

SCG Code of Conduct
MESSAGE FROM THE CHAIRMAN

Since its inception in 1913 until present, **SCG** has encountered many changes affecting its business. However, business credence of the SCG is based on its ethics and responsibility to all parties in society according to SCG's Core Values which are foundation to SCG's employees' good behaviors. All these have been compiled as "SCG Code of Conduct."

"SCG Code of Conduct" was first compiled in writing in 1987. Since then, there have been five revisions of the Code. This latest 6th version has clear categorization and revision of contents to cover relevant regulations and policy with wider range of practical examples with stakeholders to accommodate current business implementation.

SCG Employees should, therefore, study and absorb these rules and carefully make judgment for work based on the SCG Code of Conduct to observe what the Board of Directors, management and employees in every level have seriously been adhering to and practicing for the past 100 years.

In this occasion, please accept my appreciation to all SCG employees for complying with this SCG Code of Conduct and behaving well as the country's good citizens which will finally contribute to SCG's reputation retention.

Dr. ChirayulsarangkunnaAyutaya
Chairman
The Siam Cement Public Company Limited
December 23, 2015

FOUR CORE VALUES OF SCG

The present prosperity, success, and stability of **SCG** are the result of doing business according to its ethical core values – the ideals that have been held in high regard and put into practice by the Board of Directors, by management, and by staff at all levels. They are:

Adherence to Fairness

Dedication to Excellence

Belief in the Value of the Individual

Concern for Social Responsibility

Adherence to Fairness

It is the responsibility of **SCG** to ensure that all who come in contact with us are treated with equal fairness. For example:

- Customers who use our goods and services will obtain maximum benefit in terms of quality and cost.
- Shareholders will receive a proper rate of return on their investment.
- Employees will enjoy both appropriate compensation and a good standard of living.
- All groups of stakeholders will be fairly treated.

Examples of Practice for SCG Employees

- ✓ Work honestly, transparently, and traceably and treat every party with respect, sincerity, friendliness and fairness.
- ✓ Work fairly without bias on group, age or institution.

Dedication to Excellence

SCG is dedicated to right conduct and achieving the best results in all we undertake.

All employees and persons who come into contact with **SCG** recognize the total effort, knowledge, and skill we devote to constantly improving what we do. We strive to learn and pursue whatever we can to help us overcome obstacles and advance in the path of growth and sustainability. This dedication will generate the best results for both **SCG** and all stakeholders.

Examples of Practice for SCG Employees

- ✓ Dedicate all the efforts to create valuable innovation to maximize benefits for all relevant parties.
- ✓ Be determined and dedicate all efforts, knowledge and skills for work expecting better results to strive to excellence considering synergy of benefits and impacts on relevant parties.
- ✓ Catch up with the latest situation and be ready to face ever-changing situation.

Belief in the Value of the Individual

SCG is convinced that each of our staff constitutes our most valuable assets. SCG has managed to prosper through the efforts of our good and knowledgeable people, who have chosen to spend their careers with us. We select the most ethical and capable individuals we can find, and then enrich them to cope with challenges of our changing times. In return, we provide all our employees with security and a sense of belonging. With such care and concern between the Company and staff, little wonder that our personnel work so hard and skillfully for the progress of SCG.

Examples of Practice for SCG Employees

- ✓ Work together like family members, give care, concern, praise, compliment and advice to give moral support to each other and respect each other's idea.
- ✓ Work as a team and help each other.

Concern for Social Responsibility

SCG behaves as a good corporate citizen in all communities and countries where we operate. We diligently perform our social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment.

Examples of Practice for SCG Employees

- ✓ Always bear in mind safety standard, occupational health and environment while working.
- ✓ Be conscious in using resource to create optimal values, and preserve nature at home and work and extend this practice to outside community.
- ✓ Take part in natural preservation, community care and social development activities.

As an individual prospers in life through moral conduct,
So does a company through ethical practices.

Introduction

What is SCG Code of Conduct?

SCG Code of Conduct means good business practice based on SCG Four Core Values for all SCG employees to hold on to and adopt as guidelines for work appropriately. It forms part of Employee Regulation.

Who has to be obliged to observe SCG Code of Conduct?

All employees of SCG are obliged to observe the principles and guidelines of the SCG Code of Conduct, and the Board of Directors must serve as role models of such conduct.

What do you have to do with SCG Code of Conduct?

1. Acquire an understanding of the contents of the SCG Code of Conduct especially those relating to your duty and responsibility.
2. Consult superior or enquire in SCG consulting system when you are not sure if what you are going to do complies with the SCG Code of Conduct.
3. Convey your knowledge and understanding of business conduct of SCG people according to SCG Code of Conduct to others you work with or who are involved with SCG.
4. Inform when you find incompliance with the SCG Code of Conduct via assigned channel and give cooperation to fact-finding investigation.

What happens if one does not comply with the SCG Code of Conduct?

- Failure to comply with the SCG Code of Conduct shall result in disciplinary action, according to the regulation of SCG, and will be subject to legal penalties if such a breach is also illegal.
- Ignoring or remaining indifferent when a violation of or non-compliance with SCG Code of Conduct is noticed, in any case when one's scope of responsibility causes or obligates one to know about it, failure to co-operate with, or obstruction of, an investigation and fact finding related to an alleged violation and mal treatment to fact providers are considered non-compliance with SCG Code of Conduct.

What should you do when finding Non-Compliance with the SCG Code of Conduct?

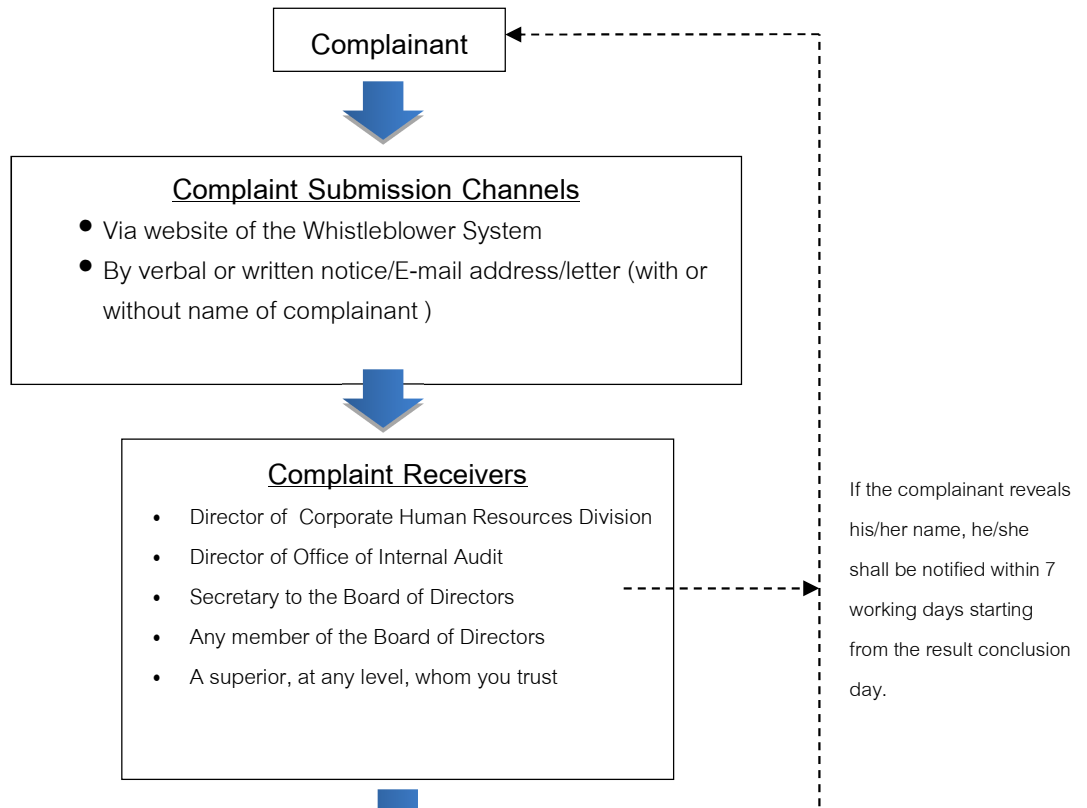
SCG has Whistleblower System which is compliant system in line with international standard. In case you learn about or notice any action or become victim of corruption and violation of laws, regulations, Company's rules and code of conduct, you can inform of the action by following these procedures.

