

MAKE THINGS POSSIBLE



ONE STOP SERVICE



INFRASTRUCTURE



EXPERT



INNOVATION



LOGISTICS



CONTENT



Message from Chief Executive Officer

1



Vision and Value

2



Sustainable Development Policy

3

- Scope of Report
- Stakeholders



Corporate Social Responsibility

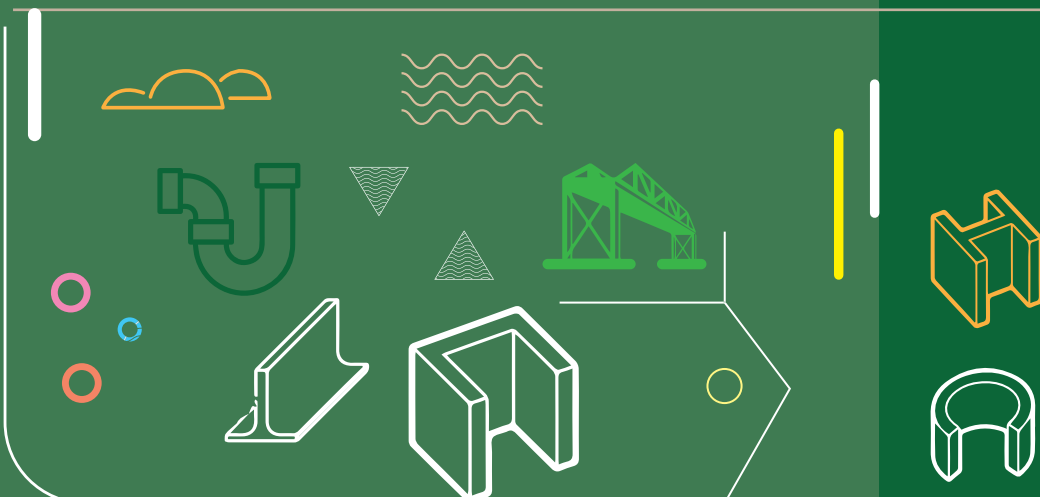
8

- Economy
- Society
- Environment Practice



Anti - Corruption Policy

30





Message from Chief Executive Officer

Pacific Pipe Public Company Limited still adhere the guideline of corporate social responsibility by emphasizing on CSR - in- process. We believe that good internal management will promote and increase efficiency and confidence to all stakeholders, we focus on the development of our personnel because of all activities under the circumstances that have changed rapidly both in the economy and technology require knowledge, ability and skill of all personnel to support the company move forward firmly and sustainably.

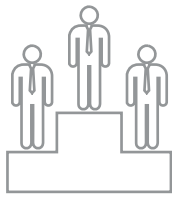
To manage the environment and workplace safety, the company controls the chemical and waste that caused by our activities. Creating an environment that is suitable for work and cultivating value in efficient use of resources. Set the training and doing workshop on safety as well as regularly inspecting the equipment and machines. We believe that creating awareness and creating good environmental management behaviors by starting from inside organization and gradually expanding into outside organization will support a good and sustainable environment. In this report, the company has presented activities and guidelines that have been implemented in each aspect so that all stakeholders are informed of the intent and commitment that the company has adhered to increase the ability to manage the business and reduce the impact that may result from the operations of the company.

Lastly, the Company's board of directors was grateful to all stakeholders for the kind and constant support and to all employees for their consistent dedication to the duty and compliance with the Company's ethics principles. The Company shall ensure its operating with responsibility to be a part of the nation's economy, society, and environment development for the utmost advantage of all.

