



# Corporate Social Responsibility



'Corporate social responsibility' is an essential duty of any business organization, and being a philosophy that SCG adheres to business operation wherever it operates. SCG is determined to create social values by focusing on solving problems that directly impact people's livelihood and quality of life. In doing our work, we assign priorities to the development that serves the genuine needs of stakeholders. We seek to expand, replicate and build upon what we have previously achieved in order to enhance people's quality of life throughout ASEAN.

CSR activities at SCG are divided into two components. The CSR Committee for Sustainable Development supervises the first component addressing a broad social impact. The Committee provides policy and direction so that SCG can optimize the use of available resources and capability through collaboration with various fields of expertise to identify and select critical issues having impact upon

Scholarships in ASEAN

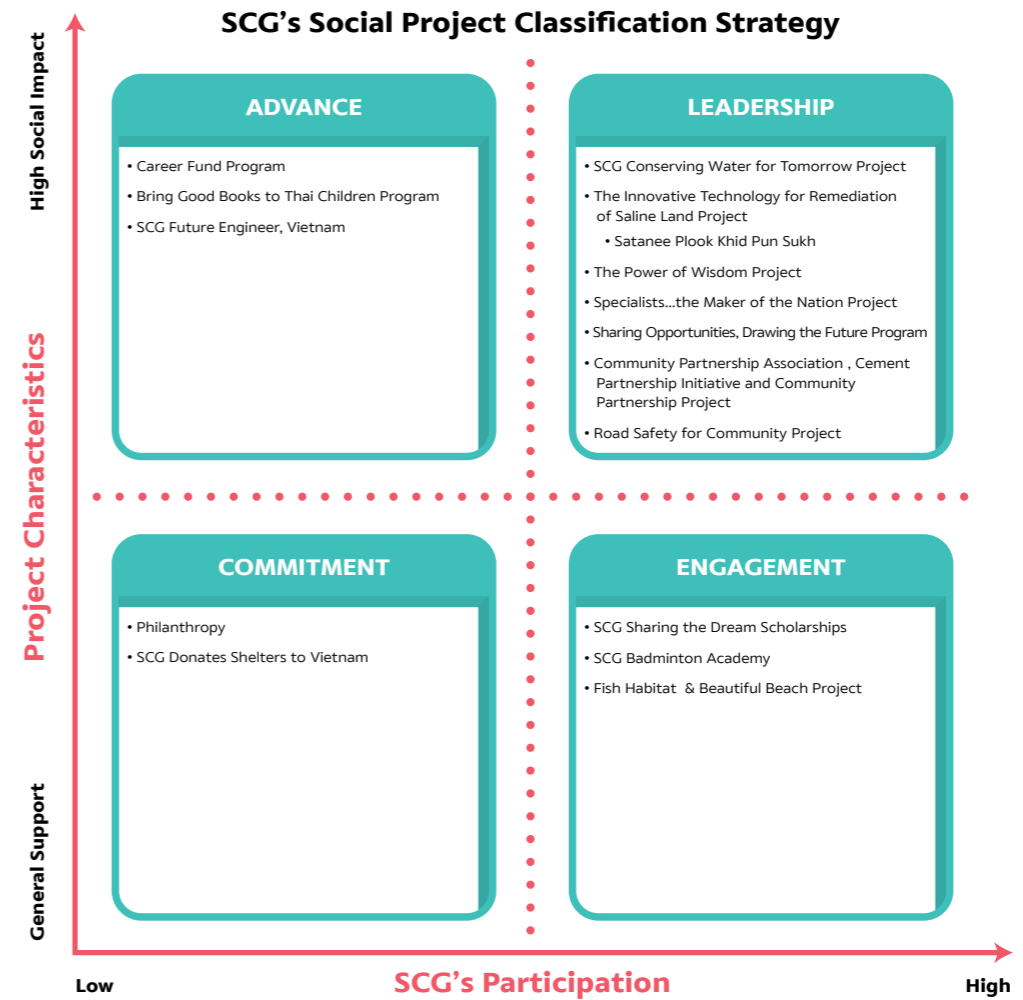
Scholarship  
**4,597**

people's life for designing social development project in different angles. The second component involving communities around manufacturing areas is governed by SCG Sustainable Development Committee. Work under this component draws collaboration between the organization and community by combining organization's expertise with community's capacity to focus implementation on the area of green business, green community and life quality improvement of the community.

In addition, SCG Foundation plays an instrumental role in implementing social activities with its key mission on human resources development in order that they will be equipped with competency and ethics in readiness for the development of the country.

