



SINAK[®] *Corporation*

Sustainability Report

2009-2010



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ABOUT THIS REPORT

This Corporate Sustainability Report focuses on SINAK's social, environmental, health and safety performance during 2009-2010. It is for information of our shareholders, stakeholders, and others specifically interested in sustainability. Recognizing the growing interest in sustainability, SINAK intends to produce a Communication on Progress report on an annual basis. This is the second of our reports. The report provides a summary of the sustainability performance and practices of SINAK Corporation and a brief look at the future. For questions about this report you are invited to contact Patrick Taylor, Manager of Technical Services (Patrick@sinak.com).



SINAK Lithium Cure being used on one of many bridge projects by Arkansas DOT.

ABOUT SINAK

SINAK is currently operating from two principal locations – one in the United States and an office in Qatar. SINAK's corporate headquarters is located at 1949 W. Walnut Avenue, San Diego, California 92101.

SINAK Corporation is well known for its unique line of products for treating concrete and masonry. The line ranges from products for concrete curing, waterproofing, vapor emission and alkalinity control, to a high performance resurfacer.

Founded as a partnership by Bob and Craig Higgins in 1979, the primary focus at first was on waterproofing concrete parking decks and bridge decks, a natural emphasis from their construction background. By the time the company was incorporated in 1983, the early products had proven their value by excellent performance in curing, waterproofing, chloride ion protection, freeze-thaw protection, increased abrasion resistance, reconsolidation, and environmental stain protection. The first R & D effort on vapor emission control had been completed and P-105 was on the market for vapor emission and alkalinity control.

Shortly thereafter, in searching for a formula effective against alkali-aggregate reaction, the HLQ (hydrolyzed lithium quartz) line of products was developed and tested with marketing starting in 1988. The HLQ products have proven themselves over the years and have extended many of the earlier benefits for concrete, to include masonry and most types of stone. The lithium technology developed by SINAK has also enabled proven products for waterproofing and hardening stucco and for vapor emission control. We are pleased to announce that we have received GREENGUARD® certifications for all of our clear curing, waterproofing and vapor emission control products.

In 1993, SINAK completed development of RELAY®, a surfacing product. RELAY® mixture is a primerless system that will adhere to virtually all types of substrate to produce a new, waterproof, bondable surface compatible with all types of coatings and adhesives. It will feather to a "zero edge" without losing strength, flexibility of adhesion.

Research and development for product improvement and for new products is almost an every day occurrence. In 2010 we expect to release at least one new product.



A MESSAGE FROM OUR PRESIDENT

The 2009-2010 year was a mixture of challenges for the company. Even before the year began, and just as other companies have discovered and put into action, we saw the need to stretch our existing resources to their maximum capacity – and to carefully set priorities and ration our efforts to continue expanding into new areas – new areas of activity, as well as new geographic areas. I am happy to report that we have made progress. We are now in the last stages of development of a new product to be market-ready this year, and we have added three more countries for product distribution.

But what does this mean in the context of sustainability and our commitment to the UN Global Compact? We believe that by adhering to the principles of our mission statement, we provide a positive influence on the rest of the world in two main areas:

- **Continuing and expanding water savings** – sustaining one of the world's most precious resources. Our products have already demonstrated the savings of millions of gallons of water. Expansion of product use, and expansion into other geographic areas will significantly increase this saving.
- **Showing our respect for the 10 Universal Principles** – and by demonstrating our support and adherence. We believe that the quest for world economic stability is far from over – and that each of us must do our part, however small, to assist in that effort. The 10 Universal Principles provide us with excellent guidelines along the way, and we will provide an example.

We have chosen to list all of the 10 principles in our annual report even though some of them may never require significant updating. The complete list will be a good reminder of where we've been, and where we're going.

Our intention for this year is to 'hang in there' (so to speak) and to "do our own thing." By doing so we will continue our mission, and hopefully influence others in a positive way.

S. S. Kuerbis



SINAK S-102 used in place of water cure to save millions of liters of water in Southern California.

SUPPORT OF THE 10 UNIVERSAL PRINCIPLES: UNITED NATIONS GLOBAL COMPACT

At SINAK Corporation we support and uphold the 10 Universal Principles set forth by the UNGC covering Human Rights, Labor Standards, Environment and Anti-Corruption.

Human Rights

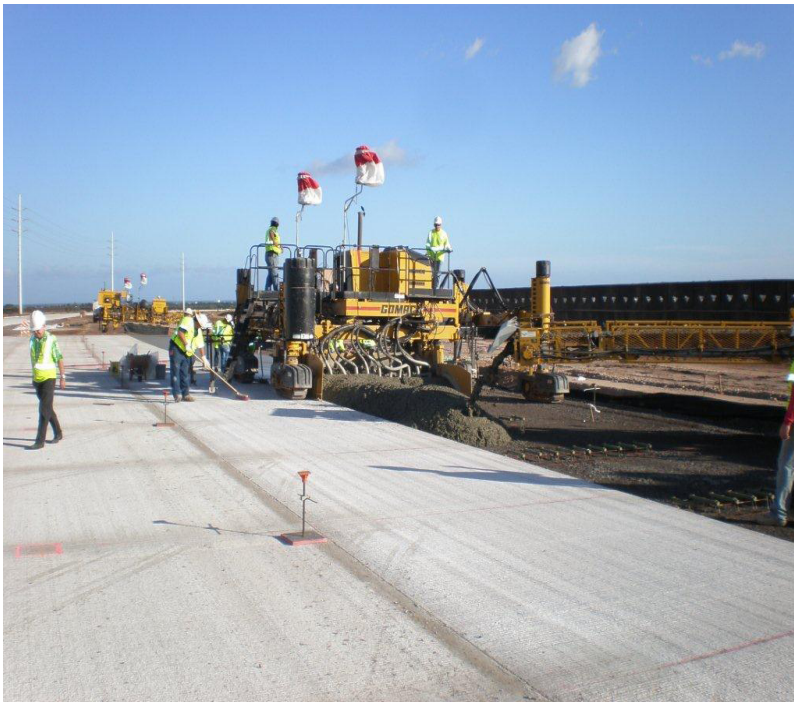
Principle #1:

Businesses should support and respect the protection of internationally proclaimed human rights.

We are committed to the highest standards of human rights protection. Although our Board of Directors has ultimate responsibility for decision-making and for compliance with all human rights laws and regulations applicable to our business, it is in the corporate culture at SINAK that no matter the seniority, every employee has the right to speak-up on any situation or in-house issue that concerns them. The results are seen at the office in that every employee enjoys a positive workspace each day.

Principle #2:

Make sure that they are not complicit in human rights abuses.



SINAK Lithium Cure being used
on a road project in Hawaii

As we grow and expand into new markets we will continue to support and respect the protection of internationally proclaimed human rights regulations and make sure our employees on every level are never complicit in human rights abuses.

Labor Standards

Principle #3:

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

SINAK Corporation operates within the labor laws that allow freedom of association, including the right to engage in collective bargaining. We encourage every employee to be involved in our sustainable

development program. Our employees are expected to carry out their work according to the highest ethical standards.

Principle #4:

The elimination of all forms of forced and compulsory labor

SINAK is an equal opportunity employer. We offer all of our employees a competitive salary and benefit package. This package includes a basic salary, medical insurance, and the opportunity to earn a performance bonus. SINAK has a very low level of turnover, which we believe speaks to our high level of work ethic as well as providing a supportive and safe work place.

Principle #5:

The effective abolition of child labor

SINAK Corporation does not and will not employ children for labor. We will continue to encourage all of our stakeholders to adhere to the highest standard of decent work and labor practices.

Principle #6:

The elimination of discrimination in respect of employment and occupation

Regardless of gender, race, religion or physical disability SINAK Corporation provides a supportive and safe work place in accordance with all applicable equal opportunity laws and regulations

ENVIRONMENT

At SINAK our commitment to the environment has been integrated in our products as well as our corporate culture. We support a precautionary approach to environmental challenges. We commit to undertaking initiatives to promote greater environmental responsibility, which has been exemplified by our constant research and development to find the most efficient bio-friendly technologies.

Principle #7

Businesses should support a precautionary approach to environmental challenges.

With the introduction of biodegradable packaging (totes) in 2006 we have been able to reduce the proliferation of plastics and steel thereby reducing landfill waste.



Research and development continues on SINAK's curing technologies.

Principle #8

Undertake initiatives to promote greater environmental responsibility.

SINAK's clear treatments have been tested and GREENGUARD® Indoor Air Quality Certified; and semi-annual product testing and qualification continues. Our corporate policies and procedures have been published for our employees, and in-house education will continue throughout the coming year. Whenever possible we print our corporate literature on recycled paper; and we use cd's as a method of delivering our product data through the mail. Even with the rising costs of manufacturing we have maintained prices for biodegradable totes outside the U.S. to demonstrate our commitment to reducing waste.



SINAK Relay Resurfacer being used as a low VOC alternative for highway patching.

Principle #9

Encourage the development and diffusion of environmentally friendly technologies.

Conservation of water is a major topic and concern in most countries of the world. It is a challenge to bridge the gap between the ever-increasing demand and the decreasing supply of water. SINAK's products allow dramatic water savings, and application procedures and techniques are always being improved. This has a positive effect on waste reduction, labor costs and the environment.

ANTI-CORRUPTION

Principle #10

Businesses should work against all forms of corruption, including extortion and bribery.

Fair dealing is at the heart of the SINAK Corporation Mission Statement. SINAK's code of conduct has been expanded to incorporate a policy covering anti-corruption, extortion, bribery and conflict of interest.

ECONOMIC STRATEGY

Our economic strategy for the near-term is one of expansion and development within the bounds of conservation of company resources.

CORE VALUES

Environment: We manufacture products that promote environmental sustainability – products that in their nature save water.

Teamwork: Our team is supportive of each member's efforts; loyal to the company; and loyal to one another both personally and professionally.

Customer Service Excellence: We are dedicated to satisfying customer needs and honoring our commitments to them.

Passion for Results: We have pride and show enthusiasm and dedication in everything we do. We are committed to selling and delivering high quality products and services.

Open Communication: All team members are encouraged to openly share their opinions and views.

MISSION STATEMENT

To develop, manufacture and market a unique family of products that protect, enhance and extend the life cycle of various surfaces in an environmentally friendly manner. To maintain a sterling reputation for integrity and fair dealing, and to provide superior technical support and customer service to ensure proper product application.



Curing project near San Francisco, California