organizational goals. Acquiring skilled employees requires significant time and resources for recruitment and development. Therefore, retaining employees is essential, not only through providing competitive compensation and benefits but also by fostering a positive organizational culture and prioritizing employee well-being. This ensures that employees can perform to their fullest potential and find happiness within the organization.

## Compensation Management

The company provides equitable compensation based on fairness relative to the quantity and nature of the work performed, without discrimination based on gender or employee status, except in cases where specific personnel are required for certain tasks. For pregnant employees, the company strictly adheres to labor laws and does not have policies that mandate pregnancy testing or contraception for hiring purposes, nor does it enforce termination of employment.

The results of the performance evaluations for all employees at the end of the year are used as a basis for compensation management, such as considering annual salary adjustments, annual bonuses, and promotions, as well as recognizing outstanding employees. This is done with fairness, appropriate to the knowledge, skills, and performance outcomes based on clear criteria, without discrimination, to motivate employees and enhance their appreciation of their work.

The company has established a salary structure for employees by analyzing the job value of each level and regularly surveying salary structures from various organizations and sources. This data is reviewed to continuously improve the salary structure to ensure fair compensation for job values at each level. This approach helps retain talented employees and attract potential candidates while maintaining competitiveness in the current labor market.

## Employee Compensation Ratio (Female: Male)

Executive Level	Managerial Level	Operational Level
  1 : 1.16	  1 : 0.66	  1 : 2.05

## Performance Evaluation

The company has established clear and systematic criteria and methods for evaluating the performance of the Chief Executive Officer, senior executives, and employees. Evaluations are conducted twice a year, and the results of individual performance assessments are used to determine annual compensation. Furthermore, the criteria and methods for performance evaluation are communicated to employees at all levels to ensure transparency. The evaluation method consists of three components, each weighted differently based on the level of the employee, which includes:

1. Evaluation Using Corporate Key Performance Indicators (KPIs): The company has established performance indicators aligned with its strategies and objectives, covering business, social, and environmental aspects. This framework allows for the evaluation of the performance of the Chief Executive Officer (70%), senior management (60%), and employees (20%), reflecting appropriate proportions based on the roles and responsibilities at each level.
2. Evaluation of Departmental Success (Department Key Performance Indicators): This follows a similar approach to the corporate-level evaluation, using indicators set at the company level to systematically track and measure the performance of

each department. This evaluation also assists departments in improving their operational approaches to align more effectively with organizational goals, allocating 20% for the performance evaluation of senior executives and 30% for employees.

3. Individual Performance Evaluation: This assessment encompasses expertise, knowledge, competencies, and work behaviors that align with the organizational culture. Evaluation criteria are established to systematically track and develop employee potential, with assessment proportions set at 30% for the Chief Executive Officer, 20% for senior executives, and 50% for employees. This ensures that personnel development at all levels is appropriately aligned with their roles and promotes the overall effectiveness of the organization.

In 2024, the company upgraded the performance indicators for the Chief Executive Officer and senior executives to better align with the company's strategy and operational direction as follows:

Indicator	Chief Executive Officer	Senior Executive	Employee
<b>Financial indicators</b>			
• Total revenue from sales	●	●	●
• Net operating profit	●	●	●
<b>Sustainability indicators</b>			
• Management of Carbon Footprint for Organization	●	●	●
• Customer satisfaction with product and service quality	●	●	●
• Management of safety and occupational health (Accident-Free and Occupational Disease-Free)	●	●	●
• Employee engagement	●	●	-
• Community satisfaction	●	●	●
• Average training hours per employee per year	●	●	-
<b>Knowledge, Skills, and Work Behaviors</b>			
• Job knowledge and skills	●	●	●
• Leadership	●	●	-
• Strategic planning	●	●	-
• Decision making	●	●	●
• Communication and coordination	●	●	●
• Team management	●	●	●
• Budget management	●	●	●
• Risk management	●	●	-
• Change management	●	●	-

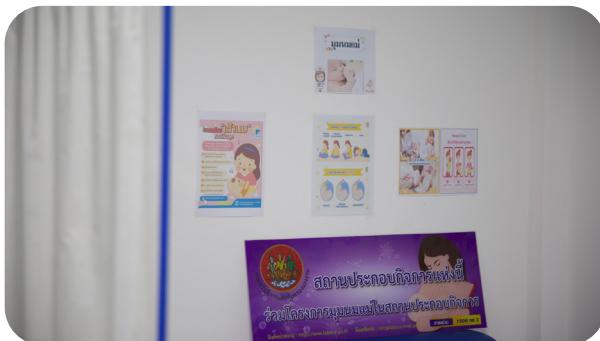
In the annual performance evaluation, the company promotes two-way communication between supervisors and subordinates regarding evaluation results and any guidance or questions. This initiative aims to foster understanding and build positive relationships, leading to performance that aligns with mutual expectations and facilitating improvements in work processes.

In 2024, all executives and employees underwent performance evaluations (100%). The Human Resources department analyzed the evaluation results to establish Individual Development Plans and to further develop employee behaviors in alignment with the values and culture of the organization.

## Rights and Benefits

The company supports and promotes employees' rights and freedoms to establish a welfare committee within the workplace to serve as a platform for presenting opinions and engaging in discussions with employer representatives regarding the development of additional benefits beyond those specified by law, appropriately aligned with employees' needs. In 2024, the company held elections for the welfare committee to replace the previous committee whose term had expired. A total of 608 employees exercised their voting rights, representing 70% of the total eligible voters of 867 employees. On July 17, 2024, 13 members were appointed to the welfare committee.

As a result of quarterly meetings between employer representatives and the welfare committee, the company improved the employee welfare manual and added benefits that exceed legal requirements, including group life and accident insurance, a provident fund, uniforms, a hospital visit basket, and financial assistance for funeral expenses for permanent employees and their families. Additionally, the working environment was enhanced, such as by adding more restrooms for employees, installing televisions in the cafeteria, providing RO water dispensers, and offering bicycles for commuting within the factory. These improvements stemmed from a proactive welfare survey project that encouraged employees to express their opinions and needs to find suitable welfare options.



All employees in the company will receive the same benefits across the board, except for vacation leaves, which differ: monthly permanent employees can take vacation leaves without loss of income, while daily or hourly permanent employees do not receive compensation for days off. However, if they work on holidays, they will receive overtime pay at twice their regular daily wage.



## Promotion of a Good Quality of Life

### Physical and Mental Health Care

The company places great importance on the physical and mental well-being of employees at all levels, offering annual health check-ups tailored to their age, job natures, and various risk factors. The company also ensures the availability of qualified medical staff and medical supplies to provide services at the workplace 24 hours a day. Additionally, the company organized mobile dental health check-ups and various activities promoting both physical and mental health, including sports competitions with local communities and government agencies, monthly merit-making activities on employees' birthdays, meditation training, and stress management. The company also facilitated recreational activities such as team-building events, outing, to ensure employees' happiness and work-life balance.

### “NER for Health” Project

The Step Count Challenge is a program designed to encourage and promote all employees to increase their daily physical activity. The competition is organized in teams to complete daily step counting missions, with each participant using a mobile application, smartwatch, or pedometer to record their steps and provide photographic evidence at the end of the day. This project spans a total duration of 168 days and included 160 employees. The results showed that participants averaged 10,471 steps per day. In addition to the positive health impacts, the program stimulated some employees to exhibit improved health trends, with an average Body Mass Index (BMI) reduction of 12% among all participants.

### Good Quality Labor Project Based on the Philosophy of Sufficiency Economy

This project was initiated by the Labor and Human Rights Working Group in collaboration with the Welfare Committee at the workplace to promote employee interaction and encourage the creative use of free time after work. Employees have the opportunity to cultivate edible plants for household consumption on designated plots within the factory, with the company allocating 40 gardening plots for them.

Additionally, budget support is provided for purchasing seeds and cultivation materials, as well as utilizing the digestate left over from the biogas production system as a soil conditioner to replace chemical fertilizers. This approach not only helps reduce household expenses in line with the principles of sufficiency economy but also allows for the harvest to be exchanged within the company, thereby fostering good relationships among employees through friendly sharing and strengthening organizational bonds. The project has garnered interest from a total of 95 employees, yielding approximately 20 kilograms of produce per month from the cultivation efforts at the company.

### Complaints and Grievances

The company provides channels for employees to express their opinions and file complaints, such as suggestion boxes located at various points, including the security guard post at the front of the factory, the cafeteria, restrooms, and relaxation areas, as well as an online complaint system via Red QR Code, email, intranet, and Line Chat Group. Complaints can also be submitted through the welfare committee and the human resources department. The company has established a systematic process for managing complaints with clear timelines for addressing them, as well as methods for investigating the facts while maintaining confidentiality. When the human resources department receives a complaint, it will assess which committee is relevant to the issue and then forward the complaint to that committee for consideration, fact-finding, corrective actions, and reporting back to management.



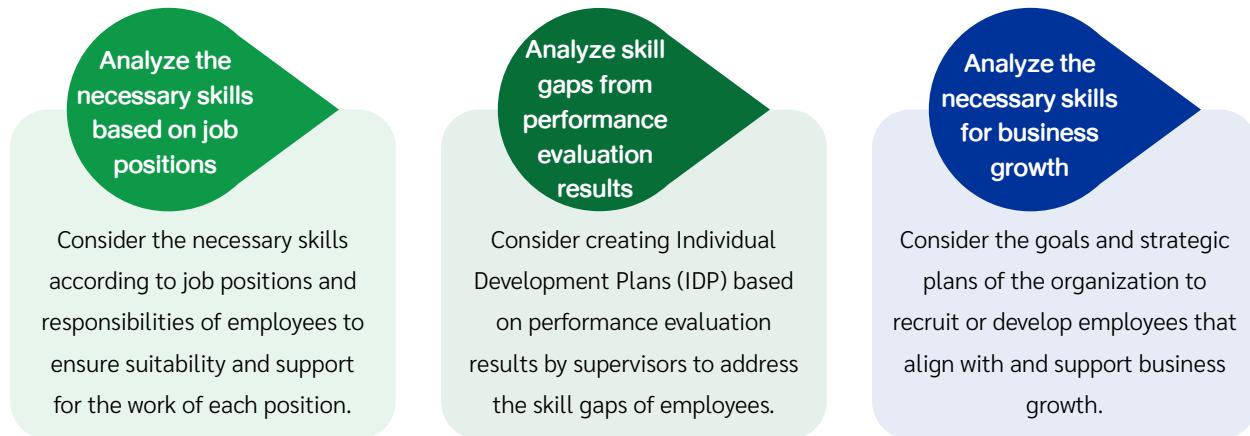


In 2024, the company received a total of two suggestions and complaints from employees, both of which were addressed and resolved, resulting in a 100% resolution rate with the following details:

Feedback and Complaints	NER's Response
Insufficient Drinking Water Dispensers	An assessment of the area was conducted, leading to the installation of an additional three Reverse Osmosis (RO) water filter systems, along with upgrades to the existing water filtration systems. This initiative aims to provide convenience, cleanliness, and an adequate supply of drinking water to meet employee needs.
Cleanliness of Tables, Chairs, and Cafeteria	Designated personnel have been appointed to ensure the cleanliness of tables, chairs, and the entire cafeteria area. Additionally, the food service area and cafeteria flooring have been repainted to facilitate easier cleaning.

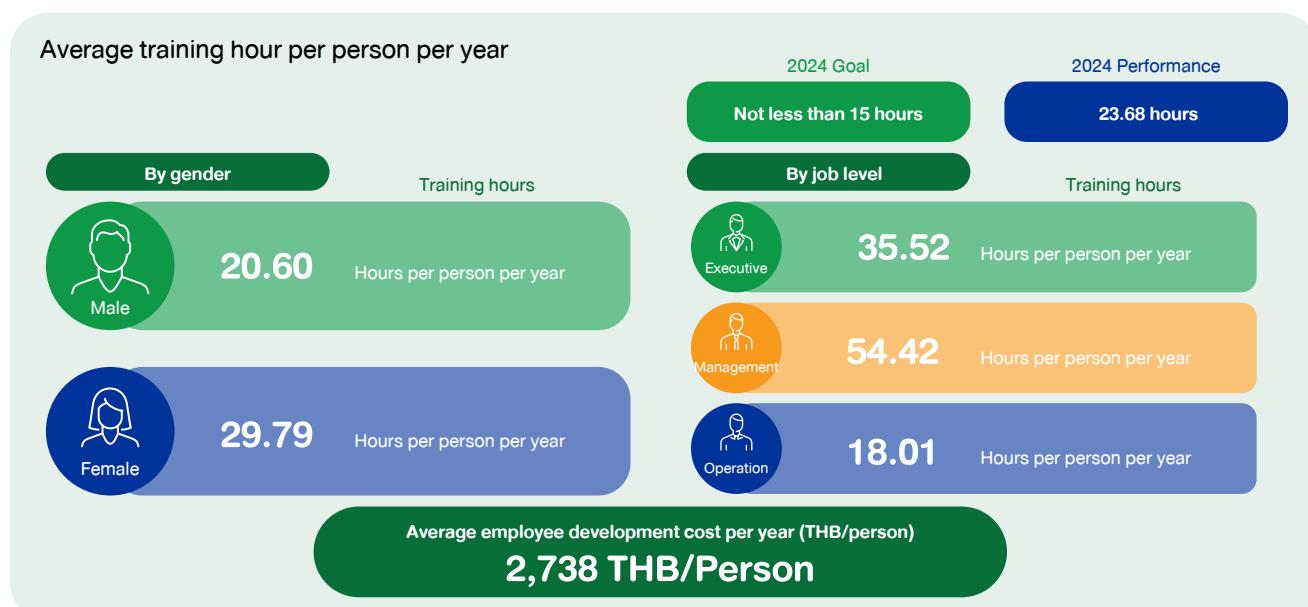
## Employee Development

The company recognizes the importance of enhancing employees' knowledge and capabilities to keep pace with the changes in today's world. It focuses on developing a diverse range of skills that align with the company's business direction while unlocking the potential within individuals, enabling employees to grow in their career paths. The company has established a framework for analyzing employee development needs that encompasses both technical skills and other essential soft skills. This will ensure that employees can effectively apply their skills in their work and align with the business direction as follows:



## Employee Training and Skill Development Programs

In 2024, the company implemented various employee development initiatives through a range of projects and learning programs tailored to skill enhancement for both executive and operational levels. Employees averaged 23.68 training hours per person per year, exceeding the established goal and representing an 85.51% increase from 2023. The investment for skill development for employees amounted to 1,984,799 THB, or approximately 2,738 THB per person per year.



The company has established training and skill development programs in various formats, inviting expert speakers in each field to share knowledge and inspire employees. This aims to ensure that employees develop modern skills that can be effectively applied in their work. In 2024, a total of 117 courses and training sessions were organized, with details as follows:

2024	Management Level	Operational Level
Total Number of Employees Trained (persons)	114	611
Total Number of Internal Training Courses (courses)	38	15
Total Number of External Training Courses (courses)	31	7
Total Number of Online Training Sessions (courses)	41	8
Total Number of New Employee Orientation Training (sessions)	1	76
Total Number of On the Job Training (OJT) Sessions (sessions)	1	76





## Leadership Development Program

This project aims to enhance management skills, leadership capabilities, and effective decision-making for supervisors and high-potential employees, particularly focusing on the new generation of executives from the supervisory level and above, totaling 104 individuals. The program is designed to prepare them for future advancement in their roles. The training period spans a total of 6 months, during which employees must pass assessments based on established criteria. Additionally, the company encourages participants in this program to apply the knowledge gained by initiating projects that benefit the wider community. Outstanding projects will be presented to the board of directors. Employees who complete the training will receive certificates categorized into three levels as follows:

**Bronze Level** - Attended the required hours of training and passed the assessment criteria (Total: 26 people)

**Silver Level** - Attended the required hours of training, passed the assessment criteria, and developed a follow-up project based on the training (Total: 45 people)

**Gold Level** - Attended the required hours of training, passed the assessment criteria, and presented the project results to the board of directors (Total: 17 people)



### Prototype Electric Rubber Drying Cart Project by Ms. Suhaili Yithosa

This project is outstanding and practical, enhancing work efficiency by reducing steps, shortening work duration, decreasing labor requirements, and lowering costs in the production process. Specifically, it reduces the number of workers needed for cart handling from 8 employees to only 4. This results in a cost savings of 391,030.18 THB per year for the company, while also decreasing the occurrence of accidents and injuries among employees in this role.

Course/Program	Leadership Development Program
<b>Employee Level</b>	- Frontline Supervisors - High-Potential Employees
<b>Duration</b>	6 months (January to June 2024)
<b>Benefits to the Company</b>	A total of 17 employee-initiated projects that are beneficial to the company's business, including: <ul style="list-style-type: none"><li>• 11 projects aimed at enhancing capabilities and work efficiency</li><li>• 5 projects focused on reducing costs and expenses</li><li>• 1 project to promote employee engagement</li></ul> This allows the company to reduce costs and expenses by over 990,000 THB per year.
<b>Benefits to Employees</b>	- Improved management and decision-making skills - Preparedness for higher roles or positions - 7 employees who completed this training course received promotions in 2024.



## Skill Development Project for Sustainability Knowledge

The company places great importance on conducting business that promotes sustainability for the organization, society, and the environment. To foster awareness and understanding among employees regarding the impacts of their work, and to emphasize their roles and responsibilities in contributing to organizational stability and sustainability, the company has participated in the ESG DNA program of the Stock Exchange of Thailand. Training has been organized based on a comprehensive curriculum covering various areas, such as effective management of energy and natural resources, promotion of human rights and labor rights, knowledge of Thai labor laws, and policies against corruption and fraud. The program is divided into two courses: ESG 101 course - A total of 235 participants, accounting for 24.97% of all employees, and P01 course - A total of 234 participants, representing 24.86% of all employees. All participants in these two courses successfully passed the assessments, achieving a 100% pass rate.

<b>Course/Program</b>	Sustainability Knowledge Skill Development Program
<b>Employee Level</b>	Executive and Operational Employees
<b>Duration</b>	May to November 2024
<b>Benefits to the Company</b>	Employees understand their roles and responsibilities in contributing to the organization's sustainability and improve business operations in accordance with international standards.
<b>Benefits to Employees</b>	They gain increased knowledge and understanding of sustainability, which they can apply in their own work.

## AI & Digital Literacy Program

The company organized training sessions to educate employees about digital technology, preparing 86 participants to work effectively in the digital age. The training content covered the use of modern software such as Microsoft 365, the installation of an ERP system on the Microsoft Dynamics 365 FO platform, and the use of Power Apps and Power BI for data analysis. Additionally, the program promoted the application of technology to improve work processes. The training was conducted by esteemed experts in technology at national and international levels, including Professor Dr. Warasak Kanoknukuncha, a member of the National Academy of Sciences and former Director of the Chulalongkorn University Innovation Institute. He provided insights into the role of AI in creating opportunities and impacts on the business sector for both employees and external participants. The session was also broadcasted to the public via the company's Facebook Live platform.

<b>Course/Program</b>	AI & Digital Literacy Program
<b>Employee Level</b>	Employees at All Levels
<b>Duration</b>	10 Hours
<b>Benefits to the Company</b>	The company mitigated risks associated with the use of AI and modern technologies that may arise from both systems and employees.
<b>Benefits to Employees</b>	Their digital technology skills were increased enabling effective application of these skills in their work.

## Career Advancement Counseling

The company has implemented a Mentorship Program to provide guidance and support for the career development of employees at all levels. Participants will receive advice and insights from experienced individuals both within and outside the organization. This mentorship serves as a roadmap for effective management and the development of knowledge and skills, focusing on collaborative teamwork, effective communication, joint problem-solving abilities, and cooperation with cross-departmental teams.



## Scholarship Program

The company supports further education for high-potential employees (Talent) at both the undergraduate and graduate levels to develop specialized skills that can be applied in their respective job functions. Since 2018, in 2024, 2 employees received scholarships at the undergraduate level in the fields of Industrial Engineering and Logistics from Pathum Thani University, and Agricultural Mechanical Engineering from Isan Technology University. To date, a total of 2 employees have received scholarships from the company, with a total scholarship amount of 129,000 THB. Both employees are still actively working with the company."



### MR. SEKSAN SADOMSUK

Head of the Automotive Department, Organizational Development Division

He is currently receiving a scholarship for undergraduate studies in the Faculty of Agricultural Science and Technology, specializing in Agricultural Mechanical Engineering at Rajamangala University of Technology Isan, Surin Campus.

"I am pleased that senior management recognizes potential and provides opportunities to showcase abilities in all company projects, as well as supports further scholarships for personal development. I hope to apply the knowledge I acquire to enhance my current work and manage other related tasks, contributing as a key force in driving the organization forward."

## Talent Development

The company has selected outstanding employees from each department to enter the 'Talent Pool,' based on their performance results and potential for future growth. The committee, comprising senior management, consultants, and representatives from the human resources department, has identified a total of 8 employees in 2024 to participate in a special training program lasting 8 months, concluding in July 2025. The company has hired consultants to develop a special program that utilizes a blended learning approach, which includes both classroom instruction and online systems, along with practical application and the initiation of organizational development projects in collaboration among departments. Participants will present the results of their projects to senior management, who will evaluate the quality of the program alongside the consultants.

## Promotion and Career Advancement

### (Career Path)

The company provides opportunities for promotions or transfers to roles that align with employees' knowledge and skills. It supports and encourages employees to demonstrate their potential in various opportunities and continuously develop themselves in their roles and responsibilities. The company has established clear methods and criteria for considering promotions to ensure fairness and transparency while creating career advancement plans for each department. The aim is to support and retain this group of employees while establishing a system to ensure career progression, allowing employees to have job security and grow along with the organization. In 2024, a total of 46 employees received promotions.



## Building Employee Engagement

In addition to caring for and developing employees, the company also places great importance on employee feedback and participation, which brings forth creativity, collaboration, and commitment to both work and the organization. The company provides opportunities for employees to engage in decision-making processes, such as participating in committees or working groups on various matters, suggesting improvements to work processes, and expressing opinions through satisfaction surveys or direct discussions with management. This approach encourages employee involvement and significantly reduces the gap between management and staff, making everyone feel included and valued in the organization.

### NER Points Program

This project aims to strengthen employee engagement and encourage participation in various company activities to reduce issues related to information dissemination and enhance the effectiveness of internal communication. The program uses a motivation system based on point accumulation for redeemable rewards, including special days off, employee shirts, insulated cups, camping chairs, and umbrellas. This initiative has been very successful, with 100% of employees in the company participating, totaling 941 participants.