Mr. Somchai Lekapojpanich

Chief Executive Officer





Vision

YOUR PARTNER FOR TOTAL SOLUTIONS



Value

C Creativity

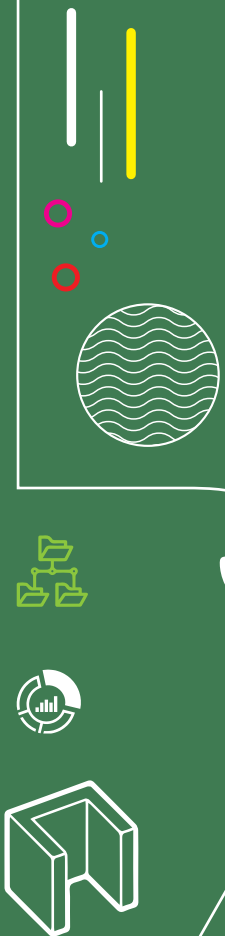
H Harmony

A Achievement Oriented

N Networking

G Growth

E Entrepreneurship





Sustainable Development Policy

Scope of Report

Pacific Pipe Public Company Limited prepares this report under the corporate social responsibility guideline of the Stock Exchange of Thailand to show the practice of business conduct and its development in order to contribute to the sustainable growth of the business. In 2018, the company had disclosed the information of corporate social responsibility which intends for the investors to acknowledge and understand the Company's

responsibilities in each dimension such as economy, society and environment. This reports the policies and practices for stakeholders who are affected by the operation of the company. On the other hand, this paper also reviews the actions of the Company responsibility for the impacts in 3 aspects as follows:




The scope of this report is covered the responsible of CSR-in-process which aim to proceed continuous improvement of social responsibility performance in the following years.



Our business

Pacific Pipe Public Company Limited is a manufacturer which the core business of the Company is manufacturing and distributing steel pipes, produced by process of Electric Resistance Welded production system (ERW) with expertise and experience for over 46 years. Our steel pipe produce through advanced technological facilities, sophisticated equipment and modern machines controlled by skilled engineers and technicians, thus our products have been certified by many reputable institutions around the world. Our products can be categorized into 2 types, which are (i) black steel pipes and (ii) galvanized steel

pipes, and in each type, there are 2 grades, which are (i) standard grade and (ii) commercial grade. Steel pipes with standard grade are labeled and sold under “Pacific Pipe” brand  while steel pipes with commercial grade are labeled and sold under “Tamose” brand **TMZ**. Our products meet the needs of both the structural work, system, architectural. Moreover pipes respond all uses, whether it is a beautiful, modern and durable. All personnel are committed to delivering quality products and services including operate the business that generates the economic and social growth, along with the ethics and taking care of environment under our vision and mission that we adhere to and announce our intentions.

Business Structure



Pacific Pipe Public Company Limited (PAP)

Manufacturer and distributor of black Steel Pipe and galvanized steel pipe

A manufacturer and distributor black steel pipe and galvanized steel pipe with the utilization of 450,000 tons per annum. Produced by process of Electric Resistance Welded production system (ERW), the product can be both made to order and ready for distribution. The steel pipe can be divided as follow;

- Steel pipe for general work
- Steel pipe for construction work
- Steel pipe for industrial work

Tamose Trading Company Limited (Subsidiary) (TMS)

Sales representative under the brand



The sales representative of steel pipe which is produced by PAP

- TMS expands itself to an integrated business, supplying and selling constructing equipment, be it structure works such as communication fundamental structure, airport structure, warehouse structure, skyscraper structure, or system works such as fire protection system, irrigation system, sanitation system.
- Also provides steel pipe welding service, consultation on choosing constructing equipment and reproduction in order to offer the customer value-added.

Meesup Transport Company Limited (Subsidiary) (MT)

