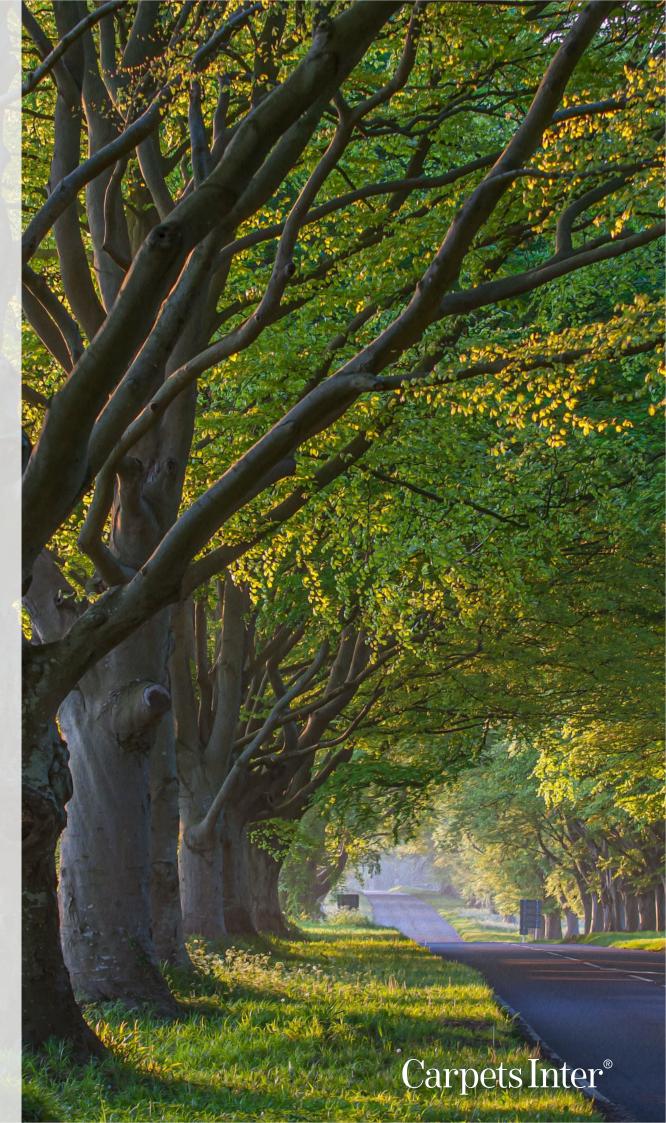
# SUSTAINABILITY REPORT 2019

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### **COMPANY POLICY**

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### **COMMITMENT & POLICY STATEMENT ON BUSINESS OPERATIONS**

Carpets International Thailand Public Company Limited is the largest manufacturer and distributor of comprehensive range of carpets manufactured from various types of natural & synthetic yarns and fibers in Thailand, with fully integrated facilities. We are committed to produce and supply quality products and services based on ethical codes of conducts and standards on occupational health & safety, environment, energy and labor with responsible care to the society.

## Our commitments covering Framework, Policies, and Guidelines for our business operations, are as follows:-

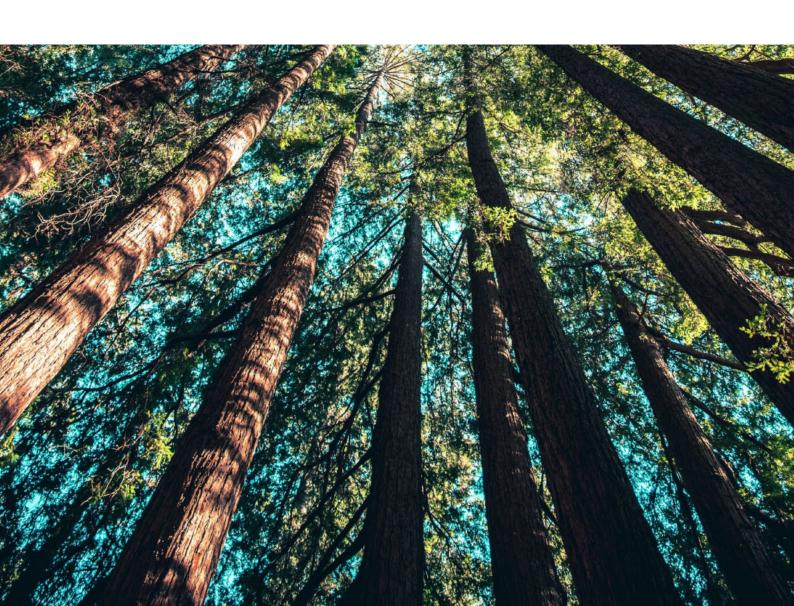
- 1. Comply with Legal and other relevant standard requirements governing our operations.
- 2. Strive to manufacture quality products and deliver on-time according to the customers' expectations with responsible care in preventing harms and health hazards to our workforce and all relevant parties. We shall control all types of losses and detrimental effects, which may result from our operations to acceptable minimum levels.
- 3. Commit to continuously improvement in effective and efficient use of resources including energy across the supply chain from material supply, product & service design, manufacturing, installation and delivery, environment protection, pollution prevention, addressing climate change and practice in compliance with international labor standards.
- 4. Regularly review our objectives, business operating plans, and performance for continuous improvement and sustainable development.
- 5. Promote employees at all levels to recognize the importance of manufacturing quality products with no detrimental effect to the environment, safety, energy and quality of life of all involved.
- 6. Management communicates objectives, goals, and policies on participation and involvement to all levels of employees and stakeholders.
- 7. To enable effective implementation of above policies, Management will provide supports and necessary resources as well as development of people skills and competencies, to promote effective operations by all of our employees.

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# 1. INTRODUCTION



### **INTRODUCTION - COMPANY PROFILE**

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# At Carpets Inter, your vision is our benchmark. The most comprehensive product range.

From the largest corporate projects to the most discerning individuals, Carpets Inter has the attention to detail and expertise to help realize any vision. We are one of the largest contract carpet manufacturers of woven, tufted, and modular-tile carpets for hospitality and commercial markets including specialized sectors such as cruise & aviation. Our comprehensive product range covers non-woven needle punched floorings for automotive and exhibition sectors. With our 'Can Do' attitude, we pride ourselves on being able to fulfill the requirements of any job.

# The 'One-Stop' Carpet Supplier. All aspects of creation happen under one roof.

We are not simply a manufacturer, but have the capabilities in-house to take projects from concept all the way to installation. Our 160,000 square meter modern factory employs 1,600 people and houses an entirely vertically integrated production facility, including fiber and yarn extrusion, wool and synthetic yarn spinning, dyeing, twisting, heat setting, weaving, tufting, needle punching, and finishing. For any custom project, our pre-sales activities include efficient design, sampling, floor planning and estimation services to help our customers. Our post-installation support is second to none in the industry.

Design Concept

Design Service

Sample Service

Floor Planning and Estimation

Material and Production Planning

Fiber & Yarn Extrusion/Spinning

Dyeing & Winding

Weaving, Tufting, Non Woven Production

Finishing & Inspection

Warehousing & Distribution

Installation & After Sales Services



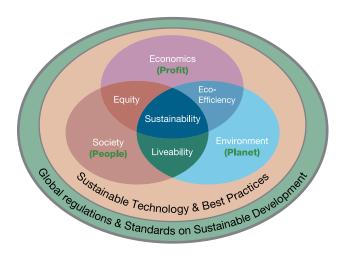
### **INTRODUCTION - CI: SUSTAINABILITY & CSR**

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### Principle & Framework

Our "Sustainability & CSR principle" features

- Triple Bottom Line 3P Principle for Sustainable Development (John Elkington's)
  - > Profit Economic optimization
  - > People Social responsibility
  - > Planet Environmental development
- 2. PPP (Prevention Participation Programs) based on CI: 5S activities.



### Mission & Objective

Drive sustainable growths by delivering key values to customers while preventing all kind of wastages & losses by participation & involvement of all stakeholders across our whole supply chain with responsible care which results in no detrimental effects to the environment and the sogiet

### **Programs:**

- 1. Compliance with all relevant regulatory & industry standards. namely Local & International laws & regulations, International standards on Q/S/E & En/L management system ISO9001, ISO45001, ISO14001, ISO 50001, TLS8001 including ISO26000 on Social Responsibility, as well as "Green" Product & Raw material certification.
- 2. CI: 5S/PPP (Prevention Participation Programs)
  - Waste & Inventory Minimization Program
  - Energy & Water Conservation Program
  - OKJ Program (Observation, KYT Kizen Yoshi Training/Methodology on Identifying & Minimizing Personal Hazards, JSA-Job Safety Analysis)
  - PM/TPM (Preventive/Total Productive Maintenance) Program Skill & Competency / Knowledge Management Program
  - Networking & Benchmarking / Cross Functional Teams & Small Group Activities (CFTs & SGAs) Improvement Project (IP's)



# 2. STANDARD COMPLIANCE

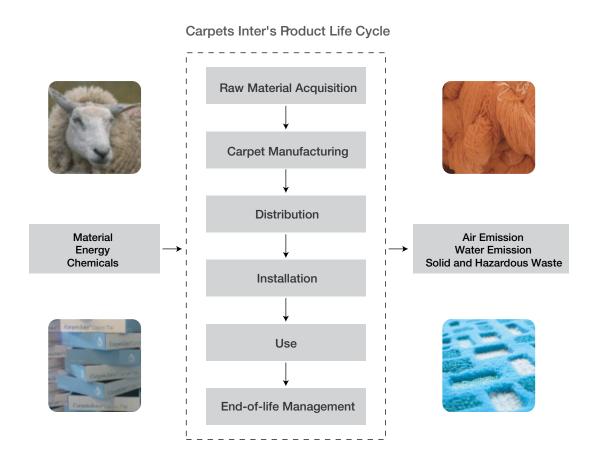


### **STANDARD COMPLIANCE** - PRODUCT LIFE CYCLE ASSESSMENT (LCA)

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### Product Life Cycle Assessment (LCA)

The goals of this study are to investigate the environmental loads and identify the key life cycle stages and environmental issues for the entire life cycle of the carpet.