### Employee Engagement Assessment

The company has developed and improved the employee engagement assessment to reflect factors impacting work within the organizational context. The assessment questions are designed to cover important dimensions of employee engagement, such as trust in management, pride in the organization, work-life balance, and motivation for development. The employee engagement assessment is conducted by the Labor and Human Rights Working Group in collaboration with the Human Resources Department and is set as an organizational goal. The company implements engagement assessments twice a year through three communication channels: the company's online system, announcements during Morning Talk sessions, and direct distribution of assessment forms to employees.

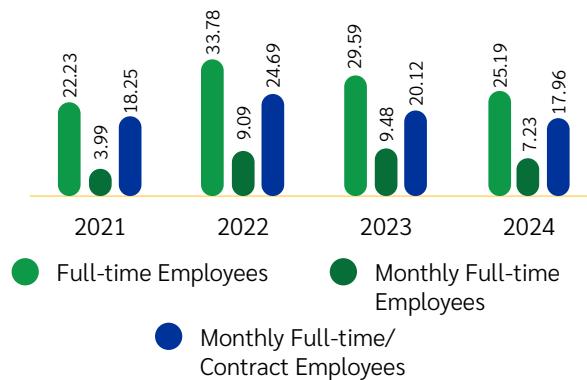
In 2024, the overall employee engagement score was 85.88%, exceeding the established target and reflecting an increase from 2023. The area with the lowest evaluation score, indicating employee dissatisfaction or concern, was the work environment, scoring at 85.13%. The company is addressing

this issue through the ongoing implementation of the 5S program and regular safety inspections conducted monthly. Additionally, reports and solutions for identified issues are managed by the Occupational Safety, Health, and Environment Committee. The results of the employee engagement assessment are communicated to employees through online channels, including the company's Line group, emails, posted announcements on information boards, and presentations to senior management and the board of directors accordingly.

In 2024, the company had a voluntary employee turnover rate of 25.19%. This included a voluntary turnover rate of 7.23% for monthly salaried employees, which is below the target of no more than 10% set for the year. For daily or fixed-rate employees, who have different working conditions compared to monthly salaried employees, the voluntary turnover rate was 17.96%. Both employee groups have shown a continuous decline in voluntary turnover rates since 2023. The company will continue to improve and develop its employee care initiatives in all aspects, promoting engagement and strengthening employee commitment to retain quality personnel as a key asset for the organization moving forward.

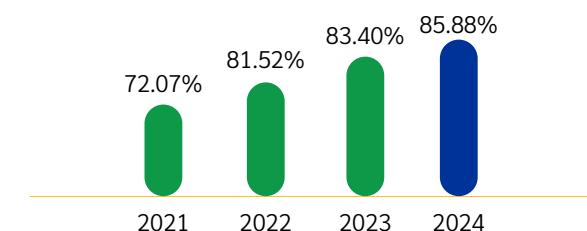
### Voluntary Turnover Rate

Year	Persons	%
2024	237	25.19
Full-time (Monthly)	68	7.23
Full-time (daily/contract)	169	17.96



### Employee Engagement Score

Year 2024	Score 85.88%
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# SAFETY AT WORK

Materiality Issue	Impact, Risk, and Opportunity	
9. Occupational Health and Safety	Occupational health and safety are critical issues for both the company and its stakeholders. Ineffective management in these areas can directly impact the physical and mental health, safety, and quality of life of employees and the workforce of partner contractors operating in the company's work areas. This mismanagement may also have long-term repercussions on business operations, leading to disruptions, loss of reputation, and credibility with stakeholders, such as partners or nearby communities. Additionally, there may be increased costs associated with compensations, medical treatments, or legal fines.	
<b>Contribution to SDGs</b>		
 3.4, 3.6, 3.9	 8.8	 16.1
<b>Long-term Goals 2028</b>		
Lost Time Injury Frequency Rate (LTIFR)	0	0
Rate of fatalities or disabilities from workplace accidents (Major accidents)	0	0
Occupational illnesses)	0	0

## MANAGEMENT APPROACH

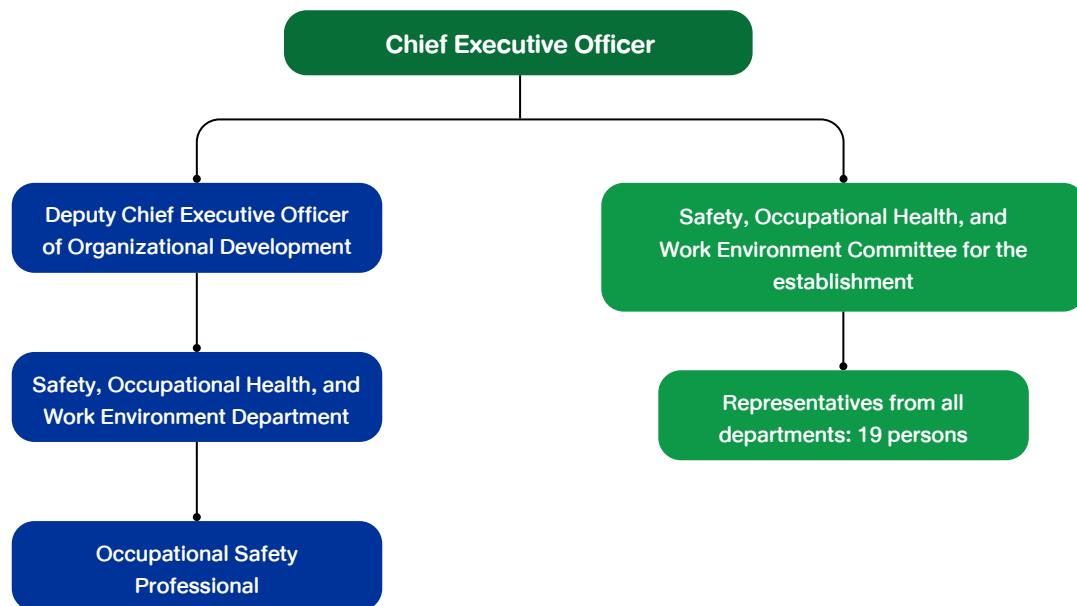
The company is committed to fostering employee awareness and managing to ensure workplace safety throughout the organization. A **'Safety, Occupational Health, and Working Environment Policy'** has been established for all managers and employees to comply with relevant laws and regulations. This includes guidelines that align with safety laws and requirements in Thailand, such as the Occupational Safety, Health, and Working Environment Act B.E. 2554 (2011), Ministerial Regulation on the Appointment of Safety Personnel, B.E. 2565 (2022), as well as announcements from the Department of Labor Protection and Welfare and other relevant laws, including the Hazardous Substance Act B.E. 2535 (1992) and its amendments. Furthermore, international standards have been adopted as a framework for systematic operations, such as the Occupational Health and Safety Management System (ISO 45001:2018) and the Environmental and Social Management System (ESMS). These initiatives aim to enable the organization to effectively manage health and safety in the workplace.



Further information on the Safety, Occupational Health, and Working Environment Policy can be found at [www.nerubber.com](http://www.nerubber.com) or by scanning the QR Code.



In addition to the operations of the Occupational Safety and Health Department, which has 4 safety professionals, the company has appointed a Safety, Occupational Health, and Working Environment Committee consisting of 19 members from various departments. This committee is responsible for overseeing compliance with safety standards rigorously. They conduct monthly safety inspections and promote and support activities related to workplace safety while fostering a safety culture within the organization. The committee meets regularly to identify issues and obstacles, provide recommendations, track progress in addressing these issues, and report on performance summaries each month.



The company employs **the 3Cs strategy: 'Compliance, Caution, Culture'** to manage and ensure the safety of employees and the labor of suppliers working in the company's facilities as follows:



## 2024 Performance

### Identification and Assessment of Health and Safety Risks in the Workplace

The company has designated the Occupational Safety and Health Department to identify hazards and assess health and safety risks in collaboration with relevant departments. This assessment encompasses all types of activities related to the company's operations, including regular activities and specific tasks performed by employees and contractors within the company's premises. The risk assessment considers the tasks involved in the work process, job natures, work areas, and the surrounding environment to identify potential hazards associated with each activity. It also analyses the nature of occurrences, related causes, and the impacts that could cause harm to life and property.

The company uses the information obtained to evaluate the likelihood and severity of potential risks to determine strategies and develop risk control measures or plans that will be implemented for all employees and contractors working within the company. Department heads or relevant stakeholders are required to jointly review the risk assessment results at least once a year or when changes occur that affect the occupational health and safety management system, such as changes in work processes, the use of new equipment, or changes in relevant external factors. This is aimed at ensuring the safety of employees and contractors while minimizing the risk of work-related hazards, as well as promoting the development of a safe working environment that meets occupational health standards in the long term.

Identify risks in all activities within the company's premises, including those of employees and contractors

Assess risks and determine acceptable risk levels

Define appropriate risk control measures

Monitor, verify, and evaluate the effectiveness of risk control measures

Prepare operational manuals and checklists



From the assessment of occupational health and safety risks, categorized by the nature of work types and work locations in various processes of the company in 2024, it was found that there were three significant risks that could have a substantial impact on workers and the company: accidents involving machinery and equipment, chemical accidents, and fire incidents. Therefore, the company has established measures to control risk levels to acceptable limits and reduce the likelihood of these occurrences as follows:

Risk Issue	Risk Factor	Preventive and Controlling Measure
Accidents involving machinery and equipment	<ul style="list-style-type: none"> <li>Operators lack knowledge and expertise in the use of machinery and equipment, such as pivot points, pinch points, and conveyor systems.</li> <li>Machinery and equipment are old, damaged, or not operational.</li> <li>Operators do not have appropriate and sufficient personal protective equipment.</li> <li>Operators are negligent.</li> <li>Risk management measures are not sufficiently effective.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a safety manual for working with machinery and equipment.</li> <li>Provide training on the use and operation of machinery.</li> <li>Inspect and maintain machinery and equipment according to the established maintenance schedule.</li> <li>Supply quality personal protective equipment that is appropriate and sufficient for each position working with machinery.</li> <li>Regularly supervise and inspect employee operations and establish guidelines for managing employees who do not comply with regulations.</li> <li>Arrange for the review and certification of the effectiveness of risk management related to machinery and equipment by an external party at least once a year.</li> </ul>
Chemical accidents	<ul style="list-style-type: none"> <li>Improper and inadequate storage of hazardous chemicals</li> <li>Inappropriate or insufficient personal protective equipment for chemical use</li> <li>Chemical leaks or spills</li> <li>Lack of employee knowledge and understanding regarding the handling of specific chemicals</li> </ul>	<ul style="list-style-type: none"> <li>Conduct an inspection and review of chemicals and hazardous materials used at the factory at least once a year.</li> <li>Have knowledgeable experts store chemicals to prevent reactions between substances.</li> <li>Improve the chemicals storage area to minimize potential hazards.</li> <li>Provide personal protective equipment and ensure that emergency shower and eyewash stations are operational in areas where chemicals are used.</li> <li>Develop an emergency plan for chemical spills.</li> <li>Prepare chemical recovery equipment in the work area.</li> <li>Create a safety manual for working with chemicals and hazardous materials.</li> <li>Train employees on procedures related to chemicals and hazardous materials and assess their understanding to ensure that workers can perform their tasks correctly and safely.</li> </ul>
Fire incidents	<ul style="list-style-type: none"> <li>Condition of electrical machinery and equipment, including old or damaged wiring</li> <li>Inadequate location and method for storing flammable chemicals</li> <li>Insufficient or unserviceable fire prevention and suppression equipment</li> <li>Employees lack knowledge and experience in basic fire extinguishing procedures</li> </ul>	<ul style="list-style-type: none"> <li>Regularly inspect electrical wiring and machinery according to the maintenance plan.</li> <li>Improve the storage area for flammable solvents WS-200 to ensure it is located outside the building and has proper ventilation.</li> <li>Use explosion-proof electrical systems throughout to enhance safety in the flammable chemical storage area.</li> <li>Regularly inspect fire prevention and suppression equipment at least once a month to ensure it is always operational.</li> <li>Review the layout showing the installation points and register for fire prevention and suppression equipment at least every six months.</li> <li>Install comprehensive fire prevention measures, such as a heat detection system and 15-pound fire extinguishers (6A20B standard).</li> <li>Establish an advanced firefighting team within the company.</li> <li>Prepare firefighting kits with equipment for emergency response.</li> <li>Train and drill all employees annually to ensure basic firefighting knowledge.</li> </ul>

## Reporting and Investigation of Irregular Incidents or Accidents Occurring During Work

In the event of an accident or irregular incident occurring during work that nearly results in an accident (near miss), the company requires that the affected person or the supervisor report the incident in writing. A thorough investigation and analysis of the accident or irregular incident will be conducted by the Occupational Safety and Health department in collaboration with the relevant department heads to identify the causes and establish corrective and preventive measures to avoid similar incidents in the future. Additionally, the results of the investigation and recommendations will be communicated to other departments to enhance learning and increase vigilance.

## Health Services Related to Work

The company places great importance on the health and safety of employees, recognizing that overall well-being—both physical and mental—directly impacts work efficiency. Therefore, the company conducts risk assessments in the workplace by measuring environmental conditions in various areas, including assessing light intensity, noise levels, heat, dust, and chemicals, and makes improvements to the work environment to meet standards. This ensures that all workers have a safe working environment that is not harmful to their health. Additionally, the company provides appropriate and sufficient personal protective equipment for workers.



Work environment measurement



Replacing old light bulbs with LED lighting

## Improvement of Lighting in the Work Area

In 2024, the company continuously improved the lighting system in various areas to enhance visibility and reduce the risk of accidents at the workplace. This involved replacing old light bulbs with LED lighting and installing translucent roofing sheets in the STR rubber production building to increase the amount of natural light in the production area. Additionally, after the installation, the company conducted an inspection of the light intensity in the area and found that the results were at appropriate levels and in accordance with the established standards. This improvement helps reduce eye fatigue and further enhances employee work efficiency.



## Improvement of the Hot Work Laboratory

The rubber quality testing room, or hot work laboratory, is a workspace with temperatures reaching 37 to 40 degrees Celsius, which significantly impacts the health of employees working in this area, leading to issues such as fatigue, fainting, rapid pulse, and skin diseases. Therefore, the company undertook improvements by designing an efficient ventilation system equipped with modern technology and appropriately allocating space usage. As a result, the temperature within the hot work laboratory has been reduced to 25 to 31 degrees Celsius, making employees feel much more comfortable and allowing them to work effectively.



Employee health check-up

## Annual Employee Health Check-Up

The company provides annual health check-ups for employees according to risk factors to monitor health impacts associated with work. In 2024, a total of 872 employees (92.67%) participated in the annual health check-up. In cases where abnormalities are detected, the company will notify employees of their health check results within 3 days and will refer them for further testing or treatment at specialized medical facilities as appropriate. A detailed healthcare plan will be developed, and health outcomes will be continuously monitored. The company will also consider reassigning employees to different duties to reduce impacts or risks that could affect their treatment or health recovery, promoting safety and improving the quality of life for employees in the long term.



Laboratory improvement

## Employee Health Check-Up Before Starting Work

The company requires new employees to undergo a health check-up based on risk factors within 30 days before starting work. This includes a physical examination and mental health assessment according to occupational medicine methods to determine the employees' health suitability and any potential impacts on their health when working with risk factors. The Occupational Safety and Health department assesses the risk factors for each job and establishes a Health Check-Up Matrix, which includes tests conducted by occupational physicians, such as hearing assessments for those working in noisy areas, lung function tests for those exposed to dust or chemicals, and blood chemical level assessments, among others. If any abnormalities are found during the examinations, the company will inform the employee of the results and provide initial guidance from professional nurses and safety officers. The examination results will also be reviewed by an occupational physician to assess the suitability of the employee for the assigned duties. If it is determined that the employee's health is not suitable for the type of work, the company will adjust their job responsibilities to align with the employee's physical condition.



Annual health check-up

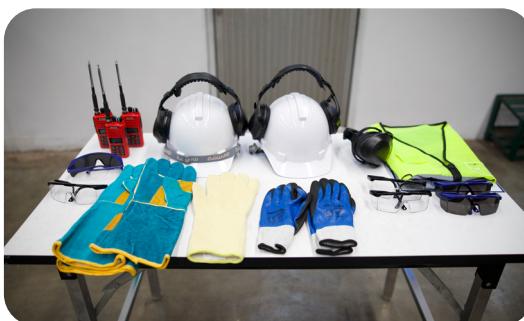


## Participation and Communication in Occupational Health and Safety

The company believes that communication and participation in safety are key factors in enhancing awareness and instilling safety behaviors among employees at all levels to ensure understanding and correct practices. Therefore, the company has established a Safety, Occupational Health, and Environmental Committee, comprising 19 members from various departments, to promote and support safety activities, as well as to provide advice and guidance to all employees, contractors, and individuals working within the company. This is aimed at facilitating knowledge exchange and sharing experiences in safety through activities such

as Kiken Yoshi Training (KYT) and a campaign project to reduce work-related accidents to zero. Additionally, there are communication activities to raise awareness and provide critical safety information before starting work, including safety talk sessions, daily safety morning talk, Safety Day activities, and the installation of safety promotion signs and warnings about various hazards to ensure that all employees are aware of safety both in the workplace and in their daily lives.

In 2024, the company held a total of 52 activities with 941 participants.



## Training and Development of Employee Skills in Occupational Health and Safety

The company enhances safety knowledge and skills in workplace for employees at all levels. Therefore, the company organized training programs that focus on accident prevention and reducing risks arising from several factors, such as lack of expertise in job performance and insufficient knowledge and skills to effectively handle emergency situations. This includes training in the proper use of tools and equipment relevant to job natures, enabling employees to work more safely and with greater confidence. The activities and training courses were as follows:

### 2024 Annual Fire Drill and Evacuation Exercise (Day/Night)

The company conducted its annual fire drill and evacuation exercise on May 30, 2024, in collaboration with 4 local disaster prevention and mitigation agencies. The purpose of this exercise was to provide knowledge and enhance skills for effectively responding to fire incidents while training employees to prepare for emergencies.

The drill plan was communicated to community leaders and residents in nearby areas to keep them informed. The results of the exercise were evaluated as satisfactory.



### Emergency Response Drill for Chemical Spills and Gas Leaks

The company has developed a plan for conducting emergency response drills for chemical spills and gas leaks for the year 2024, scheduled on September 14 and November 25, respectively. The purpose of these drills is to test the effectiveness of the emergency prevention and response plan while preparing employees with the skills to respond quickly and efficiently, reducing potential health impacts on employees and the community, property damage, and environmental effects that may arise from such incidents. This year, the drills simulated a scenario involving a diesel spill and chemical leak during transportation to the chemical storage area.

## Safety Training in the Workplace

In 2024, the company organized courses aimed at providing employees with knowledge and understanding of hazards, as well as skills for preventing and addressing issues arising from various risks. The training courses offered include the following:

- **Electrical Safety and CPR Training for Electrical Accidents**

This course trains employees to understand and acquire skills for safely working with electricity in accordance with the Ministerial Regulation on Safety, Occupational Health, and Environmental Management in Electrical Work, B.E. 2558 (2015), Article 4, ensuring safety during operations.



- **Lock Out Tag Out (LOTO) Hazard Prevention Training**

This course is designed for employees working with different forms of energy, helping them gain knowledge, understanding, and awareness of the dangers associated with working without a Lock Out Tag Out system. It emphasizes the importance of their roles in preventing hazards through safety lockout systems and understanding warning tags (Lock Out Tag Out).



- **Basic Fire Fighting**

Training employees to gain knowledge and develop basic firefighting skills, as well as to conduct proper fire evacuation procedures, in accordance with the Ministerial Regulation setting standards for the management, administration, and operation of safety, occupational health, and environmental measures in fire prevention and suppression, B.E. 2555 (2012), Article 27, to ensure safety of life and property.

- **Training on Hazard Identification and Risk Assessment (Risk Assessment) and Job Safety Analysis (JSA)**

Training employees to understand and identify hazards, as well as assess risks that may impact the safety and health of employees during various processes while performing their duties. This training enables them to establish comprehensive measures for hazard prevention and to develop risk management plans that align with the ISO 45001:2018 Occupational Health and Safety Management System.

- **Training on Hearing Conservation Measures**

Training employees to understand the hazards associated with working in noisy environments, which may lead to temporary or permanent hearing loss. This training includes learning preventative measures and corrective actions, as well as the proper and effective use of personal protective equipment.

- **Training for the Safety Committee**

Conducted to develop personnel with an understanding of the principles of management and their roles and responsibilities, as well as skills in conducting assessments, establishing safety policies and standards, developing work plans or projects, and monitoring the implementation of the organization's safety practices.

- **Safety Training for Working with Overhead Cranes**

It is required that employees assigned to crane operations, including operators, signal persons, riggers, and supervisors, undergo training on safe work procedures and methods, as well as on hazard prevention associated with crane operation. This training must include learning about the details of the equipment's structure, inspection procedures, and maintenance of the crane equipment.



- **Safety Training for Working with Chemicals and Responding to Chemical Spills**

Training employees to understand the hazards associated with chemicals, the use of labeling and warning signs, and proper self-help and assistance for others. This training also ensures compliance with the Ministerial Regulation on safety regarding hazardous chemicals, with training and reviews conducted at least once a year.

- **Safety Re-Training Program on Occupational Safety and Health**

Training employees to gain knowledge and understanding, as well as enhancing their knowledge of safety practices, accident risk reduction, and continuous awareness of safety in the workplace.



## Promotion of Employee Health Beyond Work

The company provides care and promotes good health, both physical and mental, and well-being of employees as well as the prevention of various diseases beyond workplace injuries and occupational illnesses. A nursing room has been established to offer health services to employees and contractors, staffed by professional nurses 24 hours a day, with sufficient medications and supplies for appropriate services. The company also monitors and prevents outbreaks of diseases, such as controlling dengue mosquito larvae, organizing cleaning activities according to the 5S principle, and routinely spraying insecticides to eliminate mosquito larvae, along with educating employees on practices to maintain hygiene and good health.

Furthermore, the company has provided a space for female employees who wish to breastfeed or store breast milk in a hygienic and private area, along with information and understanding regarding breastfeeding from professional nurses.