- Report to complaint receiver via the assigned channels. However, the information must not be false or made up to defame others which are considered disciplinary guilt according to human resource management regulations.

- SCG has complaint handling and whistleblower protection procedures.

More information can be found in the SCG Whistleblower Policy or on SCG Intranet.

Procedure for Handling Complaints



The company or Internal Audit Office shall act as follows:

- 1 **Gather all facts as confidential information***
 - Complaint receiver or assigned person shall gather all facts.
 - In principle, the accused person is innocent.

** Consider and summarize facts in preliminary stage. It will take about 30-60 days (depending on complexity in finding facts).*
- Or
- 2 **Officially appoint Fact Finding Working Team**
(For complaint that has solid evidence to be against discipline/ethics, it requires appointment of Fact Finding Working Team to find information and evidences from internal and external agencies and summarize/propose punishment method.)
- And/Or
- 3 **Officially appoint Investigation Committee**
(For complaint that is corruption, conclude result/propose punishment method.)
- 4 **Punishment Approval Consideration**
 - MDC considers punishment for Management Level 3 and over.
 - For other levels, the authorized person shall be as defined in the Company's authority table. (Following the summary of Fact Finding Working Team or Investigation Committee)
- 5 **Report to appropriate committee**
Company Management Committee, Business Group Management Committee, Audit Committee, and Board of Directors

How Complainant/Fact Givers will be protected?

Any person making complaints, reporting to, or co-operating with a fact-finding investigation shall be protected according to SCG's 'Whistleblower Policy,' under the category of "Protection and Justice for Informants or Whistleblowers who Benefit SCG by Uncovering Fraud, Breaches of State Laws or Regulations, or Non-Compliance with the Rules and Code of Conduct of the Company" as follows:

1. If complainant/fact givers choose to disclose their identities, the Company will be able to inform them of progress or their findings or compensates them more quickly and easily.
2. SCG regards such information as secret, and will disclose only as necessary to ensure the safety of, and prevent harm to, those who report, their sources, and other individuals involved.
3. If the complainant believes that he / she will be under threat, he / she may ask the Company to provide appropriate protection, or the Company may provide such protection without the complainant's request if it is believed that danger or harm is likely.
4. Those who incur harm will be compensated in a fair and appropriate manner.

This code is composed of

- a. Title
- b. Principle
- c. Guidelines
- d. Examples
- e. Definitions

7. การปฏิบัติต่อข้อมูลและทรัพย์สิน a
7.x การใช้และดูแลระบบเทคโนโลยีสารสนเทศและการสื่อสาร (ICT)

a หลักการ
 SCG เล็งเห็นถึงความสำคัญของระบบ ICT มาใช้เพื่อเพิ่มศักยภาพในการดำเนินงาน ซึ่งจัดให้ระบบ ICT ที่มีประสิทธิภาพ น่าเชื่อถือ และมีความรวดเร็วในระดับสากล โดยให้ความสำคัญกับความปลอดภัยและการป้องกันอาชญากรรมทางคอมพิวเตอร์ นอกจากนี้ยังควรพิจารณาในการใช้งานและความเป็นส่วนตัวของพนักงาน โดยพนักงานพึงการพลัดสิทธิ์ผู้ใช้ระบบร่วมกัน และปฏิบัติตาม SCG e-Policy

b ภัยามพิพม์
 • ระบบ ICT - เทคโนโลยีที่นำมาใช้ในการทำงานกับข้อมูลผ่านทางคอมพิวเตอร์หรืออุปกรณ์สื่อสาร
 • เครือข่าย - ระบบเชื่อมต่อข้อมูลระหว่างอุปกรณ์เช่น ระบบ LAN VPN internet เป็นต้น

c แนวปฏิบัติ
 - ไม่เปิดเผย User/Password และใช้จากระบบตามสิทธิ์ในการเข้าใช้เท่านั้น หากต้องการเปลี่ยนแปลงสิทธิ์ในการใช้งาน ให้หาหรือผู้บังคับบัญชา
 - ไม่อนุญาตให้บุคคลภายนอกใช้ระบบ ICT ที่จัดไว้สำหรับพนักงานโดยเฉพาะ
 - ไม่ใช้งานระบบจนเกินประสิทธิภาพการใช้งานหรือใช้งานเป็นเวลานานโดยไม่จำเป็น หากพบว่าประสิทธิภาพของระบบบกพร่อง ให้ติดต่อผู้ดูแลระบบ
 - เมื่อพบความผิดปกติในการใช้งานระบบหรือมีการเปลี่ยนแปลงข้อมูลโดยไม่ทราบที่มา ให้แจ้งผู้ดูแลระบบทันที
 - หลีกเลี่ยงการนำคอมพิวเตอร์หรืออุปกรณ์บันทึกข้อมูล เช่น Thumb Drive เป็นต้นมาเชื่อมต่อกับเครือข่าย
 - ระบบหรือการเปลี่ยนแปลงการตั้งค่าต่างๆ โดยเฉพาะการตั้งค่าที่เกี่ยวข้องกับความปลอดภัย ระบบหรือการถอน email ที่มีแหล่งที่มาที่ไม่คุ้นเคย โดยเฉพาะการดาวน์โหลดส่วนบุคคลหรือข้อมูลเกี่ยวกับธุรกรรมทางการเงิน

d ตัวอย่าง
 - ลุคคำสั่ง email ลอบถ่านอึ้งและเลขบัญชีเพื่อชำระค่าสินค้า โดยใช้ email address ที่ไม่คุ้นเคยทำจนสามารถที่ข้อมูลได้หรือไม่
 - ห้ามไม่มากรารถให้ข้อมูลได้ ค่าควรยืนยันในกับลูกค้าทางโทรศัพท์หรือ Fax กับที่ เพื่อป้องกันการหลอกลวงที่โอนเงินไปยังบัญชีของฉวยฉิว

DEFINITIONS

- **SCG**
 1. The Siam Cement Public Company Limited
 2. Subsidiaries of The Siam Cement Public Company Limited.
- **Subsidiaries:** Subsidiaries as defined by consolidated financial statement of The Siam Cement Public Company Limited.
- **Stakeholders:** Persons/entities directly or indirectly impacted by SCG's business or involved with SCG's interests or impacting on SCG's business, such as Company directors, employees, shareholders, contractual parties, contractors, business contacts, creditors, debtors, society at large, and communities where SCG operates.
- **Company directors:** The directors of The Siam Cement Public Company Limited.
- **SCG Employee:** Anyone contracted to work, to be probationary employees, or to provide special services for SCG in every country where SCG operates.
- **Business contact:** A person or legal entity with whom SCG has to deal in the normal course of business, including the government, state agencies, state enterprises, private-sector organizations, and organizations for the public good.
- **Vendor:** Goods seller, lessor or hire-purchaser who hands over goods to SCG.
- **Transaction:** Activity relating to legal transaction, contract or any action made with other parties in terms of finance, business or asset such as service providing, purchasing, selling, hiring, financial support and technical or human resource support etc.
- **Business Partner or Contractor:** One hired to work or provides services to SCG or hired as service contractual parties to SCG.
- **Contractual Party:** One who enter into contractual obligations, namely mutual rights and responsibilities specified in a contract, with SCG.
- **Customer:** A purchaser and user of goods and service receiver.

