



# SUSTAINABILITY REPORT 2017

Inoue Rubber (Thailand) Public Co.,Ltd.



**WAY TO  
SUSTAINABILITY**

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## About this report



### Reporting Procedure

This 2017 Sustainability Report is counted as the 3rd issue of Inoue Rubber (Thailand) Public Company Limited "IRC", which is created annually. The contents of this report are in accordance with the Global Reporting Initiatives (GRI Standard: Core option) by fulfilling criteria requirements and covering assessment of the materiality issues, all key indicators in economic, social, and environment aspects which presented the operational results from October 1, 2016 – September 30, 2017 and reflects corporate performance in respect to stakeholders who play a vital role in driving IRC's business towards sustainable growth and continuous improvement.

Additionally, in this year, IRC adopts the 'Sustainable Development Goals' or 'SDGs' as our compass in driving our stakeholder engagement and being a linkage in sustainable development at the international level.

### Scope of Report

This sustainability report presents our operational results from Motorcycle Tires and Tubes and Industrial Elastomer Parts businesses which are located in Rangsit and Wangnoi sites respectively. It includes financial and non-financial report.

Moreover, this report use to be a channel of stakeholder understanding how IRC drive our business towards sustainability goals, unless some parts of the data are presented in the Annual Report 2017.

For more information you can download the full version of this report via

[www.ircthailand.com/en/investor/sustainability](http://www.ircthailand.com/en/investor/sustainability)

Or contact report makers

<http://www.ircthailand.com/th/investor/relations/comment>





IRC Pride

**ESG100**  
Environmental • Social • Governance  
**2017**

Awarded as the 2nd year for 1 of the 100 listed companies (ESG 100) was chosen from 656 companies, which is outstanding in environment, society and governance.

## Sustainability & Economic



**SET Sustainability Awards 2017: Rising Star**



**Thailand Sustainability Investment 2017 (THSI)**





Motorcycle Parts Manufacturer from Thai Suzuki Motor Co.,Ltd.



2016FY Supplier Evaluation Score from Isuzu Motors (Thailand) Co.,Ltd.



Business Continuity Awareness and Capacity-Building Activities for Suppliers Of Isuzu Motors Co., (Thailand) Ltd.



The Excellent Performance Reward from Kawasaki Motors Enterprise (Thailand) Co., Ltd.



Exceptional Effort in Quality Improvement 2016 from Mitsubishi Motors (Thailand) Co.,Ltd.

# Social & Occupational Health, Safety and Working Environment



Master Establishment Outstanding in Occupational Health, Safety and Working Environment (Continuous as a gold award 7 years)



Certificate of Good governance in Environment

A handwritten signature in black ink, appearing to read 'Pimjai', located below the portrait.

Mrs. Pimjai Leeissaranukul  
Chairman



“  
Be the Leading Company in Innovation  
Development and the Smart Factory of Quality  
Elastomer Products, Motorcycle Tyres  
and Tubes in AEC  
”

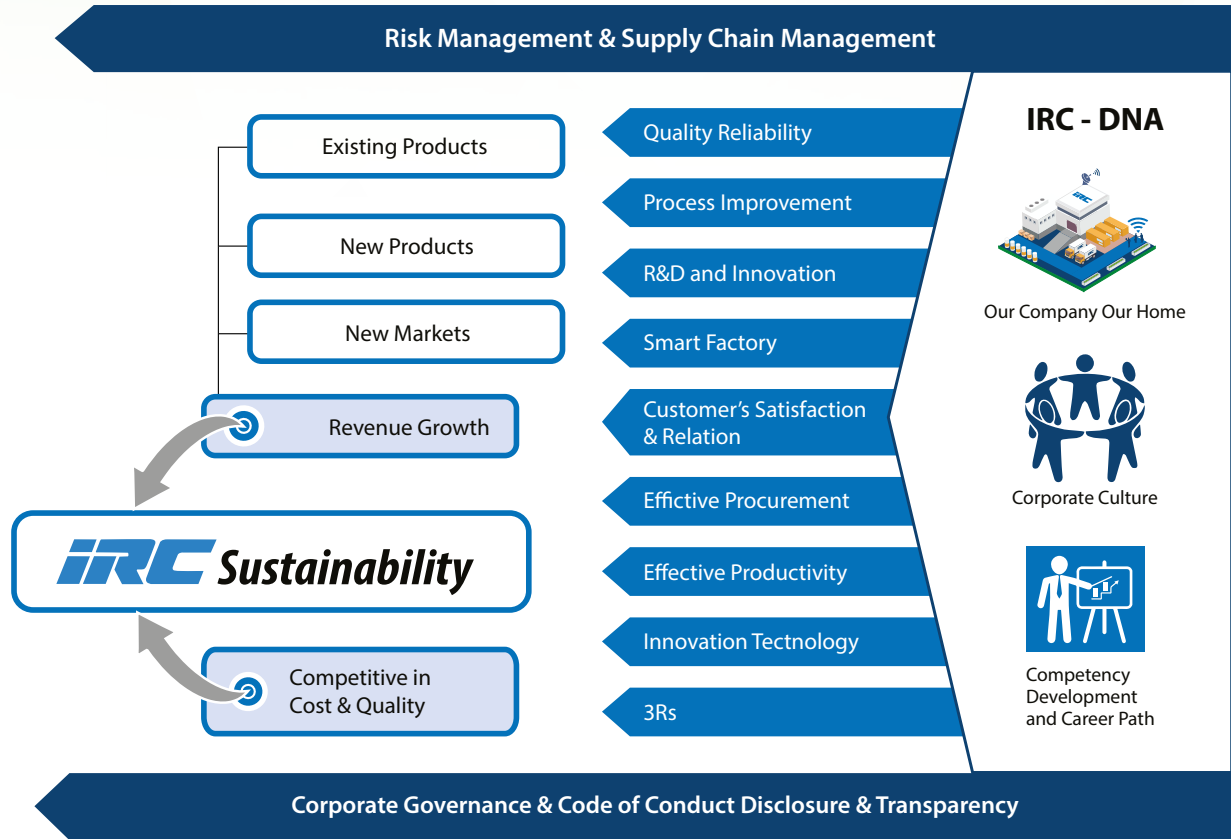
IRC aims to be sustainability organization, which realize in Economic, Social, and Environment. For response to all the stakeholders, under the company vision is “Be the Leading Company in Innovation Development and the Smart Factory of Quality Elastomer Products, Motorcycle Tyres and Tubes in AEC”. The sustainability roadmap for IRC, we have the systematic in risk management and supply chain management included Corporate Governance, Code of Conduct, Disclosure, and Transparency. As the result, the operational and innovation in every parts developed effectiveness and concrete.

In 2017, IRC achieved the Thailand Sustainability Investment 2017 (THSI)'s award and SET Sustainability awards 2017: Rising Star, which cause for developing the set market and economic growth with the stability. Together with the responsibility in Social and Environment under the Corporate Governance Framework.



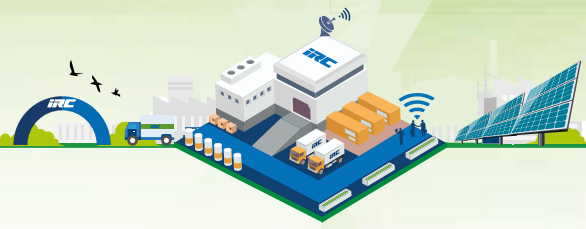


## 5 Year - STRATEGY MAP



5 years strategy map for IRC sustainability, begins from the concrete base of everybody in IRC. We called IRC DNA, consists of 3 points 1. Our Company Our Home 2. Corporate Culture 3. Competency Development and Career Path. The risk management and supply chain management are conducted by Risk Management Committee. Together with the Corporate Governance, Code of Conduct, Disclosure, and Transparency, which conducted by Corporate Governance and Social Responsibility Committee, Accounting Committee respectively.





The roadmap for sustainability goal, need to go through the important plan 9 plans, as in the following



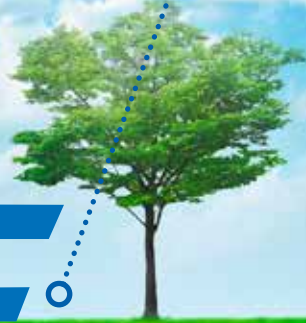
In each departments consist of Plan, Target, and Indicator, which will follow by and evaluating as Daily, Monthly, Quarterly, and Yearly by Management Team and Board of Director. The results of 9 plans will be the Competitive in Cost and Quality, together with Revenue growth from 3 main channels 1. Existing Products 2.New Products and 3.New Markets for achieve in IRC Sustainability's Goal.



# About IRC

## Way towards sustainability

“ Sufficiency Economy is a philosophy from H.M. King Bhumibol Adulyadej, which is the royal speech for Thai people since 1974 onwards. Then restatement clearly again on 4th December 1997 to be a solution solving for financial crisis in 1997. As the result of, remaining with the stability and sustainability in globalization and alternation. ”



Throughout its business history of over 48 years, Inoue Rubber (Thailand) Public Company Limited "IRC" has been continuously engaged in the manufacture of motorcycle tires and tubes as well as elastomer products for automotive and other industries. Along its path, IRC had faced numerous challenges including industrial and technological developments, dynamically changing consumer demand and lifestyle, political instability, economic fluctuations and even climate changes.



Bearing this in mind, IRC is following through H.M. King Bhumibol's philosophy as guidance towards achieving sustainable growth in Economic, Social, and Environment. Through its outstanding expertise and strengths in research and development, as using in production process improvement for address various social problems or needs. By concentrating in Creating Share Value (CSV) for the company and stakeholders, included stay together as of Corporate Citizenship. By implementing 7 policies defined by the Board and the management which are expected to drive the Company namely;





## These are the ground of achieving our vision

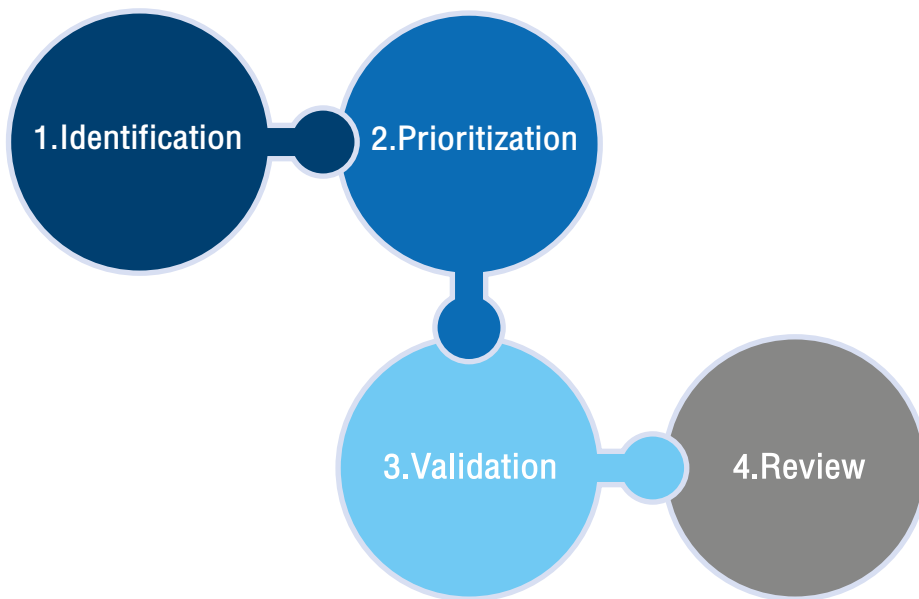
“Be the Leading Company in Innovation Development and the Smart Factory of Quality Elastomer Products, Motorcycle Tyres and Tubes in AEC”



# Assessment of the Materiality Issues and the stakeholders

## Assessment of the Materiality Issues

After set the scope of this report, the Executive Committee, the Corporate Governance and Social Responsibility Committee, and the Board of Directors has considered and assessed the materiality issues that may have an impact on IRC's stakeholders and IRC's business operation (Materiality Assessment) by following the GRI framework.







### Step 1: Identification

Consider the materiality issues that may affect IRC's mission together with the stakeholders' expectation both internal and external based on the economic, social, and environmental aspects. The Company has identified such 3 issues which followed GRI framework at the first time in the 2015 Sustainability Report. In this year, we had assessed and identified as below;



#### Economic

1. Corporate Governance
2. Anti-Corruption
3. Risk Management
4. Customer Relationship Management
5. Value Chain Management
6. Business and Social Innovation
7. Cost Competitiveness
8. Quality Reliability



#### Social

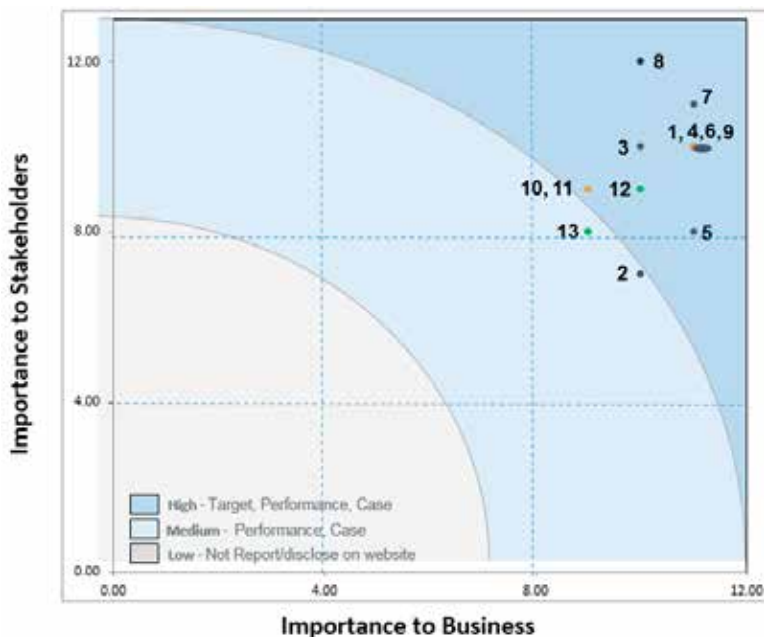
1. Responsibility for Employee
2. Occupational Health and Safety, Well-being
3. Corporate Social Responsibility



#### Environment

12. Environmental Management
13. Climate Change

## Materiality Matrix





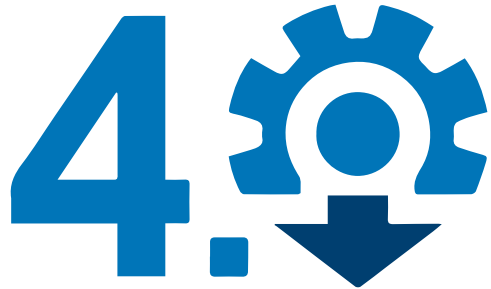
### Step 2: Prioritization

We consider the priority of each issue by separating into 1) important and 2) very important which affect IRC's business operation and stakeholders as presented in the Materiality Matrix.



