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President / Managing Director

To achieve mutual sustainability, businesses are required to fully comply with legal requirement and fulfill social commitments, we need to collaborate to support and self-regulate, and encourage each other to take constructive roles in both community and social development

COMPANY PROFILE

Siam Sanitary Ware Industry Co., Ltd. (SSI) manufactures and distributes a complete line of sanitaryware under the brand names COTTO and TOTO, offering an extensive range of models in response to consumer preferences. SSI operates four factories with an annual capacity of up to 2 million pieces, using technology and practices that protect the environment at each stage of production

An era of rapid, constant change, of unceasing technological innovation, of a wide variety of lifestyles, and of seemingly limitless information results in a broad range of consumer tastes in sanitaryware. In response, SSI satisfies consumer preferences for products and service in more than 50 countries around the world.

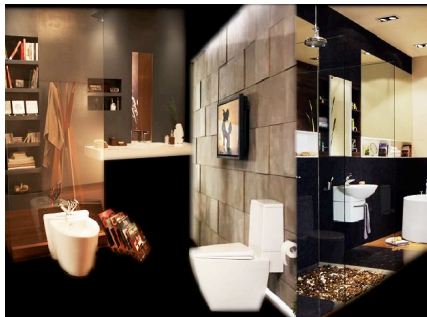
These efforts have earned many awards for Sustainable Development in conformity with His Majesty the King's pronouncements and are consistent with SCG's Policies of good corporate governance by taking into the account the impact on society from

environmentally-friendly production to socially responsible activities that benefit communities, society, and youth.

We have followed the path of sustainability throughout its 27 years. Beyond complying with applicable law and regulation, we have adopted the best and most environmentally friendly technologies and undertaken new initiatives for social and environmental development.

We are aiming toward achieving the "Zero Waste to Landfill" within 2012 ,

Confidence and trust by stakeholders are the key factors that drive businesses and society toward mutual sustainable benefits. We strongly believe that the industrial sector could only grow on sustainable development basis which would further strengthen the economy of Thailand and ultimately would lead Thailand and ASEAN both through the current global economic downturn and though other further global challenges.



Principle 1

Businesses should support and respect the protection of internationally proclaimed human right

We adhered on Principles of SCG business ethics which are in alignment with the SCG Corporate Governance which is internationally recognized

SCG Business Philosophy

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- **Adherence to Fairness**

We are committed to the concept of fairness to all parties concerned.

- **Dedication to Excellence**

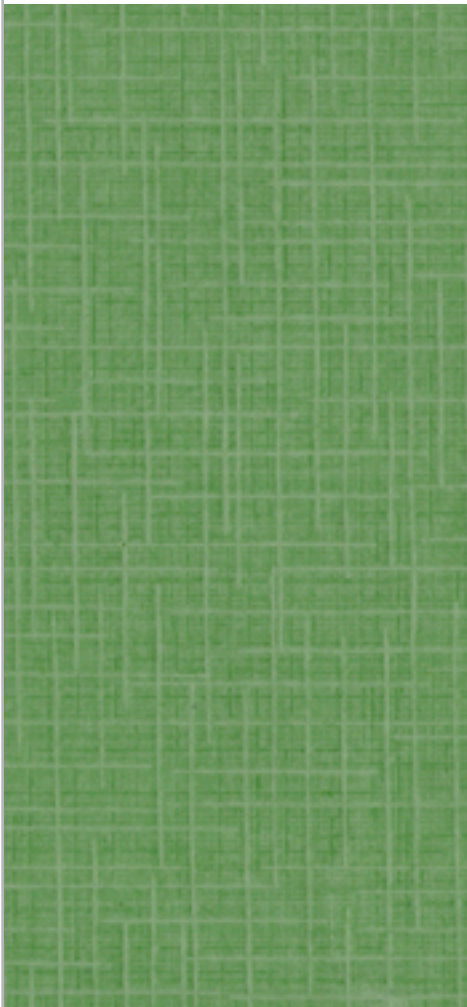
We earnestly focus on right performance with effort to provide consistently excellence

- **Belief in the Value of Individuals**

We believe that employees are the most valuable assets.

