

Message from the President



The employee development programs are designed with the aim to developing managers' capabilities in terms of business operations, change management and innovative leadership as well as enhancing competency and ethics for all employees.

In order to address the global economic crisis, we commit to building organizational preparedness by focusing on development of human resources and creating innovation to develop distinct and environmentally-friendly products. Meanwhile, improving energy efficiency, searching for renewable energy resources, conserving natural resources, conserving and restoring natural water resources, maximizing industrial waste utilization, and improving production processes are the basic operating approaches for constant sustainable growth.

Siam Sanitary Ware Co., Ltd. adheres to the philosophy of conducting its business with a commitment to promote sustainable growth in every community and society as well as creating value for its customers, employees and stakeholders.

We pledge to continue to strengthen the communities, societies, and environment in accordance with our philosophy of "Concern for Social Responsibility" and look forward to continue working with our stakeholders to ensure the sustainable development.

We focus to develop a diverse workforce and takes aim at recruiting more local employees in the countries. To drive continual sustainable growth, we have dedicated to employee development as we believe that employees are the key factor toward success.



Mr. Saravut Sumransub
President / Managing Director

Siam Sanitary Ware Co., Ltd.

Company Profile

Siam Sanitary Ware Co., Ltd. (SSW) manufactures and distributes a complete line of sanitary ware 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 sanitary ware. 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.

HUMAN RIGHTS

Topics	Result
<p>Principle 1</p> <p><i>Businesses should support and respect the protection of internationally proclaimed human right</i></p>	<p>Business ethics, which has always been adhered to by the Board of Directors, Managements and every individual employee, include:</p> <ol style="list-style-type: none"> 1. Adherence to Fairness <p>Company is committed to the concept of fairness to all parties concerned. It demonstrates this commitment by providing customers with high quality products and services with appropriate and fair price. It is also demonstrated by providing shareholders of the company good returns on investment at appropriate rates, by providing employees with good remuneration, benefits and quality of life and by being fair to all stakeholders.</p> 2. Dedication to Excellence <p>Company earnestly focuses on excellence. Employees and all relevant parties are well aware that everyone must consistently put in extra effort, encouragement, knowledge and competence in order to overcome difficulties and to move steadily forward for the best interests of company and all parties concerned.</p> 3. Belief in the Value of individuals <p>Company believes that employees are the most valuable assets. Company owes its growth and prosperity to the contribution of its employees with competence, virtues and integrity. As a result, company adheres to the practice of careful selection and continuous development of employee competence and integrity, thus enabling them to confront ever-changing situations. At the same time, company builds a strong bond of loyalty and treats its employees in such a way that they feel secure in their jobs. This ensures that they are committed to their assignments with confidence for future success.</p> 4. Concern for Social Responsibility <p>Company fully performs its duty as a good corporate citizen by contributing to society where it operates. The management of natural resources and preservation of the environment are of great concern to company.</p>
<p>Principle 2</p> <p><i>Make sure that they are not complicit in human rights abuses</i></p>	<p>Company adheres to “SCG Code of Conduct”. The codes were developed in accordance with the evolution of company and economic and social situations. The improvements to the “SCG Code of Conduct” were completed by compiling and categorizing good practices as well as examples from each business. The Code is arranged into groups for easy understanding and practical use while the subjects cover all relevant matters, as follows:</p> <ol style="list-style-type: none"> 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