### Step 3: Validation

In 2017, the Corporate Governance and Social Responsibility Committee has reviewed the materiality issues affected the Company's sustainability by considering Thailand's Roadmap, the development to Industry 4.0 and the economic direction both domestic and international levels together with the United Nation's Sustainable Development Goals or SDGs. Then, the Executive Committee considered this review as a practitioner. Lastly, it was proposed to the Board of Directors for consideration the overall enterprise direction and appropriateness to ensure that the materiality was selected, reviewed, and assessed comprehensively and up-to-date.



### Step 4: Review

This report is prepared for the 3 consecutive years and it was improved and amended related to the framework of GRI Standards so that the content in this report is more completed and able to respond to stakeholders' needs both from internal and external





## Stakeholders Engagement

The Company listens to every voices from the related stakeholder about each step of business operation and realized the importance of running the business with CSR-along-process. We deliberately aims to driven the strategies together with continuously improves the stakeholder engagement to efficiently and extensively respond the requirement, also expectation of the stakeholder lead to the improvement of sustainability management process.

From assessment of the materiality issues, which affected to IRC Business Sustainability as shown in Assessment of the Materiality Issues. The materiality topics related with the stakeholders 6 groups as in the following.

### Shareholders



1. Corporate Governance
2. Anti-Corruption
3. Risk Management

#### IRC Management Approach

The Board of Directors, as a representative of every shareholder groups, performs

1. Determined the policy and the handbook of good corporate governance and business morality as a guideline to follow
2. Continuously promote the development in corporate governance
3. Support to the preparation of Sustainability Report
4. Set up corporate governance and social responsibility committee, and risk management committee
5. Risk Management preparation plan

#### Feedback

1. All stakeholders can together understand and realize the goal and direction of the IRC's operation in long-term
2. ESG 100 : 2017 Certificate
3. Analyst Meeting Activity: the Chairman, presented the Company's performance to the analysts

### Competitors



1. Business and Social Innovation
2. Cost Competitiveness

#### IRC Management Approach

A liberated, transparent and fair competition, which creates invention and innovation

#### Feedback

Brings about an efficient, cost reduction and environment-safely process including new products creation that leads business advancement and overall industrial development



## Suppliers & Contractors

### Supply Chain Management

#### IRC Management Approach

1. The principles of transparency for choosing suppliers by set up the criteria, which complied with the legal and operational base on the humanitarian
2. The principles of behaving towards supplier with fairness
3. Support the sustainable business operation
4. Improve the supply chain

#### Feedback

1. The chosen suppliers would be able to deliver quality products and services to the company
2. The Small and medium-sized enterprises (SMEs) to enhance their competitiveness and to become economic driving henceforward
3. Social Enterprise Project (Klongpang Operative Fund)



## Employee

### 1. Responsibility Employee 2. Health, Safety & Well-being

#### IRC Management Approach

1. Determines the goal to enhance the employees in every level by providing them a special training following their ability and knowledge that are necessary to their working task
2. Set up the training activities, seminars and field trips educating by both inside and outside instructors

#### Feedback

1. Employees Engagement Activity Happy Workplace Project Sending employees to travel back home safely Vocational training program for senior employees Financial Literacy to Employees Annual Merit Activities in the Company QCC Activities
2. Provides Financial Literacy: "Good Financial Discipline Creating Good Well-Being"
3. Employees Engagement Activity, Sport Day Activity





## Community, Society, and Environment



1. Corporate Social Responsibility
2. Environmental Management
3. Climate Change

### IRC Management Approach

The Company has determined

1. The philosophy and the organization's culture
  - Efficient energy use
  - Recycling
  - Environment and biodiversity saving
  - Environmental Friendly product and production process development
2. Transfer knowledge
  - Create good environment in IRC, surrounding community, society and country with the Sustainable Development Goals (SDGs)

### Feedback

1. Be a part to support and push forward this development goal so Thailand can move towards the global sustainability through the Company's activities and actions
2. Project related with Community, Society, and Environmental responsibilities
  - HAI ARCHEEP – HAI CHEEVIT Project
  - Production Line Improvement Project
  - Solar Cell Installation
  - Playground Renovation
  - Safety Driving Campaign during Festival Project
  - Safety Driving Wearing Helmet Project
  - Projects that relate to culture Promotion such as 5 Precept Activity, Making Merits on Special Religious Days, Pouring Water and Asking for Blessing from Elders (On Songkran Day)
3. Product which reduce the GHGs emission

## Customers



1. Customer Relationship Management
2. Quality Reliability

### IRC Management Approach

Realized and stood for the Quality Spirit

1. QUALITY FIRST, DELIVERY ON TIME, CUSTOMER SATISFACTION
2. Always keep our rules and our Standards
3. Promoting the built-in quality in each section
4. President/MD fully support to QA – decision (QA – decision as President/MD order)

### Feedback

1. The awards, certificates and trophies that we received both from our customers and external institutes
2. DID RIDE for LIFE (D.I.D) Activity and other activities with the customers such as HONDA in HONDA SPORT DAY 2017

# Management Approach

## Good Corporate Governance

### Business Importance

Good corporate governance is the important basis for the business operation, for the disclosure and transparency management. Moreover, the business will get the highest performance together with the code of conduct in the operation. The fair respect for Rights of Shareholders and Stakeholders Responsibilities are also included, which are the important factors of the value increase and the highest return on investment for shareholders as a long term.

IRC aims to the best of Corporate Governance for response to the company’s vision as “Be the Leading Company in Innovation Development and the Smart Factory of Quality Elastomer Products, Motorcycle Tires and Tubes in AEC”

### Management Approach

The company specify the strategies and the management approach for the corporate governance as in the following process





**In 2017 got the evaluating CG Score as 4 stars, continuing for the 2nd years**

Moreover, the company established the internal audit department since September 1, 2017 and also hired the employee to be the department manager.

In 2017, IRC has reviewed our Good Corporate Governance and Business Morality Handbook to align with the new Securities and Exchange Act B.E. 2560, Handling confidential, market-sensitive information: Principle of good practice and Corporate Governance Code, Practice Principles for Board of Directors of Listed Company, SEC, 2017. This is to enhance IRC’s corporate governance principle and policy and to be the good practice for directors, executives, and employees to hold on.

In addition, IRC also promoted corporate governance trainings among its directors, executives and relevant staffs such as Director Accreditation Program (DAP), CG Forum on the topics of ‘Governance as a driving force for business sustainability’ and ‘Rights and Duty of Shareholders From Yin-Yang Perspective: Black-White Do the Right Thing’. These training programs are hosted by numerous organizations namely the Stock Exchange of Thailand (SET), the Securities and Exchange Commission of Thailand (SEC), and Thai Institute of Directors (IOD). Meanwhile, the management and the secretary of Corporate Governance and Corporate Social Responsibility Committee were also encouraged to be trained in Ethical Leadership Program (ELP) in order to build understanding regarding the roles and proper management practice based on corporate governance principles and business ethics, including transferring the knowledge learned among other colleagues within the organization.

**Performance**

In 2017 the Board Self-Assessment and other sub committees included as in the following details

Board Skill Matrix	Board Self-Assessment as a whole	Board Self-Assessment as an individual
<ol style="list-style-type: none"> <li>1. Business Management</li> <li>2. Industry</li> <li>3. International Business</li> <li>4. Strategic Management</li> <li>5. Laws and Regulations</li> <li>6. Accounting</li> <li>7. Finance</li> <li>8. Information Technology</li> <li>9. Other Specific Knowledge</li> </ol>	<ol style="list-style-type: none"> <li>1. Committee Structure and Qualifications</li> <li>2. The Committee Meeting</li> <li>3. Roles, Duties and Responsibilities of the Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Committee Structure and Qualifications</li> <li>2. The Committee Meeting</li> <li>3. Roles, Duties and Responsibilities of the Committee</li> </ol>



### The Board of Directors and the sub-committees' self-assessment results for the year 2017



Notice: 0 = Strongly disagree or never conducted  
 1 = Disagree or seldom conducted  
 2 = Fair or moderately conducted  
 3 = Agree or well conducted  
 4 = Strongly agree or excellently conducted

### Code of conduct

**IRC has values, principles, standards, and norms of behavior which are followed by Code of Conduct. Moreover, the company manages on morality by using the protocol control and also balances the power, for disclosure and transparency management.**

Furthermore, the company has the complaint policy as shown in the corporate governance handbook reviewed version on May 16, 2017.

For more information please download at

<http://www.ircthailand.com/th/investor/corporate/charters>

### Sustainability Management

#### Economic, Social, and Environment Practice

The Corporate Governance and Social Responsibility Committee 'the Committee' appointed the 'Working Team' consisting of executives and employees from various departments that normally have interaction with IRC's stakeholders by following their roles and responsibilities so that they can drive IRC's sustainability in terms of Economic, Social, and Environment

Moreover the issues which related with **Environment, Social, and Governance 'ESG'** as policy and procedure assigned by the Committee. The Working Team shall listen and receive comments and recommendations from stakeholders then report to the Committee on a quarterly basis, or immediately. In urgent case, the Committee will be able to define the proper and prompt strategy and procedure to manage each group of stakeholders. If there are any significant issues that shall affect the Company's business strategy or forecast, the Committee shall report to the Board to consider and define the procedure to manage later on.



### Corporate Social Responsibility Activity Enhancing Corporate Sustainability

The Board, the Executive Committee and the Corporate Governance and Social Responsibility Committee together define the strategy to drive IRC's CSR activities namely;



#### 'IRC'

enhance employees knowledge and well-being as well as using resources sustainably



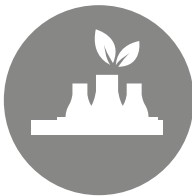
#### 'Neighbor'

having good relationship and being united with neighbor



#### 'Community / Nation'

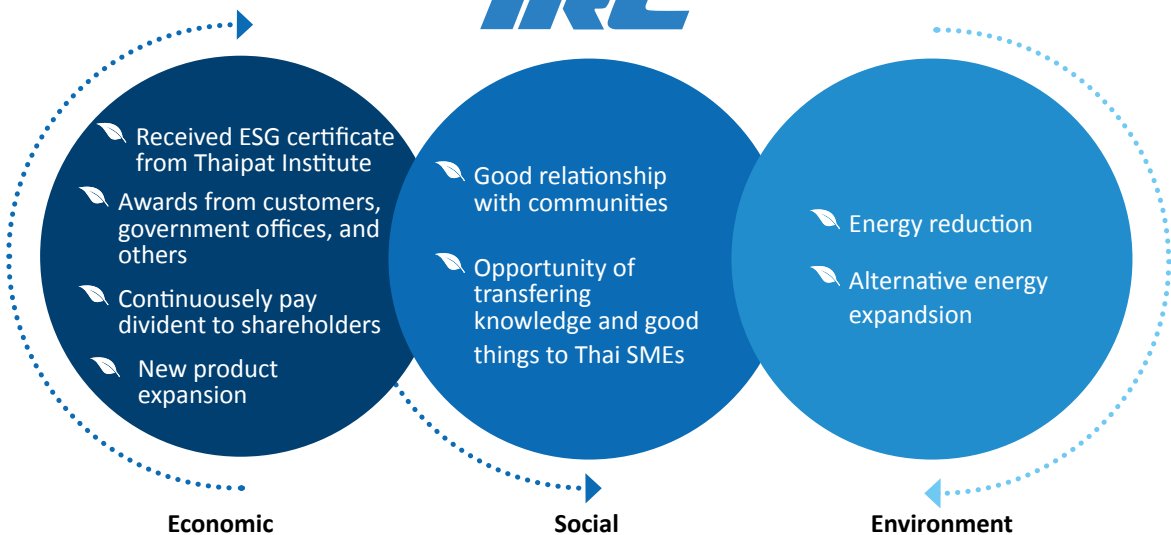
support the development and help solve the nation problem based on IRC's strength e.g. pushing social Enterprise projects



#### 'Global'

IRC as a part of global warming and greenhouse gas emission reduction

### The Results of Pushing Forward and Implementing the Sustainability Policy





## Anti-Corruption

### Business Importance

The Company realized the important of the transparency operation and follow by the good corporate governance. The operational base on performing, fair, social and stakeholders responsibilities. Moreover, the Company prevents the chance of the corruption causes.

As a corporate citizenship, IRC specify the operational principle, which is not supported to the business of the group or person who is corruption in pursuit of benefits. Furthermore, the company has been entrusted in the operational without any corruption.

The Board of directors have defined the Anti-Corruption policy as well as the responsibilities of directors, executives, and employees at all levels. This begins with creating awareness and values in 'Self-Respect' under the belief if a person perceives and respects his/ her values, it shall be the fundamental of integrity and self-control to avoid himself or herself from doing any wrong actions as well as any wrong thought.

### Management Approach of Monitoring and Evaluating the Implementation of Anti-Corruption Policy

To encourage employees at all levels to act in accordance with procedures set in the Anti-Corruption policy, IRC has provided the communication channels such as training to existing employees, presented as orientation curriculum for new employees which there are quizzes before and after trainings to test the understanding. Additionally, IRC has provided the communication materials of the Business Morality, Code of Conduct and Anti-Corruption Policy for publication to employees during lunch.



## Anti-Corruption





## No Gift Policy

For no gift policy, it is a part of anti-corruption policy which was announced by the Company to set as the practice standard to all employees.

### Whistle-Blowing Procedure

IRC has provided the channels for whistle-blowing namely;

- Filing complaints by verbal to the Company's Chairman
- Comment boxes as placed in the Company

In case that the whistle-blower does not want to disclose himself/ herself, the Company has opened the electronic channels namely;

- Email: [listen@ircthailand.com](mailto:listen@ircthailand.com)
- Website: [www.ircthailand.com/en/investor/corporate/whistleblowing](http://www.ircthailand.com/en/investor/corporate/whistleblowing)

IRC has a policy to keep all the information confidentially in order to protect the whistle-blowers from any fear of authority power or any action of the violation. After the case end, the Company will report the investigation result to the whistle-blowers as appropriated.

### The Evaluation of Corruption Risk

The Board assigned the Risk Management Committee to assess corruption risks and impacts that might occur to the Company so that the risk has usually been examined and monitored. Moreover, the policy, procedures/ practices and the authority table are set as a part of risk management process in order to create internal check and balance mechanism. As a result, the Company has communicated this risk management for all related persons to realize and implement in the same practice for all enterprise.

### Performance

In 2017 IRC does not has any complaint.



## Risk Management

### Business Importance

The company realize how important of the risk management, under the uncertainties. Risk management is the significant component of every process in business operation. Moreover, it related to every level and get the highest target as sustainable business operation.