Shipping Agent

Shipping Agent responsible for deliver the product to customer



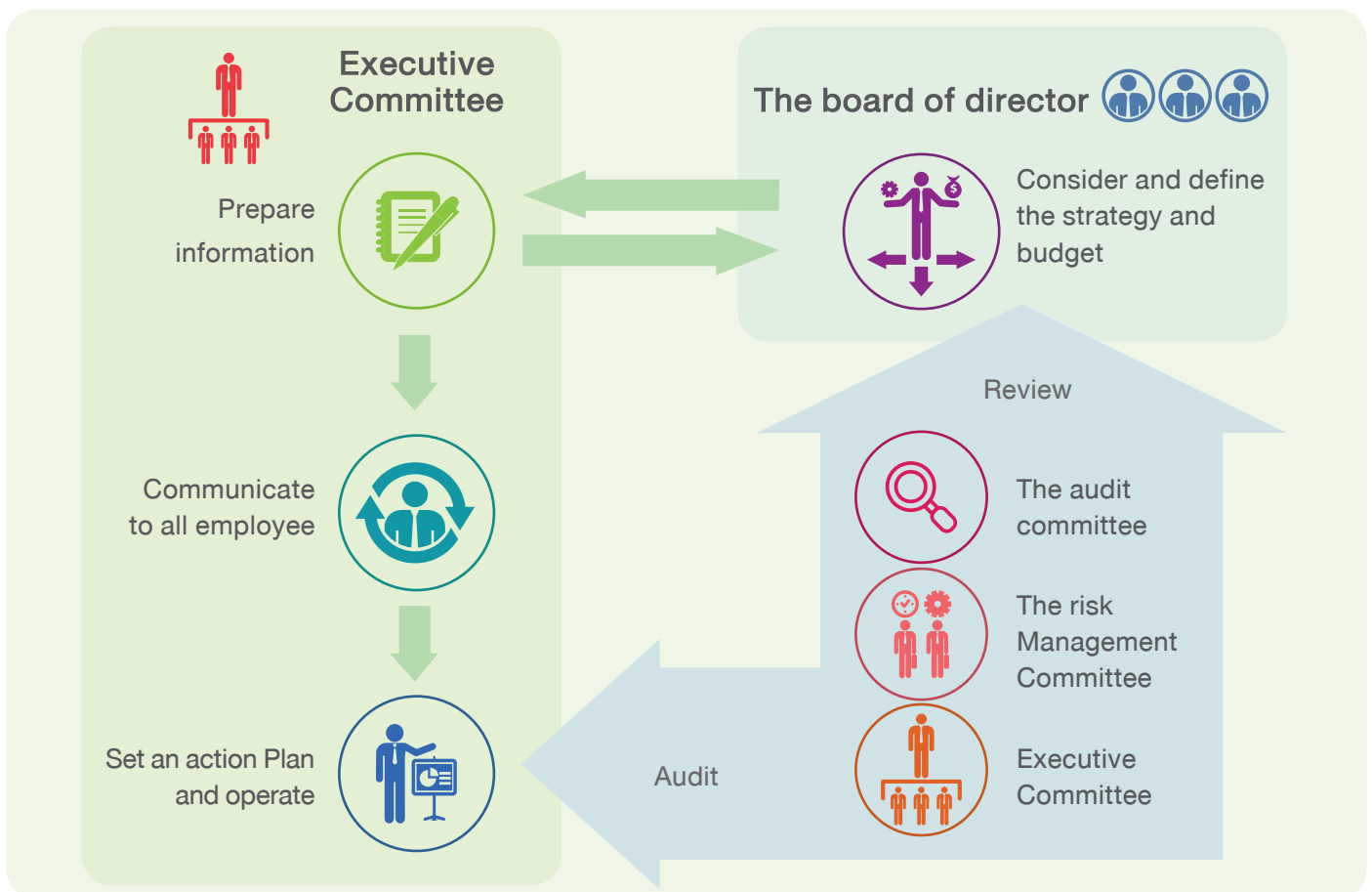
Corporate Governance

The Board of Director consists of 10 directors which are 7 independent directors and 3 executive directors. There are 6 female directors. The structure of the company’s director supports the balance of authority with management. The board of director appointed the sub-committees which are the audit committee, the risk management committee, executive committee and the remuneration nomination and corporate committee. Thus the board of director is able to verify the transparency of business operations from define the corporate strategy, risk management, ethics and code of conducts and investigation in each transaction that may cause a conflict of interests, to ensure that the Company complies with legal, regulation, article, the shareholder’s resolution and the corporate governance policy, responsible and disclosure to the public properly, timely and transparency.