The CSR Committee for Sustainable Development classifies programs and practices to shape up and leverage support and involvement by considering the capacity and competency of the organization in relations to knowledge, financial support, and staff participation. The four categories of undertaking are as follows:

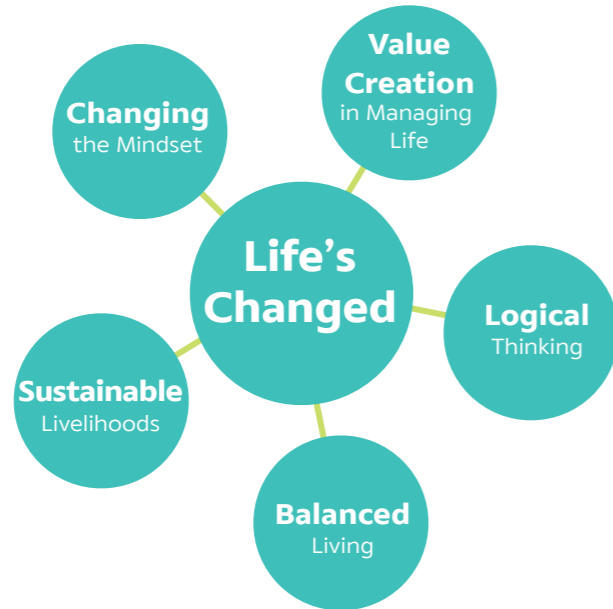
- 'Leadership' means master projects which SCG initiates, drives implementation and engages stakeholders in the process. The success of the projects can be replicated and scaled up to other organizations.



- 'Advance' category includes projects with high social impact on capacity building of the society which require know-how, expertise, and experience of specialists from specific fields to implement. SCG would act as lead supporter to responsible agencies and the project success could be expanded or further developed.
- 'Engagement' covers projects that uplift life quality of people or capacity development in various fields such as

education, sports and the environment. SCG plays a role as an initiator drawing engagement from within and then broaden the projects to involve other sectors for collaborative action.

- 'Commitment' is aimed at reducing and alleviating social problems, enhancing quality of life in general, and narrowing equality gaps. The approach is that SCG lends support to credible competent organizations with track record in the field.



**Examples of Good Practice for Sustainability**

**SCG Conserving Water for Tomorrow Project**, established in early 2003, has now become 'Satanee Plook Khid Pun Sukh Hom Paya Sa Sob Hok', the Community Learning Center at Sa Sob Hok in Jae Hom District of Lampang. The learning center captures the lived knowledge and success stories resulting from the partnership between SCG and the communities in building check dams to resolve a variety of problems gripping the community. The partnership focuses on reviving the community forest that serves multiple practical needs including livelihoods and natural defense against forest fire. The community forest brings back a healthy ecosystem and becomes a source of food and income for villagers who earn 700-800 baht per day collecting wild mushroom. Some have reported a spike in income to 60,000 baht during 6 months of peak harvest season. Moreover, community members can harvest 5,000 baht-worth of wild honey without having to make extra investment. The series of checked dams also guarantee water supply for agriculture all year round and there is no more flooding during rainy season. The most importance is that the process of check dam construction provides opportunities for community members to unite for a clear purpose. The Community Learning Center showcases how this is achieved to visitors and will also exemplifies a good practice of intimate collaboration between SCG and the community which is crucial to endure sustainable development.

**SCG Conserving Water for Tomorrow Project**

- 12 years (2003-2014)
- 65,440 check dams
- 77 communities in 11 provinces
- 75,440 participants

**The Innovative Technology for Remediation of Saline Land Project**

- 7 years (2008-2014)
- desalinate over 6 million rais of land in the Northeast
- established 76 Farmers Skill Centers in 16 provinces
- over 15,000 leadership farmers

**The Innovative Technology for Remediation of Saline Land Project**

has graduated to become 'Satanee Plook Khid Pun Sukh' (Instilling Thinking and Sharing Happiness Station), the Community Learning Center at Baan Toey, Phimai District, Nakhon Ratchasima province. This learning center presents good practice on how the community in partnership with SCG and multi-partners has successfully applied a range of innovative solutions to desalinate soil – through a unique combination of traditional knowledge and science. Among key results, currently rice output in Ban Toey community increases from previously 300-350 kilogram per rai to 600-1,000 kilogram per rai. The local villagers have also earned more income since the desalinated soil enables them to do integrated farming and production of organic fertilizers sold at the rate of 2 tons per day with daily proceeds of 3,200 baht. The community now generates a revolving fund of 300,000 baht per year. Members have learned to work together and are now equipped with management skills.