### Management Approach

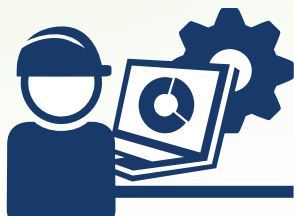
The Board of Directors has recognized that the risk management is the significant process for business operation and sustainable growth, as well as has complied with the good Corporate Governance for listed company 2017 (CG Code 2017). Thus the Risk Management Committee has been assigned to systematically perform the Company's risk management to comply with the rules, regulations and international standards such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM), ISO 14001: 2015 and ISO 9001: 2015. With a clear emphasis on the management of four major risks including strategy risk, operational risk, financial risk, and compliance risk, the Risk Management Committee has determined to earnestly pursue the "Risk Appetite" framework that pave the way to strategic plan and business planning following the short-term and long-term organizational objectives and goals.

To drive the organization to a greater achievement of objectives and goals, the Risk Management Committee has determined the risk management working team's pivotal roles by stimulate risk owners to realize and understand causes and effects of their responsible risks, while having a strong sense of responsibility towards their everyday tasks. In addition, the Risk Management Committee has held an innovation and risk management contest within the organization, as part of the strategy to encourage all employees to have an inbuilt awareness of risks as well as take part in the development of risk management. This substantial commitment has been expected to foster systematic reporting of risks in an efficient and appropriate manner.

Furthermore, the Risk Management Committee has thoroughly reviewed its Key Risk Indicators (KRIs) covering the main business lines of motorcycle tires & tubes, and industrial elastomer parts to highly facilitate the assessment of key risks. Also, the Committee has strategically developed its Business Continuity Plan (BCP) to cope efficiently with changing economic situations and be prepared to tackle business crises to ensure no impact caused to the overall business process and the Company's stakeholders. Moreover, the Committee has monitored and summarized the performances of the risk management working team then reported to the Board of Directors on a quarterly basis.

### Performance

The company has the project for risk management and emergency, which cause the benefits of business included specify the benefits as the number (For example decrease budget, decrease risk, increase the revenue growth, the positive effect to IRC, or the related issues). Risk management project has 4 issues, which IRC is interested in as the following



### Strategy Risk

The company determined the strategy for support to the Research and Development of the product, for response the customer requirements. Also created the innovation to be the Smart Factory as the changes of technology, and move forward proudly to be Thailand 4.0. Moreover, the company recognize in the environmental sustainability and Zero Waste Policy, by using the 3Rs : Reduce, Reuse, Recycle adapted into the business process.



### Operational Risk

The company aims to upgrade continuously in the production performance, included the quality of the production. The modern machines with capacity are using continuously in the production process, and also Automation system also usage in the process clearly such as the Automated Guided Vehicle (AGV). Moreover, the company bring the IRC Smart Production (ISP) to using in the production plan and control. As the result of, it could be upgraded the verifying performance, and upgrade the production to deliver meet the customer requirement. Hence, for continuously upgrade of the production performance will be made the company more competitive.



### Financial Risk

The company has the transactions in foreign exchange, mainly with JPY which has the highly derivative. However, the company catch up closely with the foreign exchange movement, and also the situation which can effect to the money market. The follow up and consumption for adjustment will happen in each quarter. Forward contract is the policy of Buying/Selling foreign money, for using in the transactions of foreign exchange as aims to preventive the risky point. The report will present to the management for acknowledge frequently, and also report to Risk Management Committee by quarterly.

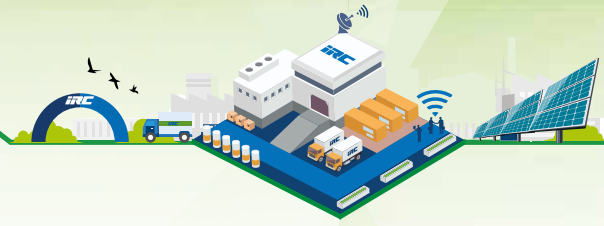
Moreover, the company has the guidance of the money management, by paying the dividend higher than the company income from the short term investment's interest. Also the company studied to invest in others channels, for example the investment in R&D of innovation and technology. As the results, IRC get the remunerative of money management and long term business benefits. It could be reduce the tax as well.



## Compliance Risk

The company recognize to comply with the legal, rules, and regulations, which related to production, operation, Occupational Health and Safety, Environment, employee, disclosure, corruption, and the international standard as necessary to the business operation. From the company performance, IRC never be any illegal.

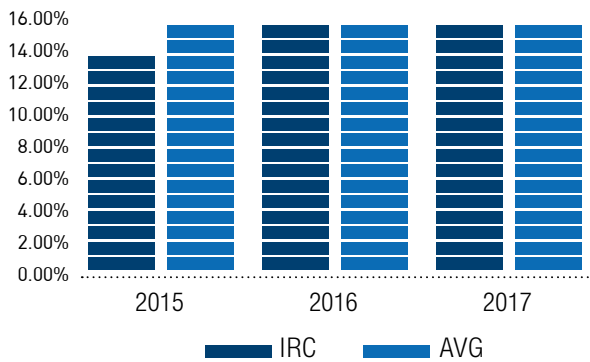
“Zero Violation”



## Economic Performance

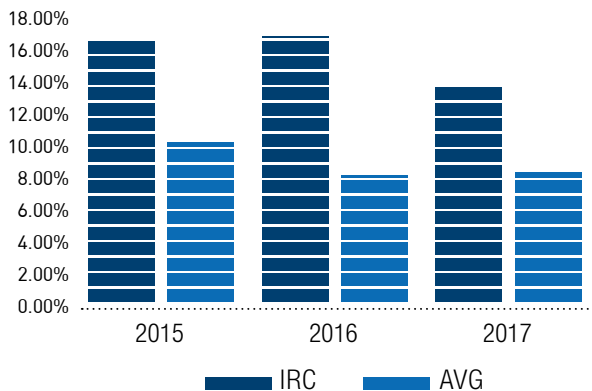
IRC continues to manufacture and develop its products to ensure sustainable economic growth and employment opportunities among local communities by focusing on raw material selection and testing procedures, enhancement of production process and techniques and innovative products creation and development. This has allowed IRC to continuously introduce new products into the market and generated as high as 5,331.47 million Baht in total revenue and 423.79 million Baht in profit in the year 2017, which is a decrease by 17.49 percent comparing to the previous year or an equivalent of 2.12 Baht in terms of earnings per share, allowing the Company to continuously pay dividend to its shareholders and allocate fair and appropriate compensations among its directors, executives and employees and even profit sharing among the stakeholders through various projects.

ROA



Year	IRC	AVG
2015	13.46%	8.24%
2016	15.20%	7.41%
2017	11.48%	7.28%

ROE

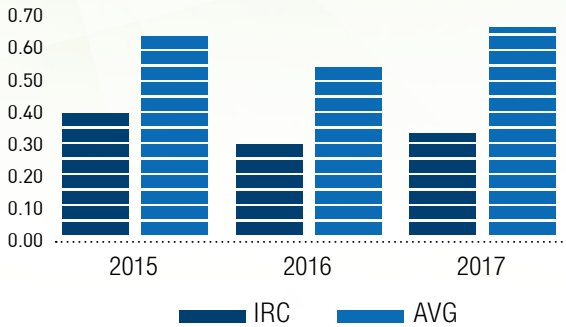


Year	IRC	AVG
2015	16.31%	9.63%
2016	16.94%	7.67%
2017	12.81%	7.42%





D/E



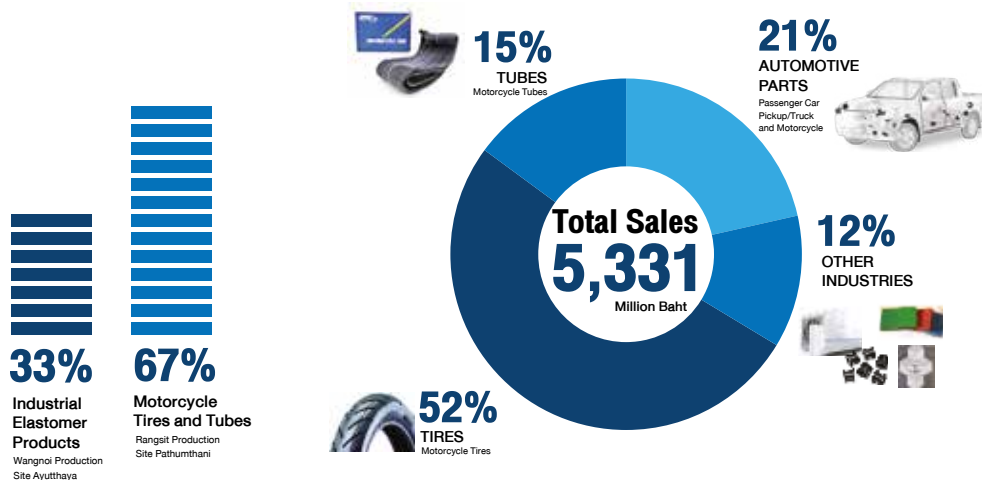
Year	IRC	AVG
2015	0.39	0.58
2016	0.33	0.57
2017	0.36	0.64

### Financial Reporting

Throughout the past years, IRC managed to maintain its financial reporting standard by preparing its financial statements in accurate, transparent, reliable and verifiable manner and all of which have been independently audited and opinionated by certified auditors. In 2017, the Company has prepared Management Descriptions and Analysis (MD&A) and disclosed its quarterly and annual financial statements to the Stock Exchange of Thailand in order to publically notify and clarify its performance results among the shareholders and interested persons. At the same time, IRC has managed to uphold proper financial practice in analyzing the benefits and value for money that can be gained by the Company from making investments in machinery, production and numerous projects, including avoiding investing in businesses that are beyond its field expertise and trying to maintain sufficient capital flow for running normal operations in order to sustain the Company’s credibility as well as the highest benefits of its shareholders.

### Products of IRC

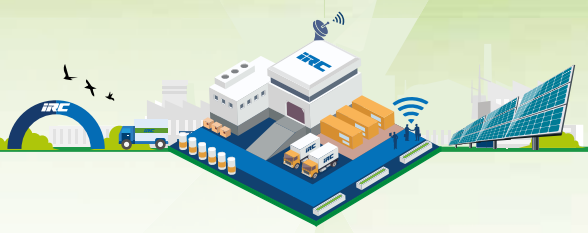
Status as of FY 2017



**Company Abbreviation IRC**

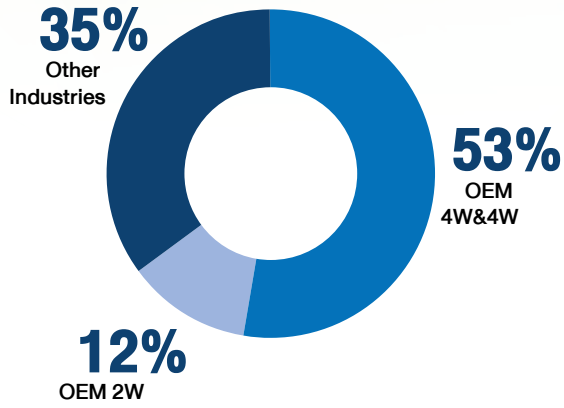
Established 15 December, 1969  
 Listed in SET 25 September, 1994  
 Location 2 sites (Rangsit, Pathumthanni & Wangnoi, Ayutthaya)  
 Registered Capital 200 Million Baht (Paid up)  
 Number of Shares 200 Million Ordinary Shares

Total Employees 1,713 persons (as of September 30, 2017)  
 Total Revenues -5,331 Million Baht  
 -5,002 Million Baht  
 Total Net Profit -424 Million Baht (FY2017)  
 -514 Million Baht (FY 2016)



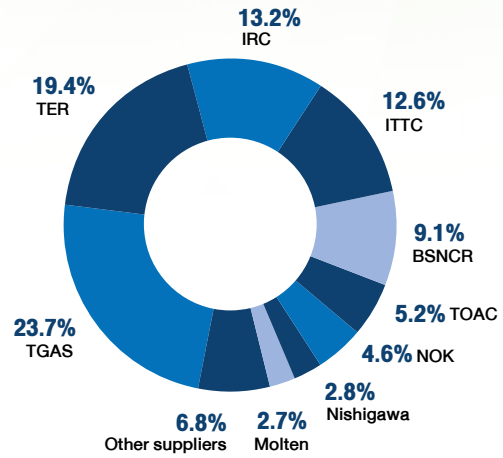
Market Share of Industrial Elastomer Parts (IED) Products

Channel of Distribution



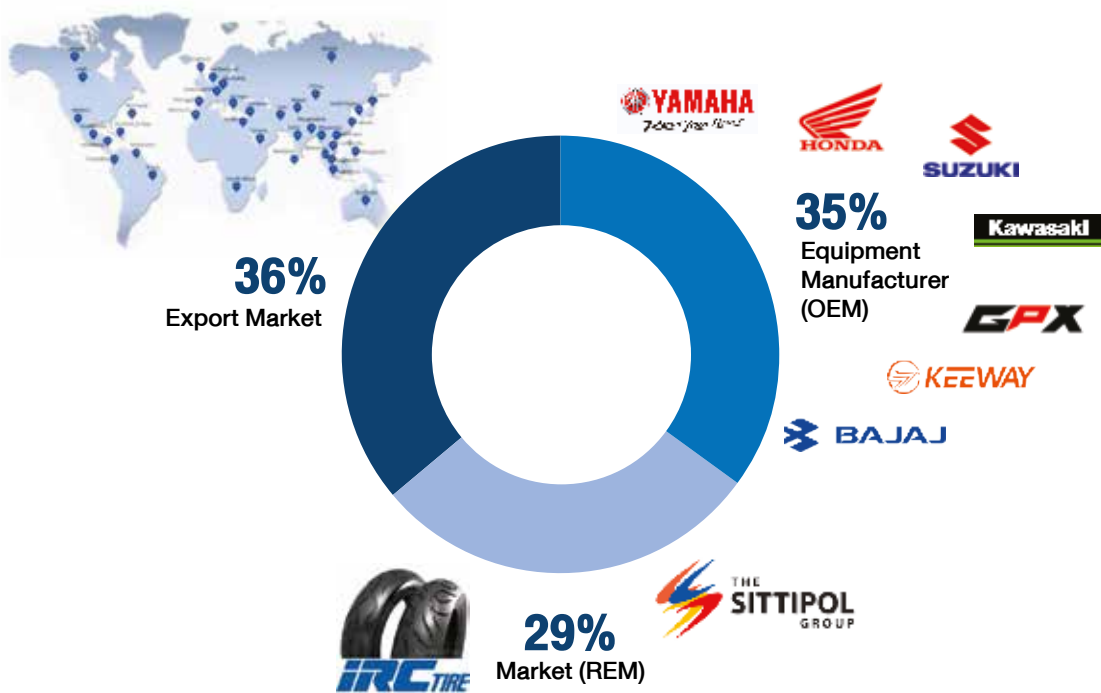
Status : September 31, 2017

Automotive OEM Market Share (Approximated)