Business strategy

The board of director considers and defines the Company’s business direction, vision and mission with considering the business environment, opportunities and the Company’s risk appetite that may occur to all relevant factors influencing the value chain. The board of director support and promote innovation and the use of technology with appropriately and review such issue in every 5 year at least. The board ensures that the executives communicate to all personnel at all level and follow up the result of operation. To evaluating the performance, the Company takes in to account both of the Company’s financial result and non-financial performance such as its ethics, impact on environment.

In October 2018 the board reviewed vision of the company and passed the resolution that the vision and mission have been defined since the end of the year 2017, also are appropriate. In addition, considered strategy plan and budget for year 2019 and defined the executive directors to communicate the operators to do the action plan. The performance report will present to the Board of Directors on a quarterly basis.



During the year, the internal audit shall monitor, review, and follow up the action regarding to the business plans and report the result to the Audit Committee. Top executive of each department and of the organization shall receive the report as well. Moreover, the management team shall arrange the meeting to consider the possibility of the business plan and target under the volatility of circumstances in order to propose the plan reviewing and report to the Board of Director.

To conduct risk management plan, each department forms the plan and proposes to the Risk Management Committee for consideration, suggestion and following the plan progress before reporting to the Risk Management Committee.

The working team responsible for the Corporate Social Responsibility activities consists of marketing division, human resource division, and investor relation division. The team will prepare activities and propose the plan to the Remuneration Nomination and Corporate Committee.

Process of Risk Management

The Board of Director nominates Risk Management Committee responsible for defining and proposing corporate risks to the Board of Director. All departments in the organization own risks and are responsible for proposing their risk management plan to the Risk Management Committee. The Risk Management Committee shall follow up the progress and performance and report to the Board of Director.

Stakeholders

The Company adopts and commits to operate the business with the best practice of the code of business conduct and ethics which will be used as the guidelines/manual for personnel practice to create the values and principles of the Company's business to the stakeholders.



Stakeholders	Practice with stakeholders
Shareholders	<ul style="list-style-type: none"> • All employees are committing to work with their full effort to achieve the goals and prove their potential via good performance, sustainable growth, and resulting in increasing the investors' confident and well worth to invest. • Disclosure of information to shareholders must be based on truth, transparency and equality.
Customer	<ul style="list-style-type: none"> • Ensure customer satisfaction by delivering products with finest quality under standard and with a price that is fair to both parties. • Provide the channel for customer to complaint regarding to quality, quantity, for both product and services.
Competitor	<ul style="list-style-type: none"> • Conduct under the fairness rules of the competition by not distorts information, untrustworthy or any other unfair method of trade. • Not seek for the confidential trade information of competitors in any dishonest or inappropriate way. • Not damage the reputation of competitors with malicious accusation. Do not attack your opponent without sensibly.
Trade Partner	<ul style="list-style-type: none"> • Provide Information to traders with equally legitimate and nondiscriminatory bias. • The Company must conduct to trader partner in good faith according to the contract and ethic. • The process must be able to monitor for achieving transparency and maximum benefits.
Employee	<ul style="list-style-type: none"> • Provide fair salary with appropriate duties and responsibilities. • Focus on development and provide training to educate employees and also continuous develop the potential of employees for their carrier path. • Implement fairly on the principles of human rights and emphasize on safety of the employee.
Community and Social Responsibilities	<ul style="list-style-type: none"> • Nurture an awareness about the responsible of social and environment to the employee. Starting from awareness of saving world energy and utilize resources. • Provide methods to prevent the accident and control the waste into the accepted standard level. • Provide assistance in various forms such as donation.






Corporate Social Responsibility

Economy



Main Strategy for Sustainable Business Operation

1. Standard and quality product manufacturing and customer base expanding.

Pacific Pipe Public Company Limited continues its business as a quality steel pipe manufacturer for over 35 years. The Company focuses on producing quality steel pipes, on time delivery, improving logistic system for customer base expansion and broadly publicizing  "Pacific Pipe" brand .

