



## CODE OF ETHICS PCN(GCL)



# Code of Ethics

independent. honest. lawful.

### Scope of Applicability

The PCN (Product Certificate Network) Limited – GCL (Global Certification Laboratory) Co., Limited (hereinafter “**PCN(GCL)**”) Code of Ethics is binding for all PCN(GCL) employees worldwide.

All PCN(GCL) employees shall receive the PCN(GCL) Code of Ethics as an electronic copy (via e-mail as a PDF file) or as a printed version in a language that they are familiar with. In addition to this, the PCN(GCL) Code of Ethics is always available on the PCN(GCL) Intranet and Internet for ease of reference.

All PCN(GCL) executives shall ensure strict observance of the PCN(GCL) Code of Ethics among their members of staff and aim to be role models for their employees. No employee should suffer any disadvantage as a result of complying with the PCN(GCL) Code of Ethics.



## CODE OF ETHICS PCN(GCL)



Ladies and Gentlemen,

Dear Colleagues,

**Customer Satisfaction / Globalization.** That is our claim and promise to our customers. In order to live up to this promise, the technical excellence of our services, as well as our independence, integrity and legality in our daily work, are required.

To achieve added value for our clients, we support and certify companies and their products worldwide in accordance with an extensive range of technical standards. Our success largely depends on our clients' confidence in our independence and integrity. Therefore, PCN(GCL)'s public reputation amongst our clients and business partners, is one of our most valuable assets.

Independence, integrity and legality are also the core principles of the PCN(GCL) Code of Ethics. To ensure worldwide compliance, it is of particular importance for us that members of the PCN(GCL) group adhere to the same principles of our Code of Ethics all over the world.

For PCN(GCL)'s company culture, it is essential that our management staff act as role models and actively live up to and communicate the principles of our Code of Ethics.

The PCN(GCL) Code of Ethics follows current compliance standards and it forms the core of our PCN(GCL) Compliance Program. Considering this, please make yourself familiar with its contents and adhere to the Code of Ethics in your daily work.

As employees of PCN(GCL), we all contribute to represent the principles of our Code of Ethics within our daily work.

Kind regards,

Benedict Son  
Chairman of the Board



## CODE OF ETHICS PCN(GCL)



### PCN(GCL) Compliance Principles

1. We operate lawfully.
2. We avoid conflicts of interest.
3. We do not tolerate corruption.
4. We play fair.
5. We handle information carefully.
6. We follow export control and customs laws.
7. We observe occupational health and safety standards.
8. We manage assets carefully.
9. We do not support money laundering.
10. We do not tolerate discrimination.

#### PCN(GCL) operates lawfully.

All applicable legislation must be observed in all business decisions and operations both at home and abroad. Sustainable business for everyone's benefit can only be achieved with fair competition and strict conformity with the law. Corruption, cartels, embezzlement and fraud distort competition, increase costs, which may cause significant fines reputation damage and ultimately, could also endanger the employment at PCN(GCL).

In view of this, we refuse to conduct unfair and/or dishonest business practices and carry out our business in a manner that is free of bribery and corruption.

It should be noted that breaches of the law will not be tolerated and may result in disciplinary action.

#### PCN(GCL) avoids conflicts of interest.

Independence, integrity and transparency of our services are the foundation of our customers' trust in us.

However, a conflict of interest can severely damage that trust. A conflict of interest can arise when the private interests of a PCN(GCL) employee could or do conflict with the interests of PCN(GCL). For instance, if a PCN(GCL) employee has a shareholding in a supplier, customer or competitor of PCN(GCL) or an employment of any kind with a third party which may lead to a conflict of interest.

#### Example:

You are an expert with PCN(GCL) Household Service. Your cousin wants to make an appointment with you for a general inspection. How do you react?

- *Inspection and valuation services for friends and related parties can lead to conflicts of interest. You should therefore decline to provide the services yourself and transfer the matter to an unprejudiced colleague.*



## CODE OF ETHICS PCN(GCL)



### PCN(GCL) does not tolerate corruption.

Corruption distorts competition with the business world and causes damage to both individuals and society. Corruption can also result in actions being made under criminal and civil law for PCN(GCL) employees as well as for PCN(GCL). This could include anything from a prison sentence to fines. Corruption is strictly prohibited in all countries in which PCN(GCL) operates, and any violations of such are therefore not in the "beneficial interest of the company". This continues to apply to all employees, regardless of their nationality.

### What is bribery?

Offering, promising or giving any financial or other advantage (directly or through a third person) to another person, intending the advantage to induce the person to perform improperly an activity (e.g. granting of a permission or awarding a contract, etc.), or to reward the person for the improper performance of such activity. The same applies if the acceptance of the advantage would itself constitute the improper performance of the activity.