## NER For Health Project: 'Step, Walk, Run for Health'

This project was established to promote good physical and mental health among employees within the organization by encouraging everyone to engage in regular exercise to balance neurotransmitters like serotonin and dopamine, which are associated with happiness. The company, in collaboration with the SAKID application, offers a variety of activities each week, including not only walking but also special missions such as meditation, running, aerobics, and yoga. Employees who successfully complete these special missions earn points, or NER Points, which can be redeemed for gifts or additional benefits like extra days off. The project has attracted 160 participating employees, achieving a remarkable 98% success rate in completing the special missions. Furthermore, 79% of the employees participated in activities for more than five consecutive days.

As a result of this initiative, 11.87% of participating employees demonstrated a reduced risk of health issues, as measured by the Body Mass Index (BMI). Those who were overweight lost an average of 4 kilograms per person. Participants also exhibited healthier behaviors, with 47.64% increasing their exercise frequency to 2-3 times per week, and 8.31% reducing their intake of sweet, fatty, and salty foods. Regarding mental health, the happiness rating after participating in the activities within the application reached 80%, compared to 69% before the activities began. In addition to improving employees' physical and mental health, this project fostered closer relationships within departments and across the organization, enhancing unity, interaction, and collaboration.



## Safety and Occupational Health of Contractors and Suppliers

The company has outlined safety and health standards for contractors in its code of conduct, requiring that contractors ensure the safety of their workers and provide a hygienic working environment. This includes educating and training on emergency response plans so that contractors' workers understand and can act correctly and safely.

Furthermore, the company places importance on the safety of contractor employees who work within the company's controlled areas. As such, contractors must acknowledge and strictly adhere to the company's rules and regulations to reduce risks and prevent various hazards that may occur during their work. Contractors are required to care for their own workers and provide appropriate and sufficient personal protective equipment. Additionally, contractor employees working in high-risk areas must undergo specific health checks, such as respiratory and cardiovascular examinations when working in confined spaces. Before starting work, blood pressure measurements must also be taken to prevent incidents that could impact the safety of individuals and the company's property.

In 2024, the company organized 74 training sessions to provide knowledge and understanding to contractors, with training conducted twice a week to introduce safety regulations and other requirements set by the company, ensuring they can be followed correctly. A total of 421 contractors participated in the training.



Based on the implementation of strategies, measures, and risk control plans to ensure workplace safety throughout 2024, the company had a total of seven cases of work-related injuries that resulted in time lost. The lost time injury frequency rate (LTIFR) was 2.93 per one million working hours, reflecting a decrease from 2023, aligning with the targets set by the company. The investigations into the injuries indicated that all seven cases were due to accidents involving machinery and equipment. The company has taken preventive measures by installing closed-loop locking systems to immediately stop machinery in case of any anomalies during operation, increasing protective guards around machines that have moving or sharp parts, and considering appropriate blade installations for each type of work. Additionally, the company has installed safety equipment before commencing work and has had a supervisor present during operations to ensure that no similar incidents occur in the future. Furthermore, the company reported zero cases of fatalities or disabilities resulting from work-related accidents (Major Accidents).

For contractors, there were zero cases of work-related injuries resulting in time lost, resulting in an LTIFR of 0, and there were also zero cases of fatalities or disabilities from work-related accidents (Major Accidents) in the company's controlled areas.

	2022	2023	2024
Lost Time Injury Frequency Rate (LTIFR) per 1 million working hours			
• Employee	4.46	7.50	2.93
• Contractor	0	0	0
Rate of Fatalities or Disabilities from Work- Related Accidents (Major Accidents)			
• Employee	0	2	0
• Contractor	0	0	0
Occupational Illnesses among Employees	0	0	0



# CREATING VALUE FOR COMMUNITIES AND SOCIETY

Materiality Issue	Impact, Risk, and Opportunity						
<p><b>10. Local Community</b></p> <ul style="list-style-type: none"><li>Community Health and Safety</li><li>Community Participation</li><li>Local Economic Development</li><li>Local Employment</li><li>Support and Assistance to Society</li></ul> <p><b>Contribution to SDGs</b></p>  <table><tbody><tr><td> 1.1</td><td> 2.3</td><td> 3.6, 3.9</td></tr><tr><td> 8.3, 8.5</td><td> 17.17</td><td></td></tr></tbody></table>	 1.1	 2.3	 3.6, 3.9	 8.3, 8.5	 17.17		<p>The establishment of rubber industry operations within community areas has direct impacts on the community, both positive and negative, across various dimensions. The industry can enhance economic stability for the community by providing fair employment opportunities, purchasing rubber at appropriate prices, and empowering smallholder farmers to be competitive, or by helping to improve the quality of life for community members. However, at the same time, the business activities of the company may negatively affect the health and safety of the community, including issues related to pollution and environmental concerns, or even human rights violations in various aspects.</p> <p>The community should be regarded as a close neighbor that deserves the same care and attention as other stakeholder groups. A quality community serves as a driving force that supports the company's growth and acts as a positive voice for the future, as well as a source of quality raw materials and labor, enabling the company to have opportunities and potential for long-term business expansion. Demonstrating responsibility towards the impacts on the community, fostering bonds with the community, and actively participating in community development are therefore crucial elements in creating a balance between economic growth and community quality of life. This ensures that the industry and community can coexist smoothly, allowing the company to operate sustainably.</p>
 1.1	 2.3	 3.6, 3.9					
 8.3, 8.5	 17.17						

	Long-term Goals 2028	2024 Goals	2024 Performance
Community engagement score	At least 90%	At least 80%	88.0 %
Satisfaction score for community relationship activities	At least 90%	At least 80%	86.3 %
Significant complaints from the community and local government agencies	0	0	0

## MANAGEMENT APPROACH

The company aims to operate in the rubber industry in a way that creates value for every community where its facilities are located, encompassing economic value, improved quality of life for people in society, and a healthy environment within the community. To achieve this, it has established the **4Ds strategy: "D (Good) Society,"** which promotes development and participation from everyone in the workplace and in the local community, ensuring safety and well-being for all.

The company recognizes that its responsibility towards the community and society is crucial for business operations. Therefore, it has established 'Social Responsibility Policy' to ensure that all aspects of its operations comply strictly with relevant laws as well as environmental and social management guidelines. This aims to prevent and control any potential impacts from the company's operations that could pose risks or harm to society, the environment, safety, and health. Additionally, the company ensures accurate data management and provides accessible channels for disseminating information to the public, allowing stakeholders to conveniently access relevant information. The company also encourages community involvement by inviting feedback on projects that may affect the community, as well as suggestions or complaints arising from the company's activities. This initiative is part of the company's effort to build good relationships and support the development of the local community in various aspects.



Further information on the Social Responsibility Policy

can be found at [www.nerubber.com](http://www.nerubber.com) or by scanning the QR Code.

To ensure effective and efficient implementation of the policy, the company has established a Community Engagement Working Group, reporting directly to the Corporate Sustainability Development Committee. The group is chaired by Mr. Nattapon Inprakon, Assistant Vice President of Purchasing and Warehouse Management. It comprises 13 representatives from various departments, including Engineering, Production, Laboratory, Automotive, Marketing, Renewable Energy, Human Resources, and Warehouse. The group's responsibilities include studying and analyzing the community within a 10-kilometer radius of the company's operations, establishing connections and building relationships with the community, and analyzing impacts and expectations from the community. This information is used to plan and develop projects that support community engagement and development, along with tracking and addressing various issues related to the community.

Additionally, the Community Engagement Working Group will promote and encourage awareness among employees to participate in corporate social responsibility activities. They will report on the progress of community engagement initiatives to senior management and the Corporate Governance and Sustainability Oversight Committee for acknowledgment and consideration, providing further guidance on operations.





## Process for Managing Impact and Creating Value for the Community

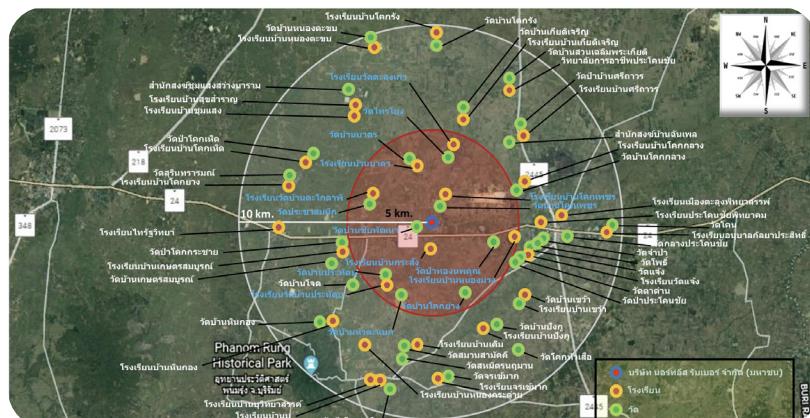
The company has established a framework for community care and development that enables effective management of negative impacts while appropriately creating positive value for the community. This promotes sustainable relationships and acceptance from stakeholders. The process follows these steps:



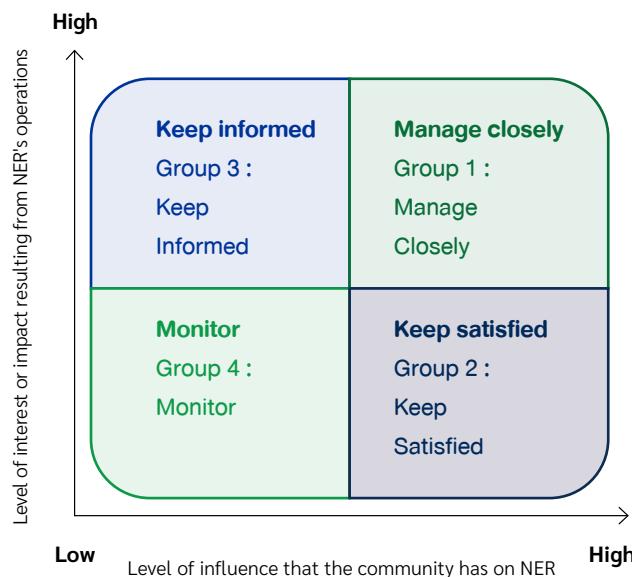
## 2024 Performance

### 1. Understanding the Community

The company conducted a survey of the area surrounding its establishment in Prakhonchai District, Buriram Province, within 10 kilometers from the factory location, covering eight sub-districts. The survey revealed 43 villages, 24 schools, and 37 temples within the area.



The company assessed and prioritized these communities based on criteria such as distance from the factory, levels of interest, and the impacts experienced, in addition to their influence on the company. Based on the assessment results, the communities were categorized into four groups, and the company has developed appropriate operational strategies for engagement with these communities according to their levels of importance as follows



### Group 1 : Manage Closely

Radius : Within 5 kilometers  
Level of impact: High  
Approach : Provide close attention and careful oversight

3 Sub-districts  
4 Villages  
3 Schools  
4 Temples

Household : 1,057 households  
Population : 4,413 persons  
Male : 2,194 persons  
Female : 2,219 persons  
Children under 6 years old : 231 persons  
Elderly over 60 years old : 572 persons  
People with disabilities : 68 persons  
Bedridden patients : 12 persons

### Group 3 : Keep Informed

Radius : Within 7-9 kilometers  
Level of impact: Low  
Approach : Communicate and provide information to foster understanding and a positive perception of the company.

6 Sub-districts  
8 Villages  
6 Schools  
11 Temples

### Group 4 : Monitor

Radius : Beyond a radius of 9 kilometers  
Level of impact: Very low  
Approach : Observe and monitor to prevent any impacts.

2 Sub-districts  
2 Villages  
2 Schools  
1 Temples

### Group 2 : Keep Satisfied

Radius : Within 5-7 kilometers  
Level of impact: Moderate  
Approach : Organize activities to foster relationships and maintain customer satisfaction with the company.

6 Sub-districts  
29 Villages  
12 Schools  
20 Temples



## 2. Building Relationships with the Community

The company has established various accessible communication channels with the community to ensure that everyone can receive accurate, complete, and timely information while also providing opportunities for the community to share opinions, ask for additional information, or submit suggestions conveniently. Furthermore, the company regularly engages with the surrounding community on a monthly basis through relationship-building projects and community participation initiatives, such as volunteer activities, support for community well-being, cultural preservation activities, funerary events for community members, and other community activities. Through these community engagement projects, the company interacts with a variety of individuals, including community residents, community leaders, community representatives, health volunteers, local government officials, teachers, students, and monks. This engagement allows the company to gather diverse perspectives, as well as direct information and insights from community members, facilitating appropriate analysis, evaluation, and planning for its operations.

	Official Company Website – Message Box for Contact Us
	NER News Group Line for communication with communities within a 5-kilometer radius
	Khok Mae Subdistrict Line Group for communication with the community in Prakhonchai District
	Coordination Line Group for village headmen in Khok Mae Subdistrict to communicate with community leaders where the company is located

## 3. Impact Assessment

In 2024, the company engaged in discussions with community representatives, including village heads, community leaders, health volunteers, community chairpersons, representatives from farmer groups, elderly community members, and representatives from a labor group. A total of 30 participants took part in the discussion on May 6, 2024, at the village hall in Ban Khok Phet and at the house of the village head. This engagement was a part of the process to develop an operational plan in collaboration with the community, in accordance with the Corporate Social Responsibility (CSR) standard set by the Department of Industrial Works.



From the discussions, it was found that the community was particularly interested in managing issues that directly impact their lives, including 1) health impacts and 2) environmental management. Additionally, the community expressed expectations regarding local economic conditions and the need for support in various cultural activities and educational initiatives within the community.

Furthermore, in November 2024, the company conducted field surveys to closely assess community opinions and satisfaction regarding the company's operations. The purpose of this survey was to listen to concerns, shortcomings, impacts, and unmet needs within the community, allowing the company to analyze the data obtained and plan operations that effectively respond to community needs, thus supporting the company's goals for sustainability.

## 4. Project and Activity Development

Based on the assessment of impacts and community needs, the company has established a framework for operations to care for and develop the community in four areas, including:



### 1. Community Health and Well-being

**Strategy:** Focusing on healthcare and promoting the quality of life for community members, particularly vulnerable groups residing within 5 kilometers from the factory.

**Management Approach:** Managing the impacts of the company's operations that may affect the health of community residents includes organizing health check-up activities and providing preventive healthcare for vulnerable groups, such as the elderly, children, and individuals with pre-existing health conditions. This initiative aims to ensure that the community members maintain their health and can live quality lives.

## Odor Pollution Management Program

Through feedback and consultations with community representatives, in 2024, the community expressed concerns regarding odor management stemming from the production process and raw material storage, fearing it could impact the health of local residents. In response to these concerns, the company has implemented the following measures:

following measures:

- Installed odor barrier curtains around the raw material storage building and implemented the use of natural extract odor neutralizers with high safety standards to prevent and reduce odors from raw material storage.
- Managed the wastewater treatment system to ensure compliance with legal standards.
- Installed three consecutive odor treatment systems for rubber production, including a cooling blower system, a wet scrubber system, and a bio filter system, to effectively prevent and treat odors generated from the rubber production process.

Following the management of odor issues related to the rubber raw material storage, the company received no complaints from community members. Furthermore, the health check results for vulnerable groups in the community revealed that there were five individuals experiencing respiratory problems or lung abnormalities, diagnosed by a medical specialist as having causes related to smoking. No individuals were found to be adversely affected by health issues related to the company's odor pollution.

## Health Check-Up Program for Vulnerable Groups in the Community (Second Year)

The company organized proactive health check-ups in four communities surrounding the factory: Ban Chai Phatthana and Ban Bat in Takaphi sub-district, Ban Krasang in Prathatbu sub-district, and Ban Khok Phet in Khok Ma sub-district, which are the primary target groups. A team of doctors and medical technicians offered a total of 17 health check-up services, including blood pressure measurements, blood glucose tests, and chest X-rays, as well as consultations and health advice. Additionally, health education was provided on daily healthcare, disease prevention, and health promotion for the elderly and vulnerable groups.

<b>Number of Participants in the Project</b>	405 community members, representing 86% of the target group
<b>Budget</b>	250,000 THB
<b>Benefits to the Community</b>	<ul style="list-style-type: none"><li>Access to healthcare services, timely awareness of personal health issues, and support for prevention and reduction of long-term disease risks.</li><li>Vulnerable groups in the community received comprehensive health check-ups from qualified doctors, leading to better understanding of health maintenance.</li></ul>
<b>Benefits to the Company</b>	<ul style="list-style-type: none"><li>Increased trust and confidence in the company's business operations within the community, fostering good relationships and strengthening community support for the company's activities.</li></ul>
<b>Satisfaction Score of the Project</b>	99.51%

## Community Health Service Station

To address the healthcare needs of the community, the company has designated space within its organization to serve as a health service center in collaboration with various government agencies, including the National Health Security Office (NHSO). They established a cervical cancer screening station utilizing the HPV DNA Test to identify genetic risks for cervical cancer on September 14, 2024. Additionally, the company collaborated with the Thai Red Cross on a mobile blood donation project, promoting this initiative to local community members and employees through the company's online channels. In 2024, awareness of these services was relatively low as it was the initial phase of the project. Therefore, the company plans to expand health check-up services in various formats and increase outreach through local community leaders, sub-district administrative organizations, schools, temples, and public announcements via community loudspeakers in 2025. This approach aims to better meet the community's healthcare needs and strengthen the company's role as a central health hub for the local area, while also fostering strong partnerships with government entities to collectively promote the health and well-being of the community.





2. Mobile dental clinic  
26-27 September 2024  
79 employees received services



## Volunteer Activities

The company has encouraged employees to participate in volunteer activities to assist the community in various ways. This includes a blood donation project in collaboration with Prakhonchai Hospital, which is organized monthly to support the supply of blood products for patients in need. A total of 366 participants, including employees and community members, participated in the blood donation drive, collecting 153,000 cc of blood. Additionally, there were volunteer activities for Ban Krasang School and Wat Prachasomnuk in Buriram Province, where the company engaged employees in enhancing the landscaping of the school and improving the aesthetics of the temple. Activities included painting, cleaning, and waste collection.



**NER GIVE  
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## Monetary and In-Kind Donations

The company has donated funds and drinking water to support organizations working on social development and various assistance projects, such as local hospitals, the Buriram Provincial Transport Office, and disaster relief initiatives in the northern region to aid affected communities and individuals. Additionally, the company has donated essential consumables such as food, clothing, books, and educational supplies to educational institutions, the Buriram Provincial Red Cross, local municipalities, and various foundations. This effort aims to enhance opportunities and promote equity in access to basic services for local residents, with a total value of 930,828 THB.



### 2. Youth Education and Learning Development

**Strategy:** Promoting learning and skill development for youth in the community within 5-7 kilometers

**Management Approach:** Organizing learning enhancement activities such as training sessions, workshops, or support for educational equipment for students and youth in the community to increase opportunities for skill and knowledge development, enabling them to build stable careers in the future.

## NER Project: Extracurricular Skills and Knowledge Competition

The company has launched a project to promote human resource development in the local community by supporting the enhancement of teaching and learning at nine schools within the community. This initiative positively impacts the knowledge and skills development of both lower and upper primary students. The participating schools include Ban Khok Phet School, Wat Ban Khok Klang School, Wat Ban Talung Kao School, Ban Krasang School, Wat Ban Prathatbu School, Ban Bat School, Wat Ban Takotaphi School, Wat Ban Khok Yang School, and Ban Nong Muang School. The project features competitive activities in the form of games, providing both educational value and entertainment. These activities effectively enhance skills in problem-solving, creativity, analytical thinking, and teamwork among participants.

<b>Number of Participants in the Project</b>	- A total of 139 elementary school students, including lower and upper primary levels. - 50 parents, teachers, and community members participated.
<b>Budget</b>	53,150 บาท
<b>Benefits to the Community</b>	<ul style="list-style-type: none"><li>Students gained access to learning resources through the NER Learning Library Project.</li><li>They developed skills outside the classroom, including deep learning, problem-solving, creativity, confidence, and teamwork. Additionally, they received scholarships to support future opportunities.</li><li>Schools received support in teaching and access to valuable resources.</li></ul>
<b>Benefits to the Company</b>	The organization has built a positive reputation as a supporter of youth education in the community, fostering strong relationships with local schools and the community at large.
<b>Satisfaction Score of the Project</b>	93.5%

## Scholarships

The company supported education for youth in the area by providing scholarships to students from Grade 1 to Grade 9, totaling 60 scholarships with a sum of 90,000 THB. This initiative was implemented during the National Children's Day event in 2024 at various schools and municipalities within 5 kilometers. The aim is to alleviate the financial burden on parents, support learning, and create educational opportunities for youth, who will grow to become key contributors to the sustainable development of the community and society in the future.



### 3. Sustainable Agriculture and Community Economy

**Strategy:** Supporting sustainable agriculture and community economic development by creating supplementary income for farming groups within the community, particularly through the utilization of resources available within the company.

**Management Approach:** Implementing initiatives to promote organic farming practices and supporting local community members with channels to sell their produce grown using organic residues from the company's factory. This includes organizing an internal market within the company where employees can purchase produce directly from local farmers.

## Local Employment

The company places significant importance on developing the economy and income of communities in all areas where it operates, aiming to enhance the quality of life for local residents. As part of this commitment, the company has a policy to prioritize hiring employees and workers from the local community, supporting local residents to work close to home, reducing migration, increasing rates of return to their hometowns, and promoting family cohesion.

As of December 31, 2024, the company employed 100% Thai staff, with 95.96% being from the Northeastern region and 795 individuals from Buriram Province, accounting for 84.48% of the workforce. The company offers wages that are equal to or exceed the minimum wage set for Buriram Province.



## Community Farmer Development

### Program to Enhance Raw Material Value

Agriculture is a vital foundation of the local economy, especially for communities heavily dependent on rubber production as their main source of income. Local farmers may lose income and face competitiveness issues if they do not meet stricter trading standards, such as the European Union Deforestation Regulation (EUDR), FSC-FM standards, or if they cannot comply with these standards. Therefore, the company organizes community farmer development programs to add value to rubber raw materials and prepare for international standards. This includes providing knowledge and developing production processes to meet global market acceptance, supporting assessment and traceability reporting, and encouraging farmers to produce rubber responsibly. Efforts also focus on health and safety, such as switching to safer latex coagulation agents like formic acid instead of hazardous sulfuric acid, which can affect respiratory health, and reducing residual chemicals in rubber cups, thereby improving flexibility and safety.





