



***SGCE***

MALAYSIAN SUPPLIERS' GROUP FOR CENTRAL EUROPE

**CODE OF CONDUCT**

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## Introduction

The Code of Conduct is introduced specifically to develop the market in Central Europe for Malaysia's timber products which; in the present context refers only to Poland, Czech Republic and Hungary. The Code of Conduct is devised as a measure aimed at:-

- Developing the market for Malaysia's timber products in an organized and orderly manner
- Instilling discipline in the export of timber products
- Demonstrating commitment to delivering quality products and services
- Enhancing the value for Malaysia's timber products and services





## Membership

Membership to the Supplier' Group for Central Europe (SGCE) is on a voluntary basis. At present, members are made up of active exporters, suppliers and/or manufacturers from Malaysian Wood Industries Association, Malaysian Panel products Manufacturers' Association, Timber Exporters' Association of Malaysia, Malaysian Wood Moulding and Joinery Council, Malaysian Furniture Industry Council and Association of Bumiputra Timber and Furniture Entrepreneurs.

Members will gain specific market information, trade leads as well as other trade facilities offered by the Malaysian Timber Council to develop the market for timber products in Central Europe. The SGCE also provides a platform for exchange of information amongst members in these markets.

# Code of Conduct

1. This Code of Conduct (“Code”) is intended to assist Members to develop the market in Central Europe by assuring the customers in that market who deal with Members that they are conducting their business with reputable organizations.
2. All Members shall additionally subscribe to the provisions of the Codes of Practice relevant to their business which currently comprise the:
  - 2.1. Hardwood Code of Practice
  - 2.2. Panel Products Code of Practice
3. It is not intended that the Code should, in any case indicate in precise terms particular action which should or should not be taken but sets out principles which Members are required to apply with good sense, honesty and integrity in the spirit of the Code.
4. Failure to observe the Code or the relevant Code of Practice could lead to appropriate action in accordance with the Complaints Procedures set out by SGCE.
5. Members shall:
  - 5.1. conduct their businesses lawfully and comply with all relevant legislation and trade fairly and responsibly;
  - 5.2. behave at all times with integrity and act responsibly and with care in the day-to-day conduct of their business;
  - 5.3. not knowingly misrepresent facts or mislead any customer or supplier concerning any aspect of the goods and services they provide;





- 5.4. follow and comply with any instruction or guidance note or advice (where applicable) issued by the SGCE;
- 5.5. provide to all persons with whom the Member does business in Central Europe clear, accurate pre-contractual information and clear terms and conditions of supply including fair contract terms;
- 5.6. institute in the Member's organization clear, timely, responsive and user-friendly procedures for dealing with complaints and adhere to such procedures and time limits;
- 5.7. be bound by and comply with the Complaints Procedures issued by the SGCE.

## Complaints Procedures in Association with Malaysian Timber Industry Board

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1. The following provisions and procedures shall apply to all complaints made by complainants whether as customers or traders under the Code.
2. Members shall :
  - 2.1 deal promptly and at an appropriate level with complaints;
  - 2.2 advise customers on enquiry that they have a complaints procedure and provide appropriate advice to customers on how to make a complaint;
  - 2.3 what further measures or procedures are available to such complainant if the customer is not satisfied with the way in which the complaint has been dealt with by the Member.

3. SGCE Complaints Procedures:
  - 3.1 Upon receipt by the SGCE of a complaint, the SGCE shall in the first instance refer the complaint to the Committee for consideration.
  - 3.2 If the complaint is not resolved to the complainant's satisfaction then the SGCE shall endeavour to conciliate between the complainant and the Member with the aim of restoring communication between the complainant and the Member.
  - 3.3 Where the complaint cannot be resolved by conciliation the SGCE shall refer the matter to the Malaysian Timber Industry Board or to the arbitration centre which to be mutually agreed by the complainant and the Member for settlement of the complaint.



## Hardwood Code of Practice

All Members dealing in hardwood and associated products are required to adopt and comply with this Code of Practice.

Its aim is to assist Members in the promotion of their company's efforts to correctly supply accurately marked and labelled products and to ensure the exposure of those known to be breaching the Code as a result of wilful product mis-labelling or mis-marking or deliberately offering prices below the market price. This Code will apply to all hardwood products of any dimension and is binding on all Members dealing in such goods.

1. No Member will deliberately misrepresent any hardwood product offered for sale in terms of species, quality, grade, dimension, measure, moisture content or any other aspect.



2. Where appropriate, every effort will be made to ensure that products supplied will be correctly marked. Any pack or board markings where present must correctly and accurately represent the timber which they refer to in terms of species, quality, dimension and whether or not kiln dried.
3. Where products are offered on MGR standards, Members will ensure that all the specification requirements of these standards are adhered to.
4. No Member shall require any seller to supply any product deliberately mis-marked or unmarked, which may give a false impression of the grade, origin, whether or not kiln dried, or structural grade of the goods in question.
5. No Member will alter or deface his product or packing marks with the intention of misrepresenting the product's grade or description.
6. In cases where Members believe a breach of the Code of Practice has been committed as a result of product misrepresentation, or where any Member knowingly contravenes any part of the Code it is agreed that the allegation must be reported to the SGCE via this Code of Conduct Complaints Procedure. Members will also co-operate fully in any subsequent investigation and any resulting disciplinary proceedings, and abide by its findings.

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## Panel Products Code of Practice

All Members dealing in panel products are required to adopt and comply with this Code of Practice for use as a public and promotional document forming an integral part of the Code of Conduct.

Its aim is to assist Members in the promotion of their company's efforts to correctly supply accurately marked and labeled panel

products and to ensure the exposure of those known to be breaching the code as a result of wilful product mislabelling or mis-marking. This code will apply to all wood-based panel products of any thickness and is binding on all Members dealing in panel products.

1. Every effort will be made to ensure that where practical, all panel products supplied will be correctly marked. Board and pack markings must include reference to correct glue type, visual grade by face quality, nominal board thickness and manufacturers mark. These requirements shall be incorporated in all supply contracts.
2. Where products are offered as made to BS or BS EN standards, or the MPMA standards, Members will seek to ensure that all the specification requirements of these standards are adhered to. For plywood products only, where no contractual reference is made to any of the above types of standards, nominal thickness tolerances and glue bond descriptions specified in BS EN 315 will be recognized and adhered to.
3. No Member shall require any manufacturer or shipper to supply any product in an unmarked or mis-marked condition.
4. No Member will mis-describe any panel product offered for sale.
5. No Member will alter or deface any manufacturer's product or packing marks with the intention of misrepresenting the product's grade or description. Where Members receive goods that they have reason to believe have been altered or defaced they undertake to inform the SGCE via the Code of Conduct Complaints Procedure.
6. In cases where Members believe a breach of the Code has been committed as a result of product misrepresentation it





is agreed that this must be reported to the SGCE via the Code of Conduct Complaints Procedure of the allegation and to co-operate in any subsequent investigation and any resulting disciplinary proceedings.

7. Members undertake to ensure that all relevant personnel employed by them will be conversant with and abide by the Code of Practice and its implications.
8. Members having ownership of stock undertake to carry out random consignment inspections in respect of both imported and locally purchased products in order to verify that all product markings and descriptions accord with the requirements of the Code of Practice.
9. Where Members knowingly contravene any part of the Code of Practice, the SGCE will invoke the Code of Conduct Complaints Procedure. All Members agree to abide by the current Code of Conduct Complaints Procedure.

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**Malaysia Timber Council**  
**31 December 2004**

(Note: Adopted from the TTF UK Code of Conduct)

