

M5 M7  
**Employee Caring**

  
 Number of Employee  
 People  
**51,100**



Challenges of human resource management and organizational development

1. Promote labor standard and human rights to create opportunity. Reduce risks in labor issues and confidently guarantee the congruent with laws and regulations in both local and international.

2. Develop employees to acquire potential and knowledge to work in their current jobs, as well as preparing for business growth and future changes.

SCG Management Development Committee (MDC) leads by President and CEO, initiates direction and human resource strategy for the whole organization. Business Unit human resource committees and company human resource committees are downstream organizations that are translated human resource strategy into actions in recruitment, wage and remuneration management, employee development, performance management, career

management, as well as in labor and human rights management.

**Labor Practice and Human Rights**

SCG emphasizes on the implementation of labor laws and internal regulations, such as business code of conduct and strict labor contract compliance, as well as publications to support the international declaration of human rights. Being a supporting participant of the United



Nations Global Compact (UNGC) since 2012, SCG respects the diversity of labor in the corporate; SCG does not discriminate against gender, age, or physical conditions; and it respects the rights of labor to gather up in the corporate.

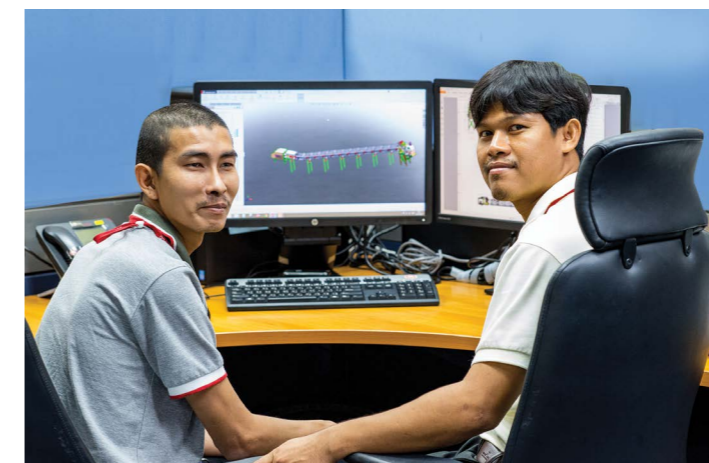
Good human rights and labor practices will promote and create opportunities for building up reputation and developing capabilities for sustainable success in business operations. Conversely, if the human rights and labor practices proceed incorrectly, legal risks will ensure and cause losses to the economy and business sustainability. SCG would then be unable to achieve its vision of being the leader of sustainable business in ASEAN; SCG would be unable to be a model of corporate governance and sustainable development; SCG would be unable to be a corporation of innovation which people seek to work with, and most importantly, all of this would impact the trust of stakeholders including employees, suppliers, contractors, customers, and the relevant government agencies.

SCG places emphasis on involvement and building a commitment with stakeholders. SCG regularly gathers employment feedbacks and opinions through engagement surveys, as well as surveys on other topics both formal and informal activities to exchange ideas and practices with state labor agencies to ensure SCG's human rights and labor practice is approved and can be used as a model for other business in order to cooperate with government sectors in the development of their other labor projects.

From past to present, the achievements of SCG, including human rights and labor practices, have been recognized through awards and approval in various aspects from organizations both in Thailand and at the global level. These include awards for sustainable development, business conducting according to the 'Sufficiency Economy' philosophy, being a model of business governance, being the most admired organization, social and environmental responsibility, and human resources management. The most significant award and approval regarding human rights and labor practice that SCG has received is the Thailand Corporate Excellence Awards, an award which SCG has achieved continuously for the 13<sup>th</sup> consecutive year. Evaluating such achievements is a tool used in risk management and creating opportunities in human rights and labor practice. Other than the human rights and labor practices of SCG which also promote and cooperate with various contractors to ensure that the human rights and labor practices are good for the employees of business contractors.

**SCG's Labor Practices and Human Rights Focus in Recent Years**

- SCG adopts a policy of hiring those with disabilities, and consistently supports activities to improve the quality of life for the disabled. In 2014, SCG received 4 rehabilitated workers from the Industrial Rehabilitation Centre, Phatumthani Province, Social Security Office, for 1 month. On completion of the internship, SCG hired 1 of the rehabilitated workers. At present, there are more than 30 disabled persons working with SCG.



“ We feel that friends and seniors are very warm, helpful and offer kind advice. They sent us for the adequate external training and treated us like normal employees. We would like to work at SCG until we retire.