The community farmer development program consists of three sub-projects focused primarily on rubber farmers in Buriram Province, who are key raw material suppliers for the company. Participants include 117 farmers trained on FSC-FM standards, 1,346 farmers trained on the European Union Deforestation Regulation (EUDR), and 61 farmers receiving knowledge about producing high-quality rubber across 16 districts in Buriram Province. After hands-on training, participants showed increased knowledge and understanding, with a satisfaction score of 85%. The level of foreign material contamination in the raw materials received from these suppliers decreased from 10% in 2023 to 7%. Moreover, all farmers trained on EUDR and FSC standards (100%) passed the evaluation criteria, covering an area of 13,055 rai, with an estimated output of 3,773 tons per year. The company purchases raw materials that meet these standards at higher prices than standard materials to incentivize suppliers to improve their production processes according to international standards. This approach reflects the company's social and environmental responsibility. Developing farmers' capacity not only enhances the quality of the produce but also strengthens and sustains the local economy.

<b>Number of Participants in the Project</b>	<p>Farmers in 16 districts of Buriram Province</p> <ul style="list-style-type: none"><li>• FSC-FM standard: 117 participants</li><li>• EUDR standard: 1,346 participants</li><li>• Production of high-quality rubber: 61 participants</li></ul>
<b>Benefits to the Community</b>	<ul style="list-style-type: none"><li>• Farmers have increased income from selling rubber raw materials at higher purchase prices, driven by:<ul style="list-style-type: none"><li>- Higher percentage of dry rubber content (DRC) due to reduced contamination</li><li>- Complete documentation and certification of international standards such as EUDR or FSC-FM</li><li>- Use of formic acid instead of sulfuric acid</li></ul></li><li>• Reduced health risks related to respiratory systems from not using sulfuric acid</li></ul>
<b>Benefits to the Company</b>	<ul style="list-style-type: none"><li>• Improved raw material quality with contaminants reduced to 7% from 10% in 2023</li><li>• The company now has a product traceability rate of 10.26% of total production</li><li>• Achieved increased sales through market expansion and international distribution</li></ul>
<b>Satisfaction Score of the Project</b>	85%



## Green Market Project

The surrounding community near the company's establishment primarily consists of non-rubber farmer residents. Therefore, the company promotes sustainable agriculture practices that help restore environmental quality and improve the health of farmers. This includes supporting knowledge dissemination on the cultivation of chemical-free vegetables using napier grass residues, a by-product of biogas production, which is certified for quality by the Central Laboratory (Thailand) as an alternative to chemical fertilizers. Additionally, the company has established a "Green Market" project as a continuation of the NER initiative, aimed at promoting sustainable community agriculture that was implemented in 2023. This project provides a channel for local farmers to increase their income by allocating space in front of the factory for them to sell their products which include chemical-free vegetables, agricultural yields, and a variety of environmentally friendly local products. This initiative not only provides supplementary income for farmers but also improves their health by reducing the risk of exposure to contaminants from chemical fertilizers. Moreover, the majority of buyers at the market are company employees, who also benefit from consuming safe, chemical-free produce.

<b>Number of Participants in the Project</b>	42 farmers
<b>Budget</b>	24,400 THB
<b>Benefits to the Community</b>	<ul style="list-style-type: none"> <li>Farmers have additional income, with total sales of 172,989 THB in 2024, and their average income increased by 53% compared to production costs.</li> <li>Reduce environmental impact from the use of chemicals in agricultural processes.</li> <li>Decrease unemployment among the elderly in the community.</li> </ul>
<b>Benefits to the Company</b>	<ul style="list-style-type: none"> <li>Employees can lower living costs through subsidies for affordable, pesticide-free vegetables and feel relaxed by participating in activities that allow them to purchase cheap products.</li> <li>Maintain good relationships, fostering bonds and support from the community for the company's business operations.</li> </ul>
<b>Satisfaction Score of the Project</b>	98.10%





#### 4. Local Cultures and Traditions

**Strategy:** Participation in and support for various cultural and religious activities of the community and educational institutions, encompassing both religious and traditional cultural aspects.

**Management Approach:** Participation in various cultural events organized by the community, educational institutions, or community members, such as the Buddhist Lent festival, funerary rites for community members, Children's Day events, etc.

Preserving local cultural traditions is an expectation from the community for the company to participate in and support, serving as a way to build strong relationships with the community. Engaging in activities that reflect local culture and traditions is essential for promoting understanding and a close relationship between the company and the community. In 2024, the company participated in significant religious and cultural events alongside the local community and supported the conservation and promotion of positive cultural practices, such as providing candles for the Buddhist Lent festival at nine temples in the Prakhonchai District, including Wat Klang, Wat Ta Dan, Wat Sai Yong, Wat Ban Khok Phet, Wat Ban Chanple, Wat Ban Bat, Wat Ban Prathat Bu, Wat Prachasanuk, and the Chai Phatthana Meditation Center. Additionally, the company participated in annual Kathina robe offering ceremonies to help uphold traditional religious practices at 10 temples and meditation centers, including Phichit Samakkee Tham Shelter, Chai Phatthana Shelter, Khok Phet Shelter, Keti Charoen Shelter, Ban Chanple Wat Sai Yong, Wat Prachasanuk, Wat Pa Khok Klang, Ban Bat Temple, and Khao Hin Kong Temple.

Moreover, the company has engaged in various other activities, such as organizing merit-making events to promote unity within the community and hosting Children's Day events that focus on creating happiness and inspiration for the youth in the community. Participation in these activities reflects the company's genuine intention to be a true part of the community, not only supporting the conservation of cultural traditions but also enhancing goodwill and trust between the company and the community.

Thod Krathin 2024



1. Pichit Samakkham Dharma Monastery, Ban Kok Klang, Kok Klang Sub-district, Prakhonchai District



2. Tai Yong Temple, Tanung Kao, Kok Ma Sub-district, Prakhonchai District



3. Ban Chai Phatthana Sangha Shelter, Takoh Phi Sub-district, Prakhonchai District



4. Tai Yong Temple, Tanung Kao, Kok Ma Sub-district, Prakhonchai District



5. Kokkephet Sangha Shelter, Kok Ma Sub-district, Prakhonchai District



6. Khao Klang Forest Temple, Kok Ma Sub-district, Prakhonchai District



## 7. Ban Bat Temple, Takoh Phi Sub-district, Prakhonchai District



8. Kiat Charoen Sangha Shelter, Kok Ma Sub-district,  
Prakhonchai District



## 9. Wat Chan Pla Monastery, Kok Ma Sub-district, Prakhonchai District



10. Khao Hin Kong Temple, Prachat Bu, Prakhonchai District, Buriram Province





## 5. Monitoring and Evaluating Performance

The company places great importance on monitoring and evaluating the various projects undertaken to utilize the gathered data for developing and improving initiatives that genuinely meet the community's needs. The Sustainability Development department and the community engagement working group have been assigned to conduct community satisfaction surveys through interviews and questionnaires. Surveys are conducted following the completion of projects to assess their effectiveness and identify areas for improvement, as well as to evaluate which projects received positive feedback or created significant social impacts warranting continuation in the future. The surveys are conducted by the community engagement working group using various methods, such as interviews and online questionnaires that can be easily accessed via QR codes. The questionnaires utilize a 5-point rating scale for evaluation and include open-ended questions for respondents to provide additional comments.

The survey results indicated that participants in the company's activities rated their satisfaction with the various projects at an average of 86.33%, exceeding the community project satisfaction target set at a minimum of 80%. Participants also expressed a desire for the company to continue its projects to monitor changes within the community, particularly regarding healthcare for vulnerable groups in the community.

### Investments and Expenses for Community and Social Development

In 2024, the company implemented a total of seven main community development and engagement projects, along with nine activities, within the target community area encompassing a radius of 10 kilometers (including 8 sub-districts, 43 villages, 24 schools, and 37 temples), with a total population of 58,883 people. A total of 24,931 participants from the community took part in these activities, representing 42.34% of the target group.

Details	Community (sub-districts)	Population (persons)	Vulnerable population (persons)
Number of target communities and population	8	58,883	469
Number of communities and population participating in the programs/activities	8	24,931	405
Proportion of communities and population participating in the programs/activities within the target group	100%	42.34%	86.35%

The company allocated a budget of 5.5 million THB for community development projects and social investments throughout 2024.

### Management of Community Complaints

The company places great importance on managing the impacts on the community and the environment resulting from its business operations, whether these activities are conducted by the company itself or by its contractors. To facilitate community and other stakeholders' feedback and complaints, the company has established a complaints channel and a complaint management process following the environmental procedures (QP-ENV-001). This allows the community and stakeholders to express their opinions and raise various issues directly. The company has defined a clear procedure for managing complaints that encompasses receiving the complaint, evaluating it for corrective actions, conducting meetings, summarizing solutions, and providing feedback to the individuals or organizations that lodged the complaints, along with appropriately and fairly remedying those affected. This process aims to build trust within the community and among stakeholders, demonstrating the company's genuine intention to listen and respond to concerns or issues transparently and promptly. Furthermore, this approach allows the company to efficiently identify and manage problems, reducing negative impacts on the community and the environment and fostering strong relationships.

In 2024, the company received no complaints related to environmental impacts or the health and well-being of the local community. The company has verified with local government agencies to ensure that the community is not negatively affected by its operations and remains prepared to prevent any potential impacts on the community in all aspects moving forward. This reflects the company's commitment to conducting business responsibly and genuinely creating positive impacts for the community.

## Community Engagement

In 2024, the company conducted its first community engagement survey to assess the satisfaction and attitudes of local residents toward the company's operations. The results of this survey were utilized to identify strengths and weaknesses in building relationships with the community and to adjust strategies accordingly to better meet the needs and expectations of local residents.

The company designated a community engagement working group to collect data through questionnaires and in-depth interviews, targeting individuals living within a 5-kilometer radius. This included three sub-districts and four villages: Ban Chai Phatthana and Ban Bat in Takotapi sub-district, Ban Krasang in Prathatbu sub-district, and Ban Khok Phet in Khok Ma sub-district. The sample consisted of 285 respondents, with one representative from each household.

The survey results indicated that community members place the highest importance on the community relations projects and activities organized by the company, and they acknowledged that the company is an integral part of the community, playing a significant role in supporting and improving the quality of life for local residents. The engagement score from the community towards the company was recorded at 88%, which meets the established target.



“The company's support and organization of various activities for the community help drive positive change. These include participating in Buddhist preservation and providing health check-ups for community members, which are important and highly valuable activities. We hope that the company will continue to assist and support the community in this manner in the future.”

**Phrakhru Baidika Somchart Suchato**  
**Abbot of Ban Chai Phatthana Monastery**



## RUBBER AND BEYOND

We pay attention to detail in every production process under the highest standards to deliver premium natural rubber products that effectively meet market demands. Additionally, we are expanding into downstream industries to enhance the value of natural rubber and promote sustainable growth in the local economy.

- Sustainable Supply Chain
- Enhancing Good Customer Experience
- Value-added Product and Process Development



# SUSTAINABLE SUPPLY CHAIN

Materiality Issue	Impact, Risk, and Opportunity																
<b>11. Sustainable Supply Chain</b> <ul style="list-style-type: none"> <li>Supply chain risk management</li> <li>Traceability</li> <li>Responsible sourcing of raw materials</li> <li>Transparency in procurement</li> <li>Capacity building for suppliers and farmers</li> </ul>	Conducting business with suppliers who pose economic, environmental, labor, or governance risks can lead to various challenges, including financial impacts, loss of trust from investors and customers, legal issues, as well as environmental destruction and human rights violations. These risks not only affect the organization's image but also diminish its competitiveness in the global market and long-term sustainability.																
<b>Contribution to SDGs</b>  <table border="1"> <tr> <td>2. NO POVERTY</td> <td>3. GOOD HEALTH AND WELL-BEING</td> <td>5. GENDER EQUALITY</td> <td>8. DECENT WORK AND ECONOMIC GROWTH</td> </tr> <tr> <td>2.3</td> <td>3.9</td> <td>5.2</td> <td>8.3, 8.7, 8.8</td> </tr> </table> <table border="1"> <tr> <td>10. REDUCED INEQUALITIES</td> <td>12. RESPONSIBLE CONSUMPTION AND PRODUCTION</td> <td>15. LIFE ON LAND</td> <td>16. PEACE, JUSTICE AND STRONG INSTITUTIONS</td> </tr> <tr> <td>10.3</td> <td>12.4</td> <td>15.1</td> <td>16.2, 16.5, 16.6</td> </tr> </table>	2. NO POVERTY	3. GOOD HEALTH AND WELL-BEING	5. GENDER EQUALITY	8. DECENT WORK AND ECONOMIC GROWTH	2.3	3.9	5.2	8.3, 8.7, 8.8	10. REDUCED INEQUALITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION	15. LIFE ON LAND	16. PEACE, JUSTICE AND STRONG INSTITUTIONS	10.3	12.4	15.1	16.2, 16.5, 16.6	Effective and responsible supply chain management is, therefore, a crucial component to promote sustainable growth for companies while minimizing risks posed by suppliers. This approach not only benefits the business but also helps reduce negative environmental impacts and human rights risks. Additionally, developing suppliers contributes to elevating the quality standards of those suppliers, supporting the company's business expansion for mutual long-term growth.
2. NO POVERTY	3. GOOD HEALTH AND WELL-BEING	5. GENDER EQUALITY	8. DECENT WORK AND ECONOMIC GROWTH														
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	Long-term Goals 2028	2024 Goals	2024 Performance
Percentage of critical suppliers assessed for sustainability risks to total suppliers	100%	50%	51%
Percentage of natural rubber from small suppliers to the total amount used in production	More than 20%	5%	5.16%



## MANAGEMENT APPROACH

The company emphasizes responsible and sustainable supply chain management to mitigate risks from suppliers that may impact the business, as well as the environment and the human rights of various stakeholders. It is focused on developing a supply chain that is transparent, fair, flexible, and aligned with international quality standards. The company has established a "**Procurement Policy**" group, which consists of:

The "**Procurement Policy**" aims to provide a framework for operations and practices in procurement that is fair suppliers and responsible towards the environment, while also promoting value creation for local communities.

The "**Responsible Sourcing Policy**" serves as a guideline for conducting business with suppliers and acts as an operational framework for creating sustainability throughout the supply chain to reduce risks and mitigate negative impacts on the environment, society, and economy across the supply chain.

The "**Raw Material Payment Policy**" supports the procurement of raw materials from smallholder farmers.

The company has established regulations for procurement for suppliers and employees, outlining clear guidelines under applicable regulations and laws covering business ethics, human rights, safety, and environmental considerations. This is in accordance with the procurement policy principles that align with sustainable business practices, aiming to promote confidence, trust, and cooperation among the company, its suppliers, and relevant stakeholders.



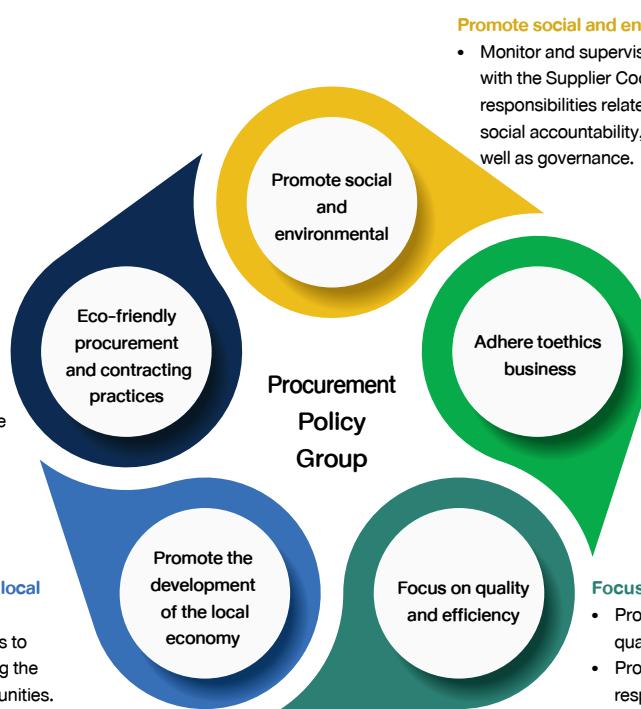
For further information on the procurement policy, please visit [www.nerubber.com](http://www.nerubber.com) or scan the QR Code.

**Eco-friendly procurement and contracting practices**

- Promote the procurement of environmentally friendly products and services.
- Support the use of products derived from renewable resources and that do not cause environmental pollution.

**Promote the development of the local economy**

- Create opportunities for workers to develop their careers, enhancing the quality of life within local communities.
- Promote the procurement of raw materials from small-scale suppliers.

**Promote social and environmental responsibility**

- Monitor and supervise suppliers to ensure compliance with the Supplier Code of Conduct, encompassing responsibilities related to environmental management, social accountability, human rights, safety and hygiene, as well as governance.

**Adhere to business ethics**

- Conduct business ethically, without exploiting the supplier, and treat all partners equally while promoting their active participation.
- Ensure transparency in procurement processes and strictly adhere to relevant regulations and laws.
- Manage risks effectively and implement efficient oversight and control measures.

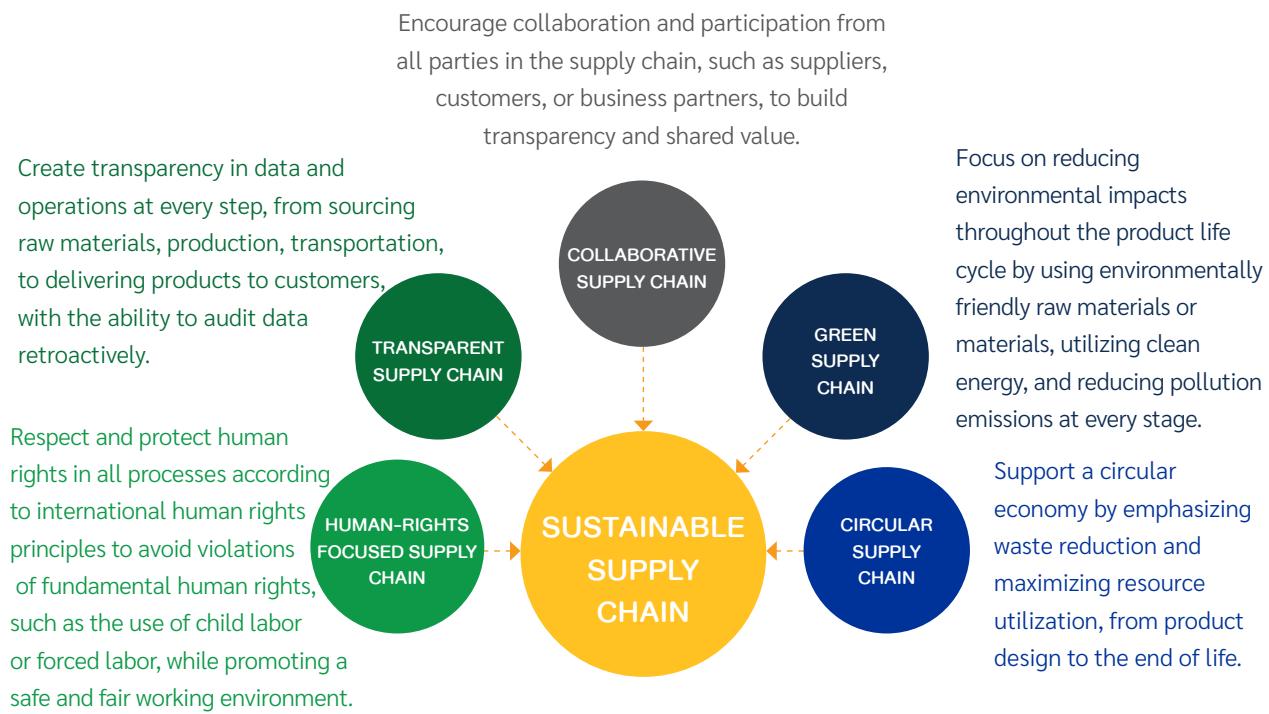
**Focus on quality and efficiency**

- Procure and contract based on clearly defined quality, price, quantity, methods, and criteria.
- Provide efficient services with prompt responses to ensure effectiveness.

The company has assigned a working group on consumer-supplier practices, led by the Purchasing Manager, who is responsible for implementing the policy to achieve the set goals. This includes managing suppliers in the supply chain in accordance with practices and international standards to reduce supplier risks, enhance efficiency and quality, increase value, and reduce costs for the company. Additionally, the code of ethics for suppliers will be developed and disseminated to communicate the company's commitment to conducting business with integrity, transparency, and social and environmental responsibility throughout the supply chain. Progress reports will be submitted to senior management on a monthly basis, as well as summary reports to the Corporate Sustainability Development Committee and the Corporate Governance and Sustainability Development Committee in due course.



The company has established strategies to develop a sustainable supply chain as follows:



## 2024 Performance

The company has developed a supplier code of conduct that aligns with its code of conduct and international best practice standards. Training and communication efforts have been implemented to ensure that suppliers understand the importance of conducting business responsibly concerning the environment and society, as well as adhering to good governance practices. This code serves as a guideline for suppliers to align their operations with the company's practices. It is mandated that all tier-1 direct suppliers (Tier-1 suppliers) and new suppliers sign acknowledgement of the code from the start of the registration process. The company has established a process to monitor supplier operations and evaluate their performance to ensure compliance with the supplier code of conduct. Suppliers must be able to demonstrate adherence upon request. To assess compliance, the company employs various methods based on the risk levels of the suppliers, such as requiring suppliers to self-certify their adherence to the code, conducting on-site audits, or utilizing questionnaires.



For more information on the Supplier Code of Conduct, please visit [www.nerubber.com](http://www.nerubber.com) or scan the QR Code.