# The Life Cycle Assessment (LCA) for four categories of carpet has been completed.

- > Broadloom Axminster Carpet
- > Broadloom MachineTufted Carpet
- > Axminster EcoSoftTile
- > Machine Tufted EcoSoftTile

From LCA (Life Cycle Assessment) data, our company can design products following Eco-design Principles and DfE (Design for Environment) and use of the data can help us to reduce the environmental impact of carpet manufacturing.

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### **Product Certification**

Product Standard			Machine Tufted		Axminster		Hand Tufted		EcoSquare Tile		EcoSoft Tile			ZeroFlow			
			Wool	WN	Nylon	WN	Nylon	Wool	Nylon	Nylon	PP BCF	Wool	WN	Nylon	Nylon		
Niche Market Requirement	OIIICIIIC	Maritime (IMO)		DNV	•			•									
		EU	<b>(€</b>	CE-MARK	•	•	•	•	•	•				•	•	•	
S&E & Sustainability		USA	CRI GREEN LABEL SPLUS	Green Label Plus (GLP)	•	•	•	•	•	•	•	•		•	•	•	•
			NSF	NSF 140				<b>♦</b> Glod	◆ Silver						<b>Pl</b> atinum	◆ Glod	
		Thailand	XXX ig	Carbon Footprint			•	•				•				•	
		Australia	1	ECS	Level 3		Level 3	Level 3	Level 3			Level 4		Level 4	Level 4	Level 4	
		Singapore	Sucular Sucula	Singapore Green Label				•		•		•				•	
		Singa	SINGAPORE GREEN BUILDING COUNCIL	Singapore Green Building Product								*				•	

Carpets Inter is continuously developing and improving our products to be Environment and Health & Safety Friendly through eco-design concepts. Carpets Inter continuously achieved these product certifications.

### 1. Green Label Plus

This label is awarded for products releasing the lowest levels of VOCs, i.e. Indoor air qualit We now have six product groups that meet criterion.



### Green Label Plus certified products:

- > Broadloom Axminster Carpet(Vool/Nylon, Nylon)
- > Broadloom MachineTufted Carpet (Wool, Wool/Nylon, Nylon)
- > Hand Tufted Carpet (Wool, Nylon)
- > EcoSoft Tile Carpet (Wool, Wool/Nylon, Nylon)
- > EcoSquare Tile (Nylon)

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### 2. ACCS: Australian Carpet Classification Scheme

The Environmental Certification Scheme (ECS) is an environmental labeling system for Textile floor coverings. It is an extension of the internationally recognized Australian Carpet Classification Scheme (ACCS). Certified products must comply with a range of performance criteria and have a current ACCS grading.

### ECS certification levels and associated performance criteria are



### **Raw Material**

To restrict or ban the use in certified carpet of toxic substances, heavy metals and hazardous substance.

### Manufacturing

To promote good environmental practice at the plant-level.

### **Fitness for Purpose**

To ensure that an ECS certified textile floor covering has a positive effect on indoor environmental quality and is fit for its intended use.

### **Product Emissions**

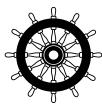
To ensure that emissions of volatile organic compounds (VOCs) form environmentally certified carpet do not exceed prescribed target levels for total emissions and 13 chemicals of concern.

In 2019, Carpets inter achieved ECS level 3 for 4 products and level 4 for 48 products divided into 8 groups:

Nylon EcoSoft Tile, Wool/Nylon EcoSoft Tile, Nylon EcoSquare Tile, Wool/Nylon Axminster Broadloom, Nylon Axminster Broadloom, Nylon Axminster Broadloom, Nylon Machine Tufted, Nylon Machine Tufted

### 3. Product Cartificate

IMO FTPC Certification (International Maritime Organization) - Fifest Procedures Code



0575/10

IMO (International Maritime Organization) is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine pollution from ships. Member Governments use IMO to draw up internationally agreed upon standards that can be applied to all ships.

Carpets Inter's products are Wheel Mark certified for low flammability, low smoke, toxic gas generatation to be used on ships. The following 2 products from Carpets Inter comply with IMO FTPC

- 1. 80% Wool 20% Nylon Broadloom Axminster Carpet
- 2. 100% Wool Broadloom MachineTufted Carpet

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### 4. Singapore Green Label

The Singapore Green Labelling Scheme (SGLS) was launched in May 1882 to endorse consumer products and service with minimum undesirable effects on the environment.

This is administered by the Singapore Environment Council.



Under the products category, Singapore Environment Council has certified more than thousand industrial and consumer products with the Green Label as a seal of endorsement on its environmentally-friendly claims to fight against the abuse of green-washing

### Carpets Inter's product groups were certified:

- > Nylon EcoSoft Backing Carpet
- > Nylon EcoSquare CarpetTile
- > Hand Tuft Carpets (Wool)
- > Axminster Carpets (WN)

### 5. Carbon Footprint

The Carbon Footprint of Products (CFP) takes into account the quantity of GHG emissions from each production unit throughout the whole life cycle (cradle –to-grave) of a product. The Carbon Footprint calculates the carbon dioxide equivalent (CO2e) of the GHG emitting from the raw material acquisition, manufacture, use, waste management and final disposal, including related transport in all stages.





MT Broadloom Carpet

# Following Carpets Intels products were assessed & certified:

- > Broadloom Axminster Carpet
- > Machine Tufted Broadloom Carpet
- > Machine Tufted EcoSoftTile
- > Machine Tufted EcoSquareTile

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### 6. CE-Mark

It is a declaration by the manufacturer that the product meets all the essential requirements of the relevant European health & safety and environmental protection legislation as well as certain European Directives. CE marking give easier access into the European market without adaption or rechecking.



### Following Carpets Intels products passed CE Marking:

- 1. Machine tuft wall-to-wall
- 2. Machine tuft PVC tile
- 3. Machine tuft EcoSoft tile
- 4. Axminster wall-to-wall
- 5. Axminster PVC tile
- 6. Axminster EcoSoft tile
- 7. Hand tufted

### 7. NSF 140

### NSF/ANSI 140 - Sustainable Carpet Assessment

The first American national Standard Institute (ANSI) approved, multi-attribute sustainable carpet assessment Standard which identifies that the certified carpets have reduced environment impact. NSF 140 was designed to establish a system with varying levels of certification to define sustainable carpet include Silver, Gold, Platinum. The sustainable carpet standard NSF 140 is recognized within the LEED scheme



### 5 key areas are evaluated in NSF 140 assessment:

- > Public Health and Environment
- > Energy and Energy efficiency
- > Bio Based Content, Recycled Content Materials or Environmentally Preferable Materials
- > Manufacturing Management
- > Reclamation and End of Life Management

### Following Carpets Inter's products were assessed and certified

- > Wool Cushion Back CarpetTile, Platinum level
- > Wool Broadloom Carpet, Gold Level
- > Nylon Broadloom Carpet, Silver level
- > Nylon Machine Tufted Cushion BackTile, Gold level

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### 8. Singapore Green Building Product

The SGBP scheme is regarded as one of the key standards and benchmarks for green building products in the building and construction industry. As such, the SGBP is well recognized under the Green Mark Scheme, Singapore's national green building rating tool administered by the Building and Construction Authority (BCA). Building products are assessed on their environmental properties and performance through a comprehensive list of assessment criteria covering the five key areas of Energy Efficiency, Water Efficiency, Resource Efficiency, Health & Environmental Protection and Other Green Features.



### Following Carpets Intels products were verified:

- > EcoSquare
- > EcoSoft

### **INTRODUCTION - MAN AGEMENT SYSTEM**

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### Management System



Certificate of Registration

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Quality Management System (ISO 9001)

British Standard Institution (BSI)

Environmental Management System (ISO 14001)

British Standard Institution (BSI)

Occupational Health and Safety Management System (OHSAS 18001)

British Standard Institution (BSI)

Energy Management System (ISO 50001)

British Standard Institution (BSI)



Thai Labour Management System (TLS 8001)

Department of Labour Protection and Welfare, The Ministry of Labour



Green Industry Level 3
Ministry Of Industry



The Recognition of being AEO Importer/Exporter

Thai Customs Department

### **INTRODUCTION - PRODUCT CERTIFICATE**

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### **Product Certificate**



Green Label Plus



**NSF 140** 



ACCS : Australian Carpet Classification Scheme



Singapore Green Building Product Classification Scheme



**DNV IMO** 



Singapore Green Label



Carbon Footprint

### **INTRODUCTION - AWARDS**

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### **Awards**



2007 Awarded "CSR-DIW"



2010 Awarded "Logistic Development"



2011 Awarded "CSR-DIW Network"



2011 Awarded "Social & Employee Responsibility for Flood Situation"



2013 Awarded "CSR-DIW Level 4"



2014 Awarded "Enables to maintain Thai Labor Standard For 5 consecutive years and over"



2016 Awarded "Groundwater Management"



2010-2017 Awarded "CSR-DIW Continuous"