Principles and Guidelines of SCG Code of Conduct

1. Human and Labor Rights

Principle

SCG is aware of respecting human rights of every individual so it treats everyone fairly without discrimination. The Company promotes and supports human rights and avoids human rights violation. Moreover, the Company has realized importance of labour so it treats the employees in compliance with labour laws and relevant regulations on a fair basis.

Definitions

Human Rights refers to basic rights of every human being to be protected from discrimination due to differences in physical and mental aspects, race, nationality, religion, gender, language, age, skin, education, social status or any other traits. The practice shall comply with laws of each country or commitment each country has made in any agreement.

What to Do

1. Show respect to and acceptance of one another and treat others fairly without considering differences in physical and mental aspects, race, nationality, religion, gender, language, age, skin, education, social status or any other factors.
2. Take great care at work to prevent risk in human rights violation in business operation including relevant parties in the value chain. Monitor business activities to prevent the violation and report to superior to prevent human right infringement.
3. Treat everyone fairly in every stage of recruitment starting from selection, remuneration payment, working hours and job holidays, assignment, performance appraisal, learning and development, career path planning and others without discrimination.
4. Avoid forced labor, labor from human trafficking or child labor that is illegal and punishment that is physical or mental torture as coercing, threatening, detaining, harassment or any violence in any form.

Example

1. If you find that business partner of the Company has abused child labor in its plant, what should you do?

Advice: You have to report your superior right away. SCG promotes fair business operation among business partners according to SCG Code of Conduct. If they do not comply with this

code, SCG reserves the right to take any action with such partner by considering potential impacts and damages.

2. If you as supervisor have to do annual performance appraisal for subordinates who have personal conflict with you, what should you do?

Advice: You have to treat every subordinate on a fair basis without discrimination, avoid any action that is unreasonable and unfair and appraise him based on his competence and performance that is free from personal judgment, bias, or prejudice.

3. If you find your pregnant colleague working overtime in office, what should you do?

Advice: You should report your superior because pregnant employee will be specially protected as prescribed by labor law. Normally, pregnant women are forbidden from working overtime or working on holidays except for exemption by law.

4. If you find a colleague insulting other people or behaving in a way that may lead to human rights violation to other people, what should you do?

Advice: You have to report your superior in order to raise this with relevant parties to find solution for each case. This is because this issue needs fact and details, provisions of laws and regulations and procedures of laws to find solution to the case.

2. Environment, Health and Safety

Principle

2.1 Environment

SCG is determined to take care of the environment through all its value chain starting from environment impact assessment before investing in any business, design, production process, machine and equipment and adoption of appropriate technology to prevent possible impacts on the environment and raise awareness of these issues among employees and parties relevant to business operation to comply with the Company's guidelines.

What to Do

1. Comply with laws, standards, regulations and guidelines on environment and co-operate on complying with agreements in international levels to prevent or mitigate impacts on the environment.

2. Use resources such as energy, water, raw materials and materials following 3R Principle (Reduce, Reuse/Recycle and Replenish) to create efficiency in using resources and reduce impacts on the environment.
3. Consider using raw materials or materials for business operation according to “Guidelines for Green Procurement”.
4. Provide appropriate support and assistance to society, and particularly the communities surrounding SCG’s sites of operation.
5. Transparently disclose information on environmental management via appropriate channels and allow communities and stakeholders to take part in giving opinions for projects that may have social and community impacts.
6. Raise awareness in environment preservation among colleagues and community near the place of business via appropriate channels such as meeting, seminar, site survey or joining activity of community in various occasions.

Example

1. If a person offers goods to you at the price lower than the current supplier’s but these goods has not yet been registered in SCG environmentally friendly goods and service list while there are enlisted vendors selling the same products, how do you consider purchasing the goods?
Advice: You must order goods according to SCG’s regulation. In case there is enlisted vendor selling the same products, you have to purchase from the enlisted one. However, in case other vendors desire to enter into the list, you can give advice on manufacturing process and support them to make registration request for potential purchase consideration in the future.
2. A subordinate tells you that she has heard the local people talk about their trouble with a black, smelly liquid flowing from the vicinity of your plant into the community’s land. They do not know whom to contact or how to complain. As her superior, what should you do?
Advice: Coordination and/or remedy must be taken urgently to accommodate complaints and allegations, either present or potential, concerning environmental problems caused by corporate operations. You should investigate the fact and analyse the data. If a resolution is possible, appoint someone to be responsible, determine the timeframe, and report on progress to those affected and to your superior so that the problem can be rectified as soon as possible.

2.2 Health and Safety

SCG has paid great attention to health and safety of employees, contractors, customers, communities and stakeholders throughout our business value chain. Health and safety impact assessment must be

carried out before investment or joint-venture is made. Place of business, production process, technology, machines, equipment and raw materials must be taken care of to ensure safety to health. Moreover, employees and relevant parties must be raised awareness in safety consciousness to comply with the health and safety regulations.

What to Do

1. Comply with laws, standards, regulations and good practices on health and safety and cooperate on compliance with international agreements to prevent or mitigate possible impacts.
2. Examine your own readiness and physical health including co-worker, contractors and relevant party's before commencing work. If the persons doing the work are unhealthy or not ready, the work must be stopped or ordered to stop immediately so as to prevent exposure to unnecessary danger at work or caused by work.
3. Before starting the work, assess risk and study the working instructions of unsafe or potentially harmful jobs in order to plan or prepare appropriate prevention.
4. In case of being assigned harmful work or not being confident in safety at work, the work must be stopped or held. And you must immediately consult the supervisor or expert.
5. Immediately report to your superior when you notice anything unusual about your workplace that could affect health or safety.
6. Supervisors are obliged to set rules or guidelines that could prevent or control accidents and to inform employees and others involved concerning those rules and guidelines. They should also inspect the health of workers according to the risk to which they are exposed.
7. Transparently disclose information regarding health and safety via appropriate channels and allow community and stakeholders to take part in public hearing on projects that may have impacts on community and society.
8. Raise awareness on health care and safety precaution among co-workers and communities around the place of business via appropriate channels such as meeting, seminar and training, site patrol or community activities in different occasions.

Example

1. The Company expects you to order spray paint. You know an employee at a company that produces spray paint at a lower price than the brand presently used by the Company, but that manufacturer has not been certified safety standard, what should you do?

Advice: When you purchase materials and equipment, especially chemical products for use in the office or plant, you must be certain that such products have been certified for safety by the agency responsible for environmental protection, and that their source of manufacture is reliable.

2. A subordinate who works in the area without hazards of noise informs you that he often has trouble hearing people call him. He has gone to the doctor, who told him that this problem could be due to one of two causes: 1) exposure to a very loud noise on one occasion, or 2) remaining in a continuously loud work environment. Your subordinate feels that the source of the noise could be a machine in his workplace. As his superior, what should you do?

Advice: You must immediately launch a fact-finding investigation when you are informed of an irregular situation or event. You should rotate the subordinate to other less noisy area and uncover the cause of such loud noise in order to find the remedy. Every employee is obliged to report unusual incidents to his / her superior, even if it is just a small abnormality or still in doubt to prevent or control some sudden accidents.

3. Your Company has construction project to increase production capacity for which business partners will do construction in your area. You find their incompliance with the Company's safety regulation. So as construction project head, what should you do?

Advice: You have to control, supervise and recommend the contractors, like the employees, to comply with safety regulation of the Company to create safety while they are working. You should treat the contractor as if they were the Company's employees. Before the work starts, there must be safety training for the contractors.