- **Concern for Social responsibility**

We fully perform its duty as a good corporate citizen by contributing to communities and countries where it operates.



Principle 2

Make sure that they are not complicit in human rights abuses



We adhere to “SCG Code of Conduct” which The Board of Directors firstly consolidated employee code of practices into written documents. In order to provide consistent practices through out the organization and to align with Business Philosophy. The code were developed in accordance with the evolution of company economic and social situations.

The improvement of the SCG Code of Conduct was carried out through compiling, grouping and categorizing previous version, and also adopting and elaborating practices

The Code is arranged into groups for easy understanding and practical use while the subjects cover all relevant matters, as follows:

1. Treating each other with respect
2. Environment, occupational health and safety
3. Receipt or giving of gratuities or any benefit that could influence business decisions
4. Conflict of interests
5. Procurement
6. Transactions with government
7. Use of company information and property
8. Marketing communications
9. Transactions
10. Conducting business overseas
11. Trading competition
12. Money laundering prevention

WELLNESS
cotto

NATURAL
cotto

CARE
cotto

ELEGANCE
cotto

ECO
cotto



TERANOVA 1 PC.

Principle 3

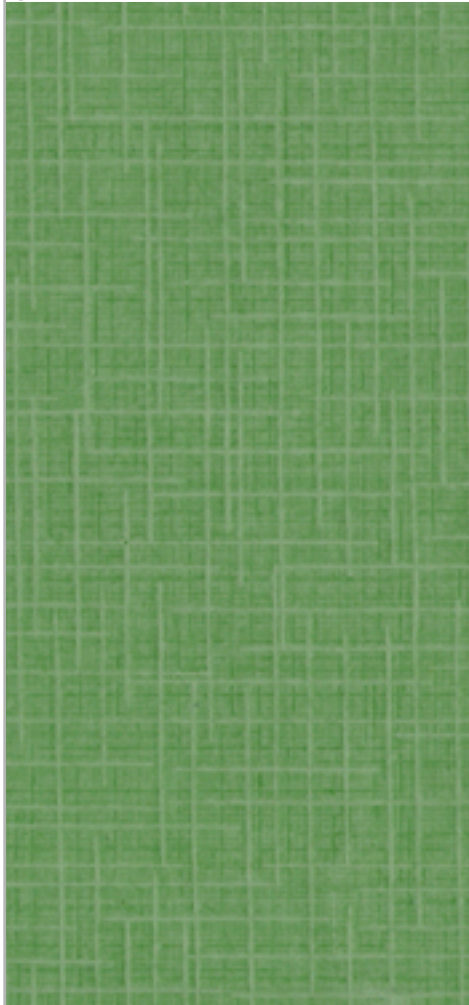
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

We realize that employees are company's most valuable resources, fair employee practice policies are set out in relation to their level of responsibility without request from staffs. We have also organized activities and kept employees informed regularly to create clear understanding about organizational changes or improvement. In addition, all employees are taken into account as COTTO's family and deserved to receive good treatment, assistance, supports, consultation and opportunities to participate in activities in order to ensure strong relationship and positive working environment.

We employ fair practices and equitable treatment to all employee regardless of membership of labor union. Membership of labor union is not considered as COTTO's condition for any preferential treatment. In addition, We do not have policy to impede the establishment or performance of labor union, yet abide by related laws.

We comprises diversified workforces encompassing with different dimension such as religion, ages, nationalities and education. So far there have been no complaints field regarding unequal treatment and unfairness because we respect to equal rights and treat the employees fairly on the basic of human rights and non-discrimination. Non-discriminatory treatment policy is defined under the Mutual Treatment under Rights and Freedom - SCG Code of Conduct in which COTTO shall give fair treatment to all parties regardless of their physical or mental conditions, race, religion, gender, age, education, etc.

