



HMC Polymers

Code of Conduct

The Right Way

Responsibilities for HMC Polymers' employees and stakeholders



www.hmcpolymers.com

Code of Conduct

The Right Way

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“Each of us has a responsibility to act ethically with the highest integrity in full compliance with all applicable laws and principles.”



Message to all employees

Dear Colleagues,

The success of our company largely depends on the goodwill of our customers and the talent and commitment of everyone at HMC Polymers.

To be successful, HMC Polymers has developed a common framework that describes our company's vision and reflects what we believe are the core values and behaviors shared by all of us. Our vision is to be a Preferred Partner for PP. The HMC Polymers' core values, aligned to our name, impact everything we do as a company:

H is for Highest Commitment to the Safety and Well-being of our stakeholders

M is for Mutual Respect, Trust and Integrity

C is for Creativity Driving improvement whilst Compliant in all our actions

To achieve these Core Values we must act in accordance with a number of business principles or "Code of Conduct". This Code describes our aspirations and provides the standard expected from each and every HMC Polymers' employee for all decisions and business activities.

As we are judged by how we act, these Code Rules should not be regarded as a formal statement only; our behavior should match our intentions and we should live up not only to the letter, but also to the spirit of these Rules. Only then can we give real meaning to our principles of trust and mutual understanding.

Each of us has a responsibility to act ethically with the highest integrity in full compliance with all applicable laws and principles of ethical business conduct. We must also raise awareness of possible violations or concerns and take action as detailed in this Code.

Please read this document carefully and familiarize yourself with the contents, as you are individually responsible for understanding and complying with its principles. If you have questions, we encourage you to consult with your immediate Supervisor.

What is most important are the actions we take and the way we work together to achieve our business results. Knowing what is important to us and what our expectations are of one another assists good communication, swift action and a harmonious workplace.

Thank you for your continued dedication to HMC Polymers and your commitment to upholding the standards of ethical business conduct set forth in our Code of Conduct.

Best Regards,



Corso Uzielli
President



The Right Way – The purpose of our Code of Conduct

Welcome to our code



Welcome to our Code of Conduct (our “code”). Our code explains the behaviors expected of us to achieve our vision by making ethical decisions.

In addition, our code helps us maintain the trust we have built with our various stakeholders – our fellow employees, shareholders, government, local communities, customers, vendors and other business partners – each of whom have an important role in our company’s success.

Most importantly, our code outlines our strategy for doing business the right way, every day.

The Right Way –

The purpose of our Code of Conduct

• Who must follow our Code

Our code applies to all employees, officers, directors, contractors and consultants working on behalf of our Company. In addition, we expect that our vendors and other business partners will follow similar principles when working for [HMC Polymers](#).

While we each have a responsibility to know and follow our code, supervisors have additional obligations. If you are a manager or supervisor, you have a duty to act as an ethical role model for your subordinates. You must foster an environment in which others feel safe asking questions and making reports.

You should never take any adverse action against someone raising a good faith concern. Instead, you should reinforce the code through your actions. If you become aware of lapses in compliance with our code, it is your responsibility to take the appropriate action.

• Knowing and following the law

As a company doing business in an international environment, our work is subject to many different laws and regulations in many different countries. Each of us is responsible for knowing and following these laws in addition to our code, policies and procedures. If you believe there is

- a conflict between Thai law and another law in which we do business,
- a conflict between the law and our Code,
- a conflict between the law and anything you are asked to do, seek guidance by following the steps outlined below.

• Where to seek guidance and report concerns

Collectively, we create and maintain an ethical culture at [HMC Polymers](#). Therefore, you are strongly encouraged to come forward with any questions or concerns you may have. If you need guidance, or if you would like to make a report, the following resources are available to you:

- Immediate supervisor or Department manager
- Human Resources Department
- Legal and Corporate Secretary Department
- Internal Audit department

Alternatively, you may make a report through the Ethics Channel via following channels:

- Ethics Channel form in the company website: www.hmcpolymers.com
- E-mail to IA@hmcpolymers.com
- Mail to the “Department Manager, Internal Audit”
HMC Polymers Company Limited
20/F, Sathorn City Tower,
175 South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120

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You are encouraged to share identity and contact information, so that an investigation committee may consider appropriate action to correspond and contact you. Your identity and relevant information will be kept strictly confidential unless it is required by related laws and regulations. Such actions will be under the principle of privacy and protection measurement and in accordance with the whistleblowing policy. However, you may choose to remain anonymous.



“If you are a manager or supervisor, you have a duty to act as an ethical role model for those who report to you.”

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The purpose of our Code of Conduct

QUESTION

You think that your supervisor might be falsifying records.

At first, you feel like you should say something. You then worry that your supervisor might find out that you made a report and choose to remove you from your current project.

You have worked very hard and can't afford to compromise your job security over something like this. You decide it's none of your business and you don't come forward with your concerns.

What should you have done differently?

ANSWER

You should make the report. While you may worry that there may be consequences for doing so, you should know that our company does not tolerate retaliation.

You are making your report in good faith and **HMC Polymers** will make every effort to keep your identity confidential, consistent with local law. Suspected code violations are everyone's business, as they have a direct impact on our company's reputation for integrity.

- **How HMC Polymers investigates reports**

When you make a report through any channel, your report will be forwarded to **HMC Polymers'** Investigation Committee. If you provide your name, an investigator may contact you to discuss your concerns.

- **We do not tolerate retaliation**

We have a responsibility to our Company and each other to report our concerns when we believe something improper or inappropriate has taken place or may take place. However, it can be difficult to uphold this responsibility when we fear retaliation.