- 4) You are assigned to fix roof at the height of 4 meters by the end of this day. However, you find that all the safety harnesses have been used and none is left for you, what would you do?

Advice: You have to stop or hold the operation, if the assignment is dangerous work or there is no personal protection equipment (PPE) and you are not sure about safety. You should inform your supervisor to provide complete set of PPE. Working in high level is considered high risk work, therefore, the work site must be arranged to be safe and operator is required to wear full set of PPE.

2.3 Safety of Products and Services

SCG has ensured that all the products and services' safety complies with or is higher than those stipulated by laws, has standard compatible with industrial and international standards and as agreed with the customers. This covers design and production process, provides information or

warnings about the products and services and appropriate use for the whole life cycle. In addition, SCG pays attention to safety of products SCG hires others to produce, import and uses for sale promotion activities.

What to Do

1. Produce products and provide services considering safety of customers for the whole life cycle of the products. If you are going to change production or service process that affects the safety of products or services, you must seek approval from superior or person of responsibility and record all the details and reasons for future reference.
2. Store information on product and service safety for future verification.
3. Report to superior right away if you know or have concern about safety of products and services caused by production process and/or service process or situation that may lead to unsafe condition to the customers.
4. Be open to safety complaint on products and services and coordinate or improve the condition right away. In case there is any limitation or in case of requiring a long time to solve the problem, the person of responsibility must report information and status to the customers at appropriate time and report progress of fixing the problem periodically.

Example

1. You notice that your co-worker skips production step that may affect quality and safety of the product, what should you do?

Advice: You should consult your superior immediately since the production process is designed by the Company to ensure quality, qualification and safety of customers which will retain standard, quality and reputation of the Company. Consulting the superior will not be considered as accusation of the co-worker.

2. You have to arrange transport to deliver goods to customers and have agreement with them on time delivery. You find that the vehicle to use is in unsafe condition but finding replacement will result in delay in delivery. What should you do?

Advice: You have to inform the customers right away and find new vehicle. Although, there is some delay, the goods will arrive at the customer's site safely. Using unsafe vehicle may result in accident causing the cars and goods to damage and the driver to be injured.

3. Your Company has marketing promotion activity for new products and your subordinates talk to you that they will give the guests bottled fruit juice as souvenir. They will hire someone to produce the juice with the Company's logo. As a supervisor, what should you do?

Advice: You must be aware of safety and assign the subordinates to check safety of the products they are going to hire other parties to produce. The manufacturer name must be shown on the bottle label. This is because although the Company does not produce or sell the product, as the Company hires someone to produce it and distributes it for commercial benefits, the Company has to be responsible for safety of the souvenir as if it is the Company's product.

4. If a product of your company does not have information on the products, instruction for use, warnings, Material Safety Data Sheet (MSDS) and storage, what should you do?

Advice: You should recommend the unit of responsibility to do Product Hazard Analysis to cover use of the products for the whole Product Life Cycle and consider harmful issues to summarize as warnings to prepare warnings, suggestion/recommendation, Material Safety Data Sheet (MSDS) and storage to be sufficient and appropriate to prevent danger.

5. If you find that the company/ unit relevant to customer complaint slowly deals with the complaint and does not report any progress to the customers while they seem to be highly dissatisfied, what should you do?

Advice: You should coordinate with such unit and recommend them to report the update to the customers since if they know the information, they will feel that they are being cared and it will reduce level of dissatisfaction. If the complaint scope is larger than you can make a decision or the damage cost is higher than authority of the company/unit, they must be reported to the superior right away to ask for opinion and consider authority in the next level. If the company fails to do it properly, the customers may complain via public medium that may affect the company or SCG's image and may cause the Company to pay higher compensation.

3. Anti-Corruption

Principle

SCG's business should be conducted with stakeholder in correct, transparent, honest and traceable ways with no corruption. The business must comply with relevant laws and SCG's Anti-Corruption Policy ensuring it shall not cause condemnation or loss of reputation.

Definitions

Corruption refers to any form of bribery whether it is an offer to give, promise to give, giving, commitment to give and demand or acceptance of money, properties or any other benefits which are not appropriate with or to government officials, government agencies or private agencies or competent officers whether directly or indirectly to motivate such persons to do or avoid to do something to acquire or retain the business or give any recommendation to **SCG's** business or to obtain or retain any other inappropriate interests from the business.

What to Do

1. Not commit corruption and be careful with work process with high risk such as sale and marketing, procurement, project investment, contract execution, giving and receiving presents, entertainment, and donation or giving financial support etc.
2. Not ignore or overlook any transaction possibly considered as corruption relating to **SCG**. You must report to supervisor or person in charge and cooperate for fact finding activities.
3. Arrange giving or receiving of donation and financial support in transparent way complying with the Company's regulations and laws. Effort must be made to ensure that the donated or supported money is not used for bribery.
4. Pay attention when doing transactions with person, juristic person or any organization involved with corruption accusation.

Example

1. A project official asks what kickback he would get if he persuades the project owner to order your Company's products. What should you answer him?

Advice: Explain to that person that **SCG** guidelines prohibit the payment of benefits that would not normally be received, other than the compensation **SCG** provides in the normal course of business.

2. The Company you are working for is requesting for a permit certificate. One person comes up and informs that he could facilitate permit granting process since he knows the official who could give you privilege in granting the permit. However, it will be made in exchange of benefits. What would you do?

Advice: Do not pay anything to anyone to get privilege since it does not comply with procedures prescribed by the law.

3. SCG has ordered construction material production machine from overseas vendor and you were informed by the vendor that it is customary to pay to you as purchase requestor at 3% of total product price. What should you do?

Advice: You must not receive any benefits from the seller. In this case you must report to your supervisor and negotiate with him to return the benefits to SCG.

4. An officer from one organization informs you that they are renovating their office building so they would like to ask for SCG support on office automation such as refrigerator and printer. What should you do?

Advice: Support or donation can be granted. The organization must submit request in writing specifying objectives and details to the Company and SCG employee must correctly request approval for the support. SCG shall support organizations which will create common benefits.

5. In case any agency or organization demands bribe from the Company and failure to pay shall negatively affect the Company's business, what should you do?

Advice: You must not offer bribe and must report to the supervisor on impact on the Company's business to find mitigation plan. If the supervisor is not certain what to do, he must consult the supervisor in hierarchical level for consideration.

4. Gifts and Entertainment

Principle

Receiving and giving items of value as presents or souvenirs, giving services, facilitating or reception for business contacts must be in accordance with the customs of each locality and relevant laws. At the same time, SCG does not want employees to receive gifts or mementoes that are unusually valuable from persons involved in business with the Company which is to create unfair decision making.

What to Do

1. Before accepting or giving a present and reception to business partners, you should make sure that the price is appropriate to the occasion and complies with laws, regulations, announcements or custom in each locality.
2. Avoid accepting or giving valuable item, service or reception that can cause influence or motivation in decision making and unfair treatment.

3. Keep records of your expenses as evidence of the value of the items service or reception, so that they can be examined later.
4. If you have been assigned or permitted by your superior to an outside agency, you may receive money, items, or presents according to the guidelines or standards that agency has set.
5. Be careful for the case of offering items, services and reception to your superior or internal people/units, and the case of receiving items, services and reception from your subordinate or internal people/units. Such activity must not create motivation leading to unfair decision making.

Example

1. A contractor with whom you have been in contact has a seaside cottage overseas. She has offered to let you and your family stay there in privacy at no charge and also offered to pay for other expenses. She claims that normally no one lives there and that your stay there would cost her nothing extra. Will you accept this offer?

Advice: You should not take this offer since it may influence your decision.

2. The Company has paid for you to take part in an outside seminar, and you have won the draw prize from the event. Can you keep that money for yourself?