### Gifts, hospitality

Small promotional gifts of little value, or invitations to a joint business meal or business event for the purpose of establishing cordial customer relations are usually acceptable. It should always be ensured however, that gifts fit in with hospitality, politeness and local customs, and that the giving or receiving of gifts must not compromise the independence of, either ourselves or our business partners. Even the appearance of such compromising should be avoided for the sake of our business image. Gifts and invitations must always be reasonable and proportionate, and seek to improve the image of PCN(GCL), better to present our services, or establish cordial relations.

### Example:

As a PCN(GCL) expert, you are working with a customer who has tasked you with checking particular products for factory inspection. During a visit to the customer's site, their employee in charge gives you a crate of wine as a thank you for the good working relationship. You are certain that you will not be influenced by this, especially as you do drink wine.

- *This gift must be refused citing our internal guidelines. Firstly, the value of a crate of wine exceeds normal business practice, and secondly, by accepting the crate of wine you could give the impression of improper influence, even if you yourself believe that you will not be influenced.*

### Consultants, agents, service providers

In various countries PCN(GCL) becomes involved with consultants, brokers or agents for establishing and managing business relationships within that region. These can represent a high risk of corruption, since they are not subject to the PCN(GCL) Guidelines as external parties. If these consultants or agents choose to use the fee paid to them to obtain contracts through bribery or other forms of corruption, PCN(GCL) may be held liable for this corrupt behavior under particular circumstances. In order to avoid this situation, such consultants and agents must be carefully vetted and supervised. The same applies to other service providers working for and/or on behalf of PCN(GCL).



## CODE OF ETHICS PCN(GCL)



### Donations

Donations serve to support charitable organizations and are part of the social responsibility of PCN(GCL). Nevertheless, the granting of donations may, be problematic, if, for example, a business relationship exists between the recipient and PCN(GCL).

#### Example:

A public official is the chairperson of a foundation for children's health. PCN(GCL) is in contact with the public official in connection with providing approvals for the performance of product tests. The public official declares that he would grant the approval, but would like a generous donation from PCN(GCL) to the foundation for children's health.

- *The donation is inadmissible in this case, because it is connected with an administrative decision. This applies even though the donation is not to the public official personally, but to a non-profit institution, since the corruption ban also includes donations to a third party.*

### PCN(GCL) plays fair.

Fair and free competition between companies is the guarantor for freedom of business behavior and effective consumer protection. Fair and free competition is protected by the laws on competition and cartels, which forbid cartels and abuse by market-dominating companies. Mergers of companies are also subject to merger controls under certain conditions.

A cartel exists when several companies coordinate their behavior on the market to restrict or eliminate competition. For instance, if there are agreements in place between competitors about prices, quantities, territories or customer groups.

A position of market domination is abused when the possibilities for economic behavior of other companies - competitors, customers or suppliers - are significantly affected without objective justification, by the behavior of the market-dominating company.

#### Example:

At a trade fair you talk with various competitors during the lunch break. One of the competitors mentions that their company is considering raising their prices next year by five percent. Another competitor replies that this won't work in the current economic climate and that his company will therefore not raise its prices at all. You know that raising prices has also been considered at PCN(GCL), but that this is also not planned for the coming year. You remember hearing that 'one should not discuss prices with competitors', and consider how you should behave.

- *Make it quite clear to those you are talking with that you will not participate in a discussion of market relevant information, and leave the group without delay. Even if you just listen passively or prices are not raised, this can be deemed as participation in a cartel and PCN(GCL) can be fined heavily*



## CODE OF ETHICS PCN(GCL)



### **PCN(GCL) is committed to correct and truthful reporting.**

The exchange of information and the use of our know-how are part of our daily commercial activity. It is important to handle information correctly and transparently in order to protect it, the company and our customers.

### **Records and financial integrity**

Internal and external transparency, as well as correct and truthful reporting is the standard of our entrepreneurial action and behavior.

### **PCN(GCL) protects its own and third party's trade secrets and other confidential information.**

### **Confidentiality**

As a provider of technical services, PCN(GCL) possesses valuable know-how as well as comprehensive trade secrets, which are the basis for the successful business operations of PCN(GCL). The unauthorized disclosure or otherwise making accessible this knowledge, can lead to severe losses for PCN(GCL), and result in sanctions under criminal or civil law, and is therefore inadmissible. In order to secure our own and third party information from unauthorized disclosures, we must adopt special precautionary measures when handling confidential information.

### **Example:**

You are asked by a person you do not know to urgently provide to them particular information (e.g. by telephone or e-mail). The person claims to belong to an important office (for example, police, official authority, major customer etc.). The person plausibly asserts that they have been in contact with the company who owns the information (perhaps with names) on this topic. You know that you should not provide the information requested to unauthorized persons and consider how you should behave.