In 2024, the company communicated the code of conduct to suppliers and facilitated their signing of the supplier code of conduct as follows:

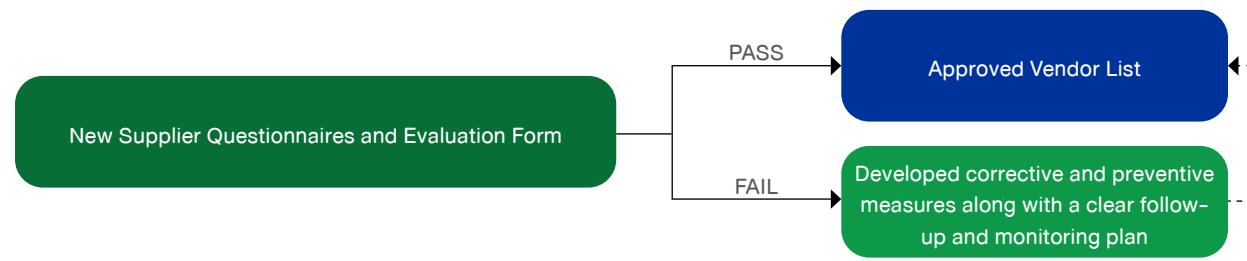
Supplier Code of Conduct	2024
<b>Tier-1 Suppliers</b>	
<ul style="list-style-type: none"> <li>• <b>Communicated</b></li> <li>• <b>Signing acknowledgement</b></li> </ul>	100% 100%
<b>New suppliers</b>	
<ul style="list-style-type: none"> <li>• <b>Signing acknowledgement</b></li> </ul>	100%

The company follows operational guidelines to develop a sustainable supply chain as follows:



## Selection and Registration of New Suppliers

The company has established guidelines for the consideration, selection, and registration of new suppliers by conducting preliminary assessments of suppliers and contractors before procurement. This is done using a questionnaire that evaluates four key qualification areas and verifies relevant quality certification documents. Additionally, all new suppliers must undergo a sustainability risk assessment encompassing environmental, social, community rights, health and safety, and governance aspects using a self-assessment form prior to registration.



### Initial evaluation criteria across four key areas:

- 1) Technical capability
- 2) Quality assurance and control (QA/QC)
- 3) Safety, Occupational Health, and Environment (SHE)
- 4) Financial stability, including assessments of ethics and compliance with labor laws

### Risk assessment form items include:

1. Working environment
2. Welfare and working conditions
3. Labor laws compliance
4. Safety management
5. Employee hygiene and health
6. Environmental management
7. Governance and ethics

### Criteria for evaluating new and existing suppliers

Score	Meaning
5	Possess international-level competence and ongoing improvement
4	The system has been fully implemented with documented evidence verifying its effectiveness.
3	The system has been implemented at 50-80%, with relevant evidence of the associated outcomes.
2	The system has been implemented at 0-40%, with no improvements made to address deficiencies.
1	Familiar with the system, but there is no documented evidence or implementation.

### Scoring criteria:

91-100	= Excellent
81-90	= Good
71-80	= Pass
0-70	= Needs Improvement



When a new supplier achieves a passing score and demonstrates no economic, social, environmental, or governance risks, and signs the supplier code of conduct, the company will proceed with the registration of the new supplier. However, if the score does not meet the evaluation criteria or if there are identified risks, the supplier must implement corrective measures or develop preventive actions and a clear monitoring plan to achieve an acceptable score before being registered as a new supplier with the company.

In 2024, the company registered a total of 161 new suppliers, all of whom passed the selection process outlined, representing 100% of all new suppliers.

## Classification of Suppliers

### Identification of Critical Suppliers

In 2024, the company had a total of 495 tier-1 suppliers and contractors in the supply chain. Among these, there were 267 raw material suppliers, accounting for 53.93% of the total number of suppliers.

The company has analyzed and identified critical suppliers from all suppliers and contractors that deliver goods and services in the supply chain. The criteria for evaluating critical suppliers include the procurement value, being a seller of products that are essential to the business, and being few in number in the market or unable to find alternative products. The criteria are as follows:

#### Critical tier-1 suppliers

- Suppliers with annual procurement values exceeding 2 million THB
- Suppliers that sell over 3,000 tons of natural rubber (the company's primary raw material) annually
- Suppliers that are few in number in the market or unable to find alternative products

#### Critical non-tier 1 suppliers

- Suppliers that provide essential raw materials to critical tier-1 suppliers or other partners in the upstream supply chain.
- Suppliers that offer products or services that are indispensable and can significantly impact production, product quality, or delivery timelines.

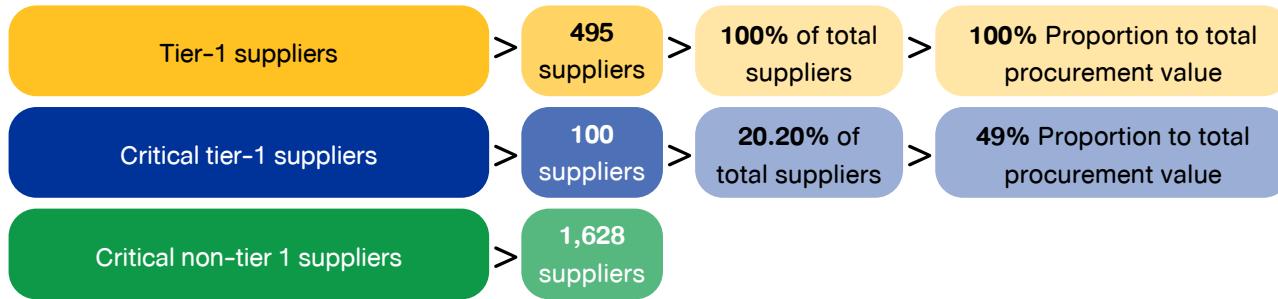
The analysis revealed that there are 100 critical tier-1 suppliers, representing 20.20% of all suppliers. These suppliers account for 49% of the total procurement value. Among these critical suppliers, 44 are raw material suppliers, making up 44% of all critical tier-1 suppliers.

Additionally, there are 1,628 critical non-tier 1 suppliers, among which 1,346 are raw material suppliers, accounting for 82.67%.





## Types of Suppliers



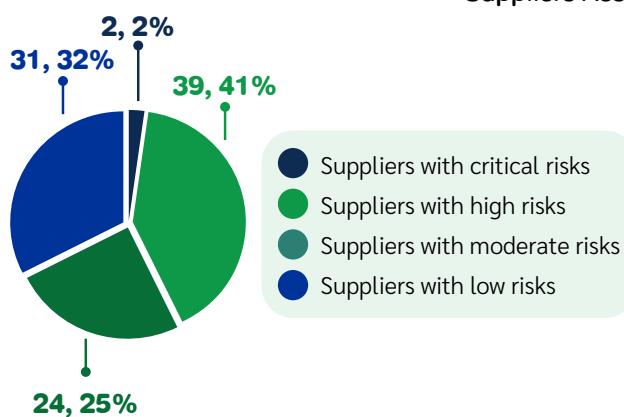
## Risk Assessment in the Supply Chain

The company conducts risk assessments of suppliers that may impact its business operations as well as society and the environment at least once a year. This is achieved through supplier assessments, interviews, and document verification, covering economic risks such as quality, timeliness, consistency of delivery, and sourcing; environmental risks including compliance with environmental laws, management, and prevention of impacts on the environment and natural resources; social risks like labor practices, respect for community rights, and safety; as well as governance issues such as fair competition and anti-corruption measures. The company classifies risk levels based on evaluation scores and establishes additional operational guidelines for suppliers with varying risk levels as follows:

Risk Level	Score	Operational Guidelines for Risk Control and Monitoring
Low	91-100	<ul style="list-style-type: none"><li>Annual supplier assessments through documentation</li></ul>
Moderate	81-90	<ul style="list-style-type: none"><li>Supplier assessments through documentation and on-site audits every 2 years</li></ul>
High	61-80	<ul style="list-style-type: none"><li>Supplier assessments through documentation and on-site audits every year.</li><li>Requirement to create an action plan for rectification within a specified time frame.</li><li>Forming comprehensive supplier contracts that include conditions related to risk, such as penalties for non-compliance, specifying rights to terminate the contract in the case of excessive risk, and preparing a backup plan in case of supplier failure to deliver goods/services.</li><li>Providing management guidance, training, or establishing improvement measures, along with continuous monitoring and evaluation of supplier performance.</li><li>Developing a contingency plan for scenarios requiring a change of suppliers or cessation of joint business operations.</li></ul>
Critical	0-60	<ul style="list-style-type: none"><li>Immediate assessments through documentation and on-site audits.</li><li>Requirement for immediate corrective action.</li><li>Forming comprehensive supplier contracts that include conditions related to risk, such as penalties for non-compliance, specifying rights to terminate the contract in the case of excessive risk, and preparing a backup plan in case of supplier failure to deliver goods/services.</li><li>Providing management guidance, training, or establishing improvement measures, along with continuous monitoring and evaluation of supplier performance.</li><li>Developing a contingency plan for scenarios requiring a change of suppliers or cessation of joint business operations.</li></ul>

In 2024, the company assessed tier-1 suppliers with purchasing values exceeding 1 million THB, totaling 96 suppliers, which accounts for 19.39% of all suppliers. No suppliers were found to have economic or governance-related risks. However, two suppliers, representing 0.40% of all suppliers, were identified as having high environmental risks related to odor management and the use of chemicals in cultivation. The company responded by conducting document-based evaluations and immediate on-site audits for these suppliers, providing guidance on managing odors and training suppliers on chemical usage and potential hazards, along with ongoing monitoring and performance evaluation.

Additionally, there were 39 suppliers identified with high risks, accounting for 7.88% of all suppliers. Among these, there were 20 suppliers with high environmental risks related to issues such as odor management and waste, and 19 suppliers with high social risks concerning occupational health and safety, including the use of personal protective equipment (PPE). The company has required these suppliers to develop operational improvement plans within specified timeframes and has included relevant risk-related conditions in supplier contracts, such as penalties for non-compliance, the right to terminate contracts if excessive risks are identified, and the establishment of contingency plans in the event of suppliers failing to deliver products/services. As of 2024, the company has not terminated any business relationships with assessed suppliers (0%).



In 2024, the company conducted assessments of the rubber plantations of its raw material suppliers in accordance with the European Union Deforestation Regulation (EUDR). Suppliers were required to perform a comprehensive risk assessment (Due Diligence System: DDS) on their own through the Agridence Rubber Platform. A total of 1,346 suppliers completed this assessment, representing 82.67% of critical non-tier 1 suppliers.

## Supplier Audits

The company conducts on-site audits of suppliers that cover economic, environmental, social, and governance issues. The criteria and frequency of these evaluations are based on the risk levels of the suppliers, with the purchasing department and requesters responsible for the audit. The company will prepare a plan for evaluating each type of supplier and will send a notice requesting the audit, specifying the visit date, time, and relevant documents related to the evaluation criteria in advance. In 2024, the company had 41 suppliers that fell within the criteria for on-site evaluation. The company has successfully completed the assessments for all 41 suppliers, representing 100% of the total number of suppliers that required evaluation.

### 2024

The total number of suppliers that need to undergo on-site audits

**41**

Critical tier-1 suppliers

**17**

Non-critical tier-1 suppliers

**24**

New suppliers

**0**

The number of suppliers that have successfully completed on-site audits in the reporting period

**41**

Critical tier-1 suppliers

**17**

Non-critical tier-1 suppliers

**24**

New suppliers

**0**

## Capacity Building for Suppliers and Farmers

Developing a sustainable supply chain that aligns with international standards or various regulations requires significant knowledge and engagement from suppliers, particularly those supplying key raw materials in the production process. The company focuses on raising awareness among raw material suppliers about responsible business practices, providing education on the quality and productivity of rubber, along with guidelines that comply with human rights principles and new regulation changes both domestically and internationally that affect the rubber industry.

The company has assigned the purchasing department to survey the cultivation areas of raw material suppliers and to engage with farmers, addressing their concerns related to rubber cultivation. Key issues of high interest and significant impact to farmers—such as economic factors, health and safety, and environmental considerations—were identified. These issues are then incorporated into training programs aimed at educating farmers on these topics.

## FSC-FM Standards Training Program

The Forest Stewardship Council (FSC) is a significant certification standard for the natural rubber industry, providing certification for sustainable forest management and responsible supply chain practices, such as ethical labor practices and transparency within the supply chain. Obtaining FSC certification helps prevent deforestation, protect biodiversity, and support fair labor practices, while also enhancing traceability from the planting area to the final product.

Currently, FSC certification has become increasingly important in addressing environmental, social, and economic challenges within the value chain of the natural rubber industry, creating both risks and business opportunities for the company due to shifting global customer demands. Therefore, the company emphasizes the use of FSC-certified raw materials and aims to increase the proportion of FSC-certified Forest Management (FM) resources to ensure that forests are managed in a way that preserves biodiversity, benefits local communities, and maintains ecological balance.

The company has participated in training programs to develop knowledge on registration and obtaining FSC-FM certification, as well as promoting sustainable forestry management. The company has applied this knowledge in collaboration with the Non Suwan Rubber Fund Cooperative to pursue FSC-FM registration. A total of 117 employees and farmers participated in the training, representing 100% of the farmers who received FSC-FM certification. This initiative covers a rubber plantation area of 3,056.12 rais, with 362.23 rais owned by the company, accounting for 11.85% of the total rubber plantation area. The company is currently working on increasing the proportion of FSC-FM certified raw materials used in production.



## Low Emission Support Scheme (LESS)

The company has plans to reduce other greenhouse gas emissions (Scope 3), which primarily originate from the transportation of raw materials from suppliers. To address this, the company has sought and selected suppliers who are committed to adapting to climate conditions and have approaches to reducing greenhouse gas emissions. Recognizing that suppliers may not fully understand this issue, the company focuses on enhancing the capacity of local suppliers to learn and understand how to reduce greenhouse gas emissions in their operations as a priority. The company promotes participation in the Low Emission Support Scheme (LESS) run by the Thailand Greenhouse Gas Management Organization (Public Organization), offering consulting support to suppliers in preparing and verifying data related to greenhouse gas reduction activities. These activities may include reducing electricity usage, waste segregation, decreasing chemical fertilizer use in agriculture, reducing fuel consumption for transportation, and tree planting.

In 2024, 32 suppliers participated in the LESS program, with five being awarded certificates, representing 15.63% of all participating suppliers. The activities contributed to an estimated reduction of approximately 40 tons of carbon dioxide equivalent emissions. The company aims to support raw material suppliers in obtaining carbon footprint certification for their products in the future, enabling the calculation of other greenhouse gas emissions (Scope 3).

### Performance of the suppliers participating in the LESS project



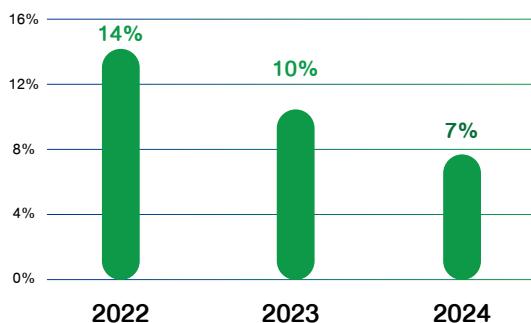
### NER for Sustainable Supply Chain Development Project - Year 3

The company has continued the “NER for Sustainable Supply Chain Development” project for the third consecutive year, training farmer suppliers in 16 districts of Buriram Province, totaling 61 participants. The training provided knowledge about rubber production, including achieving high-quality rubber, identifying contaminants, factors affecting tapping and latex yields, the sourcing of latex, and product delivery. The aim is for farmer suppliers to produce high-quality raw materials that can increase income for smallholders, suppliers, and middlemen in the main sourcing areas.

As a result of developing farmer suppliers under this project, the quality of raw materials has improved, reducing the contamination of the materials entering the company’s production system. This also fosters responsible rubber production processes that are accepted in international markets, such as transitioning to the use of formic acid as a coagulant for latex, which poses less health risk than sulfuric acid. Additionally, data recording has been implemented to enable traceability of raw material sources through coding on raw rubber sheets and smoked rubber sheets, as well as GPS tracking on cup lump rubber. Farmers can apply the knowledge gained to improve the quality of their products and increase their value. Furthermore, the company actively communicates updates and information about changing market dynamics and trends to prepare farmer suppliers to adapt and respond effectively to sustainable rubber trading industry practices.

Throughout 2024, training participants rated their satisfaction with the project at 85%. These trained participants supplied 87.99% of the total raw materials purchased by the company. The company found that the raw materials received from suppliers had a contamination rate of 7%, a decrease from 10% in 2023, indicating a continuous improvement in the quality of local farmer rubber production. Additionally, 38 supplier suppliers have implemented coding to enable traceability, resulting in 10.26% of products produced being traceable.

**Proportion of Contaminated Raw Materials to Total Amount of Raw Materials**





## MR. JIRAWAT JUNGTRAKUL

### Raw material farmer and a critical tier-1 supplier

"I am pleased to participate in the "NER Project for Sustainable Supply Chain Development, Year 3," which reflects the company's genuine commitment to caring for its suppliers. NER has conducted this training program excellently, enabling me to understand the responsible procurement practices of rubber, which are a crucial foundation for our mutual sustainable development and growth in the future."

## Supplier Development Program for EUDR (EU Deforestation Regulation)

The European Union has currently enacted the EU Deforestation Regulation (EUDR), which aims to reduce deforestation in the supply chain of rubber and wood products. This regulation mandates that products exported to the EU must be deforestation-free and have clear traceability back to their sources. As a result, this creates potential risks in the supply chain, such as increased costs related to reporting and tracing the supply chain, or small suppliers potentially losing their competitive edge by failing to meet EUDR criteria or being unable to comply.

In response, the company has initiated a project to develop suppliers toward EUDR compliance to prepare its raw material suppliers and smallholders in the supply chain. The program encompasses knowledge and understanding of the EUDR and its impacts on the agricultural sector, along with practical guidelines for compliance with EUDR requirements, traceability, conservation of natural resources, and obtaining relevant certifications and international standards, along with the benefits or returns from participating in the program.



In 2024, a total of 1,346 rubber farmers participated in the EUDR program, all of whom are raw material suppliers for the company and include critical non-tier 1 suppliers, representing 82.67% of such critical suppliers. The company conducted assessments of raw material suppliers' plantations according to EUDR standards, in addition to the regular evaluations. Suppliers were asked to self-assess through the Agridence Rubber Platform. It was found that all 1,346 suppliers passed the assessment (100%), corresponding to 13,055 rais of rubber plantation area that met EUDR criteria, with an expected annual yield of 3,773 tons. The company supports its suppliers by purchasing raw materials that meet the EUDR standards at prices higher than those of conventional raw materials, incentivizing suppliers to develop their production processes in line with international standards while simultaneously creating value for society and the environment.

Benefits to Suppliers	Benefits to the Company	Benefits to the Environment
<ul style="list-style-type: none"> <li>Enhance knowledge and understanding in rubber plantation management according to international standards.</li> <li>Produce rubber that meets EUDR standards, which can be sold at an average price 5.34% higher than the regular rubber price.</li> </ul>	<ul style="list-style-type: none"> <li>Enables the company to export products to the EU market without restrictions.</li> <li>Allows for higher selling prices in response to the demand for sustainable rubber.</li> <li>Reduces risks in the supply chain related to legal violations, deforestation, and labor issues.</li> <li>Enhances consumer confidence.</li> </ul>	<ul style="list-style-type: none"> <li>Helps promote sustainable land use, reduce soil degradation issues, and increase production efficiency in the long term.</li> </ul>

## Responsible Sourcing of Raw Materials

The company believes that sustainable success must be based on systematic responsibility towards society and the environment in all business processes of the company and its suppliers. Therefore, a Responsible Sourcing Policy has been established to ensure that the procurement or sourcing processes of the company will help reduce negative impacts on the environment, society, and economy across the supply chain, while also creating value and sustainability for all stakeholders. Transparency and respect for human rights are considered core principles.

In addition, the company promotes the operations of suppliers and supports the procurement of raw materials from sources that are certified as environmentally friendly, such as the Forest Stewardship Council (FSC) standards and the EU Deforestation Regulation (EUDR). The company also undertakes additional actions to provide assurance to stakeholders regarding raw material procurement as follows:

### Fair and Transparent Sourcing of Raw Materials

The company is committed to conducting the procurement of raw materials with integrity and fairness, establishing criteria, measures, and practices that are open, transparent, and verifiable. It places importance on all suppliers without discrimination and has developed a raw material procurement system that ensures equitable benefits between large and small suppliers. The procurement policy is communicated to all distributors and rubber farmers to ensure widespread understanding.

In 2024, the company implemented the following initiatives:

- In the procurement of rubber, buyers typically assess the rubber content through estimation or visual assessment, which can affect the calculation of raw material costs and may result in farmers not receiving accurate income from the sale of rubber. The company has therefore developed scientific methods and standards for analyzing the quality of rubber to ensure transparency and verifiability. This involves analyzing the rubber content, known as Dry Rubber Content (DRC), in a laboratory accredited under the ISO/IEC 17025:2017 standard. This test yields more accurate and reliable results that ensure fairness to suppliers.
- The company announces prices in advance through various channels so that suppliers are informed before making decisions to sell raw materials. The purchasing price is based on the central market price set by the Rubber Authority of Thailand or verified prices from credible sources, and these prices are updated regularly to reflect the current market conditions.
- Procurement of local raw materials not only enhances business efficiency through stable sourcing but also reduces costs and energy consumption during transportation. Additionally, it contributes to the sustainable development of local communities, economies, and environments. The company is committed to supporting local economic development, especially grassroots economies, by purchasing rubber from smallholder farmers and local small enterprises without limiting itself to any specific group. It also provides appropriate weighing and measuring equipment according to the size of suppliers to ensure accurate weight measurement of raw materials, without unfairly disadvantaging small farmers or favoring large producers. The company's genuine intention and sincerity in promoting straightforward business relations with smallholder farmers have resulted in a continuous increase in the number of small suppliers, in line with its goal to raise the proportion of rubber raw materials sourced from small suppliers relative to the total rubber used in production.



	2022	2023	2024
Percentage of raw material procurement from local sources (Thailand)	100%	100%	100%
Percentage of raw material procurement from local sources (Northeastern region)	N/A	58.80%	84.97%
Percentage of raw material procurement from local sources (Buriram Province)	N/A	14.32%	23%
Percentage of rubber raw materials from smallholder suppliers relative to the total rubber used in production	10.33%	5.39%	5.16%

## Promoting Good Liquidity for Suppliers

The company places importance on conducting business fairly with suppliers to promote cash flow management and working capital for both suppliers and the company. Therefore, it has established policies and practices for the payment of goods and services to suppliers in a fair, accurate, transparent, and timely manner, paying according to the installments or credit terms specified in the contract conditions. This policy has been communicated for mutual understanding since the suppliers are registered. The details of the payment process are categorized into two groups as follows:

1. For the rubber raw material group, the payment schedule is determined according to the Raw Material Payment Policy.
  - In the case where the supplier delivers a quantity of raw materials not exceeding 200 tons, the payment terms are within 2 business days, excluding the date of delivery.
  - In the case where the supplier delivers a quantity of raw materials of 200 tons or more, the payment terms are to be made within 2 business days after the supplier has completed the ordered amount.
2. For general suppliers, the payment period is set to be within 15-30 days from the invoice date, depending on the payment terms.

