

INTRODUCTION TO  
**OUR COMPLIANCE  
PROGRAM**



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## We strive to be a company trusted and respected by our clients and society.



Since its establishment in 1970, Samsung Engineering Company Limited ("Samsung Engineering") has been providing optimal solutions globally in all fields of plant engineering from business analysis to engineering, procurement, construction, pre-commissioning and operation and management.

At Samsung Engineering, we achieve success through not only the quality and value of our services but also through the excellence of our people. We comply with all applicable laws and regulations in all jurisdictions in which we conduct business, and we compete openly and fairly with competitors.

Under its business principle of "We comply with laws and ethical standards," Samsung Engineering established the Compliance Program. The Compliance Program is comprehensive and systematic supporting system which allows for autonomous compliance with laws, regulations and internal ethical standards. By operating the Compliance Program, Samsung Engineering helps its employees to make the right decisions and to remain true to our core values and principles when carrying out day-to-day business.

Samsung Engineering will continuously strengthen its compliance and ethical management system in response to this fast paced and competitive business environment, and through endless creativity and innovation within the realm of such system, Samsung Engineering will strive to be a company that customers can entrust their needs, that shareholders desire to invest in for long-term, and that business partners want to grow together.

**President & CEO Hong Namkoong**

A handwritten signature in black ink, appearing to read 'Hong Namkoong', positioned below the printed name.

# Guiding Principles

Under the Samsung philosophy of “we will devote our human resources and technology to create superior products and services thereby contributing to a better global society,” Samsung affiliated companies adopted a set of values and business principles. In line with Samsung Values and Business Principles, Samsung Engineering established our Code of Conduct aimed at promoting fair and transparent management practices. Samsung Values and Samsung Business Principles, together with our Code of Conduct, are the foundation upon which we established fundamental policies and a comprehensive compliance program.

## Samsung Values



People



Excellence



Change



Integrity



Co-prosperity

## Samsung Business Principles

### Principle 01

We comply with laws and ethical standards

### Principle 02

We maintain a clean organizational culture

### Principle 03

We respect customers, shareholders and employees

### Principle 04

We care for the environment, health and safety

### Principle 05

We are a socially responsible corporate citizen

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**Samsung Engineering  
Code of Conduct**

- Samsung Engineering values integrity. We established our Code of Conduct as a guideline for our employees to carry out Samsung Engineering's business philosophy and to serve as standard for the employees' behaviors and decision-making.
- Our Code of Conduct stipulates a guideline for business operation based on Samsung Values and Samsung Business Principles, and describes the ethical values our employees are expected to uphold so that we can all properly perform our roles and fulfill our social responsibilities.
- Our Code of Conduct reflects our continuing determination to do the right thing and serves as a resource for all employees. It applies to all employees of Samsung Engineering and all employees must uphold the principles in our Code of Conduct to ensure that we succeed today and in the future.

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Detailed explanation of each of Samsung Business Principles and our Code of Conduct can be found at [Samsung Engineering homepage](#).

# Fundamental Policies

**We strive to always act in accordance with all applicable laws, regulations and our internal standards. In particular, we focus on the following areas as they are crucial responsibilities in conducting our business. These fundamental policies provide the ethical and legal framework within which we aspire to maintain sustainable business.**

## Anti-Bribery

### **We prohibit all forms of bribery.**

Samsung Engineering understands that only clean business is sustainable business and that corruption undermines it. We are committed to complying with all applicable domestic and international anti-bribery laws, regulations and conventions, including the OECD Anti-Bribery Convention, the Foreign Corrupt Practices Act, the Bribery Act 2010 and the Improper Solicitation and Graft Act, that prohibit corrupt actions in obtaining or retaining business. Further, we contractually require our business partners to do the same.

We prohibit all forms of bribery whether in the private or public sector. In particular, we prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to anyone in order to gain an unfair business advantage, such as obtaining or retaining business. We also prohibit receiving, or agreeing to receive, anything of value that result or may result in the improper performance of the duties of a Samsung Engineering employee.

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## Gifts and Entertainment

### **We do not give or receive unlawful gifts.**

Gifts and entertainment can foster goodwill in business relationships. However, care must be taken when exchanging incidental business courtesies to avoid a conflict of interest or the appearance of impropriety.

Samsung Engineering does not permit the exchange of gifts, entertainment or any form of bribery as an inducement to engage in unfair business practices. Our employees are not to offer, give or receive any gift or entertainment that could be construed as a kickback, bribe, payoff or violation of any law or our standard. Our employees may only offer or approve business courtesies that are legal, proper and in full compliance with our policies and guidelines.