LABOUR	
Topics	Result
<p>Principle 3</p> <p><i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</i></p>	<p>Employees Engagement</p> <p>Company has a policy to proactively manage labor relations and taking care of employees in various aspects to ensure proper and fair treatment in relation to their level of responsibility without them having to request it. Company has organized activities and kept employees informed regularly to build understanding and communicate changes.</p> <p>Company takes on the crucial responsibility of regularly and thoroughly communicating its policy, management approach and results to all employees. This is to ensure that employees are informed and participating in maximizing the benefits in business operations, and are ultimately engaged in the contribution to the success of the organization.</p> <p>Company has taken good care of its employees and fully supports employee engagement so that labor union does not exist. Nevertheless, Company will not object to the establishment of a labor union as the employees' right for the establishment is legally defined. If a labor union is developed, Company will accept this and negotiate with the labor union which operates under the scope of law and does not violate the rights of other employees or management staff.</p> <p>At present, No collective bargaining between company and employee is at significant risk. In the case where a judgment is made by government officers or a commitment between company and the labor union is made. Company will respect and follow through with such commitments in a sincere manner.</p> <p>Pride of Company (From The Ministry of Labour)</p> <ul style="list-style-type: none"> - Outstanding Award for Labour Relations for the 5th Consecutive Year - Clean Industry Drug-Free Award
<p>Principle 4</p> <p><i>The elimination of all forms of forced and compulsory labour.</i></p>	<p>Forced and Compulsory Labor</p> <p>Company commits itself to the protection of human rights. Forced and compulsory labor is categorically rejected.</p>
<p>Principle 5</p> <p><i>The effective abolition of child labour.</i></p>	<p>Company adheres to "SCG's employment process and procedure" for its own employees and business partners also addresses respect of human rights by adhering to labor laws as a minimum. These include avoidance of child labor and forced labor. So far there have been no complaints filed regarding the use of child labor or forced labor.</p>

LABOUR	
Topics	Result
<p>Principle 6</p> <p><i>The elimination of discrimination in respect of employment and occupation.</i></p>	<p>Compensation Management</p> <p>Company adheres to fair compensation management which is suitable for assigned positions and responsibilities, including employees' capabilities, regardless of sex, nationality or religion.</p> <p>Workplace Monitoring</p> <p>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.</p> <p>The 2009 workplace environment results showed that all indicators complied with standards/threshold limits. Where the results unconforn 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.</p> <p>OHSAS 18001 : 2007</p> <p>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.</p> <p>Employee Improvement</p> <p>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.</p> <p>In 2009 company has budget for improving employees' skill up to 8,000,000 baht. Training Programs are divided coincide with certain business needs as follows:</p> <ol style="list-style-type: none"> 1. Organizational Management Training <ol style="list-style-type: none"> 1.1 C-Leader6.0 : Coaching for Leadership Development 1.2 Basic Ceramic 1.3 Constructionism (L.O.) & Enneagram 1.4 Performance Management System 2. Quality Base Management Training <ol style="list-style-type: none"> 2.1 Safety Activities 2.2 Quality Control Activities 2.3 Suggestion for improvement 2.4 Energy saving

ENVIRONMENT

Topics	Result
<p><u>Principle 7</u></p> <p><i>Businesses should support a precautionary approach to environmental challenges.</i></p>	<p><u>Environmental Compliance and Fines</u></p> <p>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.</p> <p><u>ISO 14001 : 2004</u></p> <p>ISO 14001 is the international standardization which gives the requirements for environmental system, and confirms its global relevance for organizations wishing to operate in 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.</p> <p><u>Waste Water Management</u></p> <p>Company has 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.</p> <p><u>Atmospheric Emissions</u></p> <p>Company has utilized the Wet-scrubber and Bag filter as a primary pollution control system. We place importance on air emission by conducting six-monthly monitoring program on Dust, SO_x and NO_x. The results are also reported to relevant government agencies as required by the laws and regulations. Over the past year, there was no non-compliance with environmental regulations.</p>

ENVIRONMENT

Topics	Result
--------	--------

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" by 2012 both hazardous and non-hazardous waste through 3R concept namely Reduce, Reuse and Recycle.