Following inauguration of these two sites of Community Learning Center, we have welcomed a total of 816 visitors, consisting of 220 persons from neighbouring communities, 308 academics and NGOs, 158 SCG staff members and over 100 members of the media.

**The Power of Wisdom Project**, has been extended from the successful training of community leaders for the project on soil desalination. The project seeks to build the capacity of community leaders, local scholars, military officers and farmer



The Power of Wisdom Project is resulted from the success of leadership development under the Innovation Technology for Remediation of Saline Land Project.

leaders from the North and Northeast. The objective is to equip them with new paradigm of development, logical thinking and problem solving skills so that they can be self-reliant and enjoy good quality of life. The project will train the trainers, who will in turn train their community members and counterparts from other communities. It is hoped that beneficiaries will form a network of communities of wisdom and self-sufficiency.

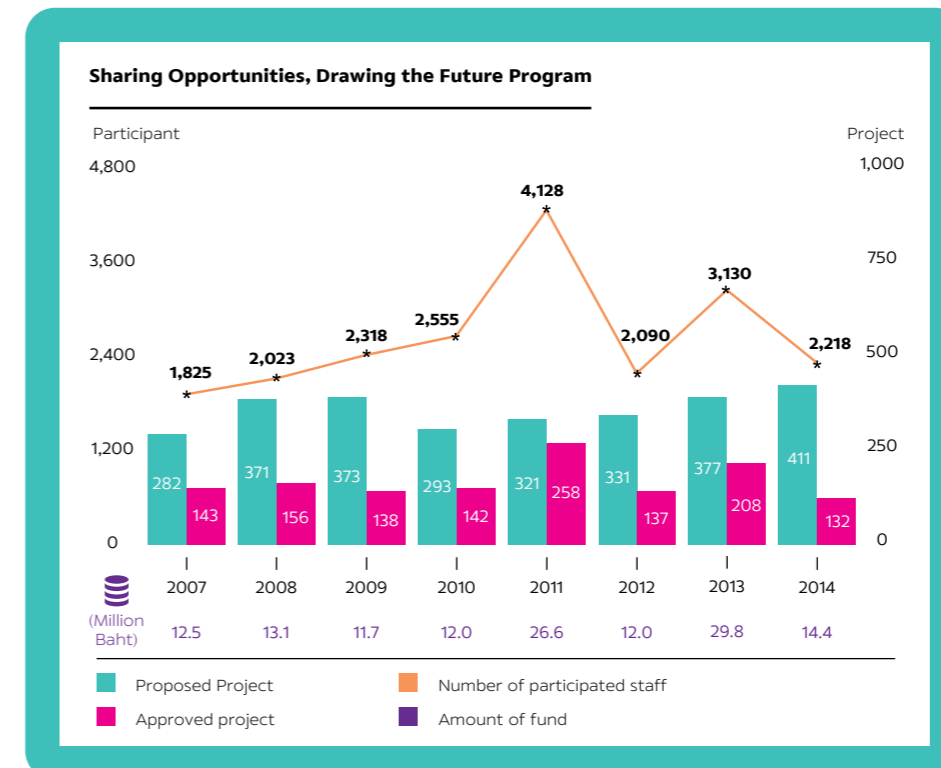
The Power of Wisdom project is a collaboration between SCG and other partners namely Thailand Sustainable Development Foundation, National Science and Technology Development Agency, the Royal Thai Army and the Thai Chamber of Commerce. To date, 800

participants were trained, and the project aims to expand into 1,200 villages nationwide by the end of 2015.

**Sharing Opportunities, Drawing the Future Program** To instill corporate social responsibility values among its workforce, SCG supports staff's engagement in voluntary work for communities. Through this program, SCG employees are encouraged to carry out projects that truly respond to community's needs in a number of ways.

Throughout 8 years of implementation, 20,287 SCG staff members have participated in working for 1,314 community-based projects in 77 provinces across Thailand, involving budget of 132.16 million baht. In addition, SCG

“ In implementing Conserving Water for Tomorrow Project, Siam Cement Lampang adopts a participatory approach every step throughout. The emphasis is on systematic learning and adopting lessons learnt to be applied in other matters relating to the community. SCG assigns its role as 'facilitator,' playing the role of supporting and motivating members of the community to act throughout the entire process – with the intent to instill the sense of Project ownership among community members. The goal is sustainable development, for the community to be strong, self-reliant, can manage its own affairs and gradually become more empowered. Subsequently such strong communities will multiply in numbers to make for a strong, prosperous and happy society.”