Advice: You may keep the money as your own if offering prizes obtained from random draws, with a large number of potential winners, is intended to avoid the appearance of undue influence over someone's decision. If the prize money is very large, however, you should consult with your superior to determine the right course of action and to be sure that the gift was not intended to persuade you to any particular type of decision.

3. The Company assigns you to take part in a golf game held by the Company to create good relations with customers. In this game, you are an individual winner. Can you accept the award and keep it?

Advice: You can keep it since you join the event as part of your assignment and the game complies with the rules and regulations that all players know and each person has to use his skills in playing. However, if the prize is too high in value, you should consult your superior to find an appropriate solution.

4. A government or private agency invites you to be a special lecturer during normal working hours on a normal work day, and gives you a predetermined amount of money as compensation. What should you do? Can you keep this money as your own?

Advice: Before accepting this invitation, you must report all details, including the compensation

or benefit that will or could be received, in order to first obtain permission from your superior. In this case, if the amount of money is not too much and corresponds to the amount that this government department normally offers, you may keep this money as your own.

5. What should you do when offering presents or reception to officers, high ranking officers or any organization and agent?

Advice: Take great care of this, whether you are dealing with member of the Board of Directors, executives or officers. It is because offering, giving or accepting gift and meals reception are considered likeliness to cause corruption. Is there any doubt or unusual situation, you have to report your superior and counsel unit.

6. A government or private agency requests to visit your plant and offers memento to you who welcomes them as representative of the Company. What should you do?

Advice: You can accept the gift or memento but you have to give to the Company. Should the price of the gift is high; you have to consult your superior to find appropriate solution.

7. A superior receives high value gift from his subordinate, what should he do?

Advice: He should explain to the subordinate that he cannot accept it since other people may consider it to cause bias and it may influence his decision.

5. Conflicts of Interest

Principle

SCG is determined to do right things with an aim for excellence. Therefore, employees must aim for SCG's benefits in compliance with the laws and ethics, and avoid action that can create conflicts of interest that may affect any decision.

Definitions

Conflict of Interest refers to situation or action in which employees have so many personal benefits that influence decision making or performing of duty and have an impact on SCG's interest in direct or indirectly ways.

What to Do

1. Avoid conducting business that would compete with or resemble the business of SCG. Avoid having partnership or a controlling ownership of shares or taking a directorship or management position in a business that competes with or resembles the business of SCG.

2. Avoid getting involved in transaction with parties having relation with you such as being family member, close relative, close friend or entity belonging to you or for which you are shareholder, although the deal is beneficial to SCG.
3. Avoid seeking any benefit from information or anything else you might obtain due to your position or duties or responsibilities.
4. Avoid involvement in any activity that might produce a conflict of interest with the Company or any financial obligation to anyone involved in business with SCG or SCG's employees.
5. Avoid other works made for one's own benefits apart from SCG's which may affect the work under responsibility and SCG's good image.
6. Employees must not search for information, contact or trade any securities or assets on regular basis for one's own or other people's benefits and not for SCG's benefits during working hours.
7. If an employee is involved in any business or event that might produce a conflict of interest with SCG, report the matter to your superior immediately.

Example

1. You are taking charge of allocating goods quota to distribution dealers and it happens that a dealer for SCG products is a close relative of yours. She asks you to supply to her goods that are in short supply at a higher price than normal. Can you do that?

Advice: You must not comply with this request, although the conditions offered benefit the company. You should explain to him that these conditions must be approved by your superior and you are willing to co-ordinate the matter, and will provide further information concerning the outcome.

2. A contractor with SCG invites you to participate in a seminar overseas, and offers to pay for the expenses, including air fare, accommodations, and meals, for all seminar participants. The contractor agrees to let you take your family as well. Should you take part in this seminar?

Advice: You should beware of offers whose benefits are greater than usual. You should also find out whether this seminar is intended for education, advancement of knowledge, and exchange of information, or as a 'payback' to customers of the contractor. In this case, you should not take part in the seminar, because the incentives are unusually large. If the seminar itself, however, is good for the Company's business, you may seek permission from your superior on a case-by-case basis. If you participate in the seminar, however, you should not

take your family or accept travel expenses, as these constitute benefits that exceed the acceptable standard.

3. If your close friend persuades you to join his business as shareholder, what should you do?

Advice: You should consider if joining the business affects your work at the Company or has conflicts of interest with SCG, such as being competitor with the Company. You should follow SCG's guidelines.

4. SCG urgently needs to order some goods, and has given you the authority to purchase them. You have a close friend who sells these goods, enabling you to acquire them quickly and at the same price as usual. Can you do this?

Advice: You must not comply with this case, authorization and actual purchasing, when performed by the same person, may raise doubts about fairness. You must inform your superior to consider authorizing this order, and explain your reasons with all due clarity and transparency. You must perform some other task, according to the guidelines or procedures set forth in the rules, and should not be involved in this procurement process.

5. Can employees hold share in a company that is SCG's customer or that has transactions with SCG?

Advice: You may do this activity. However, if SCG has to do transactions with such companies, the employees must not take part in decision making process.

6. Political Activities

Principle

SCG remains politically neutral, and does not give financial support or support any particular political party, political group, or candidates of any kind in local, regional or national levels or person with political influence. Nonetheless, SCG recognizes and respects the freedom of employees to exercise their political rights, such as voting or belonging to a political party.

What to Do

1. Exercise the political right on your behalf and avoid any activity making other people believe that it is done on SCG's behalf.
2. Avoid any act that others might construe as signifying SCG's involvement in, or support or preference for, a political program or party, political group, person with political influence or election candidates.

3. Not wearing the uniform of an **SCG** employee, or dressing in any way that would lead others to believe that you are an employee of **SCG**, while engaged in any type of political activity or event involved with any political party.
4. Refrain from expression of political opinions at the workplace or during working hours, as this might lead to conflict.

Example

1. A subordinate seeks to be elected as the member of a sub-district administrative council. How should you give advice to him?

Advice: Explain to your subordinate that she may run for office if such activity does not have an impact on her work as an employee, but that she may not refer to her status as an employee of **SCG** in seeking a nomination or campaigning for such position. The subordinate may not mislead the public into believing that **SCG** supports or is partial to her political effort or affiliation. And he must resign from **SCG** if he gets elected.

2. Is an employee able to take leave to join politics-related activities?

Advice: Every employee has right and freedom as prescribed by law to express their political view. However, it must be done on his behalf not **SCG**'s and he must not act to make other people understand that **SCG** has involvement, support or sponsor any political party, group, persons with political influence or election candidates.

7. Information and Assets

7.1 Personal Information

Principle

SCG respects privacy of relevant person, therefore, personal information of employees and relevant business parties such as status, biographical, career-related, financial record contact information, health-related or other kinds of data must be protected not to use, disclose or transfer to other parties which shall be deemed an infringement.

What to Do

1. Each person must respect other individual's privacy in personal information. If one is required to use, disclose or transfer other people's personal information, he must get consent from such person and must not infringe on legitimate rights.

2. A person in charge of storing information held or maintained by the Company must protect personal information of employees and business-related parties. Therefore, use, disclosure or transfer of personal information of them could be done for usual work as necessary and not infringe on legitimate rights.

Example

1. You are the secretary to the president. A factory manager asks you to send biographical data on the president to be published in a magazine, and says that the president has already approved. You know nothing about the matter, however. What should you do?

Advice: Disclosure of someone's personal information requires direct consent from that person. Whoever discloses someone's personal information without permission must be responsible for whatever damage occurs.

2. It is not your duty to take care of biographical data on Company personnel, but you want to see results of the medical examinations of job applicants. What should you do?

Advice: Results of medical examination constitute personal information. If you want to have access to these records, you must obtain direct consent from the person concerned.