SCG Code of Conduct is considered as part of employee rules and disciplines which are required to be followed by all employees. It is also communicated to the employees upon commencement of their first day of work.



Principle 4

The elimination of all forms of forced and compulsory labour.

Company commits itself to the protection of human right . Forced and compulsory labor is categorically rejected. We define employment process for both employees and business partners with respect to human rights by adhering to labor laws as a minimum. These include avoidance of forced labor. So far there have been no complaints field. In addition, we always adhere to the principle of human rights in employs business partners.

Principle 5

The effective abolition of child labour.

Company defines employment process for both employees and business partners with respect to human rights by adhering to labor laws as a minimum. These include avoidance of child labor. So far there have been no complaints field. In addition, we always adhere to the principle of human rights in employs business partners.



Principle 6

The elimination of discrimination in respect of employment and occupation.

Workplace Monitoring

Company places importance on workplace health by conducting six-monthly workplace exposure monitoring program, i.e. heat, light intensity, noise level, chemical exposure, total dust and respiratory dust. The objective is to evaluate the extent of hazard exposure and the effectiveness of the existing preventive measures/programs. These results together with physical examination results are considered and analyzed for conducting Health Risk Assessments. The results are also reported to relevant government agencies as required by the laws and regulations.

The 2009 workplace environment results showed that all indicators complied with standards/threshold limits. Where the results unconfirm the standards, it is always the practice that urgent corrective actions are required and re-measurement/evaluations are carried out after the actions are taken to assure compliance with the applicable standards.

Employee Improvement

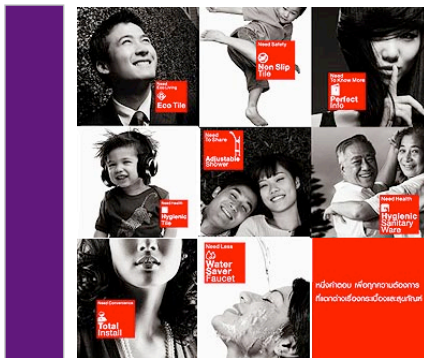
Company has a human resource development policy to enhance employees' knowledge in conducting business and operations, to build leadership at all levels, and to develop individuals' skills and capabilities to meet with their own roles and responsibilities. Company deems that human resource development and training is a long-term investment. There are several training programs using both external and internal instructors.

Training Programs are divided coincide with certain business needs as follows:

1. Organizational Management Training
 - 1.1 C-Leader6.0 : Coaching for Leadership Development
 - 1.2 Constructionism (L.O.) & Enneagram
 - 1.3 Performance Management System
2. Quality Base Management Training
 - 2.1 Safety Activities
 - 2.2 Quality Control Activities
 - 2.3 Suggestion for improvement
 - 2.4 Energy saving

OHSAS 18001 : 2007

OHSAS 18001 is the international standardization which give the requirements for occupational and health management system, and confirms it global relevance for organizations wishing to operate in sustainable manner. Company has encouraged to adopt OSHAS 18001 to enhance the effectiveness of occupational health and safety system. At present, company has been certified by this management system.



Principle 7

Businesses should support a precautionary approach to environmental challenges.