However, the payment period may not align with the policy due to the constraints of each business and various factors that need to be considered, such as the type of business for products and services, and the duration specified in contracts with suppliers, among others.

The average payment period to suppliers for the company over the year is detailed as follows:

	According to Policy	2023	2024
Average payment terms for raw material suppliers	2 business days	1 day	1 day
Average payment terms for general suppliers	15-30 business days	30 days	30 days



## Verification of Raw Material Acquisition

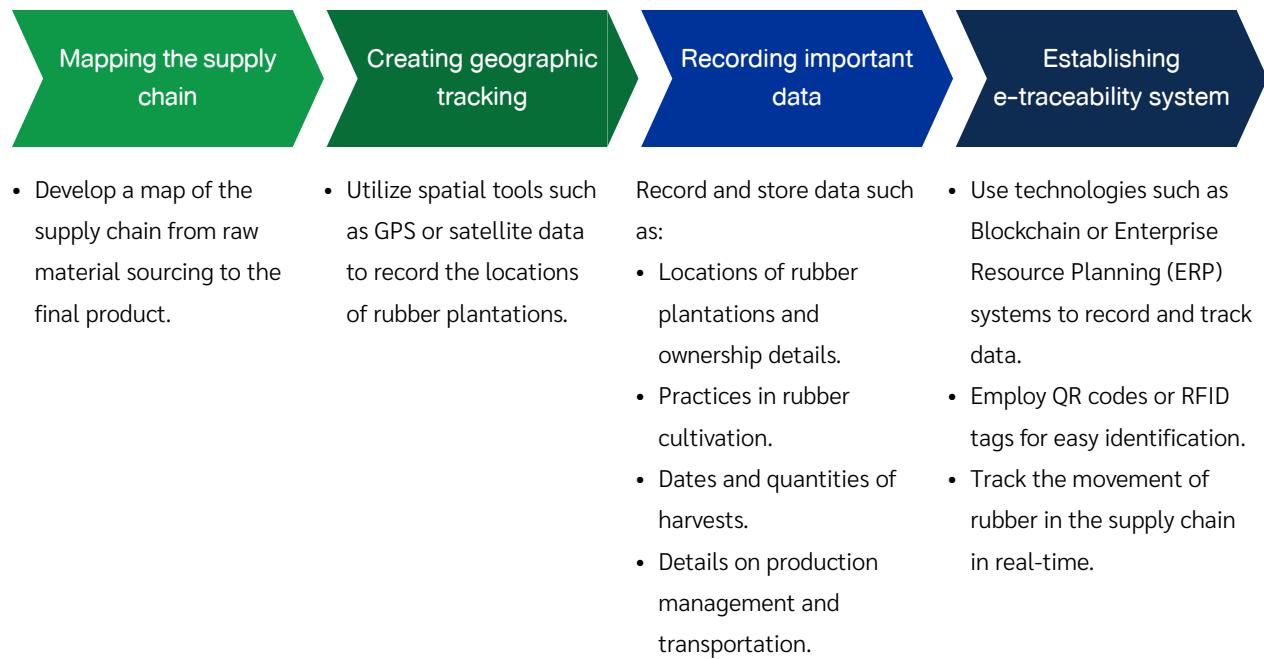
The verification of the sourcing of rubber is a critical process in the company's operations that helps create transparency throughout the supply chain. This ensures that the sourced materials comply with standards in terms of quality, legality, and ethics, while also preventing potential issues related to procurement. The company has implemented the following approaches:

Approaches	NER's Actions
1. Inspection of the source of raw materials	The Company conducts verification and documentation collection related to raw material acquisition, such as licenses, certificates of quality, or documents confirming the legality of suppliers, to validate the source documents. It also assesses the sustainability of rubber, ensuring that rubber plantations do not encroach on reserved forest areas or adversely affect the environment. For instance, certification systems such as FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification) are utilized.
2. Transparency audit in the procurement process	The Company announces the purchasing prices for rubber through online communications, email, Line, and the Company website, enabling suppliers to verify buying prices and analyze them against market rates to ensure transparency. Additionally, the Company has implemented an ordering and reservation program for trading rubber, along with a purchasing tracking system to monitor every step from procurement, transportation, to payment.
3. Raw material quality inspection	Quality assessments of the raw materials are performed prior to acceptance, including checking the quantity of contaminants present with the raw materials. Samples of rubber are taken from incoming suppliers for quality testing, including the assessment of cup lump rubber to determine the dry rubber content (DRC). The quality of sheet rubber is verified against the raw rubber standards set by the Rubber Authority of Thailand within an accredited laboratory.
4. Legal compliance audit	The Company also verifies legal compliance of documents such as tax invoices, export licenses (in cases of imports or exports), and checks the regulations of the exporting country, including environmental regulations or export prohibitions, to reduce the risk of legal violations.
5. Monitoring safe and sustainable sourcing processes	A traceability system is implemented for the rubber from suppliers, tracking information from the production source to delivery points, and the suppliers are evaluated on sustainability issues.
6. Ethical and human rights assessment	The Company conducts assessments and evaluations of suppliers 1-2 times a year, focusing on labor treatment issues, including the use of child labor, forced labor, or human rights violations, as well as adverse impacts on local communities.
7. Support for data verification with certified agencies	External auditing firms are employed to ensure transparency and credibility in the raw material sourcing process, such as certification organizations for FSC, ISO auditors, or other accredited agencies.
8. Training and development of the purchasing team	The Company supports the development of its employees to enhance their knowledge and expertise in conducting audits and developing skills in quality assessment of raw materials and document verification, ensuring correct and credible operations.
9. Complaint management and reporting	Various channels for receiving complaints are established, such as written complaints, Line, and the website, along with a systematic complaint management process, which involves notifying relevant stakeholders, reporting audit results, and disseminating information about the raw material procurement process to ensure transparency.



## Traceability throughout the Supply Chain

The company has set a goal for all products (100%) to be traceable back to their sources by the year 2028. The company is in the process of gathering information and developing processes and systems to ensure traceability of raw materials throughout the supply chain in accordance with international standards such as the EU Deforestation Regulation (EUDR) and the Forest Stewardship Council (FSC) with a collaborative operational plan with raw material suppliers as follows:



In 2024, the proportion of products with traceability reached 10.26% of total products sold.





# ENHANCING GOOD CUSTOMER EXPERIENCE

Materiality Issue	Impact, Risk, and Opportunity
<b>6. Customer Responsibility</b> <ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Customer relationship management</li> <li>Responsible marketing and communication</li> </ul>	<p>Amidst the current market competition and increasing regulatory requirements, as well as the rapid changes in customer demand, the customer experience provided by the company is crucial. Specifically, the quality of the company's products and services significantly affects the business operations of its customers. If the company is unable to meet the demands regarding raw materials, quality standards, price, or service, customers may switch to competitors' products or services, resulting in a competitive disadvantage or ongoing customer loss. This directly impacts sales and profits. Additionally, if the quality of products or services does not meet customer standards or conditions, it may lead to legal complaints and substantial fines, as well as adversely affect the brand's image and reputation.</p>
<b>Contribution to SDGs</b> <div data-bbox="198 765 271 864">  </div> <div data-bbox="215 878 250 905">8.2</div> <div data-bbox="198 909 271 1010">  </div> <div data-bbox="209 1012 258 1039">16.6</div>	<p>Therefore, being responsible to customers is essential in building trust, satisfaction, and brand loyalty. Continuously delivering standard quality products and services that meet customer needs, along with managing customer relationships through sincere communication, providing accurate and clear information, and effectively and timely addressing various issues, will enhance customer confidence, resulting in long-term transactions and creating sustainable business opportunities.</p>

Long-term Goals 2028	2024 Goals	2024 Performance
Customer satisfaction score	Exceeding 95%	Exceeding 95% 96.29%
Number of customer complaints regarding product quality	0	0



## MANAGEMENT APPROACH

The company has assigned the sales and marketing department, specifically the marketing and quality control division reporting directly to the Chief Executive Officer, to be responsible for coordinating and responding to the needs of each customer group. This includes providing excellent service and maintaining long-term relationships with customers. There is an assessment of customer satisfaction and communication to gather feedback, needs, suggestions, and complaints, which are used for management and improvement of product and service delivery. Additionally, innovation and technology are leveraged for continuous development. Senior management regularly monitors progress on customer-related issues and the performance of the sales and marketing team every two months, and subsequently presents this to the management committee and the board of directors.

Customers are key stakeholders that contribute to the company's success. Therefore, the company is committed to developing methods to effectively and efficiently meet customer needs, adhering to policies and principles regarding equal treatment, honesty, transparency, and fairness in accordance with the company's business code of ethics. This includes delivering standard quality products and services that meet customer expectations. The company has outlined strategies to create a positive customer experience as follows:

1

**Deliver high-quality products**

Focus on producing high-quality products that meet international standards, are safe, and environmentally friendly.

2

**Develop innovations for diversity**

Conduct research and development to create new products that address all needs and enhance the value of finished products to meet downstream industry demands.

3

**Communicate and serve sincerely**

Provide accurate information in a timely manner, communicate clearly and transparently, and serve sincerely across all channels while being receptive to feedback and resolving issues quickly.

4

**Be responsible for society and the environment**

Aim for carbon neutrality to support international environmental goals and take responsibility for social and environmental impacts throughout the supply chain.

5

**Build sustainable relationships**

Foster customer engagement and manage relationships effectively to build commitment and trust as partners in business success for mutual growth.

## 2024 Performance

### Development of product quality and standards

The company is committed to delivering high-quality products and services at reasonable prices to support its customers' business capabilities. It is dedicated to enhancing production processes to elevate product standards to international levels. The company has achieved certifications for ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 14001 (Environmental Management System), and ISO 17025 (Laboratory Testing and Calibration Accreditation). Currently, the company continues to develop various systems to ensure organization-wide connectivity for optimal sales, production, and delivery planning.

In 2024, customer demand for rubber products compliant with the EU Deforestation Regulation (EUDR), which requires specific characteristics as mandated by the law, significantly increased. In response, the company has enhanced its raw material sourcing and supplier verification processes to ensure responsible labor and environmental practices. This includes obtaining sustainability management standards,

such as the Forest Stewardship Council (FSC) certification, along with additional documentation to enable traceability back to the sources of raw materials as required by EUDR. Furthermore, the company has tasked employees to conduct surveys in the field to collect geographic coordinates to assess and verify the status of rubber plantations supplying raw materials to the company, ensuring that all necessary documentation and operations are in compliance. Approximately 12,900 rais of area was surveyed. The company also participated in bidding for EUDR-compliant rubber materials with the Rubber Authority of Thailand to produce and supply according to customer demand.

Several customers place significant importance on reducing greenhouse gas emissions in the supply chain. As a provider of raw materials, the company has conducted a carbon footprint for organization assessment and developed a greenhouse gas reduction plan aimed at achieving carbon neutrality to meet customer requirements effectively.

## Enhancing Service Quality and Communication

The company is focused on enhancing service quality and the skills of sales personnel, as well as coordinating and facilitating the reception of customers visiting from abroad. This ensures that customers derive maximum benefit from their visit and achieve their objectives with a positive impression of the factory tour. Additionally, the company provides various communication channels tailored to customers from different countries to address issues or complaints quickly and effectively. These channels include LINE, WeChat, and WhatsApp.

Providing accurate and reliable information to customers is crucial for building trust. Therefore, the company has established credible information sources to ensure employees receive the most accurate and up-to-date news and data related to the rubber industry. These sources include GlobalData for information on the demand volumes of various types of tires globally, Sublime China Information (CSI) for data on rubber usage and pricing in China, the International Rubber Study Group (IRSG) for climate conditions and factors affecting global rubber supply, and Bloomberg for updates on global economic conditions, exchange rates, and oil prices that impact selling prices.

## Customer Relationship Management

The company regularly attends rubber association events in China, Singapore, and Thailand each year. This helps maintain relationships with existing customers and establish connections with target customers. As a result, in 2024, the company gained one more customer in the automotive tire industry. Additionally, the company recognizes that the quality of its products and services significantly impacts its customers' business operations. Therefore, it invites both current and prospective customers to visit its production process, from raw material intake to manufacturing and packaging storage. This allows customers to understand and trust the production processes, assuring them that the products delivered meet international quality standards and are socially and environmentally responsible throughout the supply chain. The close interaction with customers enables the company to gather feedback and insights regarding its products and services, which assists in enhancing the current offerings. Furthermore, it enables the company to track trends and changes in customer demands, ensuring readiness to meet future needs.

## Customer Complaint Management

The company is committed to facilitating and assisting customers in all situations, especially in emergencies that require urgent resolution to help minimize potential damage. To this end, the company has established communication channels to provide information, receive feedback, and handle complaints. The sales and marketing personnel oversee these channels, which include telephone, email, communication applications, and the company's website. The company has implemented a systematic complaint management process and has set a response time for customer complaints within three days. For complaints related to product quality that involve multiple departments, clear responsibilities and procedures have been established, along with considerations for appropriate and fair compensation.

In 2024, the company received no complaints from customers regarding product quality.

## Customer Satisfaction Assessment

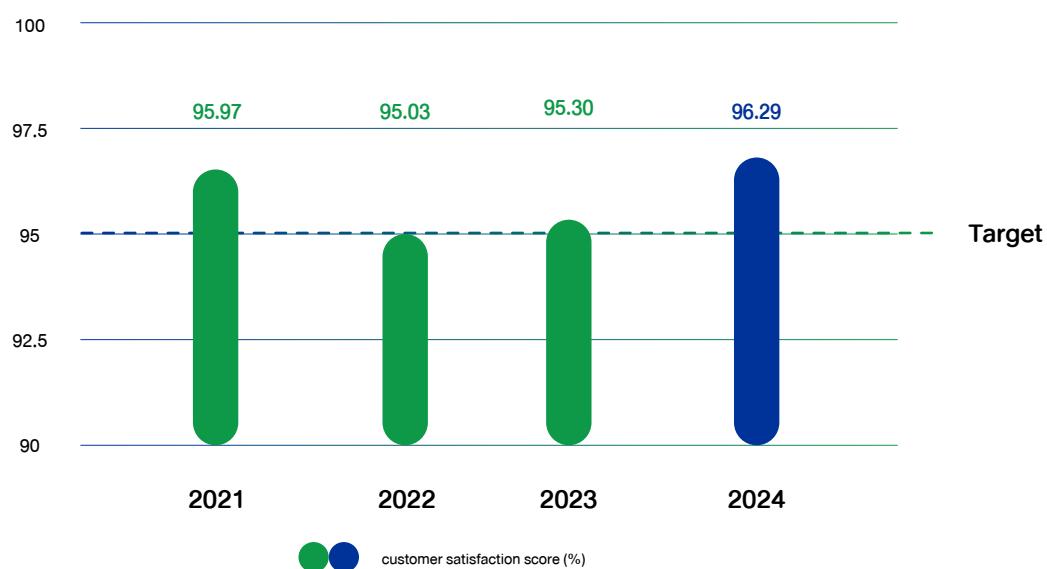
The company conducts customer satisfaction assessments regularly every six months using a rating scale to evaluate satisfaction in areas such as communication, service, and product quality. The scores are averaged to summarize the results for the year. In 2024, the company achieved a customer satisfaction score of 96.29%, which exceeds the target of 95% and reflects an increase of 1.03% from 2023. The company analyzed customer feedback from the assessments and held meetings with relevant departments to plan for the development and improvement of products and services, aiming to enhance the overall customer experience.





In 2024, customers suggested providing morning sales pricing to increase business opportunities. In response, the company adjusted its pricing policy to include morning pricing on days when there are remaining raw materials from the previous day's sales, instead of offering prices only in the afternoon. This change facilitates customers and creates additional revenue opportunities for the company. Moreover, the company has utilized customer suggestions to develop and improve products, such as changing packaging for transportation from single-use plastic to steel packaging that allows for longer-term reuse, thereby reducing plastic waste by 368,376 kilograms.

**Customer Satisfaction Score (%)**





# VALUE-ADDED PRODUCT AND PROCESS DEVELOPMENT

Materiality Issue	Impact, Risk, and Opportunity
<b>12. Innovation and Technology</b> <ul style="list-style-type: none"> <li>• Innovation development</li> <li>• Innovation and production technology</li> <li>• Product development</li> <li>• Operational excellence</li> </ul>	<p>The rapid development of technology today, along with changes in the market and economic, social, or environmental conditions, necessitates that the company continuously develops both its innovations and work processes, as well as its organizational capabilities, to create a competitive edge. This is particularly important in the natural rubber industry, where products must be developed to meet customer demands and international standards. Failing to adopt modern innovations and technologies can affect long-term growth and costs. Conversely, adapting to changes while developing and creating products and services that sustainably add value to society and the environment, and meet customer needs, can help the company access new markets and broaden its customer base. Additionally, it enables employees to work more efficiently, reduces work in hazardous areas, minimizes unnecessary energy and resource consumption, and enhances the company's business image, attracting investors and increasing its potential for global growth.</p>
<b>Contribution to SDGs</b> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>8.2</p> </div> <div style="text-align: center;">  <p>9.4, 9.5, 9.B</p> </div> <div style="text-align: center;">  <p>12.2, 12.5</p> </div> </div>	

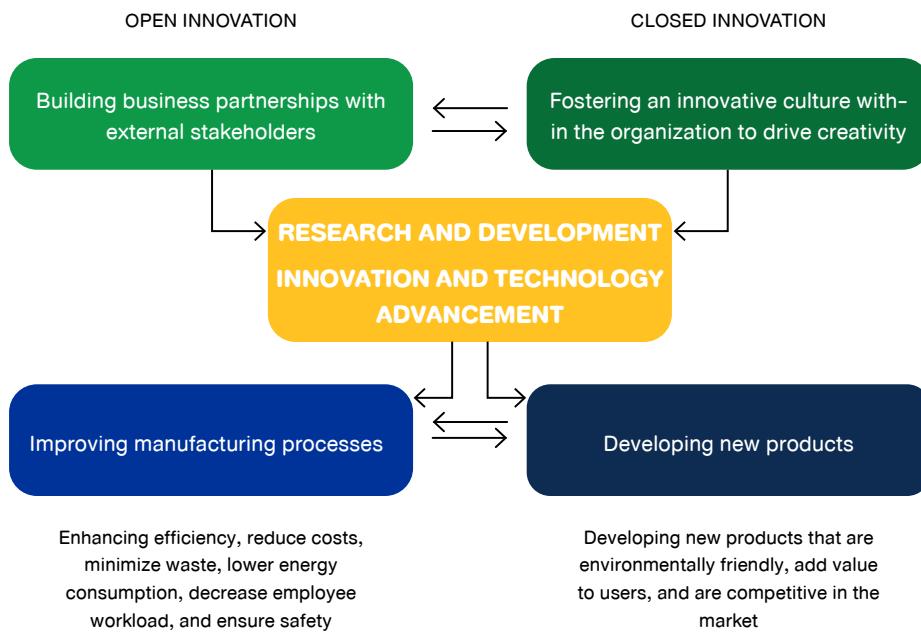
	Long-term goal 2028	2024 Goal	2024 Performance
Reducing production costs compared to the baseline year 2023	ลดลง ร้อยละ 5	ลดลง ร้อยละ 1	ลดลง ร้อยละ 1.66
Number of new innovative products launched annually	อย่างน้อย 10 รายการ	อย่างน้อย 1 รายการ	1 รายการ



## MANAGEMENT APPROACH

The company places importance on developing production processes and new products that create benefits for both the company and stakeholders. It emphasizes fostering a culture that encourages all employees to be creative, while also enhancing their knowledge, skills, and expertise in innovation and technology. This aims to enable employees to produce quality and efficient work. The company supports all components, including research and development, manufacturing, and management, with the goal of establishing an ecosystem conducive to innovation development that benefits society and the environment. The company also policies to adopt modern innovation and technology into the production process to improve operational efficiency, reduce resource usage, and promote long-term sustainable business practices with social and environmental responsibility. A framework has been set in five areas to ensure integrated development throughout the entire ecosystem.





To ensure each operational area functions efficiently and systematically, the company has assigned responsibility to five departments for driving the development of production processes and new products through innovation and technology, as follows:

Responsible department	Roles and Responsibilities
Research and Development (R&D) Department	<ul style="list-style-type: none"><li>Conduct studies and research to present new products that align with market needs</li><li>Collect and analyze data to inform the design of new products</li><li>Test the feasibility of actual production in collaboration with the engineering and production departments</li></ul>
Engineering Department	<ul style="list-style-type: none"><li>Design and develop production technologies to enhance work efficiency and reduce production costs</li><li>Improve and develop machinery and equipment to suit product manufacturing</li><li>Test and refine production processes in collaboration with the production department</li></ul>
Production Department	<ul style="list-style-type: none"><li>Implement developed technologies into actual production processes</li><li>Oversee and control the production process to ensure maximum efficiency and benefit</li><li>Conduct production trials and quality testing of products</li></ul>
Human Resources (HR) Department	<ul style="list-style-type: none"><li>Conduct training and skill development in innovation and technology for employees</li><li>Create an organizational culture that promotes creativity and continuous development</li></ul>
Environment and Safety Management Department	<ul style="list-style-type: none"><li>Review developed innovations and technologies to ensure the safety of employees and the environment</li></ul>

The company focuses on creating value at every stage, from research and development to implementation in the manufacturing process, to produce high-quality products at appropriate costs that truly meet market needs. Operations are conducted systematically based on the principles of Lean Innovation, minimizing unnecessary activities, and adopting circular economy principles. Additionally, international standards such as ISO 14001, ISO 9001, and ISO 18001 are implemented to ensure confidence across all aspects. The company has developed an innovation and technology management strategy to achieve the set objectives as follows:



## 2024 Performance

### Development of Innovative Products

The company is committed to developing and creating finished products to meet diverse needs and expand its business into other industries. In 2024, the company developed one new product as part of the project to develop general rubber flooring sheets from natural rubber. The details of the project are as follows:

### Development of Rubber Flooring Sheets from Natural Rubber Project

This project was developed by the company's research and development department with a research fund of 1.5 million THB. Its objective was to add value to natural rubber, the company's main raw material, transforming it into a high-quality, flexible, durable, and safe finished product for users. The product development process began with studying and testing the specific properties of natural rubber, along with selecting appropriate formulations to meet the standards of TIS 2377-2559. In developing this product, the company collaborated with partners and research and manufacturing experts to create prototypes and conduct laboratory tests, including real-world testing in various environments. Specifically, testing was performed in livestock farms—such as cow stalls, pig pens, and lamb pens—to ensure durability, softness, and load-bearing capacity. Subsequently, further modifications were made to adapt the product for use on different surfaces beyond farms, such as kitchens and bathrooms, by enhancing characteristics to meet user needs and to keep costs competitive. These modifications included reducing rubber sheet thickness and increasing perforations for slip resistance and safety, suitable for indoor and outdoor use.