”

**Natchai Phukbangchak and Phakawan Kullasawasdi** | AutoCAD Draftman | SCG Cement-Building Materials

“

Regarding the employee care program prior to retirement, SCG provide excellent care and pave the way for a happy and healthy retirement by providing knowledge about health, saving, social security, gold healthcare cards, and other matters in so many essential areas before retiring, including exploring options for generating revenue after retirement

”



**Sutthichai Chaitanakunmongkol**

Manager  
Office Supplies and Marketing  
Central Procurement Office



Relationship building activities for retired employees

- SCG emphasizes on employee caring fairly and equally, without discriminating against gender, age, or ethnicity. To support this philosophy, SCG uses a personnel management system with the same principles and standards in all aspects of employee welfare, recruitment, wage and remuneration management, employee development, performance management, and career management. SCG employs a large and continually growing ratio of female employees, while SCG also has a significantly increased number of employees of different nationalities from overseas. Currently there are 15,437 overseas employees from a total of 51,100 employees. SCG foreign employees regularly participate in experience exchange programs with SCG's Thai employees and undergo training together.

- SCG respects employees' rights to gather up into groups, whether it could be the Welfare Committee or Employees' Committee. There are channels for employees to provide their feedbacks both

formally and informally. SCG also respects the rights to organize and join labor unions and collectively welcome feedbacks for the continuous improvement of appropriate employee care.

- SCG emphasizes on caring for all employees, from when they first join the organization through to retirement. Caring for employees before their retirement is one of the important aspects that SCG provides care for. There is training prior to retirement to give employees the knowledge to prepare themselves to have the right mental and physical approaches needed when they reach their retirement age. They learn techniques for saving and systematic financial planning, as well as gaining an understanding of how to utilize their Health Security and Social Benefit Security correctly. There are relationship building activities for employees who will retire for them to build strong relationships and morale. In 2014, a 4 day / 3 night activity was held in Chiang Mai – Chiang Rai province.



“

Happy & Comfortable - That's 2 words describing my experience working with SCG for these almost 3 years and still counting. The working environment here makes me feel like I've been surrounded by my real family. A non-stop learning experience has also been given while working at SCG. Some different cultures that we have in the company make us learn and exchange more knowledge between local and expatriate employees.

”

**Nurluri Agustin** | Sales coordinator  
SCG Plastics Co.,Ltd, Indonesia

### Development Plan in SCG Labor Practices and Human Rights

- Our experience from receiving rehabilitated workers for internships in the previous year showed us that the facilities for disabled workers, in training or work areas, were insufficient. SCG must consider improving our facilities to enable wheelchair users to travel around freely within the organization. This can be achieved by defining a plan to implement the next improvement.

- Reviewing and updating employee welfare and benefits to meet the needs and demands of Diversity are still incomplete. As a large and varied business, the demands for designing appropriate welfare and benefits create a complicated issue. In this respect, the next phase should be to emphasize the design of

welfare and benefits that are even more flexible and can be adapted according to the suitability and readiness of each business unit.

- Planning to improve and widen the scope of our labor practices and human rights. By further expanding the scope to include business partners in the Business Supply Chain, SCG will set standards in labor practices and human rights that are suitable and appropriate for our business partners in each category.

- Emphasizing our plans to create opportunities for increased business, such as activities promoting better quality of life for the handicapped, and requesting certification of standards complying with labor laws to provide an even more extensive and comprehensive business range.

### Employee Development

According to SCG's rapid expansion, the number of employees both in country and overseas has also increased rapidly. SCG had a total of 51,100 employees in 2014, an increase of 1,813 people from the previous year. This number is expected to increase rapidly again in the future due to our continued business growth.

With this leap in employee numbers, SCG must increase our capabilities of developing our employees to their full potential and abilities not only for the present, but also to develop them so that they are prepared in the future to deliver business solutions that keep pace with the expansion and context of our rapidly changing business. Our aim is also to support regional employee development in terms of ensuring that course content and instructors are of the same standard as SCG's, and that they have the various systems and guidelines to support them. To this end, SCG with the approval of the board of directors and senior management,

has developed the New Learning Model, which follows the same approach to personnel development as is used by leading companies around the globe. The New Learning Model includes the creation of individual development plans to each employee with a focus on technical, management, and leadership fields. This vision includes the implementation of blended learning. Our focus is to assign tasks to employees so that they learn from real experience with their supervisors serving as coaches to provide more advice. Blended learning will combine active classroom learning with digital learning to be used more substantially to promote a learning culture of Self-Driven Learning. It reflected caring from managers for people development. In addition, the Company is developing a system to accommodate the transfer of knowledge to future generations, to teach them what is already good, and to develop them further.

“ We use the SCG training roadmap as a model, adjust it to suit the context of Indonesia, and then implement it to develop our people. This adjusting gives our employees an overview of business and teaches them what is necessary, especially with regard to what they will use in their own work. For their progress, it also teaches them how to lead others and facilitate teamwork. In my opinion, the important thing for enhancing sustainable learning is to make everyone work together on the projects assigned to them at the same time, with a supervisor closely providing instructions.

”

**Fauzan O. Inak** | HR Manager  
PT. SCG Indonesia, Indonesia



Other than developing New Learning Model for SCG, we are still developing programs for continuous employee development. The board of directors, senior management, and all employees place importance on personnel development, which has been a highly valuable asset of the organization from the past to present. All employees at all levels from operations to management, both in country and overseas, have opportunities to develop their own abilities to prepare for the company's and their own sustainable growth from their first day as an employee, such as SCG Ready Together for new comers to gain SCG working environment, build networking, emphasize on social responsibility and environment, including activity on it such as check dam projects. In the area of business development through the Abridged Business Concept (ABC) program, as well as on Leadership and Teamwork, such as through the Leadership Development Program (LDP).