ISO 14001 : 2004

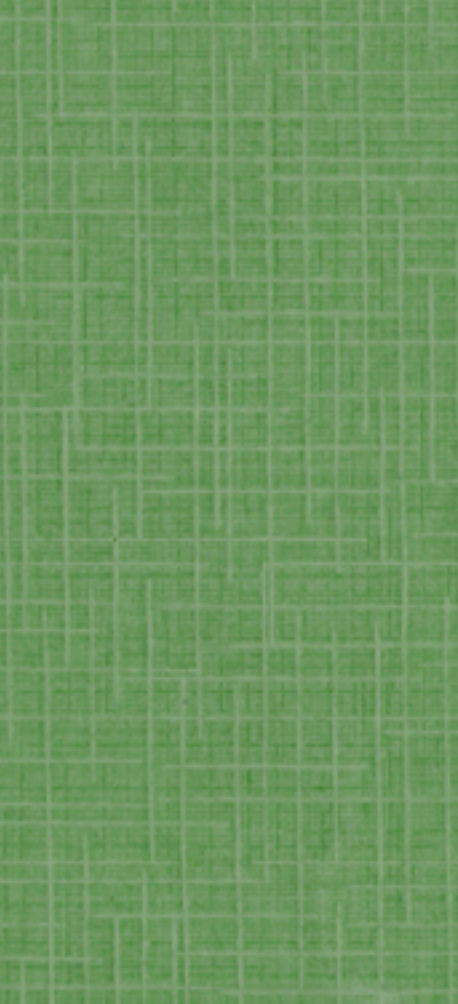
ISO 14001 is the international standardization which gives the requirements for environmental system, and confirms its global relevance for organizations wishing to operate in a sustainable manner. Company has encouraged to adopt ISO 14001 to enhance the effectiveness of environmental system. At present, company has been certified by this management system.

Environmental Compliance and Fines

As far as the environmental management is concerned, complying with environmental regulations and rules is the minimum requirement which company is obliged. Company is committed to managing the environment and maintaining compliance to all operations where it operates. Over the past year, company conducted its business in compliance with the regulations and consequently there were no fines for non-compliance with environmental regulations.

Waste Water Management

Company has a waste-water management program to manage discharges in accordance with the regulatory requirements and other relevant standards. We constructed holding ponds prior to treatment and installation of Coagulation and Flocculation system with capacities to adequately accommodate the wastewater from the manufacturing processes.



Principle 8

Undertake initiatives to promote greater environmental responsibility

Waste Management

Company is committed to maximizing natural resource efficiency and benefits. Company has initiated several programs including improvement of operational efficiency and the establishment of goals towards “Zero-Waste to Landfill”

With an ongoing effort and strong commitment, company has set its ultimate goal to achieve its “Zero Waste to Landfill” target with the aims to eliminate disposal of hazardous and non-hazardous wastes by landfilling within 2012. The 3R concept (Reduce , Reuse/Recycle and Replenish) is its underlying approach of waste management practices, and wastes are managed within SCG’s facilities before being disposed offsite by third parties. Since 2007

In 2010, approximately 100 percent of hazardous waste and 60 percent of non-hazardous waste were reused and recycled. Disposal methods employed by company are summarized as follows :

Company has implemented the “Zero Waste to Landfill” by exchanging process wastes with SCG’s subsidiaries and third parties through the 3R Concept. The 3R initiatives include recycling plaster wastes and scrape wastes from company process as substitute raw materials as its manufacturer, leading to the reduction of natural resource use and waste disposed to landfill.

Water Management

Company recognizes water is an essential raw material in its operations. To ensure there is sufficient water throughout the year and to avoid the impact of water crisis on local communities, the 3R concept consisting of reduce, reuse and recycle. At present we can use recycling water up to 93% for production processes.

Energy Management

For energy conservation in Head office buildings, most of the electrical appliances have been switched to highly efficient types, such as high efficient air-conditioning systems, the use of laptop computers which consume less energy than desktop computers, and T5 fluorescent bulbs for its lighting system under cooperation with the Electricity Generating Authority of Thailand (EGAT). We realize that raising people’s awareness in energy conservation is more important than hardware application. To reach its target in energy conservation, We has set up of Energy Working Committee, responsible for developing strategy and action plans to encourage employees consciousness in energy conservation. Activities undertaken include :

- Promote save mode for computer monitors.
- Installation of pull-rope switch for each individual lighting fixtures to allow light to be turned on only where needed.
- Electricity meter are reported for each section to raise awareness of staff for their energy usage.