2017 Awarded "Environmental Good Governance"



2012 Awarded "Environmental Good Governance"



2017 Awarded "Enables to maintain Thai Labor Standard For 10 consecutive years"



2018 Awarded "Sustainable Growth, Responsible Leadership and Operational Excellence"

### **INTRODUCTION - AWARDS**

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### **Awards**



# Sustainability Awards ^

2019 Winner

Over 150 projects, people and products were nominated for this year's 'Sustainability Awards' organized by Architecture & Design and In Design Media Asia Pacific Magazine. After careful and deliberate consideration, Carpets Inter's EcoSoft® back modular Carpet tile manufactured from recycled Plastic Bottles was selected as the unanimous winner of the 'Waste Elimination' category.

https://carpetsinter.com/2019-winners





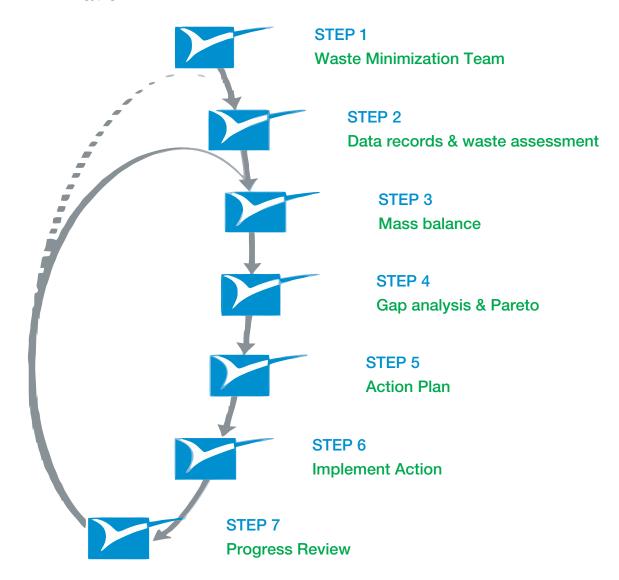
# 3. RESOURCE & ENERGY CONSERVATION



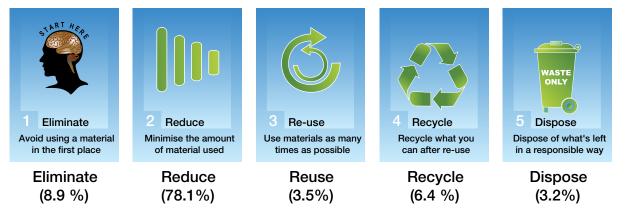
### **RESOURCE & ENERGY CONSERVATION - WASTE MINIMIZATION**

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### **Waste Minimization**



### The Hierarchy of Waste Minimization & Cost Saving 2007-2019



The value of waste minimization from 2007 - 2019 = 99.15 million baht.

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### Water Conservation

### Water Conservation Development Project

2004 > Water Recycle System Phase I (for dyehouse)

2005 > Water Recycle System Phase II

2006 > Water Conservation Participation Program

2007 > Process Water Metering

2008 > ImproveWater Supply System & Equipment inToilet

2009 > Small Group Activity forWater Conservation

2010 > Recycled Water used in Toilet

2011 > Water Injection Controlled by Computer

2012 > Waste Water Discharge Control

2013 > Dyehouse Water, Recycled Water, and Waste Water Control

2014-15 > Zero discharge project

2016 > Auto Softener System

2017 > Ultrasonic for Algae Control

2018 > Recycled Water used for Green area

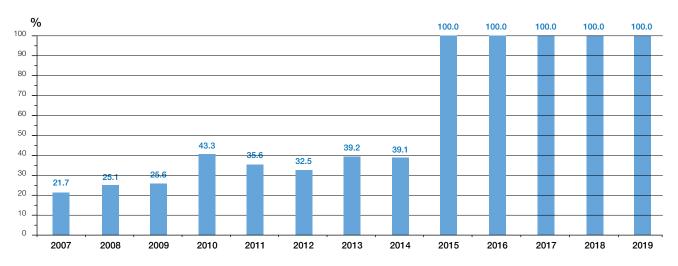
2019 > Eco Friendly Dyeing Technology

### Water Efficiency & Conservation Reduction Implementation

> Water Recycle system Phase I & II



### **Recycled Water**



Average Recycled Water

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### > Installation of Softener System in Recycled Wastewater Treatment Plant and Boiler







> Installation of Dissolved Oxygen meter in Wastewater Treatment Plant and Recycled Wastewater Treatment Plant







> Installation of process water meters







> Water Conservation Participation Program







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### > Improve water supply system & equipment in toilet





> Small Group Activity for Water conservation participation program





> Recycled Water used in toilet

> Installation of Ultrasonic Control System









> Waste Water Leakage Control







> Installation of Reverse Osmosis System

> Auto softener system for boile to reduce water usage in backwash process

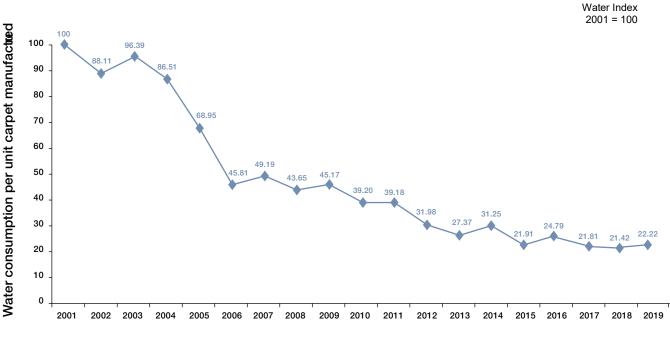




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Nowadays, we still continuous in the process of water conservation. It shown as the Graph below, that is steadily decrease from 2001 to 2018.

### **Water Conservation**

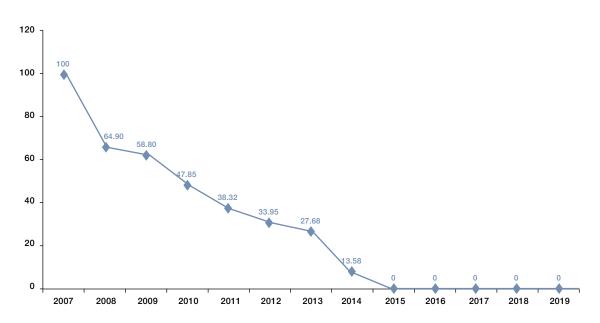


Remark: Product equivalent base, since 2013

Zero Water Discharge: The recycling of dyeing water was first introduced in 2004 and the zero water discharge goal has been achieved since 2015.

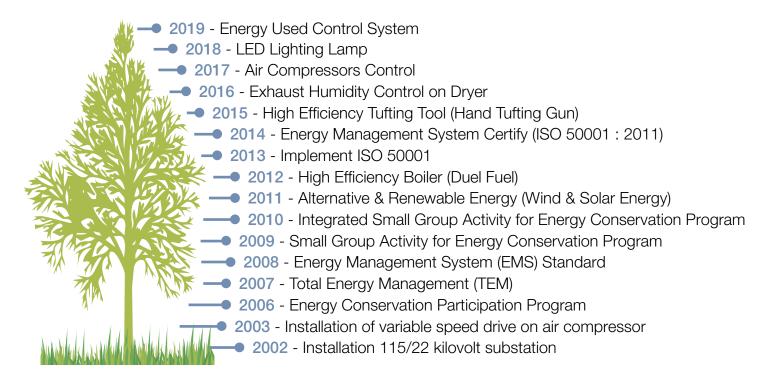
### Water Effluent

Water discharge base 2007 = 100



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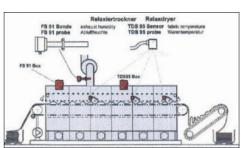
### **Energy Efficiency & Conservation**



### **Energy Efficiency & Conservation Reduction Implementation program**

### > Electrical Equipment in all services & process:

- Installation 115/22 kV Substation
- DO meter in Waste Water Treatment Plant
- Higher efficiency in fluorescent lamps
- Radio Frequency Dryer
- Solar powered light systems
- Hybrid renewable energy (Wind Turbine and Solar energy)
- Replaced Lamp to LED at Certificate Board and Corporate Signage
- Exhaust humidity control on dryer
- Replaced Lamp with LED

















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### > Air compressors:

- Leakages monitoring
- Reduction in working pressures
- Reduction in number
- VSD control for efficiency improvement Of all compressors
- Higher efficiency compressors
- Air Compressor replacement to High efficiency
- Select the first use high efficiency air compressor









### Air conditioning & chillers:

- Reduction of energy loss in Air conditioning system
- Eliminate chiller use in the hand tufted area.
- Higher efficiency air conditioners
- Use the air conditioner does not impact on the environment



### Steam boilers:

- Boiler replacement for increase efficiency by Combustion control economizer blow down heat Recovery water injection and EMS.
- Maintenance improvement
- Reduced steam working pressures
- Insulation improvement of steam pipes & equipment
- Steam & condensate recovery
- Combustion efficiency control
- Higher efficiency boilers
- Water injection for increase combustion efficiency







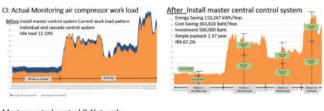




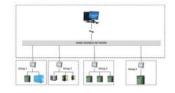
### Exhaust humidity control on dryer:



### > Energy conservation controller for air compressors:

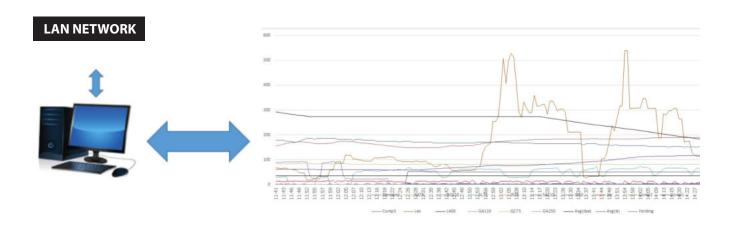


Master central control & Network



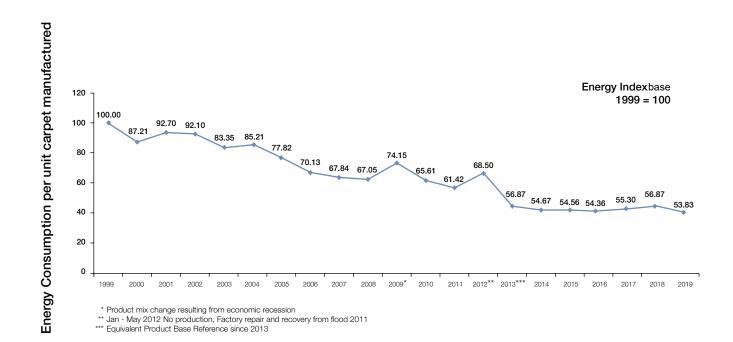
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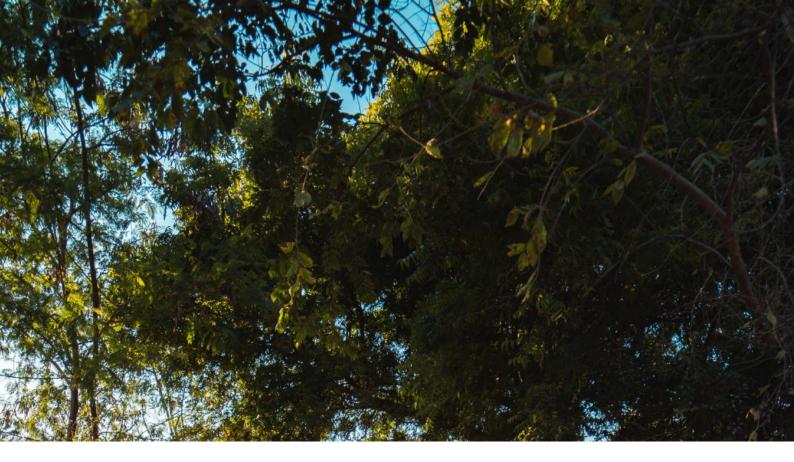
### > Energy used control system:



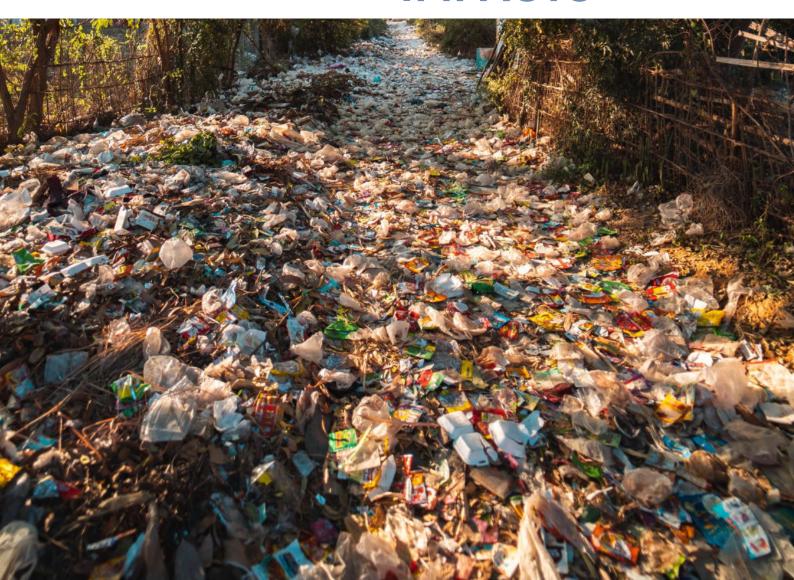
From all project that is related with improvement energy efficiency and energy conservation, it make the energy consumption decreases when calculate per unit of carpet manufactured. The result of it is shown in the graph below.

### **Energy Conservation**





# 4. ENVIRONMENTAL IMPACTS



### **ENVIRONMENTAL IMPACTS - RECLAMATION**

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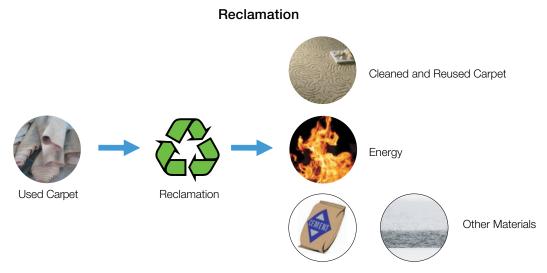
### **Reclamation Program**

The main objective of the Reclamation Program is to ensure that we minimize the impact of end of life cycle carpet on the environment and human health and safety.

We continuously strive to develop better-performing and longer-lasting products to extend the life of our carpets however when a carpet reaches the end of its useful life, we encourage our customers and the waste contractors or recyclers to dispose of the used carpets in an environmental friendly way such that landfill is avoided or minimized.

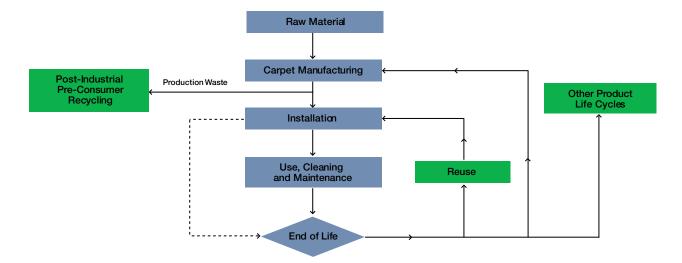
For our domestic market, the carpet that has reached the end of its useful life and returned to us will be properly processed according to our reclamation programs which include:

- Reconditioning for reuse e.g. charitable reuse
- Recycling into energy and cement at the cement kiln



For further detail, please contact us at info@carpetsinter.com

### **Carpet Reclamation Program**



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# RECYCLING END OF LIFE CARPET ('TAKE BACK') / OFF-CUT WASTE INTO CEMENT PRODUCTION



### **Carpet Reclamation Program**



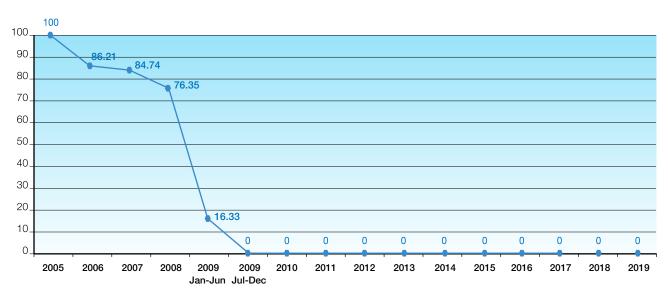
Zero Waste to Landfill since 2014

### **ENVIRONMENTAL IMPACTS - LANDFILL & AIR EMISSION**

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### **Landfill Reduction**

2005 = 100

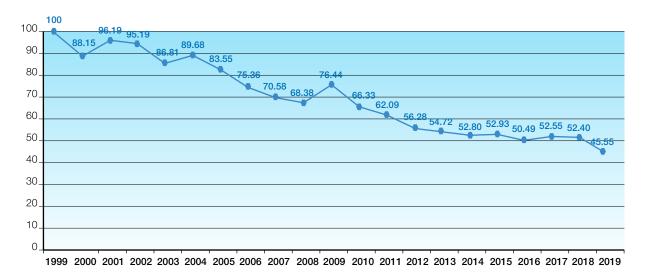


Remark: Zero process waste to landfill since July 2009

### Air Emissions

CO<sub>2</sub> Greenhouse Gas

base 1999 = 100



**Remark:** CO<sub>2</sub> GHG index was converted from Electricity, Fuel Oil and LPG Gas 2013-2014 Equivalent Product Base Reference

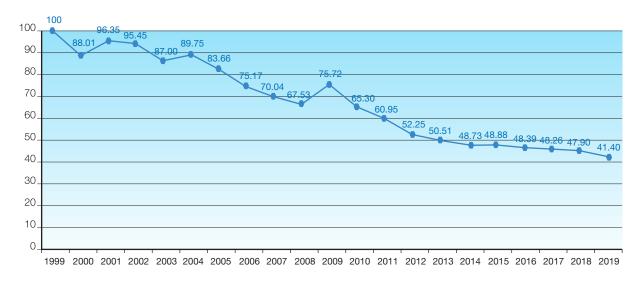
### **ENVIRONMENTAL IMPACTS - LANDFILL & AIR EMISSION**

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### Air Emissions

SO<sub>x</sub> Emission Index

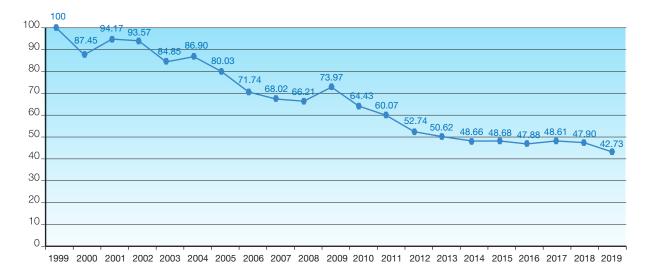
base 1999 = 100



Remark: SO<sub>x</sub> emission index was converted from Electricity, Fuel Oil and LPG Gas 2013-2014 Equivalent Product Base Reference