Currently, this product has been certified by the Industrial Standards Office, Ministry of Industry according to TIS 2377-2559 and has been commercially distributed. It not only increases the value of natural rubber but also promotes the use of domestically sourced raw materials. Additionally, it helps generate income for local farmers and meets consumer demand for safe, environmentally friendly products.



<b>Budget</b>	1.5 million THB
<b>Benefits to the company</b>	Generating income of 3.098 million THB per year
<b>Benefits to the community</b>	Employment within the community increased by 10 positions, with an annual income of 1.44 million THB for work in the finished rubber sheet production line.
<b>Benefits to rubber plantation farmers</b>	Income from increased sales of rubber raw materials rose by 0.6–1.2 tons per year, valued at 30,000–60,000 THB annually per individual.
<b>Benefits to users</b>	It is projected to reduce the incidence of injuries or hazards caused by slippery surfaces by 50% and improve standing work duration.
<b>Benefits to livestock</b>	Housing conditions have improved in accordance with animal welfare standards, reducing stress, slips, injuries, and severe wounds around the legs, knees, and hooves, while enhancing the quality of livestock products.
<b>Benefits to the environment</b>	Reduction in plastic bedding material used in animal pens by 27–165 tons annually. Equivalent to a reduction of 49.14–300.30 tons of carbon dioxide (CO <sub>2</sub> ) emissions. Future reduction of plastic waste, as the rubber flooring sheets can be fully recycled and reused as raw materials (100%).

## Development of Innovation in the Production Process

The company supports and promotes innovation development to enhance operational efficiency, reduce costs, and promote safety and improved quality of life for employees. In 2024, the Maintenance Engineering and Production departments jointly designed two innovation projects: the Electric Rubber Trolley Wagon Project and the Rubber Trough Pulling Set Project. The details of each project are as follows:

### Electric Rubber Trolley Project

The company monitored and analyzed the causes of frequent workplace accidents experienced by employees when dragging and pushing the rubber drying carts in front of the oven. The carts, made of stainless steel, measure 1.4 meters wide, 4.8 meters long, and 0.36 meters high, with a total weight of up to 680 kilograms when loaded with rubber. At least four employees are required to push them over a distance of 75 meters, which can lead to injuries such as shoulder pain, arm pain, and muscle strains. Therefore, the Maintenance Engineering and Production departments collaborated to design an automatic rubber cart walking system to reduce the risk of hazardous work and improve the convenience of the process. This innovation aims to decrease employee fatigue during the pushing operation. The system was installed and put into actual use in 2024 at Plant No. 1 and Plant No. 2 of the Rubber Thread Factory, with one unit at each site.



Electric rubber trolley

## Rubber Trough Pulling Set Project

The project for the Rubber Trough Pulling Set is an extension of the Electric Rubber Trolley Wagon project. It leverages experience gained from developing the electric trolley to address issues at the coating point, which operates continuously with the front oven. At this point, employees manually pull and drag the rubber trays over a distance of approximately 16 meters, causing uneven flow and lack of continuity. Additionally, frequent staff changes occur at this station due to the physically demanding nature of the work and the high risk of injury, which can impact overall work efficiency and the production process. To resolve these issues, the team designed and installed a flow control system for the rubber trays, incorporating wheeled vehicles to replace manual labor in pulling the trays over long distances. This improvement not only reduces employee fatigue at the coating point but also minimizes health risks related to heavy and prolonged work. Furthermore, it effectively decreases staff turnover at this station.



Rubber Trough Pulling Set

Both projects play a significant role in reducing employees' workload, decreasing injury risks, and improving working conditions. They also help cut the company's expenses by reducing the number of employees per shift from four to two, leading to total annual cost savings of more than 990,000 THB across both factories. Additionally, these innovations enhance the efficiency of the production process.

<b>Budget</b>	502,704 THB
<b>Benefits to the company</b>	Increase production efficiency from 350 tons per day to 380 tons per day Reduce the number of employees at this station from 4 to 2 per shift Save 990,000 THB annually in labor costs
<b>Benefits to the employees</b>	Reduce injuries, accidents, and fatigue from manual pulling and dragging efforts

Through ongoing support and implementation of innovation and technology development to improve manufacturing efficiency and create value for the company and its stakeholders, in 2024 the company was able to reduce production costs by over 990,000 THB, representing a 1.66% decrease compared to 2023, meeting the set target. Additionally, the company developed one new innovative product, the general rubber flooring sheet made from natural rubber, also in line with its goals.



# PERFORMANCE STATISTICS

## ECONOMIC AND GOVERNANCE PERFORMANCE

Financial Performance (million THB) <sup>(1)</sup>	2021	2022	2023	2024
Revenue from sales	24,425.66	25,172.06	25,045.17	27,448.33
Total revenue	24,456.29	25,202.70	25,065.71	27,496.16
Net profit	1,850.19	1,748.00	1,545.97	1,647.62
Value Distribution to Stakeholders (million THB)				
Domestic procurement <sup>(2)</sup>	16,364.47	16,354.22	18,242.20	20,050.11
Tax paid to the government and local authorities	38.40	32.60	78.99	80.32
Effective Tax Rate (%)	2.14	2.94	5.01	3.26
Dividend to shareholders	749.00	702.16	628.25	665.20
Employee compensation <sup>(3)</sup>	176.11	208.51	233.63	217.58
Directors' remuneration	4.50	6.06	6.17	6.57
Social activities exclude donation	0.99	0.46	1.55	1.55
Donation	6.82	3.27	4.34	3.95

N/A = Not Available

<sup>(1)</sup> The information from the 2024 financial statements of North East Rubber Public Company Limited<sup>(2)</sup> Procurement of goods and services within the Northeastern region of Thailand<sup>(3)</sup> Consists of salary, bonus, wage, welfare, provident fund, social security, and personal development expenses

Code of Conduct	2021	2022	2023	2024
Number of complaints regarding violations of the code of conduct (case)				
• Fraud and corruption	0	0	0	2
• Insider trading	0	0	0	0
• Bribery	0	0	0	0
• Human rights	0	0	0	0
• Taxation	0	0	0	0
• Others cases of violation of the company's code of conduct	0	0	0	0
Cases of confirmed violations of the code of conduct (cases)	0	0	0	2

Sustainable Supply Chain Management	2021	2022	2023	2024
Percentage of procurement of goods and services within Thailand (%)	99.97	99.68	99.86	99.97
• Percentage of procurement of rubber raw materials within Thailand (%)	N/A	100.00	100.00	100.00
Percentage of local procurement of goods and services <sup>(2)</sup> (%)	62.80	69.47	73.71	73.47
• Percentage of local procurement of rubber raw materials <sup>(2)</sup> (%)	N/A	N/A	58.80	84.97
Total number of suppliers	592	581	624	495
Number of critical tier-1 suppliers	N/A	N/A	83	100

Sustainable Supply Chain Management	2021	2022	2023	2024
Number of non-critical tier-1 suppliers	N/A	N/A	541	395
Number of critical non-tier 1 suppliers)	N/A	N/A	N/A	1,628
Total number of new suppliers	185	178	181	161
Total number of suppliers who have been assessed for environmental, social, and governance risks	N/A	N/A	116	96
Percentage of suppliers who have been assessed for environmental, social, and governance risks (%)				
• Critical tier-1 suppliers	N/A	N/A	73.49	51.00
• Non-critical tier-1 suppliers	N/A	N/A	10.17	11.39
• New suppliers	N/A	N/A	100.00	100.00
Number of suppliers with high and very high environmental, social, and governance risks	N/A	N/A	N/A	41
• Critical tier-1 suppliers	N/A	N/A	N/A	17
• Non-critical tier-1 suppliers	N/A	N/A	N/A	24
• New suppliers	N/A	N/A	N/A	0
Total number of suppliers requiring on-site audits according to the specified criteria	N/A	N/A	N/A	41
• Critical tier-1 suppliers	N/A	N/A	N/A	17
Percentage of critical tier-1 suppliers completed the assessment within the year (%)	N/A	N/A	N/A	100.00
• Non-critical tier-1 suppliers	N/A	N/A	N/A	24
Percentage of non-critical tier-1 suppliers completed the assessment within the year (%)	N/A	N/A	N/A	100.00
• New suppliers	N/A	N/A	N/A	0

N/A = Not Available

Customer Relationship Management	2021	2022	2023	2024
Customer satisfaction score (%)	95.97	95.03	95.30	96.29
Number of complaints regarding product quality (cases)	0	0	0	0
Number of complaints related to health and safety from products (cases)	0	0	0	0
Number of complaints about service and marketing communication (cases)	0	0	0	0
Number of complaints concerning customer data or confidentiality breaches (cases)	0	0	0	0
Compliance	2021	2022	2023	2024
Number of incidents/cases of violations of economic, social, and labor laws (cases)	0	0	0	0
Significant fines incurred due to violations of economic, social, and labor laws (THB)	0	0	0	0
Number of incidents/cases of environmental law violations (cases)	0	0	0	0
Significant fines incurred due to environmental law violations (THB)	0	0	0	0



## ENVIRONMENTAL PERFORMANCE

Raw Material Usage	Unit	2021	2022	2023	2024
<b>Raw Materials Used in the Production</b>	<b>Ton</b>	<b>832,659.72</b>	<b>472,815.04</b>	<b>540,809.99</b>	<b>405,888.79</b>
Non-recyclable raw materials	Ton	680.72	702.04	758.99	539.79
• Wrapping plastic	Ton	680.72	702.04	758.99	539.79
Recyclable raw materials	Ton	831,979	472,113	540,051	405,349
• Cup lump rubber	Ton	304,633	346,654	381,869	238,364
• Ribbed smoked sheet	Ton	527,346	125,459	158,182	166,985
<b>Recycled Materials Used in the Production</b>	<b>Ton</b>	<b>827.59</b>	<b>897.07</b>	<b>988.78</b>	<b>1,119.22</b>
• Rubber	Ton	473.00	513.18	561.30	466.44
• Plastic	Ton	354.59	383.89	427.48	652.78
Percentage of recycled raw materials to the total raw materials used in the production process	%	0.10	0.19	0.18	0.28
<b>Products</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total products manufactured	Ton	393,790	427,244	467,306	388,331
Total products sold	Ton	452,476	446,090	498,269	439,178
<b>Energy</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Total energy consumption within the organization</b>	<b>Gigajoule</b>	<b>518,674.55</b>	<b>476,277.76</b>	<b>488,241.58</b>	<b>317,471.94</b>
Total consumption of non-renewable energy	Gigajoule	238,488.19	240,368.45	260,781.87	192,350.33
• Liquefied Petroleum Gas (LPG)	Gigajoule	49,572.43	87,093.66	102,641.74	75,681.75
• Liquefied Natural Gas (LNG)	Gigajoule	41,748.34	0	0	0
• Diesel	Gigajoule	25,967.61	31,412.83	29,403.91	21,576.77
• Benzine	Gigajoule	117.55	242.015	393.622	431.777
• Electricity purchased from external sources	Gigajoule	121,082.26	121,619.96	128,342.60	94,660.03
• Steam, heat, and cooling energy	Gigajoule	0	0	0	0
Total consumption of renewable energy	Gigajoule	280,186.36	235,909.31	227,459.71	125,121.61
• Wood chips	Gigajoule	228,258.79	195,725.66	201,796.00	104,078.12
• Firewood	Gigajoule	2,550.74	1,839.86	1,084.50	76.95
• Biogas	Gigajoule	3,518.06	11,596.56	7,335.05	2,835.34
• Compressed biogas (CBG)	Gigajoule	282.78	2,808.08	0	0
• Electricity generated from biogas	Gigajoule	44,640.00	18,133.56	165.60	0
• Electricity from solar energy	Gigajoule	936.00	5,805.59	17,078.56	18,131.20
Energy sold from non-renewable sources	Gigajoule	0	0	0	0
Energy sold from renewable sources	Gigajoule	0	0	0	0
<b>Energy intensity</b>	<b>Gigajoule/ production ton</b>	<b>1.32</b>	<b>1.11</b>	<b>1.04</b>	<b>0.82</b>

Note: Energy consumption data in various formats has been converted to gigajoules (GJ) by referencing the energy conversion factors for fuels and electricity into heat energy. This conversion utilized emission factors from the IPCC 2019 Greenhouse Gas Emission Guidelines and data from the Department of Alternative Energy Development and Energy Efficiency, Ministry of Energy.

GHG Emissions	Unit	2021	2022	2023	2024
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub> eq</b>	<b>118,835</b>	<b>104,812</b>	<b>113,789</b>	<b>91,461</b>
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> eq	9,036	12,895	14,720	8,569
Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> eq	16,814	16,889	17,822	13,145
Total direct and indirect GHG emissions (Scope 1 & 2)	tCO <sub>2</sub> eq	25,850	29,784	32,542	21,714
Other GHG emissions (Scope 3)	tCO <sub>2</sub> eq	92,985	75,028	81,247	69,747
<b>GHG emission (scope 1&amp;2) intensity</b>	<b>tCO2eq/ production ton</b>	<b>0.066</b>	<b>0.070</b>	<b>0.070</b>	<b>0.056</b>
<b>GHG emission intensity</b>	<b>tCO2eq/ production ton</b>	<b>0.302</b>	<b>0.245</b>	<b>0.243</b>	<b>0.236</b>
Other Air Emissions	Unit	Standard values	2021	2022	2023
<b>F1 Oven Flue Monitoring Point (Lock Wood Chips AB)</b>					
Opacity of smoke emissions	%	<10	5	-	5
Total Suspended Particulate Matter (TSP)	mg/m <sup>3</sup>	<320	10.81	14.12	9.66
Sulfur dioxide (SO <sub>2</sub> )	ppm	<60	1.86	1.98	<0.01
Nitrogen dioxide (NO <sub>2</sub> )	ppm	<200	51.77	32.04	3
Carbon monoxide (CO)	ppm	<690	61.82	53.12	9
Hydrogen sulfide (H <sub>2</sub> S)	ppm	<80	<0.01	0.05	<0.01
PM 10	mg/m <sup>3</sup>	≤ 0.12	N/A	N/A	N/A
<b>F1 Oven Flue Monitoring Point (Lock Wood Chips CD)</b>					
Opacity of smoke emissions	%	<10	5	-	5
Total Suspended Particulate Matter (TSP)	mg/m <sup>3</sup>	<320	8.11	10.21	11.65
Sulfur dioxide (SO <sub>2</sub> )	ppm	<60	1.45	2.18	1
Nitrogen dioxide (NO <sub>2</sub> )	ppm	<200	45.11	28.09	4
Carbon monoxide (CO)	ppm	<690	48.66	43.11	15
Hydrogen sulfide (H <sub>2</sub> S)	ppm	<80	<0.01	3.12	<0.01
PM 10	mg/m <sup>3</sup>	≤ 0.12	N/A	N/A	N/A



Water and Effluent	Unit	2021	2022	2023	2024
<b>Total Water Withdrawal</b>	<b>m<sup>3</sup></b>	<b>1,636,156</b>	<b>2,035,319</b>	<b>1,951,951</b>	<b>1,340,958</b>
Water withdrawal by water sources					
Surface water <sup>(4)</sup>	m <sup>3</sup>	1,633,687	2,032,602	1,949,151	1,338,301
• Freshwater (≤ 1,000 mg./L Total Dissolved Solids)	m <sup>3</sup>	1,633,687	2,032,602	1,949,151	1,338,301
• Other water (>1,000 mg./L Total Dissolved Solids)	m <sup>3</sup>	0	0	0	0
Groundwater	m <sup>3</sup>	2,469	2,717	2,800	2,657
Produced water <sup>(5)</sup>	m <sup>3</sup>	0	0	0	0
Third-party water <sup>(6)</sup>	m <sup>3</sup>	0	0	0	0
Water withdrawal from water-stress area	m <sup>3</sup>	1,636,156	2,035,319	1,951,951	1,340,958
• Freshwater (≤ 1,000 mg./L Total Dissolved Solids)	m <sup>3</sup>	1,636,156	2,035,319	1,951,951	1,340,958
• Other water (>1,000 mg./L Total Dissolved Solids)	m <sup>3</sup>	0	0	0	0
<b>Total Water Charge</b>	<b>m<sup>3</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
• Water with Total Dissolved Solids ≤ 1,000 mg./L	m <sup>3</sup>	0	0	0	0
• Water with Total Dissolved Solids > 1,000 mg./L	m <sup>3</sup>	0	0	0	0
Total water discharge to all areas by destinations					
Surface water	m <sup>3</sup>	0	0	0	0
Groundwater	m <sup>3</sup>	0	0	0	0
Third-party water		0	0	0	0
Total water discharge to all areas water stress	m <sup>3</sup>	0	0	0	0
• Water with Total Dissolved Solids ≤ 1,000 mg./L	m <sup>3</sup>	0	0	0	0
• Water with Total Dissolved Solids > 1,000 mg./L	m <sup>3</sup>	0	0	0	0
<b>Total Water Consumption</b>	<b>m<sup>3</sup></b>	<b>1,636,156</b>	<b>2,035,319</b>	<b>1,951,951</b>	<b>1,340,958</b>
<b>Water Intensity</b>	<b>m<sup>3</sup>/ production ton</b>	<b>4.15</b>	<b>4.76</b>	<b>4.18</b>	<b>3.45</b>

Notes :

(4) Surface water includes natural water sources such as ponds, streams, rivers, water reservoirs, and rainwater collection ponds.

(5) Water from the production process refers to water generated from extraction, distillation, or use of raw materials, which the company must subsequently manage.

(6) Water from external producers refers to water supplied by the Provincial Waterworks Authority.

Waste and Waste Management	Unit	2021	2022	2023	2024
<b>Waste Generation</b>					
Total waste	Ton	500.94	2,126.71	9,977.65	1,641.38
• Hazardous waste	Ton	3.40	4.74	15.68	10.43
• Non-hazardous waste	Ton	497.54	2,121.97	9,961.97	1,630.95
<b>Waste diverted from disposal</b>					
Total weight of waste diverted from disposal	Ton	473.00	2,069.50	9,885.18	1,564.56
• Hazardous waste	Ton	0	0	0	0

Waste and Waste Management	Unit	2021	2022	2023	2024
o Preparation for reuse	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
o Recycling	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
• Non-hazardous waste	Ton	473.00	2,069.50	9,885.18	1,564.56
o Preparation for reuse	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
o Recycling	Ton	-	-	-	-
- Onsite	Ton	473.00	2,065.18	9,867.30	1,559.44
- Offsite	Ton	N/A	4.32	17.88	5.12
<b>Waste directed to disposal</b>					
Total weight of waste directed to disposal	Ton	27.94	57.21	92.47	76.82
• Hazardous waste	Ton	3.40	4.74	15.68	10.43
o Incineration without energy recovery	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
o Incineration with energy recovery	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	3.40	4.74	15.68	10.43
o Landfilling	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
• Non-hazardous waste	Ton	24.54	52.47	76.79	66.39
o Incineration without energy recovery	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
o Incineration with energy recovery	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	-	-	-	-
o Landfilling	Ton	-	-	-	-
- Onsite	Ton	-	-	-	-
- Offsite	Ton	24.54	52.47	76.79	66.39



Oil, Chemical, or Hazardous Substance Spills	2021	2022	2023	2024
Number of incidents involving leaks of chemicals, oil, wastewater, or waste that impact surrounding communities, society, and the environment (cases)	0	0	0	0
Volume of oil, chemicals, or hazardous substances spills (m³)	0	0	0	0

## SOCIAL PERFORMANCE

Employment	2021		2022		2023		2024	
	No.	%	No.	%	No.	%	No.	%
<b>Total employees as of 31 December</b>	1,003	100.00	1,045	100.00	1,034	100.00	941	100.00
<b>Number of employees by gender</b>								
- Male	673	67.10	676	64.69	659	63.73	582	61.85
- Female	330	32.90	369	35.31	375	36.27	359	38.15
<b>Number of employees by level</b>								
Top management	5	0.50	6	0.57	6	0.58	8	0.85
- Male	2	40.00	2	33.33	3	50.00	3	37.50
- Female	3	60.00	4	66.67	3	50.00	5	62.50
Middle management	15	1.50	18	1.72	19	1.84	22	2.34
- Male	5	33.33	6	33.33	7	36.84	10	45.45
- Female	10	66.67	12	66.67	12	63.16	12	54.55
Junior management	35	3.49	54	5.17	67	6.48	72	7.65
- Male	23	65.71	36	66.67	46	68.66	47	65.28
- Female	12	34.29	18	33.33	21	31.34	25	34.72
Operational level	948	94.52	967	92.54	942	91.10	839	89.16
- Male	646	68.14	635	65.67	608	64.54	518	61.74
- Female	302	31.86	332	34.33	334	35.46	321	38.26
<b>Number of employees by age</b>								
Less than 30 years old	415	41.38	426	40.77	384	37.14	318	33.79
- Male	300	72.29	284	66.67	246	64.06	200	62.89
- Female	115	27.71	142	33.33	138	35.94	118	37.11
30-50 years old	506	50.45	535	51.2	570	55.13	525	55.79
- Male	331	65.42	337	62.99	353	61.93	314	59.81
- Female	175	34.58	198	37.01	217	38.07	211	40.19
Over 50 years old	82	8.18	84	8.04	80	7.74	98	10.41
- Male	42	51.22	55	65.48	60	75.00	68	69.39
- Female	40	48.78	29	34.52	20	25.00	30	30.61