HMC Polymers does not tolerate retaliatory acts against anyone (both insider and outsider) for making a report in good faith. When you make a report in "good faith," it means you provide all of the information you have, and you believe it to be true. Even if the results of your report do not confirm that

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misconduct has taken place, no action will be taken against you. You should feel comfortable making a report to any of the resources listed in the “Where to seek guidance and report concerns” section (p.7). If you believe that you or someone else has been retaliated against for raising a concern, you should bring this matter to the Human Resources department, Internal Audit department or Legal and Corporate Secretary department’s attention immediately.

If you believe that you are under threat, you may ask the Company to provide appropriate protection, or the company may provide such protection without your request if it is believed that danger or harm is imminent.

“HMC Polymers does not tolerate retaliatory acts against anyone (both insider and outsider) for making a report in good faith”

• Consequences for violating our Code

Our company takes code violations very seriously. Each of us must follow our code, and we are all expected to report any suspected violations or misconduct.

In addition, we must refuse to participate in acts of retaliation against those who do report.

Individuals who violate the code are subject to disciplinary action, including termination and may also result in civil and criminal penalties and fines.

The same applies to failure to report code violations or misconduct. Therefore, it is important to report any suspected code violation or misconduct immediately.

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or misconduct immediately.

The Right Way – For our people and our company



- **We respect our fellow employees**

At **HMC Polymers**, we are dedicated to the highest standards of fairness and respect for every employee. We believe it is only through a positive, inclusive workplace that we can be successful.

To thrive in a global marketplace, we must rely on the diverse perspectives and backgrounds of each of our employees.

Therefore, we encourage the open sharing of ideas and communications of problems. Each of us must support and promote a diverse workforce by respecting the various talents and opinions of our coworkers.

The Right Way –

For our people and our company

• Non-discrimination

Not only must we respect the diversity of our workforce, but we must also remain committed to non-discriminatory practices. This means, in part, that we never make employment-related decisions based on traits, such as race, gender, color, age, sexual orientation, religion and disability.

We make decisions to hire, promote, terminate or transfer employees based on merit.

QUESTION

You have worked hard at earning a promotion, often clocking many extra hours a week to ensure projects are completed properly.

You are disappointed to learn that you will not be receiving a promotion this year but continue to go above and beyond what is expected. One morning, you overhear your supervisor tell another coworker that you were passed up for the promotion because “your people aren’t trustworthy.”

You are shocked to think that you may be the victim of discrimination.

What should you do?

ANSWER

Since you have reason to believe that you are the victim of discrimination, you should report this incident immediately to the Human Resources department, Legal and Corporate Secretary department or Internal Audit department.

Our company only makes employment-related decisions based on merit – anyone who does otherwise is subject to disciplinary action.

• Harassment-free workplace

To promote respect within our organization, we must all treat one another with dignity. Our company does not tolerate any form of harassment, whether it comes from within or outside of our workplace.

Harassment can be any form of unwelcome conduct – sexual or nonsexual in nature – that has the effect of creating an intimidating, hostile or offensive workplace. It may include:

- Physical contact, including touching, hugging or kissing
- Verbal comments, such as racial contempt or dirty jokes or rude/sarcastic comments

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- Non-verbal visual displays, including electronic displays or acts, that contain offensive photographs, videos or hand gestures

If you witness or suspect that discrimination or harassment has taken place, you should report it immediately according to the “Where to seek guidance and report concerns” section of our Code (p.7).

HMC Polymers remains firmly committed to its non-retaliation policy. Therefore, if you experience retaliation for reporting any actual or suspected act of discrimination or harassment, you should follow the steps outlined in “Where to seek guidance and report concerns.” (p. 7)

“We make the commitment to never allow the safe, responsible operation of our facilities to be compromised for any reason.”

- **We strive to achieve safety excellence**

Working safely is a core value of our company. We make the commitment to never allow the safe, responsible operation of our facilities to be compromised for any reason. It also means we must be dedicated to safety excellence. Nothing should matter to us more than working safely – and we therefore must strive to create a workplace in which “no one gets hurt, anywhere, at any time.”

Our code and company policies must be followed by every person on company premises at all times. You should report any actual or suspected violations of Company rules and policies consistent with the steps outlined in “Where to seek guidance and report concerns.” (p.7)



The Right Way –

For our people and our company

Workplace violence

Our commitment means we must insist on a non-violent workplace. We must never engage in, tolerate or ignore any form of violence. This includes threats or acts, intimidation or instilling fear of bodily harm in others.

If you know of an actual or potential threat or act of violence, you should report your concerns immediately.

Alcohol and substance abuse

At [HMC Polymers](#), we never perform our work under the influence of any substance. This includes alcohol and any illegal drugs. In addition, we must never possess, use, sell, offer or distribute illegal drugs or other controlled substances.

The only exception occurs if you choose to consume alcohol at business dinners or authorized Company events. However, you must only do so in moderation. Remember, we can only improve the lives of others by acting responsibly ourselves.

- **We protect our company's assets**

We all have a duty to exercise care when using our company's physical assets. This includes company funds, facilities, equipment, documents and networks. If you know or suspect any abuse, misuse or waste of company assets, you should report it immediately.

Confidential information and intellectual property

You may have access to [HMC Polymers'](#) confidential, non-public information – including any intellectual property (IP) – through the course of your work. This information is considered valuable company property and an asset we must protect. It includes “trade secrets” – data that gives our company a competitive advantage.