PERFECT
INFO

EASY
CREATE



DESIGN
CONSULT



TOTAL
INSTALL

Principle 9

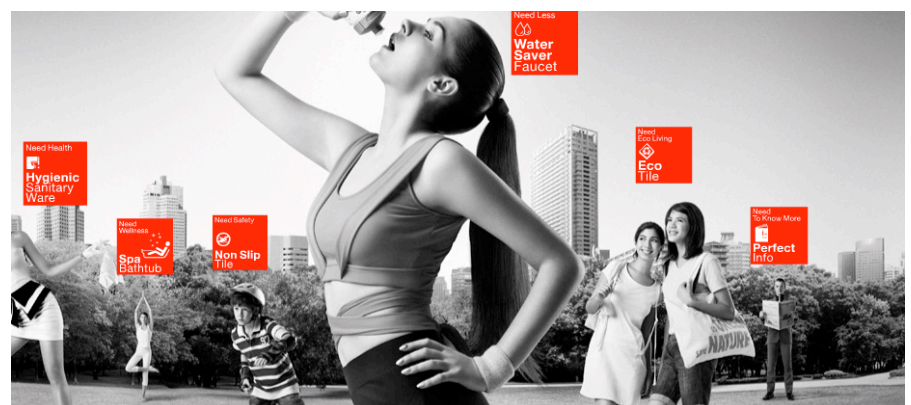
Encourage the development and diffusion of environmentally friendly technologies

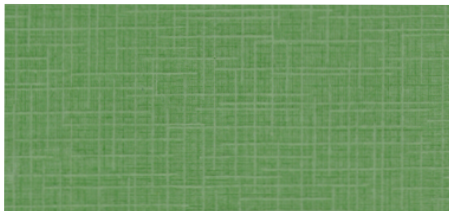
Green Label Type I

In 2009 company has been certified Green Label for 211 models by Thai industrial Standards Institute. As follows:

1. Floor-Mounted Close-Coupled Water-Closet with Single Flushing Device 75 model
2. Floor-Mounted Close-Coupled Water-Closet with Dual Flushing Device 81 model
3. Floor-Mounted One Piece Water-Closet with Single Flushing Device 20 model
4. Floor-Mounted One Piece Water-Closet with Dual Flushing Device 4 model
5. Floor-Mounted Water-Closet with Flush Valve 7 model
6. Wall-Mounted Close-Coupled Water-Closet with Single Flushing Device 11 model
7. Wall-Mounted Close-Coupled Water-Closet with Dual Flushing Device 11 model
8. Wall-Mounted Water-Closet with Flush Valve 2 model

company has committed to the environmentally-friendly business or “Green Business” by adopting two strategies. One is Eco-Friendly Process (Green Process) which aims at reducing environmental burden from the operational process, e.g. the management of air emissions, water and waste as well as energy and resource conservation. The other is Eco-Friendly Product (Green Product) through researching and developing products that have less negative impacts compared to others. Examples also include product and water solution technologies that better efficiency of resource use, which are eco-friendly alternatives for green consumers.





Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

Whistleblower Policy

Whistleblower Policy, This Policy is also deemed the channel for reporting any incidents of non-compliance with the Code of Conduct. In the event that non-compliance occurs, We have a process in place to handle complaints covering receiving, compiling, analyzing and responding mechanism. Any employee who reports the issues related to corruption and non-compliance with laws, regulations, company's rules is protected under the Whistleblower Policy

Urgent Committees are established to oversee employee practices at all levels. Any complaints raised will be fairly and quickly solved regardless of discrimination to prevent magnification of problem. Employees can report their complaints directly to a higher level management for the case that is related to their direct superior. Further details of complaint procedures are defined in Whistleblower Policy

COTTO LIFESTYLE