NO<sub>x</sub> Emission Index

base 1999 = 100

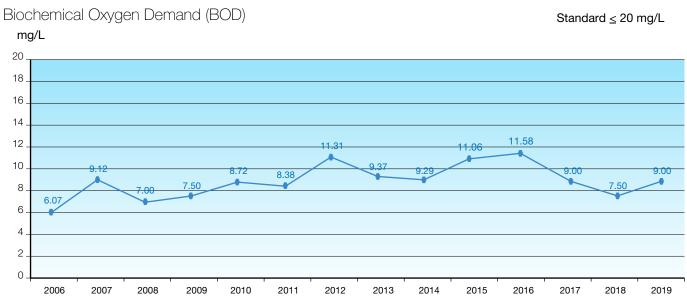


Remark: NOx emission index was converted from Electricity, Fuel Oil and LPG Gas 2013-2014 Equivalent Product Base Reference

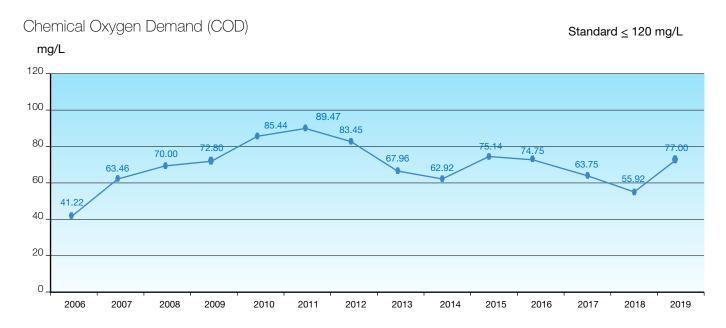
### **ENVIRONMENTAL IMPACTS - WATER EFFLUENTS**

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### Water Effluents



**Remark:** BOD is the amount of dissolved oxygen needed by biological organisms in water to reak down organic material present.

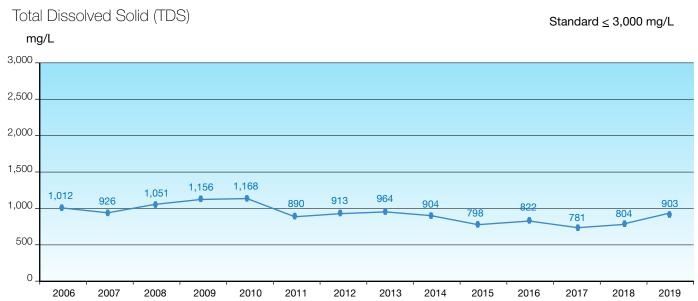


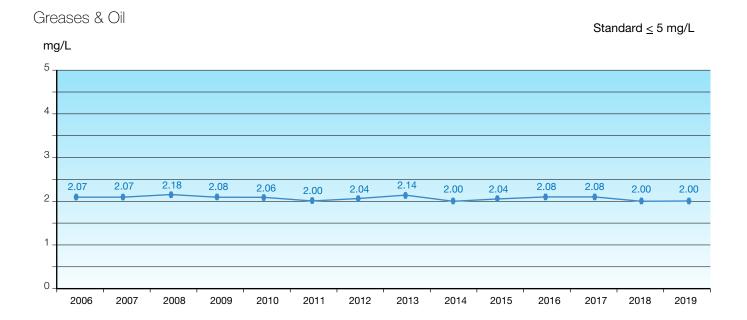
Remark: COD is used to indirectly measure the amount of organic compounds in water.

### **ENVIRONMENTAL IMPACTS - WATER EFFLUENTS**

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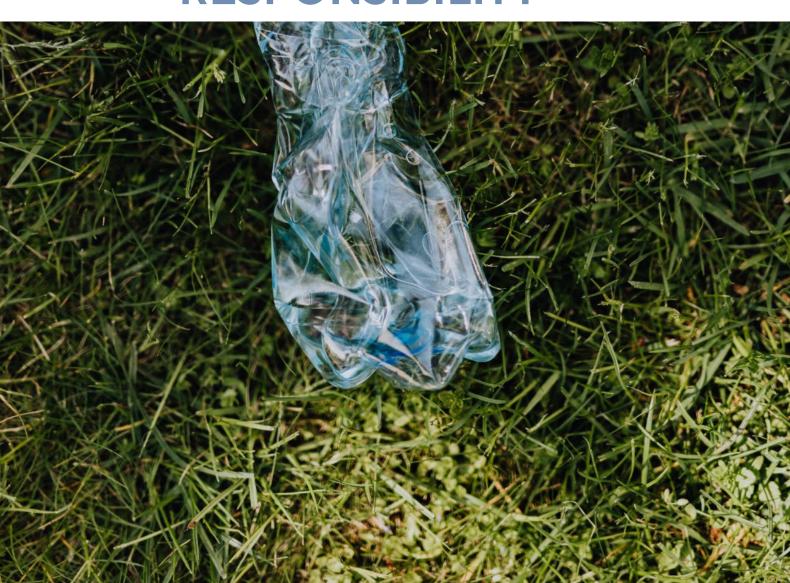
### Water Effluents







# 5. SOCIAL RESPONSIBILITY



### **SOCIAL RESPONSIBILITY - CUSTOMERS & END USERS**

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At Carpets Inter, we make high-quality carpet products to enhance people's lives. This commitment goes beyond providing a product that is safe, comfortable, and well designed. It extends to fostering humane, safe, and ethical workplace conditions in every facet of our multinational business, while promoting those same values – and a greater commitment to social awareness – wherever our brand is present. We base this promise on the underlying principle that the truest value of a company should be judged not only by its product or its profit, but ultimately, by its social benefit to people.

We aim higher. We work to be a better company. This endeavor has its foundation in the manufacturing of carpet products that are well designed, durable, and comfortable underfoot; and is sustained through shared values of environmental responsibility, social accountability, and economic fairness that make a positive impact wherever our products are sold or used throughout the world. We are, above all, a multinational company with a multicultural commitment to good global citizenship.



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## **Product & Service Performance**

To improve our product and service performance, we define and subdivide the market into identifiable segments which similar needs or demand characteristics hence enable us to design products and services that match the expectations of customers in the targeted segments.

End Users - Market Segme											
Hospitality	Residential	Corporate	Leisure & Sports	Education	Government	Aviation & Cruise	Auto Industry	Places of Worship			
Hotels/Resorts (Corridor/Walkway Guest Room Public Area)     Convention & Exhibition Centers     Airports	- Palaces - Premium Houses - Condominiums - Serviced Apartments	Commercial Buildings Offices     Industrial offices     Financial Companies & Banks	- Entertainment Clubs - Music Halls - Cinemas/Theatres - Golf & Sport Clubs - Health/Fitness centers - Department Stores & Shopping Malls - Casino & Gaming Places - Restaurants - Museums	Schools (Government, Private, International)     Universities     Libraries     Tutorials & Training	- Government projects including municipalities, ministries, parliaments and embassies	- Private aircrafts - Yachts - Cruise Liners	- Toyota - Honda - Isuzu - Mazda - GM - Mitsubishi	- Mosques - Monasteries - Churches			

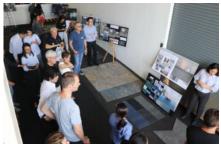
> Our pre-sale activities including design, floor planning & estimation, quality sample, marketing collateral can be prepared to serve our customer's request in a short notice.





> The Annual Dealer Conference here in Thailand is to showcase and share our progress with modular carpet product development, marketing collaterals and strategic plans for growth.







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> The electronic newsletter are created and released regularly in order to communicate the company activities to customers such as new product launch, event & exhibition, promotion news, CSR activities etc.









- > At Carpets Inter, we continually search for ways to increase the efficiency of the carpet tile design process. For that reason we developed the Carpets Inter 3D Virtual Simulator.
  - With the 3D Virtual Simulator for the iPad and iPhone you can visually experience our comprehensive carpet tile catalogue. Automatically updated by our inhouse design team, this app ensures that you are up-to-date on our latest offerings.





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> We are conserving energy and natural resources as well as protecting the environment by using only recycled carton for the product package. We realize that the demand for recycled paper from cartons decreases the strain on natural resources.





> The new collection "Upstream" has been engineered to highlight how for more than twelve years Carpets Inter has assisted to divert plastic waste from landfill sites or entering into our oceans, causing irreparable damage to our Eco-System.

Carpets Inter are committed to help support good causes that clean up our planet..

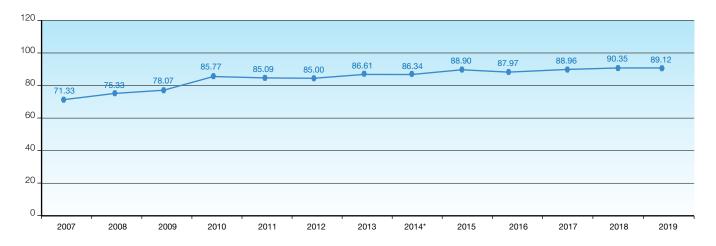


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#### **Customer Satisfaction Evaluation**

Customer satisfaction surveys allow us to improve products strategically, optimize customer's experience, and deliver exactly what the market demands. The customers' opinions and feedback are one of the most essential components for the sustainability and growth of our business and are considered important throughout the customer lifecycle.

Process of measuring customer satisfaction has been conducted monthly to evaluate our product and service performance. The satisfaction scores are continually measured in terms of product, service, and installation performance.