This is coupled with the development of general knowledge, such as through the TQM, Safety, Code of Conduct, and Innovation programs. The technical competency of employees in their specific fields is also developed, enabling employees to perform their work with maximum efficiency. Furthermore, SCG's learning emphasizes a combination of learning through real work practices (Experienced Learning), teaching and learning on the job from supervisors and colleagues (Learning from Others), and learning and training in the classroom (Formal Training). In 2014, employees had on average approximately 10 days of training

Organizational culture of seniors teaching juniors that is always observed by all employees, SCG recognizes the importance of developing the potential and abilities of all supervisors to effectively “teach” or “coach” those under their supervision at all times. Each business

### SCG Employee Development Courses

| Level            | Leadership Skill                         | Business Knowledge   | Functional   |
|------------------|--|--|--|
| New Employee     | SCG Ready Together Program               |  | • Business/Function Orientation  |
|                  | • LDP1* :<br>Lead Self                   | • ABC : Abridged Business Concept                              | • TQM/TPM/Safety   |
| Supervisor       | • LDP2* :<br>Lead Team                   | • BCD : Business Concept Development<br>• MBA Scholarship      | • TRM : Training Road Map/<br>OJT : On the Job Training<br>• Technical Scholarship |
| Manager          | • LDP3* :<br>Facilitate                  | • MDP : Management Development Program<br>• Ex MBA Scholarship | • TRM : Training Road Map<br>/Project Short Course                                 |
| Senior Executive | • EDP :<br>Executive Development Program | • AMP : Advanced Management Program                            | • Overseas Seminar   |

\* LDP : Leadership Development Program

The development of foreign employees and of Thai employees assigned to work overseas is therefore an important issue. As a result, SCG holds preparatory courses for those employees assigned to work abroad, such as the SCG Go Regional Program consisting of 5 core components which promote each other and are coherent. These comprise Business Understanding, Organizational Impact, Interpersonal Understanding, Global Outlook, and the language of the country in which SCG is conducting business.



**Five Components for SCG Regional Program**



group prepares high quality programs to develop the potential of its supervisors to be coaches known as 'Leader as Coach', which follows a standard centralized curriculum that is applied across SCG both at home and abroad.

**People Development Abroad**

In order to facilitate the continued regional expansion of SCG business, it is vital to foster organizational culture of SCG People among both foreign employees and Thai employees who are required to travel overseas to work. In this way, we are able to create a working model in keeping with SCG's approach which holds to the SCG business philosophy and Open and Challenge in working, which SCG employees have adopted for the sustainable operation of the company. In 2014, SCG communicated the correct knowledge and understanding to our employees, beginning with those operating overseas to serve as Role Models sharing the SCG People philosophy and culture with the Company's foreign employees. Additionally, our working

model has incorporated international courses standards such as those set in the Abridged Business Concept (ABC) or Business Concept Development (BCD) in order to emphasize, strengthen and clarify our Company culture.

From the solid foundation of SCG's employee development in Thailand, we have taken this approach to be applied to the foreign countries in which SCG has invested so as to ensure compliance with our corporate vision of becoming the sustainable market leader in the region. The development of foreign employees and of Thai employees assigned to work overseas is therefore an important issue. As a result, SCG holds preparatory courses for those employees assigned to work abroad, such as the SCG Go Regional Program consisting of 5 core components which promote each other and are coherent. These comprise Business Understanding, Organizational Impact, Interpersonal Understanding, Global Outlook, and the language of the country in which SCG is conducting business.



SCG developed the culture of Self-Driven Learning. One of learning objectives as showed in this picture is to emphasize reflection from environment and social responsibility activities.

SCG prepares courses for local employees in the various countries in which we have investments. These courses share the same standards as those in Thailand, such as the Abridged Business Concept (ABC), Business Concept Development (BCD), and Leadership Development Program (LDP) as International Programs, and other Technical Competency and General Knowledge development

programs. The development programs are intended to develop all SCG employees working overseas so that they have access to equal knowledge and abilities as are available in Thailand. We have also established a threshold for foreign employees of high potential (HP). SCG shall put this group of employees through a plan of continuous and varied development programs that are both challenging and suitable.

“

*SCG is always focusing on employee caring in order to obtain better outcomes in employee development. As a Project Director, I am very proud to engage and create changes for the corporate sustainable development. Even knowing that I may face challenges, I feel proud to take responsibility of this position and have chances to apply my HR and business knowledge and experiences and add value with work. As a female executive, I can say that gender is not the restriction for work. Just work with efforts and full competencies*

”

**Supaporn Chanchamroen** | Director Learning and Talent Transformation Program