**Nopporn Nilnarong**  
Independent Academic  
Shared about SCG Conserving Water for Tomorrow Project

staff members themselves have donated 5.92 million baht in support of various projects. This sort of engagement contributes to strengthening the bond among workforce while fostering good ties with communities. The project approach serves as a model of engagement with other sectors and stakeholders within ASEAN.

**Specialists...the Maker of the Nation Project** While the job market requires at least 190,000 skilled workers from vocational branches per year, Thailand's education system is unable to meet such demand due to unpopularity of vocational education as a choice among Thais. Left unattended, such human resource shortfall could undermine the competitiveness of Thai industries in view of ASEAN Economic Community.

To address the crisis, SCG Foundation has come up with 'Specialists...the Maker of the Nation Project' to encourage Thai youths to pursue education and career path along the vocational track, by offering no-strings-attached scholarships to secondary-school-graduated students to study for vocational degree in areas of critical shortfall including mechanical engineering, electrics and electronics, welding, mechatronics and molding. Apart from scholarships, the project offers additional trainings on skill development and work ethics. This project engages other key stakeholders from both the public and private sectors namely the Thai Chamber of Commerce and the Board of Trade of Thailand, Federation of Thai Industries, and the Office of Vocational Education Commission to ensure that curricula do produce the type of graduates the job market wants, and to offer apprenticeship in industrial sector to plan their career path.

To date, there are 750 scholarship recipients under the project and SCG Foundation is

confident that these future graduates will contribute to the pool of skilled workers to drive economic development.

**Community Partnership Association in Map Ta Phut, Rayong province** was founded in 2010. The Association brings together operators with facilities located in the area led by conglomerates like SCG, PTT Public Company Limited, BLP Power Co., Ltd., Dow Chemical Thailand Co., Ltd., and Glow Energy Public Company Limited with the joint mission to enforce rigorous health, safety and environment (HSE) standards to demonstrate peaceful co-existence between industry and community. The operators seek to assure the communities of their quality of life and business sustainability through schemes such as Eco Factory, Green Supply Chain, with a view to making Map Ta Phut an Eco Industrial Town along with supporting Eco Community and Eco School. To date, there are 16 members joining the Association.

In 2014, the Association joined force to bring about world-class HSE compliance, through peer-to-peer support. With this goal in mind, members have developed a contingency plan together with 38 communities in the vicinity, secured additional medical staff, and organized 22 mobile medical service operations to serve the communities. In addition, the Association granted 300 nursing college scholarships. The first batch of scholarship recipients – 200 nursing students- are due to graduate and ready to serve in Rayong province by May 2015.

Achievements of the Association in the eastern region have been replicated to the cement production sector in Saraburi province, where a group called 'Cement Partnership Initiative Project' was formed with a mission to make cement production environment-friendly, while caring for



Specialists...the Maker of the Nation Project is launched to serve the need of skilled workers of Thailand

quality of life of Saraburi residents. We have led efforts to rally other cement manufacturers to come on board. In 2014, the Group implemented a peer-to-peer support project on Biodiversity and Ecosystem Water Management, Reduce Energy Consumption and CO<sub>2</sub>, along with Dedusting and EP Conversion. Also implemented were the 'Green Truck' and 'Green Logistics' activities.

Outside these two provinces, the coal importer's business located in Nakhonluang District, Ayutthaya province adopted the concept of peer-to-peer business support for sustainability, through the launch of 'Community Partnership Project'. The group intends to apply the concept and guidelines on HSE compliance, environment management, monitoring and evaluation of compliance by operators, with a view to ensuring good quality of life of stakeholders.

**Career Fund Program** SCG Foundation believes that the unity of a community members is key to ensuring sustainable development, because community members are directly aware of and impacted by problems and able to develop solutions most appropriate for their lifestyle. Therefore, the Foundation employs SCG's management model to social work in order to optimize result. Through the Career Fund Program, SCG Foundation provides seed capital for the community to lend to members to generate livelihoods suitable to the contexts. Thereafter, they have to pay back according to conditions that community members themselves decide so that the Fund continues to lend to others in need. There are two types of Fund namely:

1) Investment Fund operates a revolving fund, with interest incomes for members to

borrow.  
2) Welfare Fund focuses on maintaining a pool of savings among members, who can borrow from it for livelihood purposes.