Some examples of trade secrets include:

- Customer lists
- Terms and conditions, rates or fees offered to certain customers
- Marketing and strategic plans
- Technological developments

Never disclose trade secrets, or any other confidential and proprietary information, without a business need and prior authorization to do so.

Take special care not to disclose this information by properly securing your computer, documents or other sensitive materials. In addition, avoid discussing such information in places where you can be overheard, including restaurants, rest rooms, taxis, airplanes or elevators. Remember, these obligations continue even after your employment with [HMC Polymers](#) ends.

The Right Way – For our people and our company

Our IP is a valuable asset. We must take great care to protect and enforce our IP rights at all times. “IP” includes intangible property such as copyrights, patents, trademarks, design rights, logos and brands.

The law protects our rights to this property as it does other forms of physical property. To the extent permissible by law, the rights to all IP created with Company materials, on Company time, at our Company’s expense or within the scope of our duties belong to [HMC Polymers](#).

QUESTION

You work in the Innovation and Technical support department. You are proud of the work you do and often share your knowledge and ideas on industry forums.

During an especially lengthy discussion, you disclose information about a new product our company is developing.

In doing so, you feel that you are helping to enrich the industry and generate interest in HMC Polymers’ product development process.

Did you do anything wrong?

ANSWER

Yes. You must be careful to treat company information responsibly. This means, in part, never disclosing any confidential or proprietary company information in a public forum. You must exercise caution to ensure the use of social media tools does not interfere with your ability to uphold our code, company policies and the law.

Our reputation

We keep our reputation – as well as our community and stakeholder relations strong through appropriate dialogue. Our reputation for integrity is based heavily on information we provide to the public. This means, in part, that all such communications must present a fair and accurate picture of our business dealings. Only authorized individuals may speak about [HMC Polymers](#) to the media and other public forums. If you receive a request for information from the media or a request from an outside legal representative, you should forward it to the Legal and Corporate Secretary department.

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For our people and our company

- **We use company technologies responsibly**

Our computer and network systems are valuable assets. When using them, do so appropriately and remember that you represent [HMC Polymers](#) in all you do. Always use company computer and network systems in a safe, ethical, lawful, efficient and productive manner.

This means you should never use these systems to access, view, send or communicate illegal, inappropriate, sexually explicit, offensive or unsolicited materials. While limited personal use is allowed, you should never let such use interfere with your job responsibilities. You should treat email, texts, blogs and instant messages with the same care you would in writing a letter on [HMC Polymers'](#) letterhead.

Further, you should never use Company email to express a personal view in a public forum. When expressing any personal view in a public forum, you should never reference [HMC Polymers](#), its name, address or other identifying information.

- **We respect each other's personal information**

Our company respects the confidentiality of employee personal information. This typically includes information such as our home addresses, government-issued identification numbers, health record and payroll information. Employees do not disclose their payroll information, for example salary, job level, performance rating, to each other.

If your work involves handling such information, you must take great care to protect it. Never share it with anyone unless there is a business need to do so, consistent with applicable law. You must also take care to protect information pertaining to all prospective, current or former employees from unauthorized access or disclosure.

Social media and networking

At [HMC Polymers](#), we recognize the vast opportunities provided to personally participate in various social media outlets. However, when making use of such personal opportunities, we must do so with caution.

“Social media” includes a variety of social networking sites, blogs and wikis. Take care to not create risks to [HMC Polymers'](#) reputation by violating our code or company policies or by violating the law. This means, in part, that you may never use social media to defame, harass or harm [HMC Polymers](#), its employees, customers, competitors, vendors or other business partners.

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In addition, never share any confidential or proprietary Company information through your participation in social media. Keep in mind that the use of social media outlets should never interfere with work.

- **We avoid conflicts of interest**

HMC Polymers is committed to maintaining our shareholders' trust through ethical, reliable performance. This begins with our commitment to integrity, which requires each of us to be alert to anything that could create a conflict of interest. A "Conflict of Interest" arises when our personal interests are not aligned with – or even appear not to be aligned with those of our Company.

If you believe your actions or interests might create a conflict, you should disclose the situation immediately according to Conflict of Interest procedure. Below are some common examples of situations in which conflicts of interest may occur.

Seeking/accepting cash, valuable items, services or other benefits



We and our family members must not seek or accept cash, advance/loan (except from an established financial institution on the same terms as other customers), valuable items, services, or other benefits directly or indirectly from an actual or prospective customer, supplier, consultant, financial institution or advisor.

In addition, we and our family members must not accept improper cash, valuable items, services, or other benefits directly or indirectly through third parties.

It is a violation of the Code of Conduct for an employee to solicit or encourage a supplier to give any item or service to the employee or his/her family members regardless of its value no matter how small. Our suppliers will retain confidence in the objectivity and integrity of our company only if each employee strictly observes this guideline.

The Right Way – For our people and our company

QUESTION

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. She claims that normally no one lives there and that your staying there would cost her nothing extra.

Will you accept this offer?

ANSWER

You should politely decline and report the incident to your immediate Supervisor.

Accepting gifts during Christmas and New Year season

To foster good relations between [HMC Polymers](#) and our customers, vendors or other business partners, during Christmas and New Year season (December 1 – January 31) we may accept a gift value lower than 2,000 Baht from an actual or prospective customer, supplier, consultant, sales agent or financial institution.

If we have to accept a gift of 2,000 Baht or more during Christmas and New Year season, or accept gifts of any value on other occasions, we must report the situations according to our Conflict of Interest policy.