Status as of FY2017

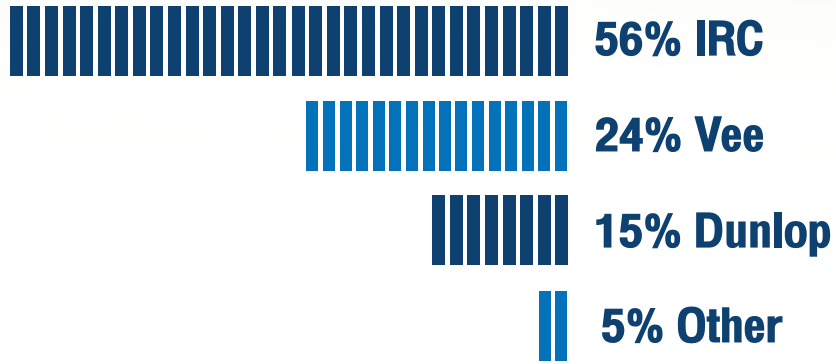
Market Share of Motorcycle Tires and Tubes Products

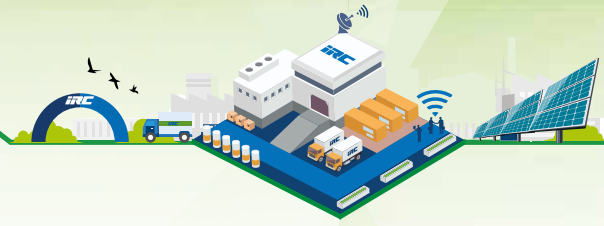


Status: September 30, 2017 (FY 2017)



**OEM Market Share FY2017 by Values  
(Approximated)**





# Sustainability in Supply Chain

## Supply Chain Management

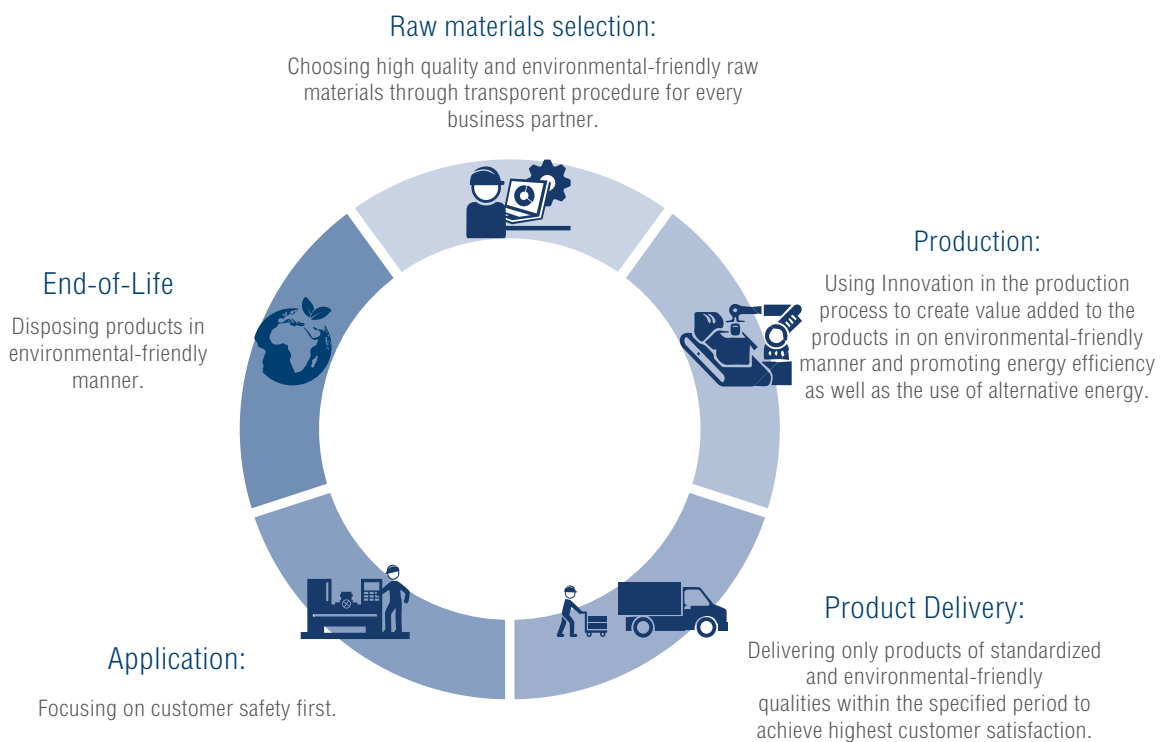
### Business Importance

For competitive advantages, company has to perform in the cost management with mainly strategy in customer satisfaction. Highly response in customer requirements, as rapidly changes based on low productivity cost and the highest benefits by produce appropriately quantity. As the result of, the effectiveness of Supply Chain Management is necessary for the company.

### Management Approach

Then IRC applied Supply Chain Management continuously in the related consistency. Management system aims to response in customer satisfactions with efficiency and effectiveness, by manage the inside and outside unit could be deliver goods or work pieces continuously to the next unit. Until at the end of the production line as quality goods, and then delivery to the customers as their requirements.

Green Value Chain is the IRC strategy, in order to establish a sustainable organization by incorporating social and environmental aspects in driving the business to promote transparency and fairness, including minimizing monetary losses, energy consumption and carbon emission as well as preventing corruptions and social inequality.



To ensure that its supply chain management is capable of delivering internationally-accepted quality products, IRC therefore become focus on improving its entire supply chain from upstream, midstream to downstream apart from improving its production process. IRC created vendor's survey form for who will be our vendors, which included social and environment parts. Moreover, will audit the suppliers at the production place/warehouse annually.

## Performance

### Klongpang Cooperative Fund, Trang Province

In 2017, more than half of Natural Rubber which feed in the IRC production came from Klongpang Cooperative Funds, Trang Province. The company has been evaluated from the process of receiving latex and all the production steps until the grading process. If any points out of the standard, IRC will give an advice for improve and develop the production process for more efficiency. The great supporting from the Cooperation Promotion Department and Department of Agriculture Extension, Ministry of Agriculture and Cooperatives, for the cooperative could be produce the quality product. Moreover, build the strength of the farmers among the natural rubber price is sluggish. As the result of, for the farmers understand and recognize in the important of quality more than before. IRC has an open house day for the farmer, who is the representative from the cooperative visited in the production line and quality control in IRC motorcycle tire-tube products. IRC presented to them as how important of the quality in each pieces before the customer will receive products.

The project has run on for 2 years since 2016, the clearly result of the cooperation and development is the cooperative certified the ISO 9001: 2015 standard in 2016. It can guarantee, the performance of the production in Rib Smoked Sheets international standard, which response to the market demand. Moreover, they could export to others countries without the pressure from middleman or the uncertified standard issue.



In year 2017 of the natural rubber which feed in the IRC production came from Klongpang Cooperative Fund Trang Province



"This project will be a prototype project of Thai farmer's efficiency improvement in moving forward to global competition by raising quality potentiality to international standard, The project aims to support rubber farmer's living and to help improve the community economy to sustainably grow for Thai economy stability henceforward."

*Pimjai Leeissaranukul  
Chairman of Inoue Rubber (Thailand) Public Company Limited*







### Supply Chain Development and Efficiency Improvement Project

Supply Chain Development and Efficiency Improvement Project towards to 4.0 innovation, which project aims to develop drying rubber' subcontractors and iron maker parts' suppliers about 15 companies. For applied the knowledge and new ideas to improve the working performance such as increase sale volume, reduce cost, reduce the production waste, and improve the new working process. Moreover, the reduction of cost and transportation cost, included the competitive improvement of SMEs will be the mainly part to drive the Thailand economy as the Government Strategy.

IRC has created this project continuously as the 2nd year together with the advisor and working team from College of Logistic and Supply Chain, Suansunandha Rajabhat University





## Business and Social Innovation

### Business Importance

IRC has the business and social innovation base on the company's vision as "Be the Leading Company in Innovation Development and the Smart Factory of Quality Elastomer Products, Motorcycle Tires and Tubes in AEC". Moreover, one of the important mission is Continuous Research and Development for New Innovations, Products, Processes and Market and Keep Generating the Outputs of Existing Business. Included produce the currently products to be friendly with Environment, Community, and Social.

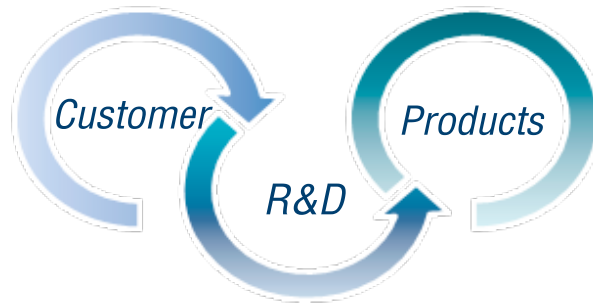


### Management Approach

Company has the innovative improvement and new products to serve the customer's requirements, as develop product and raw material which are friendly with the environment by IRC (Asia) Research Company Limited (IAR).



Inspection  
Bodies  
Accreditation



## Performance

### Rubber Product made from Linseed oil

Production formula of compound rubber has an ingredient from Linseed oil from natural, which passed through the molecular structure improvement process. For improve the mechanical property of the rubber product, and replace in the phthalate oil group (DEHP) which is the restrict ingredient as REACH and RoHS2's law in 2019. It will be good for human health and friendly with the environment.

From the research and development found that the product has the property same as before when use the production formula of compound from natural raw material. It passed the standard testing from OEM customers group and IRC.





### Eco-Carbon Black (Eco-Carbon Black in rubber formula)

Eco-Carbon black is the product from recycle process of the old car's tire to be the additive, which has the semi reinforcing property. It could be replace the Carbon Black for decrease the raw material from Petro Chemical Industry.

IRC has research and develop the rubber formula for use the Eco-Carbon black from recycle process of the old car's tire, to produce the tire produc. We found that the product property is same as the Carbon Black additive. Moreover, it could be reduce old car's tire waste, environmental friendly, and sustainability in recycle promoted.



### Vi-Pafe (ECO Rubber Block)

Rubber block product (Vi-Pafe) is the continuous product from rubber ship (Forming the rubber ship to be the rubber block), which has the reduce impact load property. Moreover, increase safety by preventive in slipping, decrease the accident chance, and also decrease the impact of injured from the banging.

Vi-Pafe could be serve the customers completely such as indoor-outdoor decoration, small park, walking path inside house, and playground. Moreover, the color, design, and shape could be adjust as the customer's requirement.





## Seal Flex

Seal Flex is the spongy seal, which is using for water proof, air leak at the frame door, resistant. Previously, in the market the spongy seal has weight more than import seal, then IRC research the innovative seal which has lighter and property function in environmental resistant, low hardness and slow reform. As the result of, it could be protect the leakage same as the product import, which cause to reduce the import product and increase the domestic share market of the spongy seal.



## Innovative in Production Technology

### Business Importance

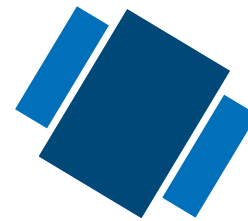
Research and development which is part of IRC's strong points is another important aspect that will help the organization to achieve sustainable growth by developing new products through innovative creations together with production process improvement to ensure reliable and trustworthy quality control. At the same time, IRC aims to achieve highest customer satisfaction on both domestic and global scales by strictly upholding relevant protocols, business ethics and employee code of conduct, realizing the importance of innovation development, R&D, prioritizing and valuing intellectual property rights namely trademarks, copyrights, patents for formula/production process including research data as well as market and customer information, all of which has been continuously implemented and raised awareness among employees at every level to ensure business sustainability and create positive impact in the long run.

### Management Approach

Under the support from The Board of Investment of Thailand (BOI), IRC Asia Research (IAR) has developed equipment, machinery, and high software technology, included hired the expertise both Thai and Japanese around 70 persons for development together. The readiness of co-working with the customers in product development, is the mainly important for customer requirement. Moreover, IAR is one of the movement function for product and service development for more competitiveness.

### Performance

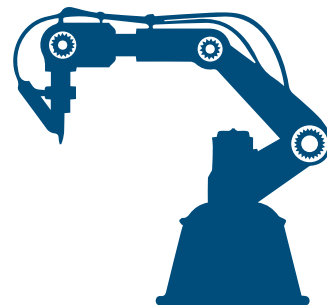
In 2017, IRC has carried out product development and projects for its production line in order to enhance production efficiency, product quality and production wastes reduction.



**206 Models**  
Industrial Elastomer parts



**65 Models**  
Motorcycle Tires and Tubes



**43 Projects**  
Productivity  
improvement Project



## Customer Relationship Management

### Business Importance

At IRC, we value Customer Relationship Management as it plays a vital role in driving the organization towards achieving sustainable growth. Hence, IRC does not only emphasize on its customer importance but also on the quality of products and services delivered by ensuring that they meet the required standard and are promptly delivered in order to gain customer satisfaction in response to the Company's quality policy.

**“Quality First,  
Delivery On-Time,  
Customer Satisfaction”**



### Management Approach

IRC also maintain strict compliance with the regulations and guidelines specified in the “Handbook of Good Corporate Governance and Business Morality” concerning the delivery of quality products on time to meet or exceed customer expectations based on fair conditions. The Company shall provide accurate, adequate and updated product and service information to customers to so that they have sufficient information for decision making without making overstatements whether by means of advertisement or any other channels of communication that may mislead the customers about the quality, quantity or any terms and conditions concerning that product or service. Furthermore, the Company strictly maintains its customer confidentiality by avoiding unlawful use of customer information for personal interests or the interests of others. Most importantly, the Company quickly addresses its customer needs and establishes efficient system and channels for customers to raise complaints concerning product and service quality and even conducts customer satisfaction survey of which the results can be useful for analysis to further review and develop current quality system.