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## Donations

### **We only make lawful donations in line with our values.**

Social donations and charitable contributions are a part of Samsung Engineering's commitment to supporting worthy causes, organizations and activities in many of the countries in which we conduct business.

However, in certain circumstances, donations could be considered disguised illegal payments. To avoid these risks, Samsung Engineering contributes to organizations or takes part in sponsorship projects whose activities are legally acceptable and in line with the values of the company. Any donations on behalf of Samsung Engineering must be approved in accordance with the relevant policies concerning donations.

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## Working with Business Partners

### **We observe objective criteria and focus on sustainable relationship.**

Samsung Engineering's global businesses involve collaboration with many different business partners including clients, joint venture partners, suppliers and subcontractors. We aim to ensure that all dealings with these business partners are based on objective assessment of their reliability and integrity and on the overall value of the partnership.

In order to prevent any occurrence of appearance of bribery and other unlawful practices, relations with business partners are guided by strict internal procedures. We also expect our business partners to comply with all applicable laws and regulations. Among other things, we contractually require all joint venture partners, subcontractors and suppliers to comply with certain obligations such as non-disclosure of confidential information and observance of anti-corruption laws and regulations.

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## Fair Competition

### **We do not engage in anti-competitive behavior.**

Many countries have laws prohibiting agreements or actions that may restrain trade or reduce competition. Some of these laws apply beyond national boundaries. While we need to stay competitive, our conduct must always be both legal and fair.

We are committed to conducting our business activities in compliance with the competition laws that apply to the jurisdiction in which we do business. Our employees are prohibited from participating in any agreement with

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## Fair Competition

competitors that have the intent or effect of price fixing, market or customer allocation, market sharing or bid rigging with competitors, or the abuse of a dominant position in the market.

While it is necessary to have meetings with our competitors from time to time, we are committed to doing so ethically, legally and responsibly. With the understanding that sometimes interactions with competitors in the same industry are inevitable, our guideline provides that the purpose and scope of these meetings must be clearly defined upfront, and our internal compliance system provides a tool where employees can report any contact with competitors to avoid even the appearance of inappropriate collaboration.

### **We protect confidential and material non-public information.**

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## Information Protection

Samsung Engineering employees may have access to various types of proprietary or confidential information belonging to Samsung Engineering, its clients, suppliers or other third parties. We are committed to respecting protected information of ours as well as that of others.

Our employees who are in possession of confidential and proprietary information must keep such information confidential and use it only for authorized purposes in accordance with legal and contractual obligations. The duty to maintain confidentiality extends beyond the termination of employment at Samsung Engineering.

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Detailed guidelines and other related resources are available to Samsung Engineering employees on our intranet site.

# Compliance Program

**An effective compliance program is essential in ensuring the proper conduct of Samsung Engineering's day-to-day business. Through Samsung Engineering's Compliance Program, we implement our fundamental policies and monitor our adherence to the policies.**

## Compliance Program

Our Compliance Program is designed to integrate effective compliance elements, including frameworks, standards, processes, systems, tools, training and communications. It is a permanent initiative for the management of legal risks. The Compliance Program ensures that our business practices comply with applicable laws, regulations and internal principles and rules, thereby preventing or minimizing risks and protecting our employees from such risks.