Under no circumstances should we and/or our family members ever seek or accept a business gift if doing so would create a bias or appear to influence our decision. In particular, we and our family members must avoid any interest in or any benefit from any supplier that could reasonably cause us to favor that supplier over others.

If an employee or family member of an employee accepts an unsolicited gift prohibited by these guidelines, then the procedure outlined in the Conflict of Interest Policy applies.

The immediate supervisor has to review compliance with this gift procedure and transfer the gift to Legal and Corporate Secretary department or a person authorized by President to record gifts and take appropriate action according to Management's advice.

This will help [HMC Polymers](#) to monitor the aggregate spending on individuals and on individual organizations and also the frequency of such expenditure.

The Right Way – For our people and our company

QUESTION

For New Year's Day, suppliers bring small gifts for you, but when taken together, the value is over 2,000 Baht.

What should you do?

ANSWER

Consult your immediate supervisor, and be careful to note the value of each gift.

QUESTION

You work with several vendors, many of whom send cards or promotional gifts to your office during the New Year season.

This year, one vendor sends you an expensive bracelet to thank you for our company's continued business, including a note that states, "To many more years of service."

What should you do?

ANSWER

While New Year cards and gifts of nominal value are appropriate business gifts, lavish jewelry is not. In addition, the vendor included a note that implies the gift is meant to secure future business.

You should politely decline and return the gift to the vendor and report the incident and accompanying note to your immediate supervisor.

Seeking/accepting an entertainment

We and our family members must not seek or accept an entertainment arranged by contractor, customer or other business partner without prior approval from immediate supervisor. In addition, we must not accept improper entertainment directly or indirectly through third parties or allow our family members to do so.

The Right Way – For our people and our company

Business gifts and entertainment to third parties

The giving of hospitality is central to many business relationships. We may offer a gift to a third party if it is unsolicited and if it is consistent with our business practices of being reasonable, proportionate and bona fide. The general rule is that entertainment should be reasonable in terms of its cost, frequency and nature.

“Employees should avoid situations involving a conflict or the appearance of a conflict between duty to the company and self-interest.”

The overriding principle governing both gifts and entertainment is that under no circumstances should its monetary value, frequency or nature be such as to call into question the individual’s integrity, independence, objectivity or judgment.

Whenever you are in doubt, you should not be providing any gifts that:

- You would not feel comfortable disclosing to the recipient’s audit committee, its non-executive directors or equivalent; or
- Might bring the firm into disrepute were its nature to become public knowledge.

Discounts on a personal purchase

We and our family members may accept a discount on a personal purchase of the supplier’s or customer’s products only if such discount does not affect HMC Polymers’ purchase price and is generally available to others having a similar business relationship with the supplier or customer.

Relationships with suppliers and customers

Business transactions must be entered into solely for the best interests of the company. No employee may directly or indirectly benefit from his/her position as an employee, or from any sale, purchase, or any other activity of the company. Employees should avoid situations involving a conflict or the appearance of a conflict between duty to the company and self-interest.

The Right Way –

For our people and our company

Corporate opportunities

As employees of [HMC Polymers](#), we have a duty to advance our company's interests whenever possible. During the course of your work, you may learn about a business or investment opportunity that is intended for [HMC Polymers](#). You may never accept for yourself or on behalf of others any opportunity offered to our company by a customer, vendor or other business partner. In addition, never use Company property, information or position for personal gain.

Outside employment

Part of what makes [HMC Polymers](#) so successful is our commitment to the work we perform. In order to uphold this commitment, we are strongly discouraged from accepting outside employment or outside business opportunities that would impair the independent judgment of the individual in performing duties for [HMC Polymers](#) to take a position outside of [HMC Polymers](#), you must not use company time or resources in performing the related work.

In addition, accepting a position with a customer, competitor, vendor or other business partner of [HMC Polymers](#) will likely create a conflict of interest. A conflict of interest may also exist if an immediate family works for a customer, competitor, vendor or other business partner of our company. You should disclose any of these situations immediately.

Also, exercise caution if you are asked to serve as a director, trustee or officer for another company or organization. Please note that you may never serve in these positions for a competitor of [HMC Polymers](#).

Financial interests

Some of us may have financial investments and interests in companies other than [HMC Polymers](#). However, these interests can sometimes create a conflict of interest, or the appearance of one.

We should take care to avoid investing in a competitor or a company seeking to do business with [HMC Polymers](#). At no time may we and our family members make or hold an investment of greater than 10 percent in any customer, competitor, vendor or other business partner of [HMC Polymers](#).

In addition, we and our family members must not hold an investment in another company if doing so might bring into question our continued ability to make independent, impartial judgments in our company's best interest. If you already hold such an investment, you should notify Internal Audit department immediately.

The Right Way – For our people and our company

Doing business with family

Doing business with members of our family will likely lead to a Conflict of Interest situation.

Members of our family include spouses, parents, stepparents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law.

Therefore, at no time may you be involved in doing business with a family member.

If you are aware that a member of your family is doing business with [HMC Polymers](#), you should follow conflict of interest procedure immediately.

We must also avoid business dealings that create an unfair advantage for our family or ourselves due to our position with [HMC Polymers](#).

QUESTION

Your family cancels its dealership status with the company and orders products from a rival firm.

What will you do?

ANSWER

You should inform your immediate supervisor and avoid participating in your family's business.

Service on external non-profit organization or government

We may serve on an external non-profit or governmental organization. However, if you are in managerial level of the non-profit organization or government, you have to declare according to Conflict of Interest policy.