Best Satisfaction to Customers in 4 Product-Dimensions of Product and Service, is one of the policy as the board of committee and management team specify together to be 7 policies. It will bring the company to the target which included as the following

- Price/Cost                      At the Best Competitive Level for Customers
- Quality                              At the Best Competitive Quality Rating by Customers
- Delivery                            At the Best Competitive Delivery Rating by Customers
- Services/ Solutions      At the Best Service to Solutions for Customers at All Time

## Performance

### Customer Satisfaction Survey

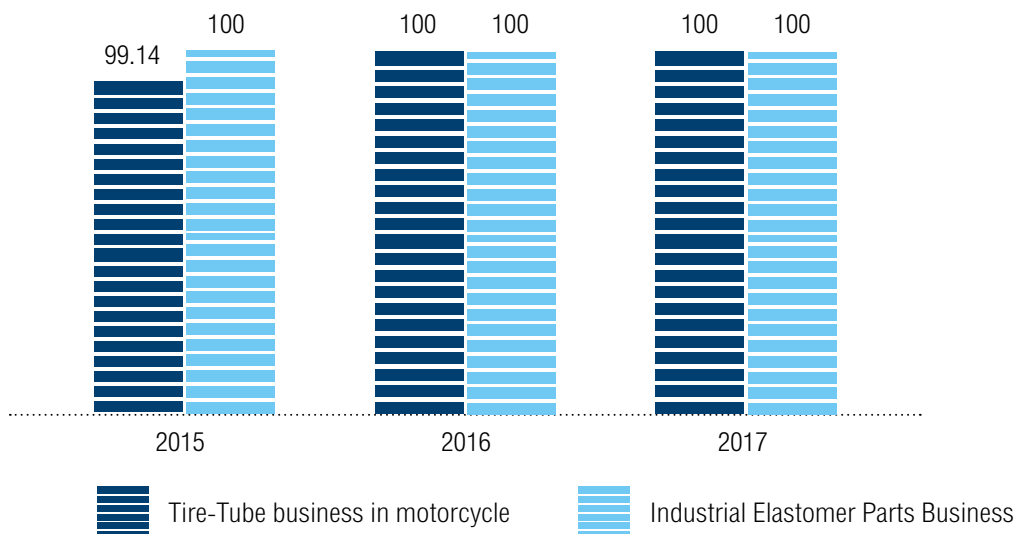
IRC regularly conducts annual customer satisfaction survey covering 3 main aspects including product quality, product delivery and services. The questionnaire comprises of five main topics including:

1. Customer satisfaction in product quality level and product quality improvement
2. Customer satisfaction in product application
3. Customer satisfaction in product design and product ranking in comparison with other competitors
4. Customer satisfaction in product delivery, on-time service, accuracy in terms of product quantity and delivery document, packaging standard and coordination with relevant staffs
5. Customer satisfaction in service and communication, completeness and accuracy purchase orders, coordination and after-sales service



### Customer Satisfaction (%)

In 2017, customer satisfaction survey revealed excellent results (100% score)

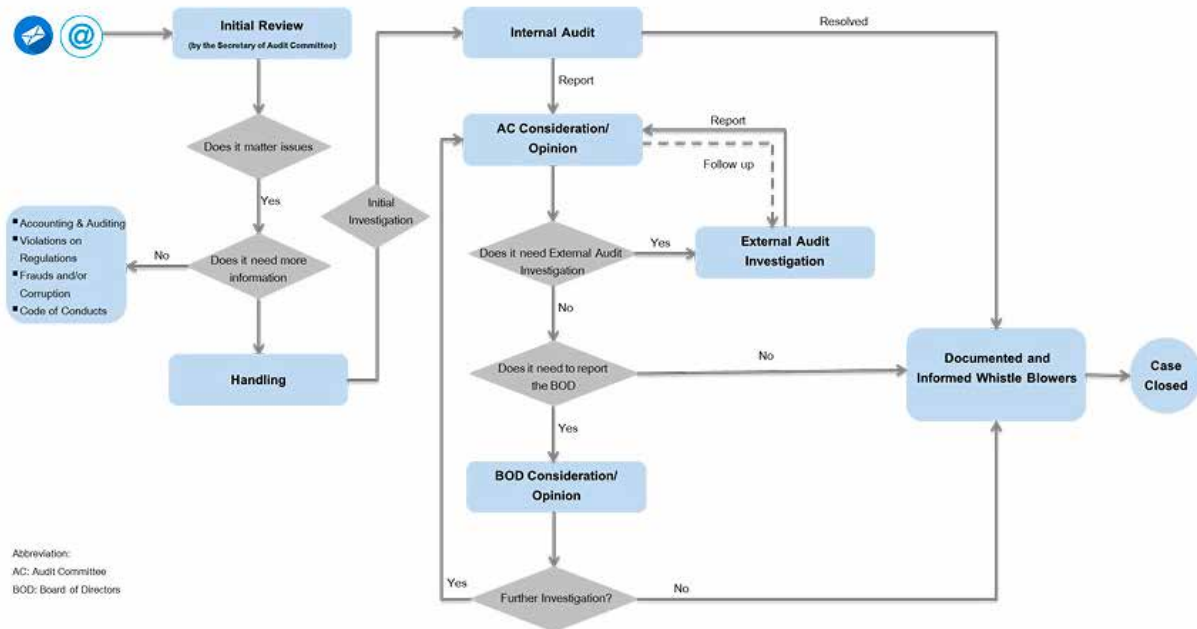




## Customer Opinions

Customer opinions and suggestions are considered to be highly useful information as it can help the Company improve its product and service quality as well as performance.

### Management Process for Complaint



Hence, the Company provides several channels for the customers to conveniently express their comments and opinions as follows:



Rangsit Site : Inoue Rubber (Thailand) Public., Ltd.  
258 Soi Rangsit-Nakornnayok 49, Prachathipat, Thanyaburi, Pathhumthhani 12130  
Telephone : (66) 2 9960890



Wangnoi Site : Inoue Rubber (Thailand) Public Co., Ltd.  
157 moo 5, Phaholyothin Rd. Lamsai, Wangnoi, Ayutthaya 13170  
Telephone: (66) 35 214932-3

[www.ircthailand.com](http://www.ircthailand.com)

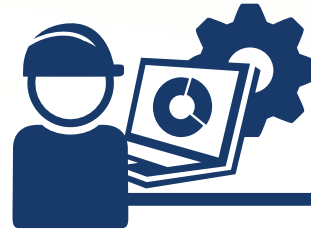
## Quality Reliability

### Business Importance

IRC recognize and strict in "Quality Spirit Policy" as the following



**1** Quality First, Delivery On-Time, Customer Satisfaction



**2** Always keep our rules and our standards



**3** Promoting the built-in quality in each section



**4** President/MD fully support to QA-decision, (QA-decision is same as President/MD order)

Quality reliability is one of the strategy, which is IRC strictly for customers confidentially. Regarding to, IRC business is the mass production business and competitive with the limit time, also our customers are Business to Business (B2B) organization. They need the confidentially in the standard in operation and product quality control. Board of Directors and Management Team of IRC, recognize how important is and also highly support to the Quality Control Department.

### Management Approach

Company has targeting to the zero claim and monitoring the product claim summary report monthly. Moreover, the company certified the standard from many institutes such as ISO 9001: 2015, ISO 14001: 2015, and ISO/IEC 17025.

Quality need to be the best level against with the product quality of the customer' standard, which is one of the Satisfaction to Customers in 4 Product-Dimensions (1. Price/Cost 2. Quality 3. Delivery 4. Services/Solutions) of Product and Service. Included it is the part of the board of committee and management team specify together to be 7 policies. It will bring the company to the target



## Performance

IRC reached many quality rewards from Customers and Suppliers

GM Supplier Quality Excellence Award



The Best Long-Term Partnership Award, Thai Suzuki Motor Co.,Ltd.



Exceptional Effort in Quality Improvement from Mitsubishi Motors (Thailand) Co.,Ltd.



The Excellent Performance Reward from Kawasaki Motors Enterprise (Thailand) Co., Ltd.



2016FY Supplier Evaluation Score from Isuzu Motors (Thailand) Co.,Ltd.



3rd Runner Up (Leader Group) for Toyota Production System (TPS) Activitv 2016



Cost Award 2016 from Thai Stanley Electric PLC



รางวัล QC ระดับสูง จากบริษัทสุบลีไฟฟ้า จำกัด เมื่อวันที่ 28

# Social Performance

## Social Responsibility of Business

### Business Importance

The Company listens to every voice from the related stakeholder about each step of business operation and realized the importance of running the business with CSR-along-process. We deliberately aims to driven the strategies together with continuously improves the stakeholder engagement to efficiently and extensively respond the requirement and expectation of the stakeholder.

### Management Approach

In 2017, IRC determined the goal and operated the activities with 6 groups of stakeholder such as Good Corporate Governance, Fair Business, Anti-Corruption, Respect Human Right, and Customer Responsibility. Through Corporate Social Responsibility (CSR) activities in many aspects which are;

- CSR in Process** > CSR activities which recognize in impact for Social/Environment along the Company's production process
- CSR after Process** > CSR activities which is the project/activity for social/donation for the company and provide good impact to surrounding communities, society and country.

### Performance

#### Social/Community

IRC has confident in sustainability of happiness, came from sharing and living together with the community by business operation together with social development. The great evidence that IRC does not develop within the company only, however we develop outside the company such as Social and Community for the balance in growth and sustainability.

In 2017 we are continuously in many projects to follow by the sustainability target, as for response in customer requirements, value added for shareholders, included social and community development. We are considering from problem issues in social, expectation/requirement of stakeholders, world changes trend, political situation, and disaster. Through the sharing in sustainable social happiness in many projects as shown in topic "Stakeholders Engagement"







The company has donation and making merit within festival and important days, such as donation money and objects to government office, school, temple, and nearby community.



During Songkran festival, we gave presents, poured water and asked for blessing from elders in the community around the Company. We did it for fortunate lite. showed gratitude and preserved on good Thai culture and tradition.



# CHILDREN'S DAY



Children Day at Yocharem Village, Soi Rungsit-Nakornnayok 51



### HAI ARCHEEP – HAI CHEEVIT Project:

From the intention to become a part to create Thai society, HAI ARCHEEP – HAI CHEEVIT then was created with the aim to train the female prisoners for starting the career after being acquitted so that they can earn their living and take care of their families without turning back to illegal activities.

#### Create good people to society

IRC, led by Mrs. Pimjai Leeissaranukul, the Chairman, organized the training session about the moral, good attitude in living and vocational training as well as provide the facilities for the female prisoner development at the Klong 5 Women's Correctional Institution, Klong lhuang, Pathumthani, to be skilled labor under the cooperation of the Department of Corrections. The project has continued for 4th consecutive years consisting of 672 persons, who passed the training program.



The project focuses on supporting the moral, ethics and profession to develop the potentiality of the female prisoners to get ready for entering the labor market after being acquitted This is one of the IRC's intentions to encourage the good and quality person to society.

### Playground Renovation for the School nearby the Company

Improved and repaired playground equipments at Siwaram temple school, Pathumthani, to support the activities for children in the community







### Safety Driving Campaign during Festival Project

Promoted and organized the activities of safely driving during New Year and Songkran festival by set up the rest area and facilitated people with the Provincial Government of Phra Nakhon Si Ayutthaya as well as provided drinking water, cooling towel and snack to the passengers who passed though the Wangnoi highway.



### Safety Driving...Wearing Helmet Project



IRC campaigned people to comply with the traffic regulations by providing helmet to motorcyclist in Pathumthani and Phra Nakhon Si Ayutthaya provinces through the responsible police stations and IRC activities as nationwide. This activity aims to prevent damage and accident on the road as well as to motivate people to aware of the safely in driving.

IRC Support Motorcycle Tires to the Police in various areas to be used in duty



Supplier/Customer

Supplier Audit Project

IRC gave a chance for supplier or customer to join in the safety management and labour usage, by created the supplier audit sheet together. It will concern about the safety standard in rubber production and the labor hire, which will comply with the labor usage legal.

Safety



1 Weekly maintenance for machine



2 Personal Protective Equipment (PPE) usage such as glasses, gloves, safety shoes, cap



3 No serious accidents occur in 2017

Worker Rights are Human Rights



4 No children labor usage



5 Working hour comply with the legal specify



### DID RIDE for LIFE (D.I.D) Activity

The Company organized DID RIDE for LIFE activity and other activities with the customers such as HONDA in HONDA SPORT DAY 2017 as well as participated in the racing and provided IRC motorcycle tires in many programs to campaign safely driving.





## Responsibility for Employee

### Business Importance

Since employees are the main driving force towards achieving sustainable success of an organization, IRC therefore places the great importance on our employees towards to be the Smart Factory

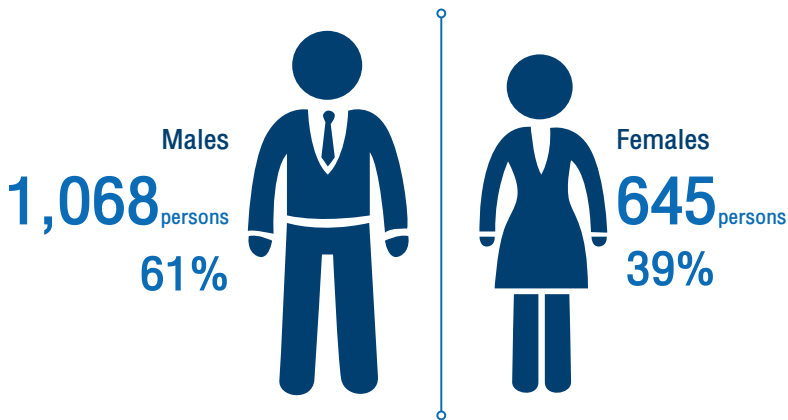
### Management Approach

#### Smile & Smart Employee

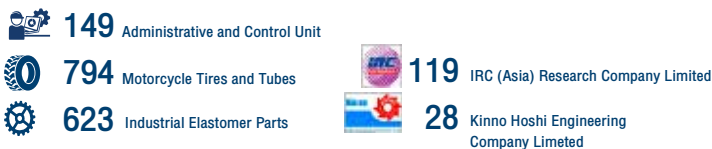
Employees are treated fairly and equality and with respect according to basic human rights required by laws and regulations whether it is during recruitment, performance evaluation or personnel development process. Moreover, training skill and knowledge, which are necessary in each position for improve suitably performance and creativity in career path. Then it cause to the activities, training, seminar, outside visiting from inside and outside experts, are happening.

IRC has also defined operational policy and self-conduct and reaction to colleagues in its Code of Conduct and continuously provided in-house and off-house personnel trainings. The Company also recognizes the importance of maintaining proper occupational health and safety of life and property and proper working conditions for its employees by providing appropriate welfares such as hygienic and standardized cafeteria and medical service to ensure that all IRC employees are appropriately treated according to the specified policy and are working harmoniously together (Happy Workplace).