Employment	2021		2022		2023		2024	
	No.	%	No.	%	No.	%	No.	%
<b>Number of employees by employment contract</b>								
Permanent employees	1,003	100.00	1,045	100.00	1,034	100.00	941	100.00
- Male	673	67.10	676	64.69	659	63.73	582	61.85
- Female	330	32.90	369	35.31	375	36.27	359	38.15
Annual contract employees	0	0	0	0	0	0	0	0
Outsourced employees	0	0	0	0	0	0	0	0
<b>Number of employees by employment type</b>								
Full-time employees	1,003	100.00	1,045	100.00	1,034	100.00	941	100.00
- Male	673	67.10	676	64.69	659	63.73	582	61.85
- Female	330	32.90	369	35.31	375	36.27	359	38.15
Part-time employees	0	0	0	0	0	0	0	0
<b>Number of employees by location</b>								
Bangkok office	13	1.30	17	1.63	16	1.55	13	1.38
Head office in Prakhonchai, Buriram	990	98.70	1,028	98.37	1,018	98.45	928	98.62
<b>Number of employees by hometown</b>								
- Bangkok Metropolitan Region	14	1.40	15	1.44	7	0.68	9	0.96
- Central region	17	1.69	23	2.20	22	2.13	7	0.74
- Eastern region	12	1.20	16	1.53	16	1.55	11	1.17
- Western region	1	0.10	2	0.19	3	0.29	1	0.11
- Southern region	11	1.10	7	0.67	4	0.39	5	0.53
- Northern region	3	0.30	3	0.29	5	0.48	5	0.53
- Northeastern region	945	94.22	979	93.68	977	94.49	903	95.96
- Buriram province	765	76.27	806	77.13	807	78.05	795	84.48
<b>Number of employees by nationality</b>								
- Thai	1,002	99.90	1,043	99.81	1,034	100	941	100.00
- Taiwanese	1	0.10	2	0.19	-	-	-	-
- Others	-	-	-	-	-	-	-	-
<b>Number of employees with disabilities</b>								
- Male	6	60.00	9	64.29	9	69.23	8	72.73
- Female	4	40.00	5	35.71	4	30.77	3	27.27
<b>New Hires</b>	2021		2022		2023		2024	
	No.	%	No.	%	No.	%	No.	%
<b>New Hires</b>	607	60.52	847	81.05	674	65.18	289	30.17
<b>By Gender</b>								
- Male	472	77.76	667	78.75	491	72.85	213	73.70
- Female	135	22.24	180	21.25	183	27.15	76	26.30
<b>By Age</b>								
- Less than 30 years old	398	65.57	574	67.77	421	62.46	174	60.21



New Hires	2021		2022		2023		2024		
	No.	%	No.	%	No.	%	No.	%	
- 30-50 years old	204	33.61	265	31.29	247	36.65	113	39.10	
- Over 50 years old	5	0.82	8	0.94	6	0.89	2	0.69	
<b>By Level</b>									
- Top management	1	0.16	-	-	1	0.15	1	0.35	
- Middle management	3	0.49	4	0.47	6	0.89	4	1.38	
- Junior management	4	0.66	9	1.06	15	2.23	9	3.11	
- Operational level	599	98.68	834	98.47	652	96.74	275	95.16	
<b>Employee Turnover<sup>(7)</sup></b>									
<b>(Full-time Employees – Monthly basis)</b>		2021		2022		2023		2024	
		No.	%	No.	%	No.	%	No.	%
<b>Employee Turnover Rate</b>		58	5.78	144	13.78	125	12.09	85	9.03
<b>By Gender</b>									
- Male	47	81.03	128	88.89	84	67.20	64	75.29	
- Female	11	18.97	16	11.11	41	32.80	21	24.71	
<b>By Age</b>									
- Less than 30 years old	36	62.07	75	52.08	59	47.20	33	38.82	
- 30-50 years old	22	37.93	66	45.83	65	52.00	49	57.65	
- Over 50 years old			3	2.08	1	0.80	3	3.53	
<b>By Level</b>									
- Top management	-	-	-	-	-	-	0	0	
- Middle management	-	-	2	1.39	1	3.39	6	7.06	
- Junior management	1	1.72	-	0.00	7	5.6	11	12.94	
- Operational level	57	98.28	142	98.61	117	93.60	68	80.00	
<b>Voluntary employee turnover rate (Monthly)</b>									
		40	3.99	95	9.09	98	9.48	68	7.23
<b>By Gender</b>									
- Male	31	77.50	82	86.32	61	62.24	49	72.06	
- Female	9	22.50	13	13.68	37	37.76	19	27.94	
<b>By Age</b>									
- Less than 30 years old	19	47.50	43	45.26	47	47.96	27	39.71	
- 30-50 years old	21	52.50	50	52.63	50	51.02	40	58.82	
- Over 50 years old	0	0	2	2.11	1	1.02	1	1.47	
<b>By Level</b>									
- Top management	0	0	0	0	0	0	0	0.00	
- Middle management	0	0	0	0	1	1.02	3	4.41	
- Junior management	1	2.50	0	0	5	5.10	11	16.18	
- Operational level	39	97.50	95	100	92	93.88	54	79.41	

<sup>(7)</sup> The termination of employment includes resignation, dismissal, retirement, and death.

Employee Termination <sup>(7)</sup> (Full-time employees – daily or on a contract basis) <sup>(8)</sup>	2021		2022		2023		2024	
	No.	%	No.	%	No.	%	No.	%
Employee Termination Rate	453	45.16	571	54.64	406	39.26	279	29.65
<b>By Gender</b>								
- Male	352	77.70	445	77.93	282	69.46	214	76.70
- Female	101	22.30	126	22.07	124	30.54	65	23.30
<b>By Age</b>								
- Less than 30 years old	354	78.15	380	66.55	280	68.97	163	58.42
- 30-50 years old	85	18.76	174	30.47	118	29.06	108	38.71
- Over 50 years old	14	3.09	17	2.98	8	1.97	8	2.87
<b>Voluntary Employee Turnover Rate (daily/contract basis)</b>								
By Gender	183	18.25	258	24.69	208	20.12	169	17.96
- Male	125	68.31	179	69.38	129	62.02	116	68.64
- Female	58	31.69	83	32.17	79	37.98	53	31.36
<b>By Age</b>								
- Less than 30 years old	117	63.93	153	59.30	143	68.75	87	51.48
- 30-50 years old	60	32.79	95	36.82	61	29.33	74	43.79
- Over 50 years old	6	3.28	10	3.88	4	1.92	8	4.73

<sup>(8)</sup> Full-time employees paid on a daily or contract basis working in the manufacturing plant receive benefits comparable to those of regular monthly employees, except for approved leave days.

Maternity Leave	2021		2022		2023		2024	
	No.	%	No.	%	No.	%	No.	%
Employees exercising maternity leave	18	1.79	8	0.77	13	1.26	8	0.85
Employees returning to work after maternity leave	18	100.00	8	100.00	10	76.92	5	62.50
Employee Development	2021		2022		2023		2024	
	Hour/employee							
Average training hours per employee per year	12.05		12.17		12.76		23.68	
By Gender								
- Male	11.65		11.70		12.70		20.60	
- Female	13.34		13.60		12.87		29.79	
By Level								
- Executive level	10.00		46.11		30.77		35.52	
- Management level	19.02		15.03		16.11		54.42	
- Operational level	11.40		11.20		11.99		18.01	



Compensation	2021	2022	2023	2024
<b>Compensation by Gender (Unit: THB)</b>				
- Total Compensation	176,113,480.47	208,512,489.28	233,632,393.85	201,206,174.09
- Compensation for Male Employees	112,167,839.40	129,619,392.73	142,419,155.43	120,378,228.28
- Compensation for Female Employees	63,945,641.07	78,893,096.55	91,213,238.42	80,827,945.81
<b>Compensation by Level (Unit: THB)</b>				
- Operational Level				
- Compensation for Male Employees	N/A	N/A	N/A	87,983,669.34
- Compensation for Female Employees	N/A	N/A	N/A	43,012,933.24
<b>Salary Ratio (Female : Male)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1 : 2.05</b>
<b>Management Level</b>				
- Compensation for Male Employees	N/A	N/A	N/A	15,151,457.27
- Compensation for Female Employees	N/A	N/A	N/A	22,944,134.57
<b>Salary Ratio (Female : Male)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1 : 0.66</b>
<b>Executive Level</b>				
- Compensation for Male Employees	N/A	N/A	N/A	17,243,101.67
- Compensation for Female Employees	N/A	N/A	N/A	14,870,878.00
<b>Salary Ratio (Female : Male)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1 : 1.16</b>
<b>Employee Provident Fund</b>				
- Number of Employees Participating in the Provident Fund (persons)	223	260	290	441
- Company Contributions to the Provident Fund (THB)	1,636,678.00	1,881,955.00	2,352,246.00	2,875,869.00
Promotion of Employee Relations and Engagement	2021	2022	2023	2024
Number of Labor and Human Rights Complaints (cases)	0	0	0	0
Major Labor Disputes (cases)	0	0	0	0
Employee Engagement Score (9) (%)	72.07	81.52	83.40	85.88

<sup>(9)</sup> In 2024, the company implemented changes to the methods and assessment forms related to employee engagement.



Occupational Health and Safety	2021		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Number of workers under the Occupational Safety and Health System (people):</b>								
- Employees	1,003		1,045		1,034		941	
- Contractors	N/A		N/A		N/A		N/A	
<b>Percentage of workers under the Occupational Safety and Health System (%):</b>								
- Employees	100		100		100		100	
- Contractors	N/A		N/A		N/A		N/A	
<b>Total Working Hours (hours)</b>	<b>2,511,512</b>		<b>2,691,800</b>		<b>2,666,680</b>		<b>2,388,816</b>	
- Employees	1,685,192	826,320	1,692,704	923,976	1,650,136	939,000	1,457,328	898,936
- Contractors	N/A	N/A	62,600	12,520	52,584	24,960	22,536	10,016
<b>Number of Employees with Work-Related Illnesses (persons)</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
- Employees	0	0	0	0	0	0	0	0
- Contractors	N/A	N/A	0	0	0	0	0	0
<b>Number of Employees with Work-Related Injuries (persons)</b>	<b>33</b>		<b>20</b>		<b>32</b>		<b>14</b>	
<b>Injuries not requiring leave</b>	<b>1</b>		<b>8</b>		<b>10</b>		<b>7</b>	
- Employees	1	0	8	0	6	4	4	3
- Contractors	N/A	N/A	0	0	0	0	0	0
<b>Injuries requiring leave</b>	<b>32</b>		<b>12</b>		<b>20</b>		<b>7</b>	
- Employees	27	5	8	4	14	6	7	-
- Contractors	N/A	N/A	0	0	0	0	0	0
<b>Injuries resulting in fatalities</b>	<b>0</b>		<b>0</b>		<b>1</b>		<b>0</b>	
- Employees	0	0	0	0	1	0	0	0
- Contractors	N/A	N/A	0	0	0	0	0	0
<b>Disabilities from Work-Related Injuries</b>	<b>0</b>		<b>0</b>		<b>1</b>		<b>0</b>	
- Employees	0	0	0	0	1	0	0	0
- Contractors	N/A	N/A	0	0	0	0	0	0
<b>Lost Time Injury Frequency Rate (LTIFR), calculated per 1 million hours worked</b>								
- Employees	12.74		4.46		7.50		2.93	
- Contractors	0		0		0		0	
<b>Total occupational illnesses (cases):</b>								
- Employees	0		0		0		0	
- Contractors	N/A		N/A		N/A		N/A	
<b>Occupational fatalities (cases):</b>								
- Employees	0		0		0		0	
- Contractors	N/A		N/A		N/A		N/A	
<b>Occupational Illness Frequency Rate (OIFR) per 1 million hours worked</b>								
- Employees	0		0		0		0	
- Contractors	N/A		N/A		N/A		N/A	

NA = Not Available



## MEMBERSHIP IN ASSOCIATIONS OR ORGANIZATIONS

Being a member of any association, club, federation or organization under the name of Northeast Rubber Public Company Limited, both in Thailand and abroad.

	Organization name	Status *	Country
1	The Federation of Thai Industries	Member	Thailand
2	The Federation of Thai Industries Buriram	Board Member	Thailand
3	The Thai Rubber Association	Member	Thailand
4	Thailand Management Association (TMA)	Member	Thailand
5	The Renewable Energy (RE100) Association	Member	Thailand
6	Thailand Carbon Neutral Network (TCNN)	Member	Thailand
7	The Securities and Exchange Commission, Thailand.	Member	Thailand
8	Thai Listed Companies Association (TLCA)	Member	Thailand
9	Thai Institute of Directors Association (IOD)	Member	Thailand
10	Collective Action Against Corruption (CAC)	Member	Thailand
11	ECOVADIS SAS	Member	France
12	International Rubber Study Group (IRSG)	Member	Singapore
13	Bloomberg	Member	USA
14	Sublime China Information Co., Ltd. (SCI)	Member	China
15	GlobalData	Member	UK

\*Status means being a member or executive director of that organization.



# GRI CONTENT INDEX

<b>Statement of use</b>	North East Rubber Public Company Limited has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	GRI 13: Agriculture Aquaculture and Fishing Sectors 2022

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>GENERAL DISCLOSURES</b>						
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability Report p.10-11				
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report p. J				
	2-3 Reporting period, frequency and contact point	Sustainability Report p. J				
	2-4 Restatements of information	Sustainability Report p. J				
	2-5 External assurance	Sustainability Report p. J				
	2-6 Activities, value chain and other business relationships	One Report p.23-30				
	2-7 Employees	Sustainability Report p.179-180				
	2-8 Workers who are not employees			Information unavailable/incomplete	While NER engages contractors, the Company does not currently have systems in place to track the total number of contractors' workers operating at workplaces under its control. However, NER monitors and records injury and illness data related to these workers..	
	2-9 Governance structure and composition	One Report p.191-194, 199-207				
	2-10 Nomination and selection of the highest governance body	One Report p.217-221				
	2-11 Chair of the highest governance body	One Report p.192, Sustainability Report p.32				
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report p.13-14, 33-35, 44-45 One Report p.194-205				
	2-13 Delegation of responsibility for managing impacts	Sustainability Report p.13-14, 44, 70, 83, 91, 103, 108, 122, 134, 151, 164, 169				
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report p. J, 22				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	One Report p.250-261 Website: Related Parties Transaction Policy Conflict of Interest Prevention and Stakeholding Reporting Policy <a href="https://investor.nerubber.com/storage/downloads/other-policies/ner-related-parties-transaction-policy-th.pdf">https://investor.nerubber.com/storage/downloads/other-policies/ner-related-parties-transaction-policy-th.pdf</a>				
	2-16 Communication of critical concerns	Sustainability Report p.34-35, 41-42, 60, 147, 164				
	2-17 Collective knowledge of the highest governance body	Sustainability Report p.36-37				
	2-18 Evaluation of the performance of the highest governance body	One Report p. 228-229, Sustainability Report p.35				
	2-19 Remuneration policies	One Report p. 211, 229, 233-234, 241 Website: CG & Business Code of Conduct Handbook p.41 <a href="https://investor.nerubber.com/storage/downloads/cg-policy/ner-corporate-governance-and-business-code-of-conduct-handbook-th.pdf">https://investor.nerubber.com/storage/downloads/cg-policy/ner-corporate-governance-and-business-code-of-conduct-handbook-th.pdf</a>				
	2-20 Process to determine remuneration	One Report p. 233-234, 240-241				
	2-21 Annual total compensation ratio			Confidentiality constraints	NER considers this information as confidential, given its relation to personal data and potential implications for market competitiveness	
	2-22 Statement on sustainable development strategy	Sustainability Report p.2-5				
	2-23 Policy commitments	Sustainability Report p.15, 31, 41, 43, 54, 59-60, 70, 82, 96, 102, 108, 121, 133, 150 Website: Other Policies <a href="https://investor.nerubber.com/th/corporate-governance/policy/other-policies">https://investor.nerubber.com/th/corporate-governance/policy/other-policies</a>				
	2-24 Embedding policy commitments	Sustainability Report p.37-39, 52-53, 55, 60-68, 70-72, 82-83, 97, 103, 122-123, 135, 152				
	2-25 Processes to remediate negative impacts	Sustainability Report p.42, 57, 68, 106, 114, 147, 166				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report p.18-21, 41					
	2-27 Compliance with laws and regulations	Sustainability Report p.174					
	2-28 Membership associations	Sustainability Report p.185					
	2-29 Approach to stakeholder engagement	Sustainability Report p.16-21, 148, 135-137, 166					
	2-30 Collective bargaining agreements	Sustainability Report p.113		Not applicable	NER does not have collective bargaining agreements in place. The Welfare Committee has been established in accordance with national labor regulations to facilitate employee-employer consultation on workplace welfare matters.		
<b>MATERIAL TOPICS</b>							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report p.22-23					
	3-2 List of material topics	Sustainability Report p.23					
<b>Climate adaptation and resilience</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.70-81				13.2.1	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report p.73-75		Information unavailable/incomplete	NER does not have a system in place to calculate the financial implications or costs.	13.2.2	
<b>Emissions and air pollution</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.70-81, 91-95				13.1.1	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report p.80, 176				13.1.2	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report p.80, 176				13.1.3	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report p.81, 176				13.1.4	
	305-4 GHG emissions intensity	Sustainability Report p.80, 176				13.1.5	
	305-5 Reduction of GHG emissions	Sustainability Report p.77-79, 85				13.1.6	
	305-6 Emissions of ozone-depleting substances (ODS)			Not Applicable	NER's operations do not involve the use or emission of ozone-depleting substances (ODS), and no such substances are present in the production processes or facilities.	13.1.7	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability Report p.94-95, 176				13.1.8	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Energy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.82-90				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability Report p.89, 175				
	302-3 Energy intensity	Sustainability Report p.175				
<b>Water and effluents</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.102-106				13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report p.102-104				13.7.2
	303-2 Management of water discharge-related impacts	Sustainability Report p.102, 105-106				13.7.3
	303-3 Water withdrawal	Sustainability Report p.104, 177				13.7.4
	303-4 Water discharge	Sustainability Report p.105, 177				13.7.5
	303-5 Water consumption	Sustainability Report p.177				13.7.6
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.96-101				13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report p.96-98				13.8.2
	306-2 Management of significant waste-related impacts	Sustainability Report p.98-100				13.8.3
	306-3 Waste generated	Sustainability Report p.101, 177				13.8.4
	306-4 Waste diverted from disposal	Sustainability Report p.177-178				13.8.5
	306-5 Waste directed to disposal	Sustainability Report p.178				13.8.6
<b>Local communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.133-148				13.12.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainability Report p.147, 173				13.22.2
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report p.19, 133-148				13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Sustainability Report p.91-95, 106, 137-139				13.12.3
<b>Occupational health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.121-132				13.19.1

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report p.121-123, 132				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Report p.123-125				13.19.3
	403-3 Occupational health services	Sustainability Report p.124-126				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Report p.122, 127				13.19.5
	403-5 Worker training on occupational health and safety	Sustainability Report p.128-130				13.19.6
	403-6 Promotion of worker health	Sustainability Report p.130-131				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report p.132				13.19.8
	403-8 Workers covered by an occupational health and safety management system	Sustainability Report p.184		Information unavailable/incomplete	While NER engages contractors, the Company does not currently have systems in place to track the total number of contractors' workers operating at workplaces under its control. However, NER monitors and records injury and illness data related to these workers.	13.19.9
	403-9 Work-related injuries	Sustainability Report p.184				13.19.10
	403-10 Work-related ill health	Sustainability Report p.184				13.19.11
<b>Employee retention and development</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.108-120				13.20.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report p.180-182				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report p.113				
	401-3 Parental leave	Sustainability Report p.182				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report p.182				
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report p.110, 115-119				
<b>Customer responsibility</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.164-167				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report p.174				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report p.174				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Labour practices and human rights in supply chain</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.58-68				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report p.31-32, 179-180				
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report p.183				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report p.68, 173, 183				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability Report p.61-64				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Report p.61-64				
<b>Sustainable supply chain</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.150-163				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report p.160-161				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report p.153-154, 174				
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability Report p.155-156, 174				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Report p.153-154, 174				
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report p.155-156, 174				
GRI 13: Agriculture and Aquaculture and Fishing Sectors 2022	Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	Sustainability Report p.163				13.23.3
	Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.	Sustainability Report p.157-160				13.23.4
<b>Innovation and technology</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.168-172				
<b>Corporate governance and business integrity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.30-42				
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report p.38-39				
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report p.42, 173				
<b>Law and regulatory compliance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.40				
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Sustainability Report p.174				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Privacy and data security</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report p.54-57				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report p.57, 174				
NER Indicator	Number of information security breaches/cybersecurity incidents	Sustainability Report p.57				
<b>Topics in the applicable GRI Sector Standards determined as not material</b>						
TOPIC	EXPLANATION					
<b>GRI 13: Agriculture Aquaculture and Fishing Sectors 2022</b>						
13.3 Biodiversity	NER operations do not involve land use changes, resource extraction, or activities that significantly impact ecosystems, habitats, or species.					
13.4 Natural ecosystem conversion	NER operations do not involve land use changes, resource extraction, or activities that significantly impact ecosystems, habitats, or species.					
13.5 Soil health	NER operations do not have impacts on soil health, soil erosion, soil loss, or reduction in soil fertility.					
13.6 Pesticides use	There is no pesticides use in NER Operations.					
13.9 Food security	NER businesses are not related to food production.					
13.10 Food safety	NER businesses are not related to food production.					
13.11 Animal health and welfare	NER businesses are not involve livestock, animal testing, or the sourcing of animal-derived materials.					
13.13 Land and resource rights	NER operations do not engage in land acquisition, large-scale resource extraction, or activities that impact indigenous communities or local land tenure.					
13.14 Rights of indigenous peoples	NER does not own or operate sites located in close proximity to indigenous communities.					
13.15 Non-discrimination and equal opportunity	Non-discrimination and equal opportunity is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Labour practices and human rights in supply chain.					
13.16 Forced or compulsory labor	Forced or compulsory labor is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Labour practices and human rights in supply chain.					
13.17 Child labor	Child labor is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Labour practices and human rights in supply chain.					
13.18 Freedom of association and collective bargaining	Freedom of association and collective bargaining are not concerns for our employees and other stakeholders.					
13.21 Living income and living wage	Living income and living wage is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Employee retention and development.					
13.22 Economic inclusion	Economic inclusion is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Local communities.					
13.23 Supply chain traceability	Supply chain traceability is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Sustainable supply chain.					
13.24 Public policy	NER does not participate or involve direct engagement in political activities, lobbying, or public policy advocacy.					
13.25 Anti-competitive behavior	NER does not engage in any activities that would restrict competition or create unfair market advantages.					
13.26 Anti-corruption	Anti-corruption is not a standalone material topic for our business based on NER materiality assessment. It is addressed within Corporate Governance and Business Integrity.					



**NER** "สร้างคุณค่า  
ที่มากกว่ายาง"

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