3. A former employee of SCG, known to you, telephones to ask for the names and telephone numbers of employees in your department. The purpose, according to the caller, is to contact these individuals and offer material benefits such as credit cards and access to loans. What should you do?

Advice: Information such as names and telephone numbers, even though they are generally known in your department or group of friends, is still regarded as personal information for which consent must be provided by those concerned before being disclosed.

4. For use of social media, how should employees treat other people?

Advice: Every employee must respect other people's personal information privacy. Use, disclosure or transfer of personal information can be done only when getting consent of such person and not infringe on legitimate rights.

7.2 Recording, Reporting, and Storing Information

Principle

SCG has realized the importance of internal information management. Recording and storing of information must comply with SCG's standard and be complete as prescribed by law. For storing, all employees are obligated to ensure that the information involved with their work remains safe and available for reference or use by SCG whenever needed.

What to Do

1. Recording of information should be done in accordance with the guidelines established by **SCG** and with all government laws, such as those pertaining to taxation and accounting.
2. Report information accurately and honestly, according to the facts.
3. Important documents and confidential information should be guarded by special procedures established for each level or type of information. The internal information and information relating to customers, business partners or vendors must be ensured to be safely and appropriately stored.
4. Storage of information should be done within the proper period of time, in accordance to the guidelines established by **SCG** and under the law. It should be done carefully, and so as to facilitate easy access. When the period for storage of information or documents has expired, the employees responsible should ensure that the data or documents are destroyed in the manner appropriate for each type of information.

Example

1. A friend of yours asks for a copy of electronic data from the Company's database, which he wants to use to benefit a company out of the **SCG**. Would you let him do that?
Advice: Any information in the Company's database is the property of **SCG**. It must not be disclosed or used for private benefit.
2. You are an instructor from **SCG** delegated to a student touring a Company site. The student asks for electronic data that she can use to make her report. What should you do?
Advice: Before giving any information to anyone, you should consult or ask permission from your superior and the owner of that information. You should only release it if it will not harm **SCG** in any way.
3. At the end of the year, you have to clear the documents in your unit. Most of the documents have to do with accounting. You are person in charge of collecting all documents whose legal storage period has expired and put them in a box to be destroyed. What should you do?
Advice: Check all the documents and make a list or index of all documents to be destroyed. Keep that list as evidence before destroying the documents. In this way, you have made sure that no document is destroyed before reaching its expiry date.
4. If you have pile of paper sheets used only one side and desire to use the other side, is it possible?

Advice: You can do it but you have to check if the paper contains confidential information. If it does, you must not re-use it and destroy it properly.

7.3 Buying and Selling Securities and Use of Inside Information

Principle

Use of inside information which is material must be appropriately done considering impacts on all stakeholders and legitimacy. The information must not be used for personal or other people's benefits.

Definition

Material Information refers to information relating to SCG's business which, if disclosed inappropriately, may significantly affect SCG's business, stock price or influence investment decision such as information in financial statements, investment project information which has not yet been disclosed to SET or information relating to bidding.

What to Do

1. Do not use inside material information which has not been disclosed to public and deemed taking advantage over others for trading securities in any time.
2. Do not give advice or opinion on buying or selling Company stock unless the Company has assigned such advice-giving as a part of your work.
3. Employees and other authorized persons are prohibited from disclosing or conveying corporate information or secrets to unauthorized persons, including their own family members, relatives, and friends.
4. Employees in units taking charge of financial statements preparation and their family members must not trade the Company's securities before financial statement information or other information that may affect the Company's stock price is disclosed.

Example

1. You have been assigned to work with information that could affect Company stock prices, but your work does not require that you meet with representatives of securities firms. One day, however, the representative of a securities firm that you have never personally contacted or heard of calls and invites you to dinner without saying why. What should you do?

Advice: Ask what the dinner is for. If the answer is not clear, or if you are not certain, politely refuse, and report to your superior. Avoid meeting with anyone without good cause, as others might interpret such a meeting as indicative of some special relationship.

2. Rumour has it that **SCG** will invest in a large project that, if successful, will have a huge positive impact on corporate operations. The rumour causes **SCG** stock prices to rise dramatically. It so happens that **SCG** does plan to invest in that very project, and is preparing to disclose its details to the public. If you were involved in preparing that disclosure, could you have bought the Company's stock or sold what you already held?

Advice: You must not buy or sell the Company's stock during this period, as this constitutes improper use of inside information according to the regulations of **SCG**, and is regarded as a criminal offence as well.

3. If you are member of bidding committee and your colleague in your unit asks for information of the bidders, can you give him this information?

Advice: You cannot provide information to people who do not relate to the bidding since the information is intended for use in the bidding only.

7.4 Use and Protection of Company's Assets

Principle

SCG has made efficient and full use of its assets and promoted the employees to protect them from damage, loss or personal use for themselves and other people.

Definition

SCG's Assets refers to all kinds of assets, including movable properties, immovable properties or any other properties owned, guarded and protected by **SCG**.

What to Do

1. Employees have to use **SCG's** assets efficiently and for **SCG's** benefits
2. Employees must not abuse **SCG's** assets in terms of objective and legal correctness
3. Employees must protect and take care of **SCG's** assets to prevent them from damage or loss.

Example

1. If you request advance money for the Company's business, what should you do?

Advice: You have to spend the advance for the Company's business only not for your own or other people's benefits. You have to acquire and return the money in compliance with **SCG's**

regulation. Supervisors have duty to supervise the subordinate's advance acquisition to strictly comply with the regulation.

2. If your unit has spare parts that are no longer fitted for use in the plant, what should you do?

Advice: You have to take care of and manage the spare parts to create highest benefits and not to use for your own or other people's benefits since the spare parts are still assets of the Company.

7.5 Use and Protection of Information Technology System

Principle

SCG desires that information technologies are used efficiently and safely according to SCG e-Policy to protect and preserve them from infringement or use without permission.

Definition

Information Technology refers to equipment and systems used to process and transfer electronic data such as computer, network, the Internet, e-mail, password or programs, etc.

What to Do

1. Use information technology and information in the system for SCG's benefits. Avoid using the system that may violate normal usage of other people that is irrelevant to work or that may impact on the system's efficiency.
2. Do not use the system to access to or send information that is against good ethics, gamble-related, affecting national security or violating other people's rights.
3. Use the system according to the authority granted and keep password secret and do not consent other people to use your password to access to the system.
4. Avoid opening file from unknown source and using data recording tool that has been used with a computer suspicious of virus infection or malware.
5. Avoid installing programs and configuration of the system that may affect security of the system. If you have any issue or find abnormality in the system, you have to contact IT helpdesk right away.

Example

1. If you receive an e-mail from an external party who is interested in being raw material supplier to SCG, the e-mail does not address any unit and has attachment and link to website for you to find more information, what should you do?

Advice: You should not open the attachment or website in unfamiliar e-mail or e-mail from unknown source and to unknown addressee to prevent undesired software embedded in the e-mail. And for e-mail transaction, you should verify identification of the contact person by using telephone or fax.

2. If an external party that you assign to arrange sale promotion activity for **SCG** asks you to use your computer to access to the website to modify it to accommodate the activity, will you allow him to do so?

Advice: You must not allow any external party to access to your computer, user account or internal network of **SCG**. You should consult your superior to request authority for the external party.

7.6 Use and Protection of Intellectual Property

Principle

SCG regards intellectual property as valuable assets to **SCG**. Employees must strictly follow established 'SCG Intellectual Property (IP) Policy' and protect **SCG**'s intellectual property from unauthorized use or disclosure and must respect and not infringe other people's intellectual properties.

Definitions

Intellectual Property refers to work resulting from invention, creation or formation by human beings.