Remark: since 2014, include score of major customer group

#### Market Survey & Product Research

> Market survey and product research are conducted to encode the insight customer preference. This information is used during the product development & design process.

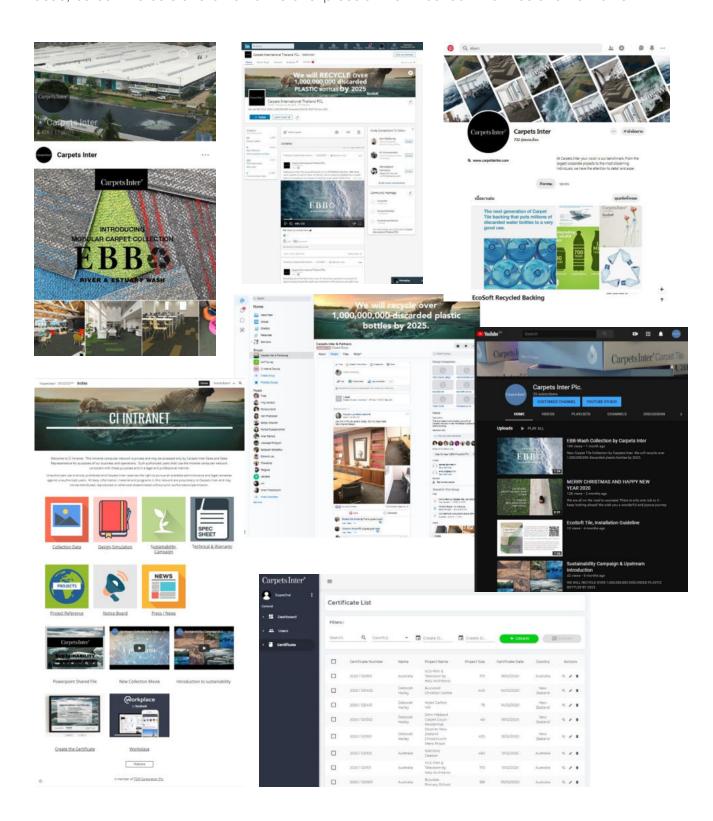


	After the Rain No.	Colorways	Export										
			Star Teok	AL Sawaed Inter	NCC	ATD	Above Left	Floorspa	Mr.Jinesh	Linh Cam	Neasa	Total Selected	
7	Α		1	1	10	2						14	
9	В		1	1	6	3				1		12	
8	С		1		10	1	1					13	
**1	D		4	1	15	5	1			1		27	
"5	E		2	1	7	4	1			1		16	
10	F	2	3	1	3	1	1				1	10	
11	G	F BW	3	1	2	3						9	
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9	T	- 35	4		7	1						12	
3	J		2	1	9	5				1		18	
13	к						1				1	2	

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## Social Media Channels

Our social medias are set up in many platforms to facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks.



## **SOCIAL RESPONSIBILITY - BUSINESS ALLIANCE**

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# Customer & Alliance Relationship Program

Customer and Alliance relationship activities have been regularly organized for customers, end users, distributors, agents, designers, architects, students, and non-profit organization. The programs include Product launch events, factory visits, Designer office presentations, Seminars, Architect & Designer Fairs, Etc. The activities create good relationship for all people involved, communicating various educational & good will messages.









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## Procurement of Green Materials

In the present Global Business Environment, success relies on Sustainable Development based on the emphasis of Resource Conservation & Environment Protection whereby responsible manufacturers must give importance to when supplying products & services to their customers and end users.

Carpets Inter is committed to systematically operate with responsible care in Resource Conservation & Environmental Protection adhering to Environmental rules & regulations throughout our supply chain.

To minimize the environmental burden caused throughout our product life cycle, Carpets Inter gives importance to Material Procurement which are environmentally friendly hence we would ask our suppliers & contractors to follow the same policies & practices.

# **Purchasing Policy**

Carpets International Thailand Public Company Limited procures materials, equipment and parts, and services in many scales and scopes from all over the world. These are items namely various fibers and yarns, chemical products such as plastic chips, latexes and auxiliary chemicals as well as other raw materials, packaging and installation services. We also buy textile machineries, items for manufacturing, and parts as well as material handling equipment.

## Our purchasing policy is as follows:

- 1. Comply with laws & regulations as well as industry standards governing our products and operations.
- 2. Maintain highest level of ethics in purchasing, dealing with our suppliers on a transparent and uniform basis.
- 3. Require our suppliers to provide consistent quality products at the best prices, in a timely manner.
- 4. Give importance in procurement which results in low environment impacts from our suppliers. This is to minimize the environmental burdens caused throughout our product life cycle such that the principles of 3R practices (Reduce, Reuse, and Recycle) are promoted in all processes.
- 5. Promote social responsibility and comply with health and safety standards across our whole supply chain

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No.	List	Human and Environmental Impact
1	Polyamide 6 Chips	> Do not intentionally contain any of the 15 chemical substances or Substance of Very High Concern [SVHC] that are listed in Registry of Intentions being harmful to human being and environment.
2	Wool Fiber / Natural Fiber	Terrestrial Animal Health Code. Chapter 8.5 'Foot and Mouth Disease (FMD). Sub-article 8.5.35' Procedure for the inactivation of the FMD virus in wool and hair.  Has been inspected and satisfies the requirements of the Global Organic Textile Standards (GOTS).  Oeko - Tex Standard 100 certified.  ** Oeko-Tex Standard 100 is a globally uniform testing and certification system for textile raw materials, intermediate and end products at all stages of production. The tests for harmful substances comprise substances which are prohibited or regulated by law, chemical which are included as precautionary measure to safeguard health.
3	Polyamide Fiber	> Oeko - Tex Standard 100 certified.
4	Polyester Fiber	> 100% from post-industrial content of which (1) source reducing (2) waste disposal from production. > Oeko - Tex Standard 100 certified
5	Non-woven Polyester Fabric	> 85% recycle materials > No hazardous chemical substances; that is, Mercury, Lead, Chromium, Cadmium > No PBT - Persistent, Bio-accumulative, and toxic chemical
6	PVC	> Comply with The Best Practice Guidelines for PVC in the Built Environment for the manufacture of PVC (Green Star).
7	Synthetic Yam	> Comply with REACH  ** REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.
8	Synthetic Fiber	> Oeko - Tex Standard 100 certified.

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No.	List	Human and Environmental Impact						
9	Electronic & Factory Equipment	> The refrigerant for AC systems are "Zero" ODP (Ozone Depletion Potential).      > The insulation meets requirement of Environmental Health Service in Western Australia.						
10	General Supplies	> Thai Green Label certified.  ** Thai Green Label is an environmental certification awarded to specific products that are shown to have minimum detrimental impact on the environment, in comparison with other products serving the same function. The Thai Green Label Scheme was initiated by the Thailand Business Council for Sustainable Development (TBCSD).						
		> Green Industrial Level 4 certified.  ** Green Industrial Level 4 is strategic government policy by Ministry of Industry that attempts to accelerate the development and growth of green industries to transition towards a low-carbon economy such as renewable energy and low-carbon public transportation infrastructure are faced with high costs and many risks in terms of market economy.						

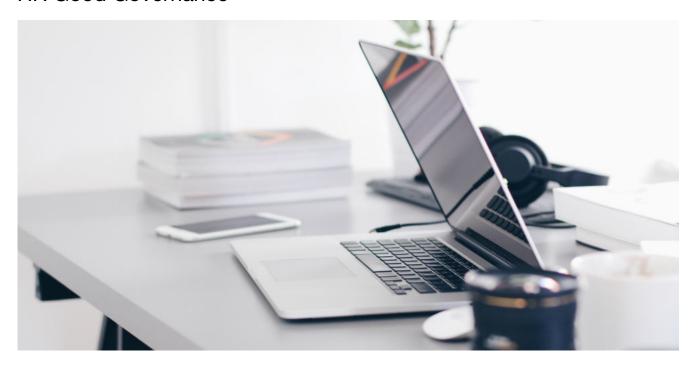
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# **International Material Certifications**

	European Union Regulation	RoHS	Oeko-Tex Standard 100	NFPA NFPA	EU Directive	bluesign Blue Sign	Green Label Plus	Thai Green Label	Text Tile Standard	0	Great Indicately	Green Star	US Standard	GREEN JULDING COUNCI Singapore Green Building Council	Australian Standard
Polymer chips			/		/										
Backing	/														
Latex	/											/			
PVC												/			
Natural Yarn			/							/					
Natural Fiber			/						/						
Synthetic Yarn	/		/												
Synthetic Fiber	/		/												
Master batch					/										
Dyestuff	/		/		<b>\</b>	/									
Auxiliary Chemicals	1		<b>✓</b>			/									
Antistatic Chemical	/														
Soil Protection Chemical	/														
Spinning Oil	/		/												
Thickener	/														
Synthetic Underlay				<b>\</b>											
Adhesive for Installation							/								
Packaging								/							
Electrical- Electronic Equipment	1	1											<b>✓</b>		1
General Supplies								<b>✓</b>			<b>✓</b>				

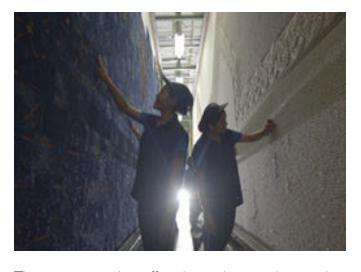
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## HR Good Governance



Carpets Inter is committed to good corporate governance operating with transparency and moral responsibility to all stakeholders including shareholders, customers, suppliers, employees, community, and the environment. We aim to grow and sustain our status in supplying products & services to customers with key value results for customers, business partners, and stakeholders.