Disclosing Conflict of Interest

Therefore, we should promptly follow Conflict of Interest procedure any time we suspect an actual or potential Conflict of Interest.

In addition, we should work actively with our customers, vendors and other business partners to identify and address Conflict of Interest.

The Right Way – For our people and our company

- We comply with anti-corruption laws

HMC Polymers is committed to acting ethically and legally across the globe. We uphold this commitment regardless of where we do business. This means, in part, that we abide by all international anti-corruption laws, treaties and regulations that forbid bribery, improper payments or kickbacks.



Bribes and improper payments

Doing business the right way means we never offer or accept any form of bribe, payment or kickback. A “bribe” is an offer or promise to give anything of value in order to improperly influence a decision or to gain an improper business advantage.

A “kickback” occurs when money is returned or is paid as a reward for awarding or fostering business. You must take caution to avoid improper payments. You should always determine the ownership structure of your customers, vendors, agents, consultants and other business partners or third party representatives by performing due diligence as required by company policies. You must not seek or accept any improper payment or kickbacks. You must also ensure that you do not allow third parties to make or receive any improper payment on your behalf.

Violations of this policy may result in disciplinary action up to and including termination of all individuals involved, as well as possible civil and criminal penalties for those parties and our company.

HMC Polymers encourages you to come forward with any concerns or questions about any misconduct regarding improper payments. You have a duty to your colleagues to report your concerns. Remember, no one who makes a good faith report of misconduct will be subject to retaliation.

The Right Way – For our people and our company

QUESTION

HMC Polymers is awarded a large contract with a major corporation and you are responsible for coordinating project specs with your customer contact.

After several months of working together, you develop a friendly relationship with the customer. To thank your contact for the hard work and friendship throughout the process, you offer your contact an expensive gift basket filled with fine wines and expensive chocolates.

Did you do anything wrong?

ANSWER

Anti-bribery laws are quite strict, and you must be careful about making any offer to your customers or other business partners. In this case, the gift basket is clearly not of nominal value, and could easily be construed as an attempt to secure future business.

You should have requested approval in advance from your immediate supervisor and Legal and Corporate Secretary department.

Remember, exercise great caution when offering gifts or business courtesies.

Facilitating payment

Facilitating payment is the payment made to expedite or secure the performance of a routine governmental action which must not include a decision by an official to award business to or to continue business with HMC Polymers.

Facilitating payment issues can be complex and some type of facilitating payment may be construed as bribery, hence, a criminal offence. If you have any questions or concerns about this, consult the Legal and Corporate Secretary department.

“HMC Polymers encourages you to come forward with any concerns or questions about any misconduct regarding improper payments.”

The Right Way – For our people and our company

- **We work to prevent money laundering**

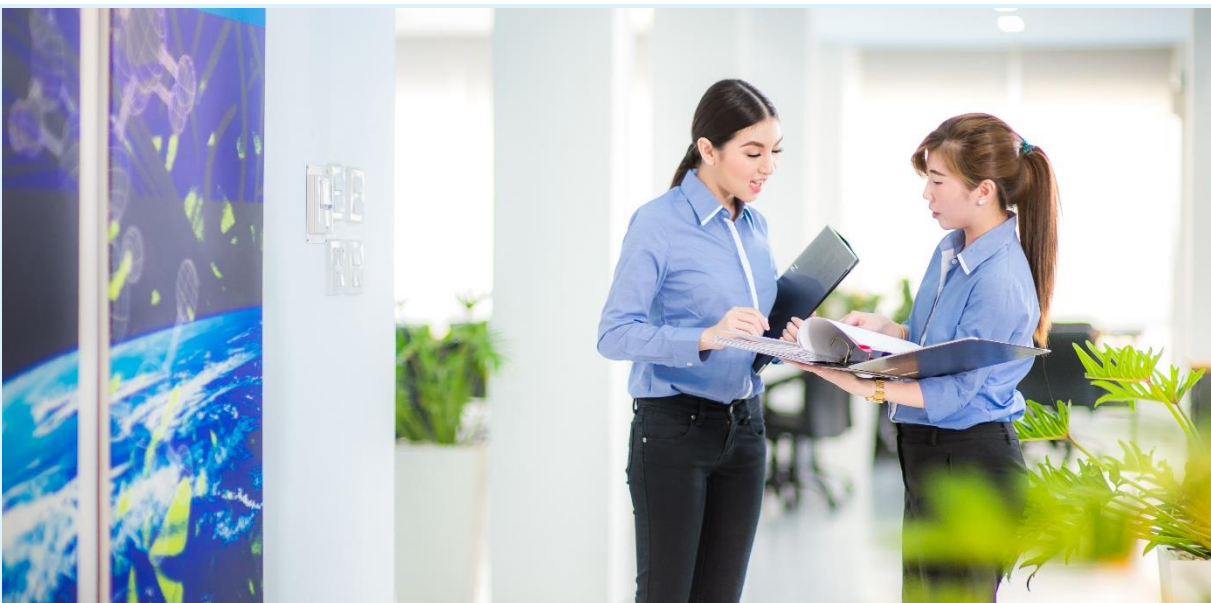
HMC Polymers is committed to detecting and preventing money laundering. “Money laundering” means engaging in financial transactions that conceal the identity, source and/or destination of money gained through illegal means.

As part of our commitment to identifying and stopping money laundering activity, we must comply with all applicable anti-money laundering laws throughout the world.