Patent refers to documents issued by government to protect invention or design of products as invention patent, product design patent and petty patent.

Copyright refers to literature, performance, arts, music, audio-visual materials, movie, audio records, audio and visual broadcast such as computer program, paintings, photograph and articles etc.

Trademark refers to marks or symbols or logos used with products or services such as trademarks, service marks, certification marks and collective marks.

Trade Secrets refer to trade information that is unknown to public and is commercially valuable since it is secret. They must be appropriately handled to keep them secret.

What to Do

1. Employees must protect **SCG**'s intellectual property from infringement, disclosure, reproduction, modification or any other actions not permitted by **SCG**.

2. All employees at **SCG** must respect and avoid violating the intellectual property rights of others. Examine the rights to information kept at or brought to **SCG** that belongs to outside persons.
3. The terms of contracts or legal documents concerning rights to intellectual property should be clear. When uncertain or in doubt, you should consult an expert in intellectual property at **SCG** or **SCG's** legal consultant.
4. Cooperate on claiming ownership or requesting protection of intellectual property for **SCG's** intellectual property.
5. Employees are obliged to report to a superior or the Intellectual Property Manager when they observe any actions that they believe to be, or will lead to, a violation of or conflict over **SCG's** intellectual property rights.

Example

1. After a while of researching on and developing a new product, Sales Team is planning to display the product's samples in trade exhibition so the superior recommends you to file patent registration, what should you do?

Advice: You have to consult SCG's Intellectual Property before starting the research to make a plan since you have to file request for registration at least 1-2 months before revealing the product to the public.

2. If you hire external party to arrange sale promotion activity and this contractor will design a character to use for this activity, in this case, who will own the copyright in this character?

Advice: If the hire contract does not specify provision on intellectual property, the copyright of the design of the character in the contract will belong to the creator. You should consult SCG's Intellectual Property, Technology Unit and/or SCG's legal counsel to prepare provision in copyright of the work which is in compliance with the law before executing the contract.

3. If you are preparing information for Company PR book and find that the pictures to be used belong to other people, what should you do?

Advice: You should inform the picture supplier and contact the copyright holder for permission and give credit to the owner or change to another picture which belongs to **SCG**.

4. If you desire to use a program not yet installed in your Company's computer and you find that it is available in illegal software shop, can you install it in this computer?

Advice: You are forbidden from installing any program in the computer since it is violation of copyright and may lead to lawsuit. If you want to use any program, please consult IT helpdesk.

5. The Company exports goods to foreign countries via distribution dealer and you find that someone is selling the same kind of products using logo similar to **SCG's**, what should you do?

Advice: You have to report to SCG's Intellectual Property, Technology Unit and/or SCG's legal counsel to take action as soon as possible. Trademark of products should be registered in the country of production and sale before launching to the market. And if there is distribution dealer, there should be provision in intellectual property.

6. During a trade exhibition, there are lots of visitors to SCG's booth and they ask about production process and technology the Company uses, what should you do?

Advice: You have to use great care in supplying information. Before that, you have to screen the information that can be disclosed since there may be knowledge, trade secrets and information about patents that must not be disclosed.

8. Information Disclosure and Communication

8.1 Information Disclosure

Principle

SCG's disclosure of information is based on fairness, transparency and traceability. It must be ensured that the information is correct, clear, compliant with law on fair basis regardless of format as written and verbal, press conference or any other manner.

What to Do

1. Disclosure of information that may have impacts on SCG must be only done by authorized persons except for being assigned by the authorized persons to do so.
2. For disclosure of material information that has not been disclosed to the public, the authorized person must disclose it with great care, correctness and completeness on time. He must be sure that all the stakeholders sufficiently and fairly receive the information.
3. Disclosure of other information must be done correctly and not intend to tempt other people to wrongly understand the information.

Example

1. Press calls you to ask about rumour on the Company's performance, could you explain it to the press?

Advice: Answering question or giving important information must be done by authorized persons only except for being assigned for specific item of information. If in doubt, you should contact the unit taking charge of the information disclosure.

2. If you have a friend working in a competitor company, can you exchange information on marketing such as growth rate of the Company's products?

Advice: You cannot do this except it is the information that has been publicized.

8.2 Communication

Principle

SCG's communication including SCG brand communication to internal and external target, marketing communication of brands in SCG, use of SCG logo and communication via social media must be properly and accurately done considering fairness to every stakeholder and must not lead to damages to SCG. The Brand Communication Guidelines and SCG Social Media Policy should be strictly observed.

What to Do

1. Communicate with responsibility to society, environment and values of each country where SCG operates.
2. Do not use marketing communication that directs comparisons with rivals' product or services.
3. Do not refer to subject matters that may cause conflicts in the society such as nation, monarchy, politics, belief, international relation, gender or issues that are against ethics and tradition, social disparity, discrimination and human rights violation.
4. Do not over exaggerate to make consumers misunderstand quality of products, services or other qualifications of the organization, except for using technique that enables the consumers to know it is not true but it adds spice to the media. Notice should be given to the audience that it is not true.
5. Use corporate logos accurately according to Corporate Identity Manual (CI Manual). Use of the corporate logos must be permitted by unit taking care of brand and do not use the logos for personal use.
6. Not ignore and always monitor any communication referring to the Company or action that may affect the Company's reputation and inappropriate use of logos that may damage the brand. In this case, you have to report to person taking charge or superior right away.
7. In disseminating information or expressing personal opinion on any topic online, you should indicate that it is personal opinion with great care as SCG employee.

Example

1. You are assigned to produce advertisement media to create social attention. A PR agency proposes to use real events as plot of the commercial. Political demonstration or mocking of the homosexual is one of the events the agency proposes since it is entertaining and attractive, what should you do?

Advice: The advertisement must not portray the contents in this manner. You must take great care of contents and forms not to refer to any person or mock any event that may affect the

society especially sensitive and controversial issues which may create negative impacts on the organization.

2. You are assigned to produce corporate communication media to reflect the position of business leader in ASEAN by using map and flags of the countries in the region. However, after the media is broadcast to the target group, someone complains that the contents and pictures used are incorrect, what should you do?

Advice: You should verify the contents, maps, flags or any symbols of each country and consider source of information. You should also check with government agencies which can certify. If in doubt, do not use such pictures of information in the media. In case of complaint on correctness of information, you should contact the complainant and relevant units to explain, understand and cancel the media right away. After that you have to find solution to revise the media.

3. You are assigned to take care of the Company's trade exhibition and you desire to show quality of the Company's products to be better than the competitor's. Can you take the competitor's product to do quality test in the presence of the exhibition visitors?

Advice: You must not take the competitor's product to test in the fair, although you have a proof on that since it is against business ethics. However, you can do it with name of manufacturer and source of product concealed.

4. You learn that the competitor is going to launch a commercial for new product that is the same as SCG's but it is still not ready to the market. Will you launch a commercial informing that SCG will launch this new product before the competitor to create business opportunity?

Advice: You can do it if the product is under preparation and is going to be launched soon. However, period to launch must be communicated to customers and readiness of the Company should be considered. If the Company is not ready, truth should not be distorted to make the market misunderstand.

5. You are on holidays in Vietnam and you notice that on the way from airport, SCG billboard is in damaged condition. What should you do?

Advice: You should find channel to inform relevant people or people taking charge of such billboard or inform Corporate Communications Office or superior right away to find resolution.

6. You need to raise funds to help flood victims by making t-shirts with SCG logo screened on them to sell to your co-workers. Is it possible for you to do it right away?

Advice: You should request the unit taking charge of the logos in writing specifying objective of use and coordinator of the project. After getting permission, then you can do it.

7. If you find accusation of discrimination in SCG's recruitment process forwarded on social media, what should you do?

Advice: You must not forward the message nor give any comments and report to relevant party or your superior right away.