The Career Fund Program operating since 2008 strengthens the capacity of six communities in different parts of Thailand. Managed by steering committees, these funds improve people's quality of life, and have emerged good practice and models for other communities beyond Thailand into ASEAN.

**Bring Good Books to Thai Children Program** Strong intellectual and emotional intelligence, integrity, creativity and concentration take root during formative years of 0-6, and SCG's Story Telling Through Book is a medium for child development during that age range. Given shortage of such reading materials in Thailand, and the fact that such books are generally too expensive to be widely accessible, SCG Foundation launched this project in 2008 to produce affordable, high quality reading materials in this category to make them accessible to the general public.

SCG Foundation has also supported production of books in braille alphabets for visually impaired children, the first of its kind in Thailand. SCG staff members and the public were encouraged to participate in reading and producing audio books for the blind.

In 2014, SCG Foundation produced a pictorial book titled 'Two Baby Turtles Not Afraid of Dinosaur', for the blind and visually impaired children and granted such book to 12 schools for the blind and over 70 Special Learning Centers nationwide, with 500 copies distributed through the Center of Education Technology for the Blind. A total of 250 SCG workers and volunteers took part in the production.



Bringing Good Book to Thai Children Program released braille pictorial book title 'Two Baby Turtles Not afraid of Dinosaur' for the blind and visually impaired children

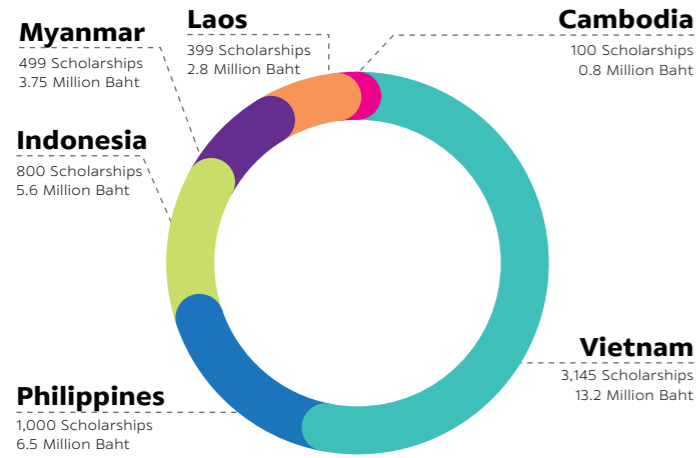
#### Investment Fund

- The Organic Fertilizer Fund by Ban Pla-bu Savings Group in Mahasarakham province
- The Posterity Fund operated by Inpaeng Farmers' Group in Sakhon Nakhon province
- Pig Farmers' Revolving Fund in Nan province.

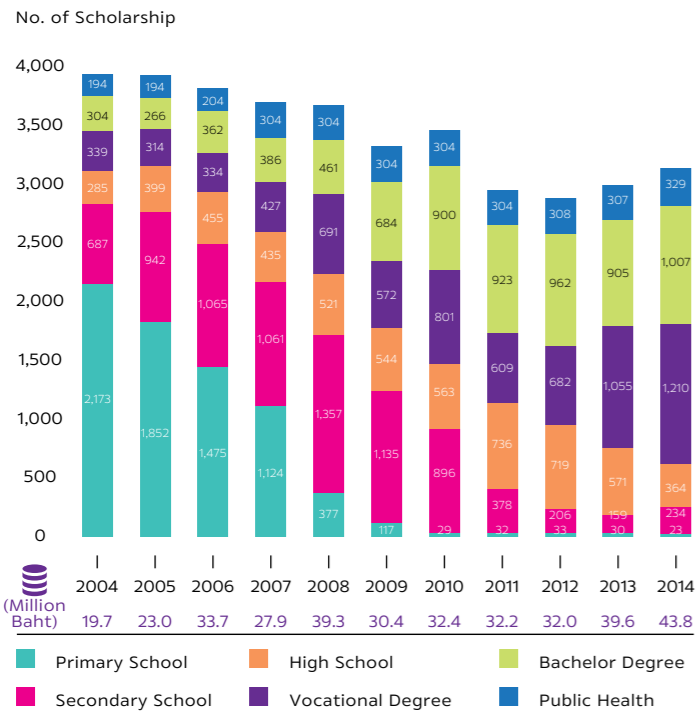
#### Welfare Fund

- The Family Support Fund for people on duty in the southern border region (Narathiwat, Yala, Pattani and four district of Songkhla province)
- The Revolving Fund for Fishing Boat Maintenance (Satingphra District, Songkhla province, and Pakpayun District, Pattalung province)