In addition, we must ensure that we only do business and engage in financial transactions with persons conducting legitimate and lawful activities. We should always confirm the identities of anyone with whom we conduct business and that any funds we receive are derived solely from lawful and legitimate sources.

Money laundering issues can be complex. If you have any questions or concerns about this, consult Legal and Corporate Secretary department. You should report any suspicious activity by following the steps outlined in the “Where to seek guidance and report concerns” section (p.7).

The Right Way – For our shareholders



- **We maintain accurate financial books and records**

Our shareholders depend on our honesty and integrity, particularly when measuring the financial strength of our company.

It is crucial then that we maintain accurate and honest accounting practices and record keeping at all times. We must all comply with recognized accounting principles. Those who have financial and accounting responsibilities must also ensure that our accounting methods are accurate, presenting an honest and forthright picture of our company.

We must comply with all legal and regulatory requirements and follow our internal accounting policies and controls at all times. Incomplete or inaccurate financial disclosures not only damage our company and its reputation, but they also harm our stakeholders who rely on their accuracy.

The Right Way – For our shareholders

QUESTION

You are responsible for preparing your business segment's financial records for the quarter and realize they are just short of their financial target. You are concerned that these numbers, though still strong, will raise questions and criticism.

You decide to round up the numbers to ensure your segment receives proper recognition for its hard work and avoids any scrutiny for barely missing the mark.

What should you do differently in this situation?

ANSWER

You should never knowingly prepare an inaccurate financial report. You need to report the numbers honestly and focus your segment's efforts on next quarter's results.

While none of us likes to fall short of our goals, we must be honest when we do. In addition to losing our stakeholders' trust, you and [HMC Polymers](#) could face criminal and civil liability for making inaccurate reports.

Responding to audits, investigations and inquiries

We must respond to and comply with all external and internal audits and investigations, including government investigations. You may never impede or delay any such audit or investigation.

You must provide auditors and investigators with the information to which they are entitled. If you have any questions about any audit, investigation or inquiry, and how you should respond, consult with the Internal Audit department.

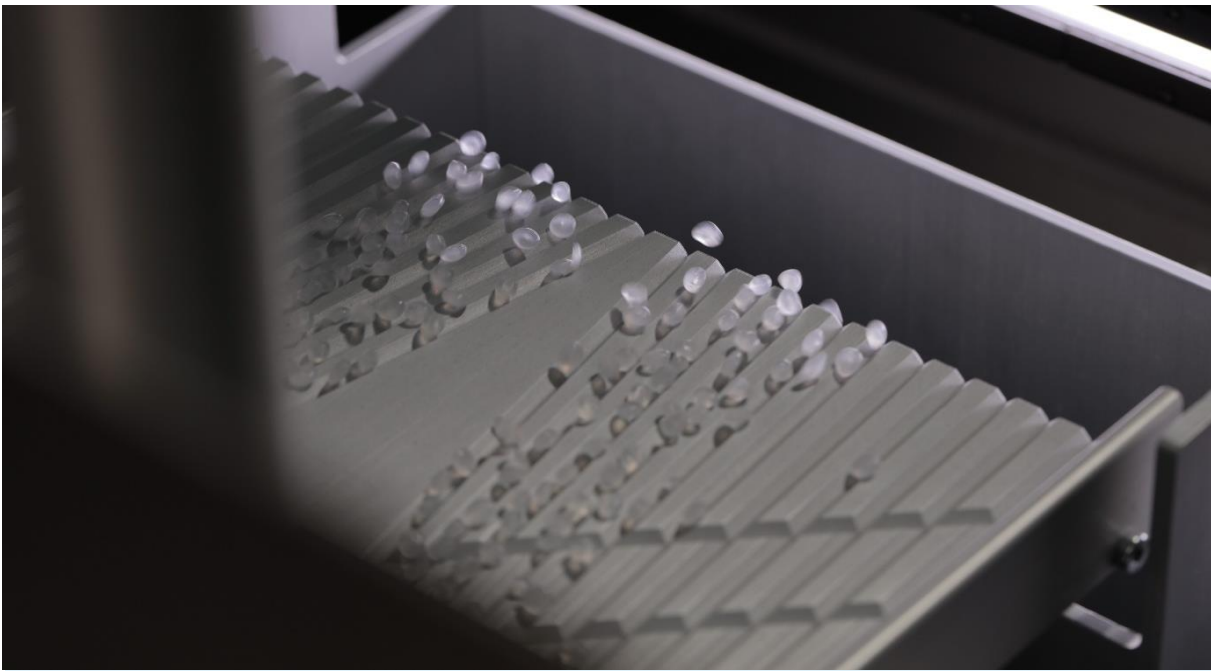
Record management

We must retain our business records as long as the law requires and as long as necessary for our business purposes.

However, if you receive notice that some or all of your records are required for a government investigation or legal proceeding, you shall not discard or destroy them.

If you receive a subpoena or request for any document or record, please notify the Legal and Corporate Secretary department immediately. Similarly, if you receive a request from a business counter party, a government agency or a third party to provide a record or document, you should contact the Legal and Corporate Secretary department.

The Right Way – For our customers and vendors



- **We strive to meet product quality and safety standards**

Our products play a vital role in improving the quality of people's lives.

Our customers depend on us to provide products that meet or exceed all applicable quality and safety standards. Therefore, we must ensure that we comply with quality controls and all related laws and regulations.

In addition, we must hold our vendors accountable for the quality and safety of the products and services they provide to us.

If you know or suspect that a vendor is not upholding our standards, you should report the situation by following the steps outlined in the “Where to seek guidance and report concerns” section (p.7).