Water Management

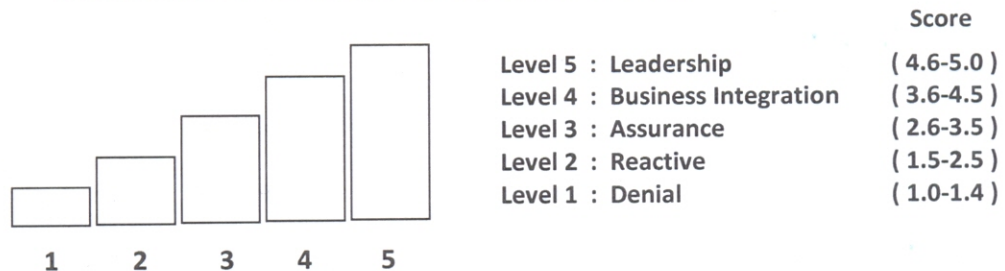
Company recognizes water is an essential raw material in its operations. To ensure there is sufficient water throughout the year and to avoid the impact of water crisis on local communities, the 3R concept consisting of reduce, reuse and recycle. At present we can use recycling water up to 93% for production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

Environmental Performance Assessment Program

To ensure that effective implementation of environmental management programs and at the same time, to create a positive image for all external stakeholders, company has commissioned the service of ERM Company Limited, a leading environmental consulting firm, for conducting an Environmental Performance Assessment Program or EPAP. The assessment results have been continuously used to create improvements.

The assessment criteria include evaluating conformance to policy, the appropriateness of environmental operating procedures and the set objectives and targets, and the validity of associated documentation and information. In addition, it also assesses the effectiveness of management such as roles and responsibilities, communications and the internal monitoring mechanisms.

The result of assessment was divided by 5 levels as follows:



In 2003 and 2006 was the first and second time assessment, company was ranked in level 3 and recently assessment was in 2009, company received an overall score of 3.6 and was ranked in Level 4 : Business Integration. Company has initiated the establishment of goals towards "EPAP Level 5" by 2015.

ENVIRONMENT	
Topics	Result
<p>Principle 9</p> <p><i>Encourage the development and diffusion of environmentally friendly technologies</i></p>	<p><u>Green Label Type I</u></p> <p>In 2009 company has been certified Green Label for 211 models by Thai industrial Standards Institute. As follows:</p> <ol style="list-style-type: none"> 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 <p><u>Green Label Type II (Self Declaration)</u></p> <p>Apart from the application of green label certification from the Thai industrial Standards Institute. A self-declaration approach based on ISO 14021 was adopted in presenting company's environmentally friendly products and services to all stakeholders and customers. Company sanitary ware products reduced water consumption from 13 liters to 9 liters in 1989 and down to 6 liters in 1993. In 2006 company launched the product "Wall Hung Flush Valve with Siphon jet System" used in public buildings. This product consumed only 4.5liters of water. In addition, the company released the "Dual Flush 3/6 liter" in 1997 which raised concerns about water conservation. Furthermore the "Dual Flush 3/4.5 liters" was launched in 2007. Having considered all these examples, it clearly demonstrates that company had strong commitments towards the continual development of environmental friendly products even before the release of Government Scheme on Green Label Standards for 6-liters sanitary ware in 1996 and for Dual Flush in 2003. Over the past five years from 2003 to 2008, the company sanitary wares have contributed to a total reduction of water consumption of more than 109 Million cubic meters.</p> <p><u>Green Procurement</u></p> <p>Company has encouraged to participate in SCG Green Procurement committee for support environmentally friendly products and services. Committee has placed an emphasis on upstream procurements, i.e. those suppliers of raw material supplies, production support equipment, spare parts and services, who have an effective environmental management system in place and provide environmentally friendly products and services.</p>

ANTI-CORRUPTION

Topics	Result
<p>Principle 10</p> <p><i>Businesses should work against corruption in all its forms, including extortion and bribery</i></p>	<p><u>Whistleblower System</u></p> <p>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 prepared a response processes including data compilation and screening and establishment of a Whistleblower Policy to protect employee who reports the issues related to corruption and non-compliance with laws, regulations, company's rules and Code of Conduct.</p>