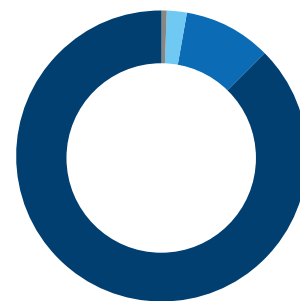
As of 30 September 2017, the Company and its subsidiaries have a total of **1,713** employees



Number of IRC employees by business line is as follows:



Proportion of employees in 2016 (person) by position level



13 Executives  
 43 Middle Managers  
 205 Seniors  
 1,452 Staff



Under ‘Smile & Smart Employee’, IRC employees are entitled to the following 4 main benefits:

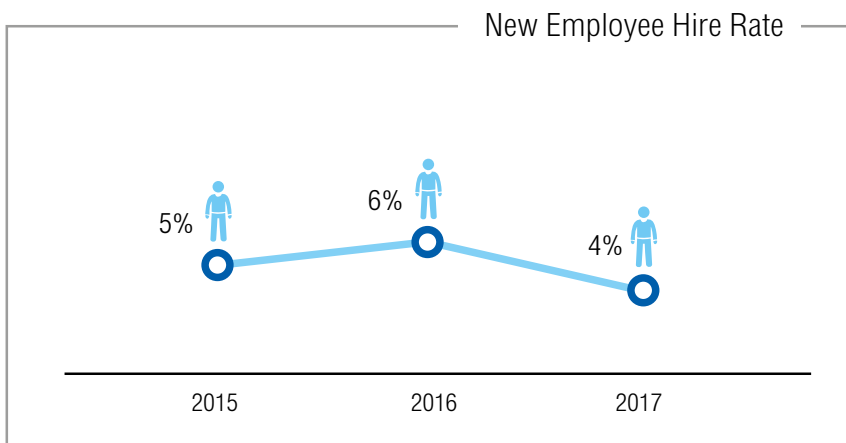
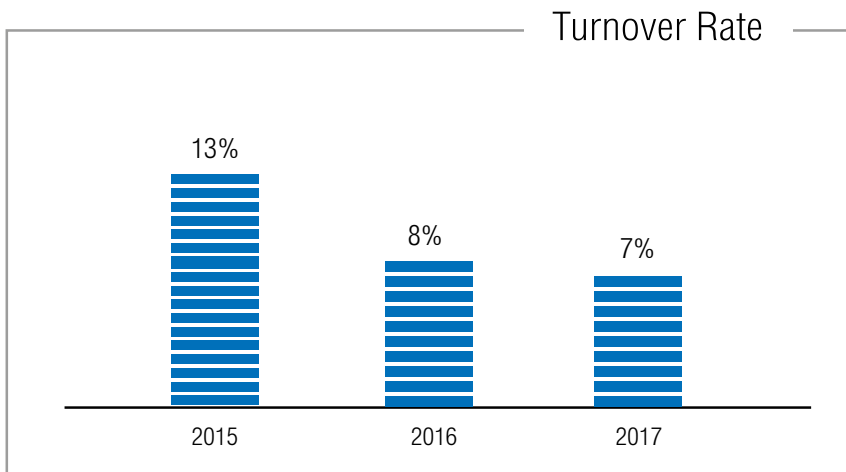


### Joining IRC Team

At IRC, we sure that every employee shall undergo through fair and transparent recruitment and qualification procedures based on good governance principles and business ethics regardless of their nationality, religion, gender, age or even physical disability. Each employee shall be considered based on their qualifications, knowledge and capabilities together with their skills and work experience that are relevant to the position applied, including their potential to be further developed alongside with the organizational growth.

### Performance

From IRC employee caring in 2017, the organization turnover rate is continuous decreasing. New Employee Hire Rate is receiving from the production expansion and the retirement employee.



## IRC Employee Compensation and Benefits

### Management Approach

As means to motivate and reward our employees, IRC therefore develops fair compensation and benefits schemes for its employees at every level by surveying and comparing with the labor market and putting into account the impacts of dynamically changing living conditions. What's more, IRC employees shall be entitled to receive special compensations based on organizational performance both in short and long terms and shall be given generous opportunities and even encouraged to gain promotions and competency development based on current positions and responsibilities.

All employees shall treat and be treated with equality and fairness according to basic human right principles such as non-discrimination, no use of forced or child labor, non-participation in labor trafficking and supporting gender equality. By upholding these principles, the employees shall be appointed, transferred, rewarded and punished in the most fair and transparent manner based on their knowledge, capabilities and suitability.

### Performance



#### Labor Rights

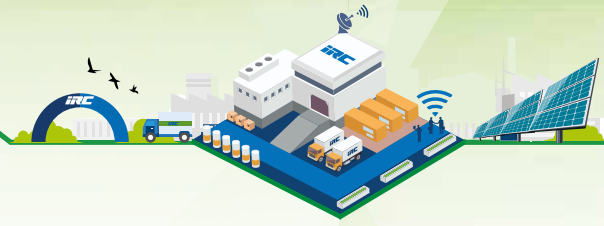
IRC therefore encourages our employees to form 'Labor Union', which is a group legally established to represent the overall employees in overseeing the employment conditions as well as employee benefits and welfares and at the same time collaborate with the Company in providing good and healthy working conditions through holding regular consultancy meetings between the executives and the Labor Union. The Company has also appointed Employees Committee to act as employee representative and of which its members consist of directors appointed by the Labor Union and election to consult with representatives who are senior management in ensuring that appropriate welfare and benefits are provided to IRC employees. In 2017, all consultancy meetings were smoothly carried out and all enquires had been addressed and clarified. As a result, no significant labor disputes had been reported throughout the past 5 years.



#### Monetary Welfare

Apart from the benefits which all employees are directly entitled to, IRC also cares for the family members of its employees by providing monetary benefits for various occasions such as the death of father, mother, spouse or children of the employees, including maternity and marriage allowances.

In respect to the fiscal year 2017, IRC and its subsidiaries had paid employee compensations in a form of salary, bonus, provident fund, social security and other employee welfares totaling 730.39 million baht. The details of IRC employee benefits are described as follows:



### Good Financial Discipline Creating Good Well-Being Project

- Provident Fund Program under which the employees are allowed to make their own savings plan. The savings rate and money contributed by the employer shall start from 3-6% and continually increase according to the employment period specified by the Company.
- Medical allowance for employees, including spouse and children.
- Death, maternity and marriage allowances to aid employees and their families.
- Life insurance

### IRC provides Financial Literacy. "Good Financial Discipline Creating Good Well-Being"



*The Company provided financial literacy to our employees supported by the lecturers from Financial consumer Protection Center, Bank of Thailand, to educate and to share experience about good financial disciplines, saving support and basic investment that bring about employees' sustainable living.*



### Healthcare Welfare

IRC recognizes the importance of having good physical and mental health and have therefore arranged the following health-related welfares including:

- Annual health check
- Health and Medical Center with specialized physicians to give medical service and advice to employees
- Gym and fitness center



- Sports activities







- Clean and hygienic cafeteria that serves foods at affordable price



### Other Employee Welfares

- Free uniforms and safety shoes which are provided to employees on a yearly basis
- Transportation service
- Recreational and Internet Centers
- Special privilege in buying IRC products
- Special activities such as Thank you party/ New Year party







## Development and Moving Forward Together

### Management Approach

IRC therefore focuses on personnel development while continuously moving its business forward. As part of its core missions, IRC aims not only at developing the knowledge and skills of its employees but also their attributes to ensure that every IRC employee possess the behavior and attitude that are in line with the established organizational culture. To achieve this, the Company therefore organizes employee orientation training so that new comers can gain direct learning experience from Productivity Training and Education Center covering major aspects of the organization such as employee safety which is part of the Company's top priorities. Hence, all new comers must learn safety practices through simulation and are required to recognize and understand basic operational functions of relevant machinery and equipment and at the same time avoid all potential occupational hazards. In addition, Human Resource Department shall conduct On-the-Job Training in order to assess operational readiness of newcomers in performing production work, including their performance efficiency and adaptability towards the organization.



In respect to driving employee potentials, IRC organizes revision training program twice a year for its employees to refresh their knowledge and skills to ensure that IRC employees in every level always possess the standard knowledge and skills required. What's more, Individual Development Plan has also been established to analyze employee strengths and weaknesses and Functional Competency has been carried out by each employee and their managers to seek areas of improvement in order to accurately develop the employees and clearly observe changes in employee working behaviors after receiving the training. Meanwhile, analysis results will help to select appropriate training programs for each employee in the areas that needed further improvement. This can be done in a form of in-house training which focuses on fundamental work and promotion and off-house training which focuses on potential development of specific positions.



In-House Training



Off-House Training



### Abroad Training Project

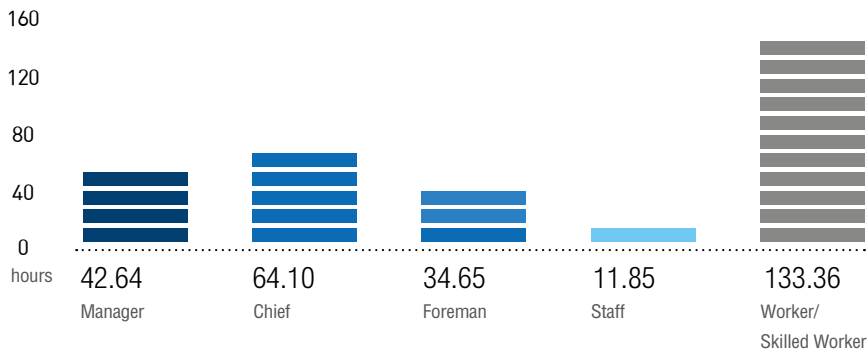
In addition, employees are given the opportunity to be trained in Japan as part of collaboration between The Association for Oversea Technical Scholarship (AOTS) and Inoue Rubber Company Limited (Japan) with the aim to provide practical trainings in the production process, including building direct experience and developing a working system that can be implemented after the training. The duration of this training program ranges from 6-12 months.



### Domestic Training Project

In 2017, approximately 99% of IRC employees received trainings with total average training hours equaling to 277.91 hours.

Average hours of training (by position level)



### Retirement preparation project



Provided Vocational Training to senior staffs.







### Charity

Apart from creating happy working environments for our employees, IRC also passes on happiness to the overall society through the following activities:

- Blood donation for the Thai Red Cross Society is held 3-4 times a year to encourage employees in giving blood donation by providing them with necessary facilities and personnel to help provide assistance on site.
- Charity and merit making on important occasions and religious holidays such as donating money and items to governmental agencies, schools, temples and surrounding communities, including merit making activities.
- 5 Precepts Program under which all employees are encouraged to participate and maintain proper code of conduct as good Buddhists.



## Occupational Health, Safety and Environment Performance

### Business Importance

With determination to carry out its business by upholding employee safety as part of its top priorities, IRC has therefore appointed Occupational Health, Safety and Environment Committee (HSE Committee) in compliance with Ministerial Regulation on the prescribing of standard for administration and management of occupational safety, health and environment B.E. 2549 (2006), including defining occupational health, safety and environment policy to be used as guideline of practice concerning employee welfare, safety and working environment. The Company also promotes maintenance of good health as well as provides safe workplace environment and prevents potential hazards that may occur by educating its employees on how to cooperate with safety units of the Company through safety trainings. IRC Occupational Health, Safety and Environment Policy

1. The Company considers occupational safety to be the responsibility of every employee and requires all employees to participate and cooperate in occupational health, safety and environmental performance of the Company. Employees are allowed to raise opinions on how to improve work conditions and procedures to ensure highest safety.
2. The Company shall support and promote safe work conditions and procedures, including the use of appropriate safety equipment and maintenance of good occupational health among employees.
3. All supervisors shall oversee and ensure occupational safety of their subordinates. All supervisors must be good role models and leaders and shall be responsible for providing trainings and guidance and motivating other employees to practice safe work procedures in line with the defined safety regulations.
4. The Company shall support and promote occupational health and safety related activities that will help to raise awareness among employees such as trainings, incentives, public relations, safety contest, etc.
5. Each employee must take into account the occupational health and safety of themselves, their colleagues as well as the Company's property as part of their topmost priority while on duty.
6. The Company shall monitor and evaluate occupational health, safety and environmental performance to ensure strict compliance and highest efficiency

### Performance

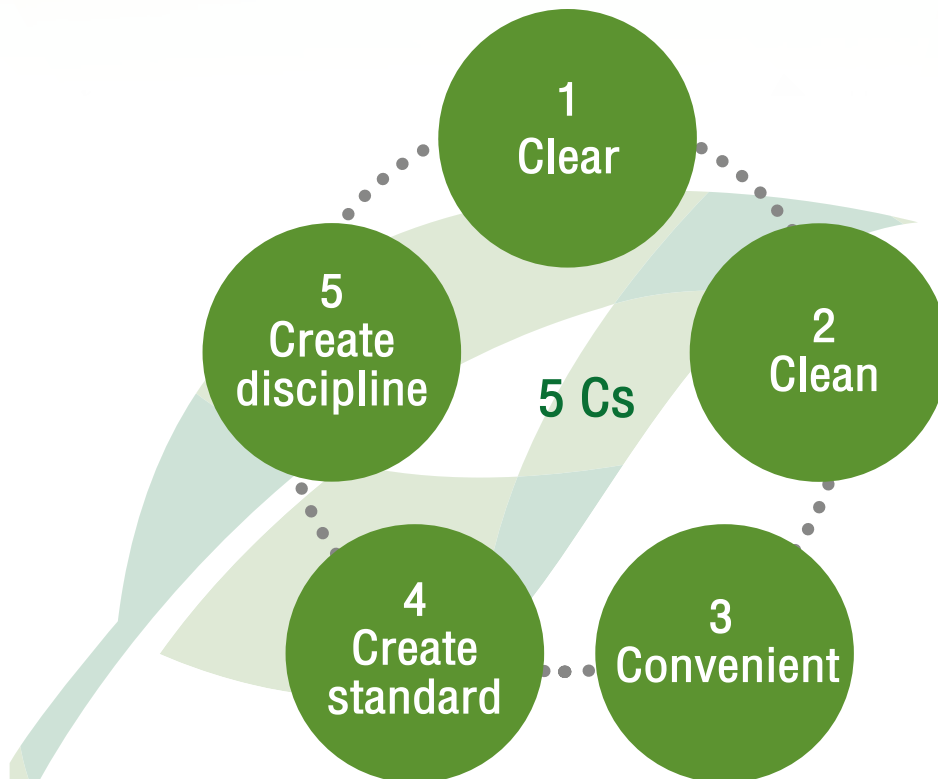






## Management Approach

IRC also focuses on organizing activities to help promote proper occupational health and safety at workplace, including minimizing impacts on surrounding community such as the 5C's (clear, clean, convenient, create standard and create discipline) and the 5 Don'ts, 5 Do's Policy under which the Company regularly conducts field survey on the surrounding community to consult and gather opinions to continuously improve its performance.