In addition to legal compliance, employees follow a handbook of ethics & good governance. This is designed to keep the working environment fair, ethical, honest, safe and free from undesirable behaviours.



## Pays & Benefits Survey and Management

Our human resources management system is designed to ensure all employees realize "job satisfaction" and "a spirit of challenge" to achieve self-fulfillment through their tasks, as well as allocating proper pay, by linking individual achievements with organizational achievements. Carpets Inter consistently engages in fair practices by providing appropriate salaries or wages, bonuses and other benefits based on market surveys of local industries and businesses.

The company also offers incentives and rewards to employees who participate in the Productivity Projects, Small Group Activities, and Discipline & Punctuality Standards.

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## People Development & Knowledge Management

Carpets Inter aims to provide skill training and a learning environment in which motivated personnel can bring their capabilities into full bloom. The education and training system consists of several programs to enable employees to acquire compliance education and sophisticated job expertise in conjunction with their own goals and aspirations. Continuing education is provided according to the job position throughout corporate career. A variety of training courses are provided in response to individual employees and job needs.

## > Training Course for Legal Compliance







Basic Fire

Basic First Aid

Safety Officer at Executive Level







Basic Fire Fighting and Evacuation Fire Drill Training







Occupational Safety, Health and Environment



Training or review of crane work

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## > Training Course of Productivity Improvement



Continuous work improvement "Kaizen Sharing"



How to use E-Smart: Meeting Management

## > Training Course of Health & Well being



Prevention of Tuberculosis in People Living with AIDS



Social Security and Just say NO to drugs



Team power, team spirit, new generation 4.0



Cl Healthy & Firm 2019

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## > Training Course of Development Program







Knowledge of LVT and installation

## > Culture Development Program

The objectives are to set up a good relationships, create a collaborative working atmosphere and achieve the same goal of the TCM Flooring group under the concept "Together We Win with Triple T".

- T- TCM means TCM Family
- T- Team means Professional Team
- T- Trust means Trust our professional Team & TCM Family





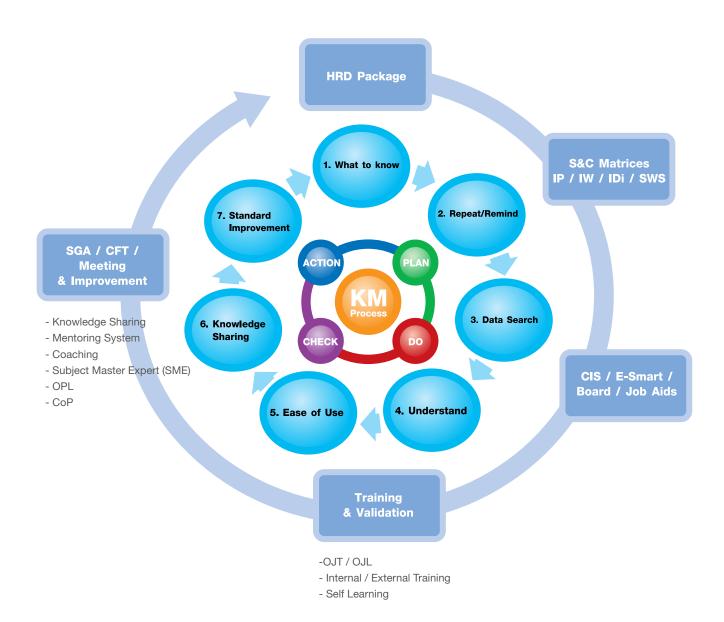




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# Knowledge Management

At Carpets Inter, one of our missions is to be a Learning Organization. We have gathered core skills & knowledge from individual employee and individual worksheet from each work area, then developed and consolidated into our E-Smart System. This system gives everyone easy access to acquire knowledge for self-development and improve work efficiency.



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#### Related Activities Include:

- > Establishing Job Standards, Roles & Responsibilities, Knowledge, Skills & Competencies for employees.
- > Having specialists in specific tasks to transfer their knowledge into the E-Smart system (work procedures, instructions, and related documents).
- > Preparation of Skill Matrices for employees.
- > On the Job Training & Learning (OJT/OJL)
- > Knowledge Transfer
- > Small Group Activities, Kaizen Sharing and Work Process Improvement Activities
- > Community of Practices.



#### Career Development & Succession Plan

Individual Performance Management is applied to the Carpets Inter Performance Evaluation System. It is a tool for each individual employee to set Tasks Planning, Objectives & Goals, and KPIs & Targets as well as to review their performance periodically. This tool is also used in career path development for employees in order to retain high performance individuals and to help them advance their career.

#### Rewards from External Institution;

> In 2014, Carpets Inter has participated in Knowledge Sharing on KM for Sustaining the Organizational Productivity Movement program. The program was organized by Thailand Productivity Institute

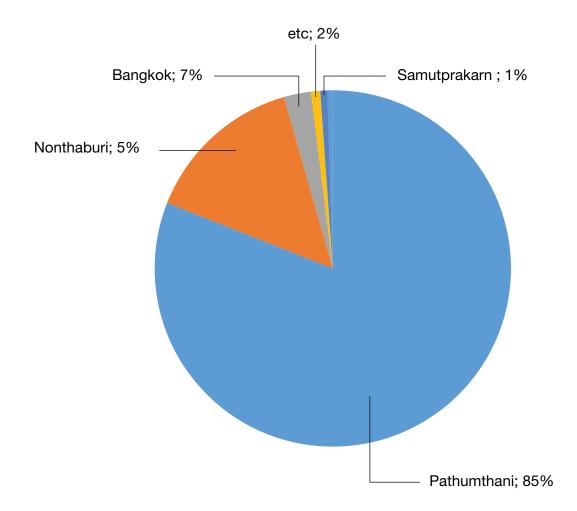
> In 2017, Carpets Inter has been awarded the "Establishment that maintains the Thai labor standards system continuously for 10 years" The program was organized by the Department of Labor Protection and Welfare

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## Recruitment & Retention Management

Our recruitment policy is to seek qualified candidates from local communities. We determine a set of selection criteria to get the right people to join our company by using attitude and aptitude tests, professional skill tests as well as an interviewing process.

We also provide job opportunities for existing employees as a first priority before recruiting from outside.



## **Employees Grievance**

Carpets Inter has explicit policies on transparency and personal rights it provides channels for employees at all levels to voice complaints and address matters of fairness. The received complaints are properly and duly handled according to an established company process and in a timely manner. The result is communicated to the employee/appellant directly. If he or she still feels he or she hasn't been treated fairly then he or she has the right to take the issue to senior management.

Additionally, there are many programs which help to build relationship and understanding among the employees. Under these policies, labor and management merge their energies to improve productivity, while openly discussing issues and reviewing directions to deepen mutual understanding.

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# **Emergency Preparedness**

Emergencies can create a variety of hazards for employees in the impacted area. Preparing before an emergency incident plays a vital role in ensuring that employees have the necessary equipment, know where to go, and know how to keep themselves safe when an emergency occurs. Conducting simulations and drills is the most effective way to evaluate and test disaster preparedness plans.

## 1. Chemical Spill Control Drill







To educate about chemical leakage & control and how to prevent any chemical release into the environment.

#### 2. Fire Fighting & Evacuation Drill







To make employees aware of fire protection & control and to prepare the readiness of the fire-fighting team.

#### 3. Flood Drill







Preparation and rehearsing to prevent flooding.

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#### 4. Gas Leakage Drill







To educate employees on gas leakage protection & control and to prepare the readiness of the emergency team.

## 4. Emergency & Evacuation Drill



In order to emphasize the importance of emergency preparedness, Carpets Inter organized an emergency drill annually fire prevention plan with specific individuals trained and assigned to cope with possible emergencies.

The company has an annual full blown drill to effectively prepare for the readiness of the emergency team and practice of the evacuation plan.

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# **Employee Activities**

## New Year's Party

Intends to provide happiness and fun for the staff, including enhancing relationships to foster the unity by allowing employees to participate in singing, playing, and dancing contests. Additionally, there are also many lucky draws for employees.





#### Happy Valentine's Day

The company places a photo booth for the festival of love to allow employees to have fun with photography and to promote love to colleagues in order to build strong working relationships...





#### Hot Temperature relief

An annual project that the company gives away cold snowflake juices to employees during April – May, which is the hottest season. This activity aims to mitigate the effects of hot weather and provide refreshment along with moral support for employees.



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## Songkran Festival

The company recognizes the importance of Thai Traditions. So Songkran Festival celebration is also held in house in order to maintain this very important Thai tradition. Activities included a Parade Ceremony, pouring water on a Buddha Statue.

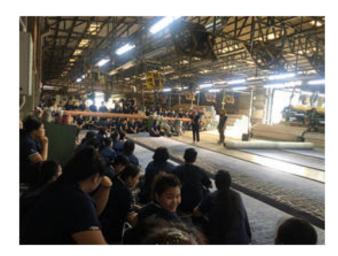




## Morning Shift Talks

Shift talks allow knowledge exchange and communication among employees in various fields, such as social security news, welfare news, or relations activities. This activity aims to enable employees to be informed of various news, including both corporate news and news from government agencies.





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#### Mother's Day

The company organizes "Mother's Day" ceremony at the cafeteria and launches a campaign about love between mothers and children along with the royal duties of H.M. Queen Sirikit the Queen Mother. This activity aims to raise awareness and cultivate family love among employees. In addition, beautiful music is played in order to raise donations for AIDS patients at Phra Bat Namphu Temple.