**SCG Sharing the Dream Scholarships in ASEAN (2007-2014)**



**SCG Sharing the Dream Scholarships in Thailand**



**SCG Future Engineer Program** Since 2013, SCG introduced the successful model of partnership in Thailand by cooperated with Ho Chi Minh University of Technology to implement SCG Future Engineer Program in Vietnam. Under this program, we organize tutorials and provide higher education advice for secondary school students who are interested in pursuing university degrees in the field of engineering. This program has attracted 250 participants to date, and we aim to replicate this approach elsewhere in ASEAN.

**SCG Sharing the Dream Scholarships** SCG Foundation deems education as basis for sustainable development. From the start of this project in 1981, over 63,000 scholarships worth 550 million baht have been made available. In 2014 alone, 3,200 scholarships (4.4 million baht) were awarded. From our field visits to interview scholarship recipients, we discovered that over 60 percent of scholarship recipients graduated. Many of them have jobs and successful careers and about 28 percent of them pursued advanced degree education.

In 2007, SCG started awarding SCG Sharing the Dream Scholarships in Vietnam, and subsequently in Philippines, Indonesia, Myanmar, Laos, and Cambodia. To date, over 5,900 scholarships worth 32.6 million baht have been awarded. In addition, we have organized activities on leadership and teambuilding among scholarship recipients in these countries.

**SCG Badminton Academy** SCG has been a major supporter of badminton sports since 1981, working with Badminton Association of Thailand under Royal Patronage to organize tournaments including SCG Junior Badminton Championships, SCG All Thailand Badminton Championships and SCG Thailand Open Badminton Championships. From there, we have expanded our role to nurture young talents by setting up SCG Badminton Academy in 2007 to groom a new generation of excellent players for the Thai national team in the future.

Currently, there are 40 youngsters aged from 12-19 years being trained under the Academy. In 2014, some of their outstanding performances include male duo champions at BWF Junior Championships 2014 in Malaysia, best single woman player under 19 at Singapore Youth International, runner up of male duos under 17 category at SCG Badminton Asia Junior U17

and U15 Championships. The Academy has also sent 11 players to join the training of Badminton Association of Thailand as they are designated to play in the Thai national team.

**Fish Habitat & Beautiful Beach Project** The Project is inspired and driven by the recycling aspect of SCG's sustainable resource management policy. Engaging all stakeholders on board including SCG Chemicals staff, coastal resource conservationists and local fishing folks in Rayong province, the Project uses PE100 pipes that are disposed after plastic pallet testing process but contains no toxic chemical substance to assemble fish home. Blending well as part of marine environment, these man-made fish homes reduce problems associated with operation of large fishing trawlers. It is calculated that the project could reduce the energy required in recycling used pipes by up to 20,000 kilogram per year. The new fish habitat helps local fisher folks to generate more

income while raising awareness on the importance of marine resource conservation.

**Philanthropy** In 2014, SCG donated a total of 150.8 million baht in support of philanthropic activities through a variety of charitable organizations and entities with mission and track record of social contribution.

**SCG Donates Shelters to Vietnam** Continuing from the Sustainable Shelter in an Age of Climate Change and Disasters, a joint undertaking between SCG and Habitat for Humanity Vietnam (HFHV), the Project combines SCG's expertise in construction materials and the award winning prototype home 'By the Floating Market' created by Tran Truong Thuy Nhi and Nguyen Hong Quan from Van Lung University. As a result of the synergy, a series of climate-resilient shelters were built and donated to Vietnamese families whose home were destroyed by flooding in Tien Giang province in the Mekong Delta.

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 My family is in a community in Ban Pong, Ratchaburi province. I received the scholarship continuously from secondary school (Grade 8) until I graduated with a BA. SCG Foundation evaluated that I was committed to studying. But as our parents separated, my mother had the burden of raising three children with a job that earned a few hundred baht a day. Tuition fees were beyond our reach as we struggled to make ends meet in terms of basic necessities. I received the scholarship until I finished my BA in mechanical and aeronautical engineering from King Mongkut University of Technology without having to worry about money. I gave my best to the study so the donor feel that I am worthy of the help. Now I have a secure job with a reputable company. I can support my family for better quality of life. I would not be where I am today without SCG scholarship  
 ”

**Arthit Suanla** | SCG Scholarship Alumni