## Performance

### 5 Don'ts

1. Step / sit / sleep on goods and raw materials
2. Placing goods and raw materials directly on the floors
3. Throwing goods and raw materials
4. Using damaged equipment / tools / machinery
5. Coming to work late or leaving before time

### 5 Do's

1. Perform duty accurately and safely
2. Strictly perform duty according to the specified standard
3. Immediately stop working when discover production equipment or raw materials to be conflicting with the specified standard and make a report
4. Always carry out maintenance of machinery before and after use
5. Strictly maintain cleanliness and order at workplace

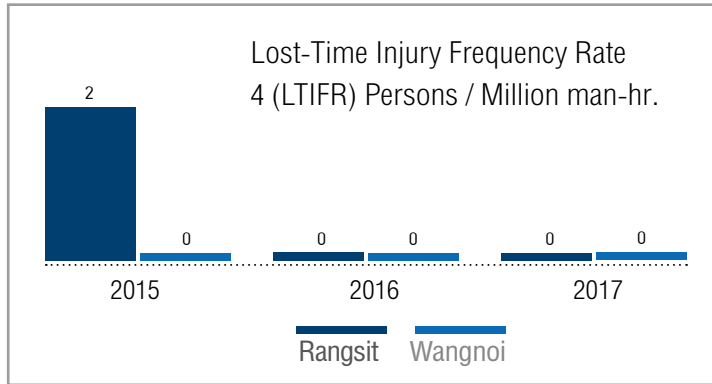


Furthermore, IRC regularly conduct drill practice in order to be prepared for any future emergency or crisis such as fire drill practice.



### Performance

By monitoring the Company's performance throughout the year 2017, it can be found that the employee injury rates were lower than expected and no serious accidents had been reported due to strict compliance with the defined occupational health, safety and environmental policy and regulations of the Company which in turn allows IRC to gain numerous accreditations, awards and certificates throughout 2017.



### TLS 8001-2510 Certificate

TLS 8001-2010 Certificate at Basic Level from The Department of Labor Protection and Welfare, Ministry of Labor to certify that IRC has achieved the requirements of Thai Corporate Social Responsibility based on legal provisions on labor protection, labor relations and occupational safety, health and environment



Zero Accident Campaign 2017, the Company has reached 10 million working hours without lost time accident.





## Environmental Performance

### Environmental Management



### Business Importance

For comply with legal and regulations, which related with the company operation. Moreover, to support for Paris Agreement, regarding to an international agreement.

### Management Approach

As part of its commitment to establish good environment within the organization as well as for the surrounding communities, the overall society and the country, IRC therefore prioritizes on handling threats resulting from climate changes in the most efficient manner through sustainable development to ensure that all relevant laws and regulations have been complied with and to support Paris Agreement, an international agreement through which the Company contributes in addressing the worsening problem of climate changes by 1) reducing atmospheric temperature and 2) minimizing the use of existing resources and energy.





IRC has defined “Energy Conservation Policy” to be upheld by all members within the organization in order to drive sustainable development in the aspects of environmental conservation and maintenance of balanced ecosystem.

- 1) Improve and develop the environmental management system comply with the legal and regulations, which related with the company operation.
- 2) Effectiveness in Energy, Water, and others usage.
- 3) Decrease in waste and pollution, which came from production process and activities within the company. Included preventive in pollution which will happen.
- 4) Company staff training for understanding in working under the rules and regulations, for good environment and nearby community.
- 5) Announce the environmental policy to public for acknowledgement.

Through strong commitment and strict compliance with sustainable development policy, IRC finally gained environmental management system accreditation from ISO 1400, an internationally accepted standard in terms of economic and social aspects containing key principles including:



**Having been accredited by ISO 14001 has brought numerous advantages to IRC including:**

- Widening business opportunities and building customer confidence
- Reducing production costs through efficient use of energy and resources
- Having standardized water treatment system that can provide 100% reusable water
- Gaining acceptance from stakeholders namely communities, governmental agencies, customers and shareholders





## Environmental Impact Assessment

Environmental sustainability is amongst the most challenging yet crucial factors to IRC business. At IRC, we recognize and strongly believe that a good business must be able to carry out its operations alongside with community development and gaining acceptance from surrounding communities.



## Management Approach

IRC therefore always conduct environmental impact assessment prior to any of its major projects in order to correctly define operational plans and measures and ensure that all stakeholder expectations are completely met. The Company also appointed a team to specifically follow up on and listen to the problems and concerns raised by the stakeholders from nearby communities. So far, no serious issues have been reported. The Company even allows nearby communities to visit its production site and observe the environmental standards and environmental management system implemented as a way to promote transparency and verifiability.

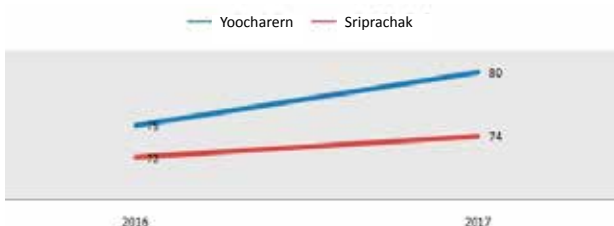


### Satisfaction % increase



Yoocharern 6.7%  
Sriprachak 2.8%

Trend of satisfaction percentage in solving the environmental impact by separate community in year 2016-2017

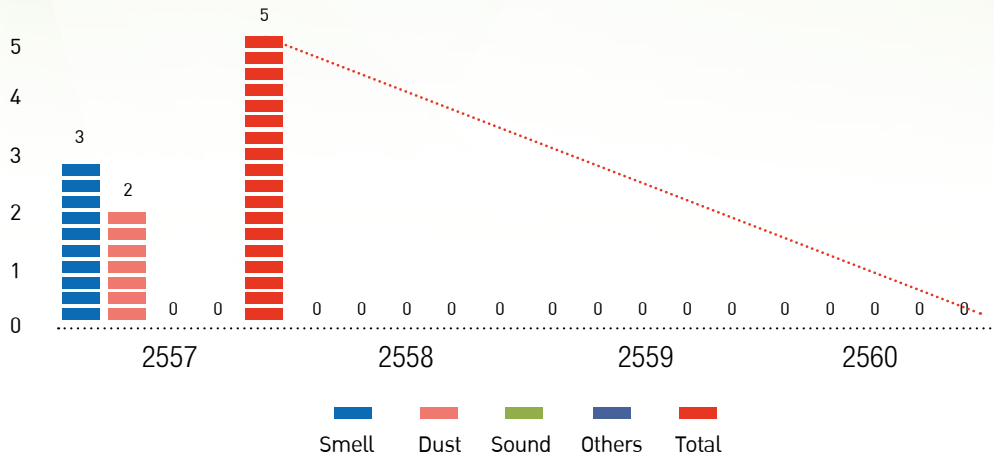


## Performance

The performance of the continuously preventive and solving solutions of the environment, affected to the company by social acceptance as nearby community satisfaction increasing from last year.

Moreover, does not has any complaint from the community to the government part during the two years passed.

### Trend of complaint about the environmental impact in year 2014-2017



### Environmental Good Governance Project

The company adhere to the method of environmental management as Environmental Good Governance principle, which is an international standard. Moreover, we complied with the important principle 6 issues,

that is transparency, fairly, and participatory of the people to environmental management. The people participation will be the power drive to the suitable judgment, in both policy level and good operation for sustainable solution of the environment.

### Environmental Good Governance components





In year 2017 the company passed the verification standard for Environmental Good Governance of factory from ministry of industry



### Green Industry Project

The company recognize how important of the environment, which is currently effected from the industry growth massively. Hence, the company was developing into green industry follow by the ministry of industry project. It supported improvement continuously, included social and environment responsibility for both inside and outside company along to the Supply Chain. The company was certified green industry level 3: Green system on 30 September 2015 from total 5 levels



**Level 1 Intent to be Green:** Has intensity to decrease in environmental impact and internal communication completely

**Level 2 Green Activity:** Activity operation for decrease the environmental impact successfully

**Level 3 Green System:** Environmental management systematically, has monitoring and reviewing continuously

**Level 4 Green Culture:** All staff in the company have amenable in kindly operation with the environment in every parts. Then it will be the part of organization’s culture

**Level 5 Green Network:** Has a network along to the green supply chain by supporting suppliers and customers to join in the green industry.

**“The company intent to the environmental management system development, to be a part of green industry level 4 and level 5 onwards.”**





## Water Management



Drought crisis which broke out in the central region had raised great concerns among both agricultural and industrial sectors which require a large amount of water for plantation and production. Since the drought also affected IRC businesses located in Rangsit-Nakhon Nayok area as well as Wang Noi District, Phra Nakhon Sri Ayutthaya Province, the Company therefore assigned a working team to continuously monitor the water levels in major and nearby dams. Fortunately, the Company was not affected by any water issues.

To ensure sustainable and efficient use of water, IRC therefore installed wastewater management system by integrating technology in its wastewater management and quality improvement processes in order to make treated water reusable. Based on the data collected and evaluation results, it can be found that water quality after treatment process passes the standard specified by law. Samples were also collected for outsourced licensed agency registered with the Department of Industrial Works to carry out water quality analysis.

In 2017, organic carbon analysis carried out by assigned unit revealed that COD (Chemical Oxygen Demand) values of treated water of Rangsit and Wangnoi sites are equal to 31.67 and 50.90, respectively decreased from last year, and BOD (Biochemical Oxygen Demand) values of treated water of Rangsit and Wangnoi sites amounted to 3.67 and 5.80, respectively, which dropped from the previous year also. Hence, reflecting that the Company can still maintain its wastewater quality standard at below 20 mg/l which is in line with wastewater quality standard specified by the Ministry of Industry. The Company used treated water for watering plants and in the cooling system and also reserved it for emergency cases like fire incident.

Nevertheless, IRC decided to handle such problem in the long run by initiating projects to reduce its water consumption such as:







### Water Quality Improvement

To expand the amount of reusable treated water, the Company therefore implemented water quality improvement program from January – September 2016 at Wang Noi Facility. The results showed that the Company managed to save water by as much as 131 cubic meters per month or 1,572 cubic meters per year, which is accounted to 2% of annual water consumption of Wang Noi Facility, allowing the Company to save up to 32,226 Baht of water bill per year.

32,226  
Baht/year



*Used water will be flowed through the water treatment tap*

*IRC uses the “Electrocoagulation” technology in water treatment process. This is an electrochemical method of treating polluted water by creating the magnetic field with high density to remove any substance e.g. bacteria, oil, and hardness minerals from water.*

*This water treatment solution doesn't require any chemical substance in process and is environmental friendly.*

*After treatment, the clean water will flow to the clarifier and to be prepared for using in the plant*



## Production Wastes Management

### Business Importance

IRC is determined to carry out product wastes management in the most efficient manner to achieve its goals of using resources efficiently and minimizing global warming issues.

### Management Approach

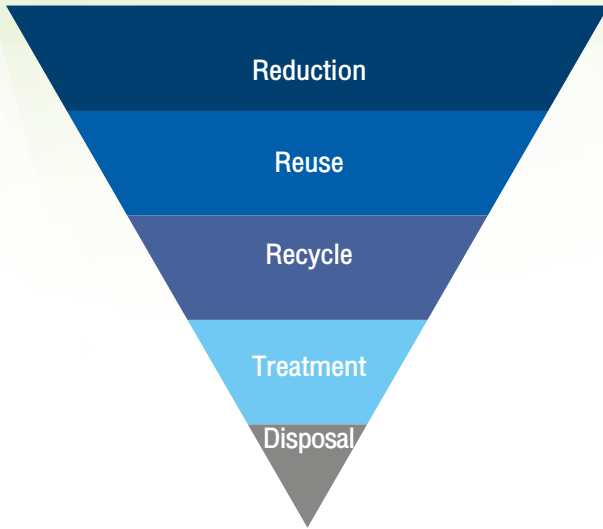
The Company has adopted the 3Rs Principles in its production wastes management process starting from production planning, equipment modification to work process improvement, including adjusting employee behaviors to ensure the least amount of wastes created and properly handling each type of wastes as per relevant laws and utilization capacity.

### Performance

Food wastes collected from IRC cafeteria which is daily used by over 1,700 employees were sold as livestock feed whereas rubber scraps from production process were either distributed to be used as alternative energy source to help reduce the use of fossil fuel as much as possible or to be processed as recycled rubber. These are all part of the Company's 3Rs process.

For the wastes and excess materials disposal, the Company has campaigned 'segregation of waste before disposal' to be utilized and managed them suitably and systematically. Hazardous waste are delivered to reliable licensed plant for treatment/ disposal whereas recyclable wastes are sold to recycling plants; moreover, general wastes are disposed by the municipality.





- Waste reduction starting from the incultation, working and production planning
- Reuse of waste (both internal and external uses as well as donation)
- Recycle to be used as their substances and potential
- Bring the reusable waste to the treatment process
- Bring the reusable waste to the correct and safe disposal process

## Energy Conservation and Climate Change

### Energy Management

### Business Importance

To promote efficient and sustainable use of energy, IRC therefore developed a systematic plan in improving its production process and operations.

### Management Approach

Throughout the year 2017, the Company has initiated various projects to successfully and concretely minimize its energy consumption

### Performance



#### Solar Panel Installation

This is a continuing project from the year 2015 under which the Company aims to expand solar panel installation on the rooftop of its factories with a total budgeting spending of Baht 2,500,000 in order to promote sustainable energy and alternative energy consumption which is clean energy, including reducing greenhouse gas emission. The expected payback period is 8 years. Meanwhile, the installed solar panels have the capacity to reduce its energy consumption throughout project period in 2017 save energy by 142,256.30 Baht per year. (Data as at 30 October 2017)

142,256.30  
Baht/year



#### LED Lamps Installation

Through replacement of fluorescence and metal halide lamps with LED lamps. This is because LED lamp capacity is equal to the incandescent of a 40W lamp but requires electric energy of only 5W and it has longer useful life comparing to other types of lamp. In year 2017 IRC Rangsit changed LED from 2016 about 1000 unit, it was able to save energy by as much as 96,884.64 kW per year with saving money 378,818.64 Baht/ Year and use budget 500,000 baht. The expected payback period of this project is 1.3 year. For Wangnoi has changed LED lamp and save energy 12,065.76 kW per year with saving money 361,368 Baht/Year

740,186.64  
Baht/year



**Installation Insulator Heater Blower Oven CV**

For electric saving energy in Wangnoi by the responsibility person's data, the company could be save the energy 19,196.50 kW per year and saving money 86,384.25 Baht/ Year. Moreover, reduce the Carbon dioxide emission 11.18 ton carbon dioxide per year



86,384.25  
Baht/year



**Replacement fan blade type at cooling tower**

For electric saving energy in Wangnoi by the responsibility person's data, the company could be save the energy 35,952 kW per year and saving money 498,960 Baht/ Year. Moreover, reduce the Carbon dioxide emission 20.93 ton carbon dioxide per year



498,960  
Baht/year



**Change Size Motor Pump of Cooling on Holiday Machine**

For electric saving energy in Wangnoi by the responsibility person's data, the company could be save the energy 16,047.36 kW per year and saving money 72,213.12 Baht/ Year. Moreover, reduce the Carbon dioxide emission 9.35 ton carbon dioxide per year