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## Health Surveillance & Promotion

Regarding occupational health & safety management and the health promotion program, Carpets Interprovides many activities for the employees as follows:-

## 1. Annual Physical Health Check-up Program

The company holds an annual physical health check-up program for employees in order to check on general health, investigate health risk factors and follow-up with effective health monitoring.



General



Chest X-Ray



Audiometry



Occupational Optic Examination



Spirometry



Blood Test

#### 2. AIDS & Tuberculosis Management Program

We support a culture of health in which employees and the company mutually invest in programs that support long-term wellness and disease prevention of HIV/AIDS and Tuberculosis. We have also been active in promoting programs that are designed to reduce discrimination among employees and those who are infected by the diseases.







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#### 3. "No-Drink" Driving Program

The activities of this program are intended to promote the employee's safety outside the workplace. The activities are generally arranged before New Year and Songkran Holidays so that the employees will be aware of the risks and consequences of drinking and driving







## 4. CI Healthy & Firm Program

The activity "Healthy and Firm" - >> is an activity that encourages employees to turn their attention to their health. There are various activities within the project, such as training for healthcare (in terms of dietary options and exercise), and continuous health monitoring of project participants.

The activity "Yoga for Health" - >> Every Monday and Wednesday, external teachers are invited to teach yoga to employees in order for them to have the opportunity to exercise, practice meditation, or solve their health problems. Particularly, employees working in the office who mostly suffer from Office Syndrome or employees who are quite overweight can be treated by yoga. The primary objective of this activity is to provide employees with good health and happiness at work.





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#### 5. Safe Drive, Safe Life Program

The activities of this program are intended to promote the employee's safety drive campaign. To support employee be aware of safe drive and support to have more driver license.







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## "CSR Activities"

The activities are further reviewed and operated by our employees.

We are proud to be local leaders in the Reuse, Recycle and Reduce movement and are the first in the region to obtain and comply with both quality and environmental ISO certifications. Our economic success is linked with the strength of the communities where we operate. That's why we participate in cultural, economic, educational, environmental and social projects in the communities for example donations and cultural activities, recycle bank, community products promotion, Volunteer Teachers, Carpet Maintenance and Cleaning in Temples etc.

# Children & Education Development & Support

## Children's Scholarship

The company granted scholarships to students at Wat Prai Fa School to give the opportunity to poor children to have continuing education and ease the financial burden on their parents..









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#### Garbage Bank

The campaign aims to promote waste classification in schools and companies by classifying waste used in everyday life and selling it to raise funds for expenses for lunches for students at Ban Khlong Chao Muang School. In addition, the project has also continually raised awareness of environmental protection since 2008.







## **Computer Donation**

The company donates unused computers to the Association of Persons with Physical Disability International in order to transform them into donations for organizing activities for the disabled.



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## **Carpet Donation**

The company donates carpets to 40 schools in Pathum Thani Province for the use in educational support, accounted for 7,942,452.62 baht



#### Rice Donation

"Ban Nonthaphum", Pak Kret District Nonthaburi and bring 300 kilograms of rice, 123 blankets, and 168 food trays to give to disadvantaged people.



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## Sponsoring Handicapped

#### The Third Page Paper for the Blind

A campaign that encourages staff to collect used paper that were printed on both sides with good condition and give them to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen. These papers can be recycled to make the third page paper and teaching media (Braille) for the visually impaired. This activity has been ongoing for more than ten years.







# Donate blood to help patients

#### **Blood Donation**

Encourage employees to donate blood to help patients in hospitals. The company invites staff from Siriraj Hospital to organize blood donation camps at our workplace twice a year. These activities have been carried out for more than 30 years, and the company has received a plaque of honor from Siriraj Hospital.





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## Communities "Revenue Distribution Activities"

#### Drawing a Dream

The project is initialized to educate students of Wat Prai Fa School in making inventions from waste materials, such as dolls, bags, and clothes to fight global warming, all of which can be further used for earning additional income from the invention.





## **OTOP Community Products Promotion**

We supported local products by organizing "the sale of OTOP products of Pathumthani and neighboring provinces" once a month at the factory. The monthly OTOP activities helped to generate income for these local OTOP vendors.









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#### Thai Culture Inheritance Activities

#### **Buddhist Lent Festival**

The company organizes a ritual ceremony to make merit and give alms to the monks by offering rice and dry food on every Buddhist Holy Day throughout the Buddhist Lent season. In addition, there is also a candle procession for the Buddhist Lent Day, cooperated with the Bang Khu Wat Municipality and other nearby document companies. The candle procession is held to offer candles to Bang Khu Wat Nai Temple to promote and support the preservation of Thai cultural traditions that have been passed down for a long time and to promote Buddhism.



#### **Buddhist Monk**

The company organizes merit making ceremony and invites nine monks to the company. The executives and employees make merit and give alms to the monks by offering rice and dry food. This activity aims to promote Buddhism on the important Buddhist day







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# **Environment and Community Promotion Activities**

## Planting to offset carbon emissions

As trees grow, they absorb and store the carbondioxide emissions that are driving global heating. On October 24, TCM Flooring went to the Bandkuwat temple for the plantations. All necessary planting tools are provided to the teams in order to plant the target 200 trees.









## **SOCIAL RESPONSIBILITY - CORPORATE TIMELINE**

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## -Received the certificate of TIS 18001 for its Occupational Health -Being the first in the region to receive a certificate of ISO 9001 for its Quality and Safety Management. Management. -Certified the CRI Green Label Plus for Indoor Air Quality. -Listed on the Stock Exchange of Thailand and was transformed into a Public Company. -Created the new corporate identity to communicate the -Received the certificate global brand that of ISO 14001 for stresses a high level its Environmental of design sensitivity. Management. The state of the s -Partnered as a part of -Established 2nd branch Social Responsibility. at Had Yai to cover southern part of Thailand market. -Received the certificate of TLS 8001 for its Labour -Established 1st branch at Chiang Mai to cover northern part of Thailand market. Standard. -Successfully developed and launched the EcoSoft, Recycled Cushion Backing made from discarded drinking water bottles. -Carpets Inter started in 1974 as a Thai Australian joint venture between Pacific Carpets International -Certified the CRI Green Label for Indoor Air Quality. Australia (PCIA) and Thailand's General Carpet Company Limited.









- WIN Sustainability Awards in the 'Waste Elimination' category, voted by

-WIN Sustainability Awards in Waste Elimination' category, leading Australian architects, lea

-Achieved the Green Industry from the Ministry of Industry.

2012

-Awarded Trophy and Certificate of CSR-DIW 2011 for its Corporate Social Responsibility Continuous Awards.

-Thai Labour Standard TLS 8001-2010 Certificate Department of Labour Protection and Welfare, The Ministry of

2015

-Successfully developed ZeroFlow moisture resistant backing.

-Awarded the Excellence in Labor and Social Responsibility Management during and after Thailand Flood Crisis from Ministry of Labor.

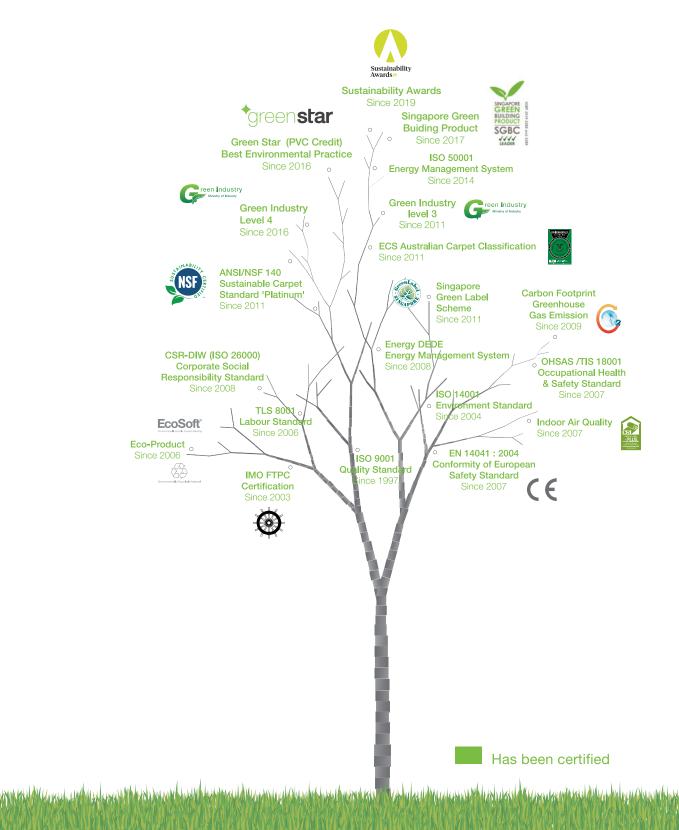
-Certified the ECS Australian Carpet Classification for the continuous improvement of the environmental aspects of carpet through its life cycle.

-Achieved the Singapore Green Label standard for the products that have less undesirable effects on the environment.

-Energy Management System ISO 50001 : 2011

-Awarded "Standard for Corporate Social Responsibility: CSR -DIW : 2012" CSR Continuous Awards" Trophy and Certificate

-Awarded "The Recognition of being AEO (Authorize Economic Operator) Importer/Exporter " Certificate



# Achievement Tree on System & Product Standards Compliance

Carpets Inter is committed to responsible environment practices and understand the importance of making business decisions that are sensitive to environmental imperatives. We take a proactive approach in addressing the key issue associated with flooring products.