- *This type of attack is known as "social engineering" and serves to gain unauthorized access to internal information. Always pay close attention to whom you transfer information. You should always request written authority from the company in question before disclosing anything, and if you are still in any doubt, refuse to provide the information and consult your superior.*

### **PCN(GCL) provides for information security.**

### **Information Security**

Information technology and data processing play a key role for task fulfillment at PCN(GCL). All important strategic and operational functions and tasks are significantly supported by information technology. But information technology and data processing also present risks concerning the security of the data.



## CODE OF ETHICS PCN(GCL)



### Example:

You are just about to leave on holiday when it occurs to you that your replacement needs access to particular company data. To be able to solve the problem quickly, you consider whether to give your personal password to your colleague standing in for you while you are away.

- *Never give your personal passwords to others, not even your superior or other staff. Inform your colleague that the required access rights should be applied for through the normal channels. Never make a note of passwords in plain text or in easily visible places (e.g. under the keyboard, the mouse pad or on the back of the PC).*

**PCN(GCL) collects, processes, and uses personal data in compliance with the applicable data privacy laws.**

### Data Privacy

Electronic information exchanged via Internet, Intranet, e-mail etc. is part of our daily business. This electronic information exchange can also include personal data such as name, address, date of birth etc. The handling of personal data is regulated in many countries by data privacy laws and in order to protect the individual's privacy and right to determine what and when personal information is disclosed. In general, it is necessary to obtain the consent of the person affected for the collection, processing or use of their data. If the data is intended to be transferred abroad, further requirements must be observed (e.g. ensuring an appropriate data privacy level by using model contracts).

### Example:

You work for a PCN(GCL) subsidiary in India and are supervising a project whose purpose is to combine all customer data in PCN(GCL) in order to increase the chances of cross-selling. The program is intended to provide worldwide access for all PCN(GCL) subsidiaries to all customers, including contacts and their telephone numbers.

- *You should immediately involve a PCN(GCL) Data Privacy Officer or Compliance Officer to ensure that you do not infringe any data privacy laws during the project. There are many data privacy aspects to consider here; Firstly, it must be checked as to whether it is permitted under data privacy law for customer data of one PCN(GCL) subsidiary to be processed (i.e. stored, transferred or similar) by another PCN(GCL) subsidiary.*

**PCN(GCL) follows the export control and customs regulations in all countries in which we do business.**

As a world-wide operating enterprise, PCN(GCL) is subject to various national and international foreign trade regulations. These treaties and laws regulate the import, export and/or transfer (which can also take place electronically) of goods, technologies, services, capital and currency over particular international borders right up to the complete banning of trade with particular countries (embargo). Any trading restrictions and bans can arise from



## CODE OF ETHICS PCN(GCL)



the quality or purpose of the use of the goods or services, the country of origin or country of use, or the person of the business partner. The export of goods with both civilian and military uses also requires approval. Export controls also cover exchanges between PCN(GCL) subsidiaries.

### **PCN(GCL) observes occupational health and safety standards.**

The protection of our employees is of primary importance for PCN(GCL), since our employees are essential for us as a provider of technical services.

#### **Example:**

You work in a small PCN(GCL) branch which is used exclusively by PCN(GCL). You have noticed that an emergency exit in your branch is regularly blocked by boxes. When you point this out to the branch manager, he tells you that there is another emergency exit which is not blocked. You are certain that the fire regulations provide that all emergency exits should be freely accessible but do not want to be offensive or be penalized by the branch manager and consider whether you should let the matter drop.

- *Do not be satisfied with the dismissive attitude of the branch manager. Compliance with fire regulations can save lives and non-compliance can involve penalties in serious cases. The branch manager may not be correctly informed. If a further mention of the correct management of this topic brings no success, contact the Safety Officer or the branch manager's superior.*

### **PCN(GCL) manages its own and third-party assets carefully.**

Tangible and intangible assets of PCN(GCL) constitute PCN(GCL)'s business assets which may only be used for business purposes. The same applies for the property of PCN(GCL) business partners, with which PCN(GCL) employees come into contact in the course of their work.

#### **Example:**

As a field inspector, you are often on site with your customers and usually need your company computer for your work. So that you can quickly implement customer wishes, you have administrator rights which allow you to install programs on your company computer. To reduce the costs in your area, you are considering using freeware, which you can download free from the Internet.