72,213.12  
Baht/year



**SAVE**

**Replace Air Blower in Line End Line CV-6**

For electric saving energy in Wangnoi by the responsibility person's data, the company could be save the energy 228,925 kW per year and saving money 1,030,162 Baht/ Year. Moreover, reduce the Carbon dioxide emission 133.26 ton carbon dioxide per year



1,030,162  
Baht/year





## Performance Data

GRI Standard	DATA	UNIT	FY 2015	FY 2016	FY 2017
<b>General Disclosures</b>					
<b>GRI-102-8*</b>	<b>TOTAL WORKFORCE</b>	Persons	1,844	1,782	1,711
	Workforce by Area				
	Rangsit	Persons	1007	970	926
	Wangnoi	Persons	837	812	785
	Workforce by Gender				
	Male	Persons	1154	1116	1074
	Female	Persons	690	666	681
	Workforce by Nationality				
	Thai	Persons	1,808	1,751	1,678
	Others (Japanese, Laos, Myanmar, etc.)	Persons	36	31	33
	Workforce by Age				
	<30 years	Persons	549	404	326
	30-50 years	Persons	1222	1289	1317
	>50 years	Persons	73	89	110
	Employee by employment type				
	Permanent	Persons	1,841	1,779	1,708
	On contract	Persons	3	3	3
	Employee by employee category				
	Executive	Persons	12	13	13
	Middle Management	Persons	34	40	43
	Senior	Persons	189	173	205
	Staff	Persons	1609	1556	1450
	Employee by business line				
	Admin & Control	Persons	169	161	153
	Motorcycle Tire and Tube Business	Persons	864	832	790
	IED Business	Persons	669	644	624
	IRC (Asia) Research Co., Ltd.	Persons	106	113	121
	Kinno Hoshi Engineering Co., Ltd.	Persons	36	32	27
	Customer Satisfaction Surveys				
	Tire and Tube Products	%	99.14	100	100
	Industrial Elastomer Products	%	100	100	100
<b>Management Approach</b>					
<b>GRI-102-43</b>	NO. OF GRIEVANCE ABOUT HUMAN RIGHTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Cases	NONE	NONE	NONE
	NO. OF GRIEVANCE ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Cases	NONE	NONE	NONE
	NO. OF GRIEVANCE ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Cases	0	0	0
	NO. OF ENVIRONMENTAL GRIEVANCE FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Cases	0	1	0
<b>Specific Disclosures</b>					
<b>Economic</b>					
<b>GRI-201-1</b>	<b>DIRECT ECONOMIC VALUE GENERATED</b>				
	Sale revenues	Thousand Baht	5,126,280	4,954,768	5,232,565
	<b>ECONOMIC VALUE DISTRIBUTED</b>				
	COGS	Thousand Baht	4,330,719	4,028,243	4,465,927
	Employee Benefit Obligation	Thousand Baht	2,568,251	2,358,426	945,015
	Corporate Income Taxes	Thousand Baht	83,184	111,119	86,276
	Dividend Payment (*waiting for shareholders' approval on 2016 AGM)	Baht/Share	0.7600	0.8830	0.85
	Community Investments (Total contribution for CSR activities)	Baht	NONE	3,725,200	7,084,656



GRI Standard	DATA	UNIT	FY 2015	FY 2016	FY 2017
<b>Procurement Practices</b>					
GRI-204-1	Proportion of spending on local supplier in Thailand	%	68	73	73
<b>Anti-corruption</b>					
GRI-205-2	Percentage of employees that anti-corruption policies and procedures have been communicated to.	%	NONE	100	90
GRI-205-3	Confirmed incidents of corruption and actions taken.	Cases	0	0	0
<b>Environmental Performance</b>					
<b>Energy</b>					
GRI-302-1	<b>ENERGY CONSUMPTION</b>				
	Total energy consumption	TJ	3,116.94	2,920.27	323.17
	Total direct energy consumption (Electricity)	TJ	1,420.77	1,373.54	137.30
	Total indirect energy consumption (Bunker Oil + GAS LPG)	TJ	1,696.16	1,546.73	185.87
	<b>ENERGY CONSUMPTION BY TYPE</b>	TJ	2,944.45	1,373.54	137.30
	Electricity	TJ	366.01	348.23	NONE
	Steam	TJ	1,330.15	1,198.50	183.09
	Fuel	TOE/Total Revenues	NONE	NONE	NONE
GRI-302-3	<b>TOTAL ENERGY INTENSITY</b>				
GRI-302-4	<b>REDUCTION OF ENERGY CONSUMPTION</b>				
	Electricity	TJ	80.40	47.51	2.39
	Steam	TJ	NONE	39.35	NONE
	Fuel	TJ	27.44	55.35	0.38
<b>Water</b>					
GRI-303-1	<b>WATER CONSUMPTION BY SITE</b>				
	Rangsit	M3	99,595	81,325	74,770
	Wangnoi	M3	119,804	126,187	78,514
	<b>SOURCE OF WATER</b>				
	- Tapped Water	M3	108,147	188,390	133,723
	- Ground Water	M3	111,252	19,122	19,561
	- Water from Other Sources	M3	0	0	0
	Water intensity	M3/Total Revenues	NONE	NONE	NONE
GRI-303-3	<b>WATER REUSED AND RECYCLED</b>	M3	NONE	NONE	NONE
<b>Emissions</b>					
GRI-305-1	Direct GHGs Emissions (Scope1)	Tons	388,646	8,773,915	13,295
GRI-305-2	Energy Indirect GHGs Emissions (Scope2)	Tons	20,595	14,137,536	25,336
GRI-305-4	GHGs Emission Intensity	Tons/ Production Tons	NONE	NONE	NONE
GRI-305-7	Carbon dioxide (CO2)	Tons	37,564	11,201	40,733
	CO2 intensity	Tons/ Production Tons	NONE	NONE	NONE
	Total Suspended Particulate Matter (TSP)	Tons	NONE	NONE	NONE
	TSP Intensity	Tons/ Production Tons	NONE	NONE	NONE
	<b>AIR QUALITY AVERAGE CONCENTRATION</b>				
	SOx	Mg/M3	320.9	331.6	297.3
	NOx	Mg/M3	167.6	116.2	74.6
	<b>AIR QUALITY AMOUNT</b>				
	SOx	Kilotons	NONE	NONE	NONE
	NOx	Kilotons	NONE	NONE	NONE
<b>Effluents and Waste</b>					
GRI-306-1	<b>WATER DISCHARGE BY SITE</b>				
	<b>Rangsit</b>				
	- Water supply	M3	10,405	64,664	72,453
	- Deep well	M3	102,130	32,306	13,503
	- Total	M3	112,535	96,970	85,956
	<b>Wangnoi</b>				
	Deep well+water supply	M3	20,075	6,681	74,053
	Sanitary	M3	104,590	111,184	4,661
	Total	M3	124,665	117,865	78,714



GRI Standard	DATA	UNIT	FY 2015	FY 2016	FY 2017
<b>Effluents and Waste</b>					
<b>GRI-306-2</b>	<b>WASTE DISPOSAL</b>				
	<b>Rangsit</b>				
	Total hazardous waste	Tons	213	287	182
	- Hazardous waste exported to Waste Management Operator				
	- Return from selling waste	Baht	173,042	41,514	71,680
	Total non-hazardous waste				
	- Non-hazardous waste recycling	Tons	1,066	883	1,155
	- Return from selling waste	Baht	4,676,491	3,117,029	3,876,684
	<b>Wangnoi</b>				
	Total hazardous waste	Tons	69.51	52.54	17.40
	- Hazardous waste exported to Waste Management Operator				
	- Return from selling waste	Baht	376,690	233,100	95,925
	Total non-hazardous waste				
	- Non-hazardous waste recycling	Tons	841.03	604.63	1,108.50
	- Return from selling waste	Baht	918.39	540.17	132,091.00
<b>GRI-306-3</b>	<b>SIGNIFICANT SPILLS</b>				
	Numbers of Spills	Cases	0	0	0
	Volume	Liter	0	0	0
<b>Environmental Compliance</b>					
	<b>SIGNIFICANT FINE for NON-COMPLIANCE IN ENVIRONMENTAL ASPECTS</b>				
<b>GRI-307-1</b>	Number of Fine	Case	0	0	0
	Amount of Fine	Baht	0	0	0
<b>GRI-308-1</b>	THE PERCENTAGE OF NEW SUPPLIERS SCREENED BY USING ENVIRNMANETAL CRITERIA	%	NONE	NONE	NONE
<b>GRI-308-2</b>	NO. OF SUPPLIERS SUBJECTED TO ENVIRONMENTAL ASSESSMENT	Suppliers	NONE	NONE	NONE
<b>Social Performance</b>					
<b>Employment</b>					
<b>GRI-401-1</b>	<b>NEW EMPLOYEE</b>				
	New Employee	Persons	84	112	69
	New Employee hire rate	%	5%	6%	4%
	New Employee hire by Age Group				
	<30 years	Persons	81	95	55
	30-50 years	Persons	3	17	14
	>50 years	Persons	0		0
	<b>TURNOVER</b>				
	Total	Persons	13%	8%	7%
	<b>Turnover rate by Age Group</b>				
	<30 years	Persons	236	141	120
	30-50 years	Persons	77	59	40
	>50 years	Persons	117	79	73
	<b>Turnover by Area</b>				
	Rangsit	Persons	4	3	3
	Wangnoi	Persons	147	80	81
		Persons	89	61	39
<b>GRI-401-3</b>	<b>PARENTAL LEAVE</b>				
	Employee taken parental leave	Persons	NONE	NONE	NONE
	Employee returned to work after parental leave	Persons	NONE	NONE	NONE
<b>Occupational Health and Safety</b>					
<b>GRI-403-1</b>	Percentage of total workforce represented in formal joint management-worker health and safety members	%	100	100	100
<b>GRI-403-2</b>	<b>FATALITIES from work-related</b>				
	Total Employee	Persons	0	0	0
	Workers controlled by IRC (not included employee)	Persons	0	0	0
	<b>INJURIES FREQUENCY RATE (IFR)</b>				
	RS Total Employee	Persons/ Million man-hr.	3.15	3	4.55
	WN Total Employee		1.60	0.83	0.00

GRI  
Standard

DATA

UNIT

FY 2015

FY 2016

FY 2017

**INJURIES FREQUENCY RATE (IFR) BY TYPE OF EMPLOYEE**

Total Employee	man-hr.	NONE	NONE	NONE
Workers controlled by IRC (not included employee)	Persons/ Million man-hr.	NONE	NONE	NONE

**LOST-TIME INJURY FREQUENCY RATE (LTIFR)**

RS Total Employee	Persons/ Million man-hr.	2.00	0.00	0.65
WN Total Employee	Persons/ Million man-hr.	0.00	0.00	0.00

**LOST-TIME INJURY FREQUENCY RATE (LTIFR) BY TYPE OF EMPLOYEE**

Total Employee	Persons/ Million man-hr.	NONE	NONE	NONE
Workers controlled by IRC (not included employee)	Persons/ Million man-hr.	NONE	NONE	NONE

**Training and Education**

GRI-404-1

**TRAINING AND DEVELOPMENT****Average hours of training per year per employee by gender**

Male	Avg. hrs/ person	42.52	38.74	41.94
Female	Avg. hrs/ person	27.56	37.12	40.58

**Average hours of training by employee category**

Manager	Avg. hrs/ person	47.85	42.64	61.36
Chief	Avg. hrs/ person	68.46	64.10	59.16
Foreman	Avg. hrs/ person	109.97	34.65	52.12
Staff	Avg. hrs/ person	21.72	11.85	31.56
Worker / Skilled Worker	Avg. hrs/ person	71.78	133.36	74.07
TOTAL	Avg. hrs/ person	319.78	286.60	277.91

GRI-404-3

**EMPLOYEE RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (excl. people in unclassified group)**

Executive	Persons	12	13	13
Middle Management	Persons	34	40	43
Senior	Persons	189	173	205
Employee	Persons	1609	1556	1452

GRI-412-2

**Total hours of employee training to human rights policies or procedures concerning aspects of human rights that are relevant to operations**

	hours	NONE	1,586	1504
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**Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations**

	%	NONE	85.45%	85.06
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**Supplier Social Assessment**

GRI-414-1

**THE PERCENTAGE OF NEW SUPPLIERS SCREENED BY HUMAN RIGHTS CRITERIA**

	%	NONE	NONE	NONE
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**THE PERCENTAGE OF NEW SUPPLIERS SCREENED BY LABOR PRACTICES CRITERIA**

	%	NONE	NONE	NONE
--	---	------	------	------

**THE PERCENTAGE OF NEW SUPPLIERS SCREENED BY IMPACTS ON SOCIETY**

	%	NONE	NONE	NONE
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GRI-414-2

**NO. OF SUPPLIERS SUBJECTED TO HUMAN RIGHTS**

	Suppliers	NONE	NONE	NONE
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**NO. OF SUPPLIERS SUBJECTED TO LABOR PRACTICES**

	Suppliers	NONE	NONE	NONE
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**NO. OF SUPPLIERS SUBJECTED TO IMPACTS ON SOCIETY**

	Suppliers	NONE	NONE	NONE
--	-----------	------	------	------

**Customer Health and Safety**

GRI-416-2

**NO. OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING CUSTOMER HEALTH AND SAFETY**

Tire and Tube Products	Cases	0	0	0
Industrial Elastomer Products	Cases	0	0	0





GRI Standard	DATA	UNIT	FY 2015	FY 2016	FY 2017
<b>Marketing and Labeling</b>					
<b>GRI-417-3</b>	<b>NO. OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATION</b>				
	Tire and Tube Products	Cases	0	0	0
	Industrial Elastomer Products	Cases	0	0	0
<b>Customer Privacy</b>					
<b>GRI-418-1</b>	<b>NO. OF INCIDENTS OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY</b>				
	Tire and Tube Products	Cases	NONE	NONE	NONE
	Industrial Elastomer Products	Cases	NONE	NONE	NONE
<b>Socioeconomic Compliance</b>					
<b>GRI-419-1</b>	<b>SIGNIFICANT FINE for NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>				
	Number of Fine	Case	0	0	0
	Amount of Fine	Baht	0	0	0
	<b>SIGNIFICANT FINES for NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES</b>				
	Amount of Fine	Baht	0	0	0
<b>Renewable Energy</b>					
<b>G4-OG3</b>	<b>Solar Cell (1st Installment in August 2015)</b>	TJ	0.11	0.84	0.16

## NOTE:

- 1) \*GRI-102-8 will be reported next year. Workforce information in Sustainability Report 2017 is reported in accordance with G4-10.
- 2) Information with '0' means recorded information is zero.
- 3) Information with 'NONE' means there is no recorded information.

# GRI Content Index

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GRI 102 General Disclosures	102-11	AR Page 52 SR Page 24	-	-	Core
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## SUSTAINABLE DEVELOPMENT GOALS