## Organizational Structure

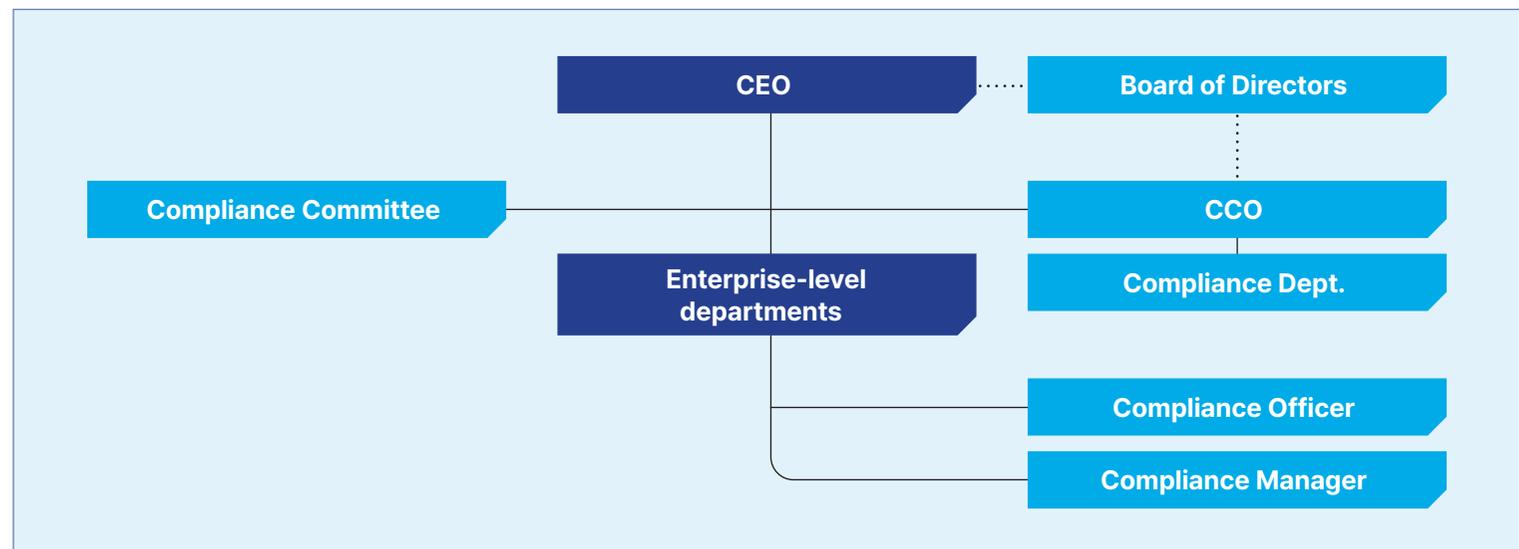
Samsung Engineering established an organization dedicated to legal governance to respond to strict external regulations and ensure our business activities are conducted in compliance with laws.

The Chief Compliance Officer ("CCO") is primarily responsible for supervising Samsung Engineering's compliance management practices and the Compliance Program. The CCO, who is appointed by the resolution of the company's board of directors, set the standards for the company's compliance policy and practices, and holds responsibility for awarding best practices and correcting violations.

## Organizational Structure

The Compliance Committee is a consulting body for deliberating upon and resolving major matters regarding the company's compliance management policy and the operation of relevant structures.

The Compliance Department is responsible for planning and implementing compliance initiatives as well as supporting all facets of the Compliance Program and the CCO. Further, enterprise-level departments and business units have their own Compliance Officers and Compliance Managers in charge of relevant legal risk-related activities.



## Engineering Compliance System / ECS

Samsung Engineering maintains Engineering Compliance System ("ECS") to support employees to take part in various compliance activities. ECS provides comprehensive information about the Compliance Program, including applicable laws and regulations, internal guidelines, Q&A's, recent compliance trends and issues. Further, ECS serves as a mechanism through which our employees can request for targeted training sessions and report possible misconducts.

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**Guidelines**

Based on Samsung Business Principles, our Code of Conduct and in line with our fundamental policies, we established practical internal guidelines and processes to ensure the proper conduct of day-to-day business. The guidelines assist our employees in their decision-making with advice about handling business situations professionally, fairly and legally. The guidelines are available to our employees on Samsung Engineering's intranet and are further disseminated via online and offline trainings conducted throughout the year.

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**Education and Training**

All Samsung Engineering employees around the world continually receive compliance trainings both online and offline on various subjects including anti-corruption, fair competition and information protection. These trainings, which can be general as well as tailored for specific job functions such as marketing, procurement and construction, are intended to raise our employees' awareness of compliance risks on conducting day-to-day business and to provide them with basic knowledge of compliance regulations.

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**Monitoring**

Samsung Engineering established a compliance monitoring system that enables the Compliance Department to monitor Samsung Engineering employees' compliance with all applicable laws and regulations as well as the company's internal guidelines. The Compliance Department conducts audits that are both scheduled and on as needed basis. The subjects of these audits include headquarter business units as well as subsidiaries, branch offices and construction sites both at home and abroad.

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## Consequences of Misconduct

Violation of laws, regulations and internal policies may have serious consequences for all parties involved. Therefore, under certain circumstances and to the extent permitted by law, any employee in violation of laws, regulations or internal policies will be subject to disciplinary measures. Samsung Engineering may also seek civil or criminal prosecution depending on the severity of the misconduct.

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## Reporting Misconduct

Raising a concern about compliance with law or internal policy protects the company, its integrity and other stakeholders. Our employees have the responsibility to report possible violations of law or policy so that the company can take appropriate action and remedy the situation.

There are several channels for reporting a possible misconduct, one of which is to report anonymously on ECS. Reports are kept confidential to the extent permitted by law and the company's need to fully investigate the matter. We will not tolerate retaliation for reports of misconduct made in good faith.

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Detailed information on our Compliance Program and other related resources are available to Samsung Engineering employees on our intranet site.

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