9. SCG's Transactions

9.1 Transactions between Companies in SCG

Principle

Business or work that is mutual transaction between SCG group of companies must abide by the laws and regulations issued by State agencies, the regulations of SCG, and the principles and conditions relevant to each locality.

What to Do

1. Carefully study the principles, processes, and delegation of authority that SCG has established for its businesses before taking action.
2. Refuse to follow the request to skip any activity in the process or ignore any activity that is required in normal process.
3. Comply with guidelines and procedures for the approval of related transactions, connected transactions or transaction with possibility of conflicts of interest for highest benefits of SCG as stipulated by laws.
4. Carry out related transactions on fair and reasonable basis without transfer of benefits among companies in SCG.

Example

1. Company A offers to buy motor wreck that is no longer in use from Company B to use as tool for motor technician training while Company B will not charge Company A any expense since they are in SCG. Is this an acceptable practice?

Advice: It is unacceptable practice since purchase of assets between companies in SCG must be done based on market price or book value.

2. Can assignment of one employee of a company in SCG to work in another company on temporary basis be done verbally by management of the two companies?

Advice: No, it cannot. Assignment of an employee to work in another company in SCG must comply with the Human Resource Regulation with Cost Center specified for correct expense collection.

9.2 Transactions between SCG and Outside Parties

Principle

Transactions with outside parties must be conducted properly, and comply with laws, regulations issued by state agencies and SCG's policy and must be strictly approved based on SCG's authority table. Moreover, it must be according to the conditions agreed upon, transparent and traceable. Avoid transactions that might cause trouble or loss to SCG or outside parties.

What to Do

1. Employees should study to understand and comply with policy and practices towards stakeholders.
2. Strictly follow the procedures set forth in the procurement and purchasing regulations of SCG. The priority in procurement should be given to legal entities rather than persons, except in cases where special expertise is required from particular individuals or where the benefit of SCG demands it.
3. Each transaction should take into consideration market values and prices, together with quality and services rendered. There should be neither bias nor any obstruction in doing business by means that are immoral or illegal.
4. Avoid transactions that may have social and environmental impacts or defame SCG, although such transactions may create business benefits.
5. SCG forbids using the name of SCG, its Board of Directors, management, or any employee in conducting any transaction not related to SCG, even if it has no direct impact on SCG.

Example

1. A foreign company offers to sell machinery at a lower price than can be procured directly from the manufacturer. Are you allowed to purchase such machinery?

Advice: You may purchase such machinery, but you must carefully study the details to be sure that you are getting a machine whose condition is appropriate to the price paid. The contract must also be comprehensive in guaranteeing that the machinery has been obtained legally. A state agency, such as the Ministry of Industry, the Department of Customs, or the National Police Bureau, could be called upon to verify the matter.

2. If a customer asks **SCG** not to issue tax invoice to avoid paying value added tax, will you grant his request?

Advice: It cannot be done since the Company has to comply with tax code.

3. You wish to order a product for yourself from a manufacturer that happens to be a business partner of **SCG**. You know that if you make a contract in **SCG's** name you will get a larger discount than normal. Are you allowed to use **SCG's** name for such a purchase?

Advice: You may not use **SCG's** name for any transaction unrelated to **SCG's** business, whatever the circumstances, as it might lead the other party to believe that he / she is doing business with **SCG**, resulting in considerable harm to the Company. However, if **SCG** has deal with the vendor to offer special price for personal use, employees can order on their behalf.

10. Doing Business Abroad and International Trading

10.1 Doing Business Abroad

Principle

Any **SCG** business operation abroad, be it establishing a company, plant, office, branch, agent, or dealer; importing or exporting; or engaging in a joint venture, merging and acquisition overseas; must be done according to the laws and rules applicable in that country and good citizenship. Any such transaction must also take into account the circumstances, customs, traditions, and culture of each locality.

What to Do

1. Completely comply with all the local laws. In case **SCG** has guidelines, regulations and procedures that are higher or better than stipulated by the laws, the guidelines, regulations and procedures of **SCG** must be observed.
2. Refuse doing any transaction likely to be against the local laws and consult your superior or **SCG's** legal counsel when you notice transactions that conflict with the local culture or laws, or laws of international trade.
3. Regularly monitor updates of laws or regulations in the countries where **SCG** operates. In case of doubt, consult **SCG** legal counsel or relevant persons.

Example

1. If someone offers help in requesting plant license abroad claiming that he could access to competent officers who issue the license. However, this is against the procedure prescribed by law. What should you do?

Advice: Refuse that offer and follow normal procedure and report to your superior.

2. In case of taking over business abroad and the seller requests to put prices in the documents lower than actual prices to get tax benefits, what should you do?

Advice: You must refuse doing such a thing and consult SCG's legal counsel. You have to also study and find another solution that is more appropriate and legitimate.

10.2 International Trading

Principle

Import and export of goods or any SCG's transactions relating to foreign countries must strictly comply with relevant laws such as import and export, customs, product safety and consumer protection laws and relevant SCG's regulations and guidelines.

What to Do

1. Study and follow up information of customers and prospective business partners. Avoid doing business with customers or business partners who do not comply with relevant laws or run suspicious business.
2. Frequently verify transactions to ensure compliance with laws.
3. Report information and submit relevant documents on import or export to relevant agents such as SCG internal units or government agencies. The information must be verified to be true.

Example

1. You receive import invoice wrongly showing price of goods or details of goods, what will you do?

Advice: You should inform the business partner to revise the invoice to be clear and correct.

2. If a customer in a foreign country requests you to prepare documents containing contents not matching the agreed transaction to get tax benefits at the export country, what should you do?

Advice: You have to refuse preparing such document and report to your supervisor.

11. Business Competition

Principle

SCG is committed to ethical trade practices, fair competition to SCG's customers and vendors and adherence to the laws governing competition in every country where SCG conducts business and relevant SCG's regulations.

What to Do

1. Avoid any kind of agreement with competitors or any person that would reduce or limit fair competition in business.
2. Wherever SCG is market leader for a particular type of product, SCG must not use its dominant power in ways that are unfair to customers and trading counterparts such as limiting customers' choices in purchasing goods or services, and unfair price setting or unfair goods or service sale conditions.
3. As law and regulations in trade competition are complicated and vary from one country to another, you should try to understand SCG's guidelines relating to trade competition and consult SCG's legal counsel from the very start.

Example

1. You have received an invitation from a competitor to meet and exchange ideas about marketing plans and allotting customers and sales territories. This would help reduce price competition in sales. What should you do?

Advice: Refuse to take part in the discussions, and make known that SCG's policy prohibits employees from exchanging ideas about such matters. This invitation should then be reported to your superior.

12. Anti-Laundering Measures

Principle

SCG complies with all guidelines and laws pertaining to the suppression of money laundering. SCG will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities, and will prevent anyone using SCG as a channel or instrument for the dispersion or concealment of illegally obtained assets.

What to Do

1. Before engaging in a transaction, find out if the contract partner legally obtained his /her money.
2. Do not transfer to unknown account or receive abnormal payment especially from the country not relating to the transaction.
3. If you notice an unusual transaction, immediately report it to your superior.

Example

1. An overseas debtor asks to pay off his account with **SCG** via a tax haven, i.e., a country with a tax-related privilege or exemption. Is it possible?

Advice: Transfers or payments of money via tax havens are not illegal, but you must make sure that the contracting party is credible and has a business background open to investigation.

2. A debtor wants **SCG** to accept payment from an unknown individual who is not a party obligated to the contract.

Advice: Avoid receiving payment of debt from any person who is not a contracting party. If necessary, you should attempt to learn the source of all money involved in a transaction, relationship between debtor and transferor and background of the transferor.