- *You should definitely dismiss this idea. Most freeware which is offered without cost is free only for private and not for commercial use. If you download this software for your work at PCN(GCL), this may violate the licensing rights of the software supplier and lead to compensation claims. When installing software, you should also adhere to the rules of PCN(GCL), since software downloaded from the Internet may contain undetected malware which could cause damage to the PCN(GCL) network and/or your company computer.*





## CODE OF ETHICS PCN(GCL)



### PCN(GCL) does not support money laundering.

Money laundering occurs when illegally acquired financial means (from criminal activities like organized crime, bribery, corruption, terrorism, etc.) are smuggled into the legal financial and economic circulation in order to disguise their real origin or the identity of the owner.

PCN(GCL) only maintains business relationships with respectable business partners, whose business activities comply with all applicable laws and whose funds derive from lawful activities. For this purpose, we at PCN(GCL) observe money laundering regulations at home and abroad and keep our distance from businesses which are used for money laundering.

#### Example:

A customer abroad gives PCN(GCL) an urgent task with a significant order value. He explains to you that the job must be done in individual stages and wants to receive an invoice for each stage. After the first invoice, the customer already pays the full sum for all the stages, but then cancels the contract a little later and asks you to return the overpayment to an account at a bank in Thailand.

- *This request should make you suspicious. As a rule, the repayment should take place into the account from which the payments were made. You should therefore tell the customer that you cannot fulfill his request.*

### PCN(GCL) does not tolerate discrimination.

PCN(GCL) is a world-wide operating company which is active in various countries all with different cultures. At PCN(GCL) attitude is that people of different ethnic origin, religion, world view, race, age, disability, gender or sexual identity, represent enrichment. No employee or business partner may be directly or indirectly discriminated against, sexually harassed or personally disparaged on the basis of any of these attributes and will be protected by applicable equality legislation.

#### Example:

Your manager often makes sexually indecent remarks in your presence which offend you. You hear from other employees that they also feel degraded by his sexual expressions. You consider whether you can do something about this, but you are not sure because there has so far been no physical assault.

- *If you and/or other employees feel degraded by the sexually indecent behavior of the manager, ask him to refrain. If this is not successful, inform your personnel department or a Compliance Officer about this. PCN(GCL) expects exemplary behavior from its managers. To correct grievances in this respect requires the cooperation of the persons affected.*



## CODE OF ETHICS PCN(GCL)



### Compliance reports

#### Who can report a compliance violation?

PCN(GCL) employees, external service providers, business partners or other third parties can report situations which indicate a breach of the PCN(GCL) Code of Ethics.

#### How can compliance violations be reported?

Reports can take the form of a letter, an e-mail or a telephone call to a PCN(GCL) Compliance Officer.

#### May reports also be anonymous?

PCN(GCL) explicitly permits anonymous reports in order to ensure a credible, effective and transparent compliance program. This also allows whistle blowers who fear that disadvantages or reprisal from their action may be a possibility of reporting a compliance violation. Anonymous reports should contain as much detailed data and facts about the compliance violation as possible, so that the indications can be investigated to the required extent in the course of an internal investigation.

#### As a PCN(GCL) employee, does a report threaten any disadvantages for me?

The reporting of a compliance violation should not threaten disadvantages for PCN(GCL) employees. If you report the suspicion of a compliance violation with a clear conscience and in an honest belief, no disadvantages will arise for you from PCN(GCL). With the abuse of a report, i.e. if events are reported which contain recognizably baseless accusations however, PCN(GCL) reserves the right to take legal steps or disciplinary measures against the informant.

#### What happens after the report?

After a report is received, this will first be checked for coherence and plausibility. Should the two points be fulfilled, an internal investigation will then be set in motion. The Chief or Global Compliance Officer is responsible for ensuring that the events reported are investigated properly and conclusions reached. If required, the authorities will also be involved. To the extent that it is compatible with the required protection of confidential data, as the whistle blower, will be informed about the outcome of the procedure when the investigation is completed.



## CODE OF ETHICS PCN(GCL)



### Implementation and Questions

The Chief Compliance Officer, the Global Compliance Officer and the relevant Local Compliance Officer are responsible for implementing the PCN(GCL) Code of Ethics. They will be supported in this regard by the management of the respective PCN(GCL) subsidiaries.

The PCN(GCL) Code of Ethics describes merely the principles of lawful and honest behavior at PCN(GCL). For that reason, it cannot answer all difficulties you may come across in your daily work. If, in a particular case, you are uncertain how to apply or to interpret the PCN(GCL) Compliance Principles, or have other questions, please consult the Compliance Officer.

The worldwide implementation of the PCN(GCL) Code of Ethics is regularly checked by our internal audit.

In addition, all senior managers are required to provide an annual compliance declaration, which is included in their personnel records.

### Contact

#### **Chief Compliance Officer**

Mr. Benedict Son

#### **Chief Global Compliance Officer**

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