The Right Way –

For our customers and vendors

- **We deal fairly with our customers and vendors**

Doing business the right way means we always provide accurate and fair information about our company – and our competition – to all of our customers, vendors and other business partners.

This means that we must always engage in fair and ethical marketing, sales and communications. We may never misrepresent our products or those of our competitors.

In addition, we may never take unfair advantage of anyone through manipulation or abuse of privileged or proprietary information, misrepresentations or any other unethical or illegal practice.

No commercial bribery

You must not engage in commercial bribery, which occurs when one company provides a bribe or kickback to another to obtain or retain business. Never offer to or receive any bribe from a client, vendor, other business partner or anyone working on their behalf.

You must also ensure that you do not allow third parties to make or receive any commercial bribery on your behalf. Our company does not tolerate any form of commercial bribery.

Violations of this policy may result in disciplinary action up to and including termination of all individuals involved, as well as possible civil and criminal penalties for those concerned parties.

QUESTION

An official with a project asks what kickback he would get if he persuades the project owner to order your company's products.

What should you do?

ANSWER

Explain to that person that the company guidelines prohibit that payment of benefits that would not normally be received, other than the compensation the company provided in the normal course of business.

The Right Way – For our customers and vendors

QUESTION

A bidder offers you on a totally prepaid trip to visit his plant in Europe if you could help him win the bidding.

Will you accept?

ANSWER

You should politely decline and explain to that bidder about our Code of Conduct. Although you did not accept the offer, you need to report the incident to your immediate supervisor.

• We comply with antitrust and competition laws

Delivering excellence to our customers means we do our part to ensure they have access to quality products and services at fair prices. Therefore, [HMC Polymers](#) is committed to competing vigorously, yet ethically and lawfully.

To make sure all companies play by the same rules, various competition laws have been enacted in the countries in which we do business. These laws generally prohibit price fixing, dividing territories, agreeing to contract terms with our competitors and other actions that negatively affect our customers or restrict competition.

We must always follow the letter and spirit of these competition laws wherever we conduct our business. These laws may apply even when you are doing business outside of a country's borders. It is your responsibility to know and follow all competition laws that apply to your work.

The following examples illustrate prohibited practices:

- Working with our competitors to fix prices or terms and conditions
- Allocating market share – either formally or informally – among competitors
- Rigging bids
- Agreeing with competitors – either formally or informally – to refuse to deal with a customer
- Sharing pricing information with competitors
- Discussing confidential information with competitors
- Indirectly attempting to procure competitors' information through a third party

The Right Way –

For our customers and vendors

By knowing and following these rules, we ensure that our customers have access to the best products at reasonable costs. If you have any questions about antitrust or competition laws, or how to compete fairly, contact your immediate supervisor, or the Legal and Corporate Secretary department for guidance.

Trade Associations

Sometimes, our jobs may require us to participate in trade associations. When attending related events, we must be careful what we discuss with our competitors.

We may never discuss any matter that would negatively affect our customers or restrict competition. If a competitor attempts to discuss anticompetitive behaviors such as price fixing or market share, you should stop the conversation immediately and report it to the Legal and Corporate Secretary department.

Use of competitive information

Sometimes we have access to information about our competitors that may give our company a business advantage.

This information may come from our business partners, or new employees who worked previously for or have information about a competitor. It is important that we act legally and ethically at all times with respect to this information.

Even if it may be legal to use competitive information, it may not be ethical. If confidential information about a competitor is deliberately or inadvertently disclosed, you should discuss its disclosure with Legal and Corporate Secretary department and refuse to use it without express permission from Legal and Corporate Secretary department to do so.

QUESTION

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?

ANSWER

You should refuse to take part in the discussions, and make it known that the company's policy prohibits employees from exchanging ideas about such matters. This invitation should then be reported to your immediate supervisor.

The Right Way –

For our customers and vendors

- **We safeguard third party information**

Through our work, we may be privy to confidential information about our vendors and other business partners. We must safeguard this information and honour all contractual commitments we enter into with these parties relating to said information at all times.

This means, in part, protecting all third-party intellectual property, such as inventions and software, from disclosure or misuse.

QUESTION

You are training a new employee, who previously worked for a competing petrochemical company.

While discussing product markets, the new employee discloses financial information about his previous employer, which could affect future business decisions our company makes.

Your new employee doesn't see anything wrong with sharing this information, and you think it is too useful to ignore.

What should be done in this situation?

ANSWER

You should politely decline and explain to that bidder about our Code of Conduct. Although you did not accept the offer, you need to report the incident to your immediate supervisor.

The Right Way –

For our customers and vendors

- We comply with international trade controls

It is our responsibility to know and follow all applicable laws and regulations that govern international trade. Some laws prohibit us from doing business with certain people or entities or conducting business in certain countries.

Consequences for violating trade control laws and regulations are severe for both our company and the individuals involved.

Import/export controls

One of the responsibilities we all share is in knowing and following laws relating to imports or exports. An “import” occurs when we bring goods we purchase from another customs territory. Imports are subject to various laws and regulations that may require the payment of duties and taxes and submission of certain filings.

An “export,” on the other hand, occurs when a product, service, technology or technical information is shipped out of a customs territory. Various laws and regulations may require licenses and permits before exporting any products, services, technology or technical information.

You should work with Legal and Corporate Secretary department to verify both the eligibility of the delivery location and recipient prior to initiating any exporting activity.

The Right Way – For our communities



- We operate as a good corporate citizen

Our commitment to excellence means we take great care to uphold human rights in all of our operations and facilities, regardless of local custom.

Our company does not use child or forced, indentured or involuntary labour. In addition, we uphold all fair wage and hour laws, wherever we work. We must always promote the health and safety of our workers in every location in which we conduct business.

HMC Polymers is committed to doing business with business partners who share our commitment to human rights. You should report any violations of this policy or any human rights, labour, wage and hour laws to our Human Resources department or the Legal and Corporate Secretary department. **HMC Polymers** does not tolerate acts of retaliation made against anyone who makes a good faith report of such violations.

The Right Way – For our communities

- We work to protect our environment

At [HMC Polymers](#), we are proud of our long history of managing our performance to minimize its impact on the environment. We operate our sites safely and reliably – with full awareness that human factors are crucial to good environmental performance.

We believe that compliance is a minimum standard. As a result, we meet and strive to exceed environmental standards in all of our operations.

We develop products that enable our customers to use energy and water more efficiently. In addition, we work with our stakeholders to ensure that our products are consistent with environmental regulations and laws.

- We work to manage resources efficiently

At [HMC Polymers](#) we realize that more efficient resource management leads to better environmental and financial performance. That is why we strive to continually use fewer resources, such as raw materials and energy, and increase our process efficiency.

We also aim to decrease waste. Effective resource management also means providing products that benefit society and the environment. We continually work to introduce new technologies and product applications to meet the changing demands of our society.

Each of us at [HMC Polymers](#) is expected to manage resources efficiently every day.

QUESTION

You are an operation staff member in one of our manufacturing facilities and are responsible for helping maintain and improve the reliability of plant machinery. It is brought to your attention that some of the equipment in the facility is not functioning efficiently and is creating a safety hazard. You approach your supervisor for assistance.

Your supervisor tells you that there are bigger issues to be concerned with, and the faulty machinery doesn't pose an immediate risk.

What should you do next?

ANSWER

Machinery that is not functioning to its normal capacity could pose a bigger safety concern than your supervisor realizes. You should alert your maintenance department manager or HSE department manager of the issue immediately to investigate further.

If left unattended, the faulty equipment could pose serious harm to all those in the facility, as well as to [HMC Polymers'](#) customers.

The Right Way – For our communities

- We make charitable and political contributions ethically

Our company has a strong sense of social responsibility and takes pride in our many volunteers. Our people give generously of their time and effort to make a difference in our local communities.

In addition to company-sponsored opportunities, such as Habitat home building activity, we are each encouraged to pursue other charitable activities of our choice.

However, we may only do so on our own time, using our own resources, unless otherwise allowed by our leadership team. This applies to our political involvement as well. While we may choose to engage in such activity, we may never do so on company premises, during company time or with company resources.

We must also refrain from posting personal political messages on blogs or other public forums using company networks or computers, even during non-work hours.



“At HMC Polymers, we realize that more efficient resource management leads to better environmental and financial performance.”

The Right Way – Other information

Contact Information



Human Resources department

- **Human Resources Department Manager**
mailto: CHR@hmcpolymers.com

Legal and Corporate Secretary department

- **Legal and Corporate Secretary Department Manager**
mailto: CA@hmcpolymers.com

Internal Audit department

- **Internal Audit Department Manager**
mailto: IA@hmcpolymers.com

The Right Way –

Other information

Waiver

On rare occasions, our Board of Directors may decide to waive or amend the Code for an executive, officer or director. In these limited circumstances, this decision must be disclosed to shareholders and in accordance with all applicable laws, regulations and requirements.

Definitions

Company

The term “Company” refers to [HMC Polymers Co., Ltd.](#)

We

The term “We” refers to all employees, officers, directors, contractors and consultants working on behalf of our company.

Employee

The term “Employee” refers to anyone who is directly hired by the company or on secondment by shareholders.

Contractor

The term “Contractor” refers to those who enter into contractual obligations, namely mutual rights and responsibilities specified in a contract, with the company. This Code applies to the contractor as well as its subcontractors.

Immediate Supervisor

The term “Immediate Supervisor” refers to Department Manager, Vice President, or President of [HMC Polymers](#).

Family member

The term “family member” refers to wife, husband, children, grandchildren, parents, grandparents, brothers, sisters, daughter-in-law, son-in-law, ward, stepfather, stepmother, stepchildren, or persons bearing the same relationship to the spouse of employees and directors of [HMC Polymers](#).



HMC Polymers

Acknowledgment form

By signing below, I acknowledge that I have received my copy of the HMC Polymers Code of Conduct (“Code”). I understand that each HMC Polymers’ employee, officer, director, consultant and contractor is responsible for knowing and adhering to the principles and standards of our Code.

I further acknowledge and agree that:

The Code of Conduct is intended to provide a general overview of our company’s policies and it does not necessarily represent all such policies and practices in force at any particular time.

I will comply with any and all current and/or future versions of the code, written policies, practices, rules, regulations, or directives issued by HMC Polymers.

I should contact either my Immediate Supervisor, Human Resources department, Legal and Corporate Secretary department, Internal Audit department or the Ethics Channel, as appropriate, if I have any questions concerning our code or any behavior or situation concerning the company.

I should promptly report any violations of the code, as appropriate, either to my Immediate Supervisor, Human Resources department, Legal and Corporate Secretary department, Internal Audit department or the Ethics Channel form in the company website.

Failure to follow the code may result in disciplinary action up to and including termination of all individuals involved.

.....
Date

.....
Employee name (Please print)

.....
Employee signature





HMC Polymers