2. Continual internal procedures developing.



The Company always focuses on improving the internal procedures and operation system to match with the current and changing circumstance and to encourage the continual learning and passing on the knowledge among the employees.

3. Business operating under the Corporate Governance.

The Company operates in compliance with the Corporate Governance which contains transparent information disclosure to shareholders and stakeholders through various communication channels such as intranet system for the employees to acknowledge and understand the

Company's Good Corporate Governance. The Company also provides the investors and stakeholder with its information through the annual report and the Company's website.

Responsibility on Customer

As a manufacturer and distributor of quality steel pipes under the brand  "Pacific Pipe" produced by modern-technology machines and control by proficient engineers and technicians who monitor and maintain the machines to produce standard steel pipes. Moreover, there is product testing procedures to ensure that the products comply with their specified standards, assuring the customers that the products with the trademark  are safe and appropriated with each work field. Thus, whenever the standard steel pipes are sold, the Company provides the customers with product quality certification to guarantee and build the customers' confidence. To keep the business's strength, the Company holds the following responsibility towards customers.

Responsibility on Customer

Product and Service

- Producing standard product that meets the demand
- Delivering product

Customer

- Providing accurate information
- Providing whistle-blowing channel



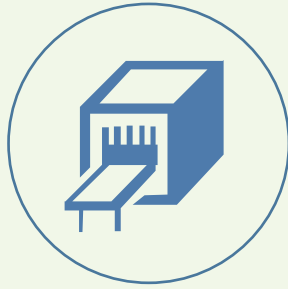
Quality Product and Exclusive Service

To create sustainable business, the Company develops its procedures and its uniqueness: product and service. This is the key to becoming steel pipe market leader in the country.



Inspecting

100% material (hot rolled coil) before production



Production

with high-technology and controlled by proficient engineer



Testing

product quality to meet the standard and provide product certification



Delivering

Product that meet customer's satisfaction on time

The Company has material (hot rolled coil) check process by taking a sample piece from every roll coil to a chemical composition test in order to assure that the material fits each standard before accept the material into the production. In production, there are high-technology machines inspected regularly by proficient engineers. The finished products must be tested by their each standard type such as water pressure resistance, bending, seams test and other qualifications. The Company will provide product certification to the customers whenever the goods are purchased. Apart from the quality of the product, the Company also focuses on a safe and punctual product delivering that meets the customer's satisfaction by having the product delivering vehicles inspected properly and providing training to the drivers' continually

To deliver safe and quality product to the users, the Company also focuses on building quality teamwork ready to offer value to the Company's stakeholders by providing skill development training projects to the employee so they can perform effectively, be it production, sale, or product delivery. For example, "Knowledge Sharing Project" is an activity arranged to the employee, providing the skills to convey the knowledge to their colleagues via adequate teaching material and performance planning. Teamwork is a key in the training project to help the employee to work effectively.



Plant visit : Professors and students from Faculty of Engineering, Chulalongkorn University



Access to Product

The Company creates access to the product by arranging seminars and lectures on the Company's goods to its traders in various provinces so that they can accurately understand the product and recommend the buyers or users the proper and safe usage of the product. Apart from creating safety to users, this activity also provide more choices of quality product that builds sustainability to construction and other works and builds confidence in the Company's product.

Moreover, the Company also arranges site visit activities to the customer, shareholder, investor and student from various institutions. The purpose is to create confidence to the shareholder and/or investor and encourage trust in quality procedures to the Company's customer. Moreover, it is to provide understanding in steel pipe construction usage and new choices in construction to student, the future engineering designer. It also creates network between the Company and educational institutions.



Green House contest – F.T.I Project

PAP is a co-sponsor to support this project which has students from faculty of Architecture; more than 30 institutions joined the contest. In addition, the Company has set up a booth to publicize the company's Facebook and products at Bangkok University.



The shareholder and investor participating the Company's plant visit in May 2018.

According to the aforementioned activities, the Company expects to be a part in the country construction industry development, creating stable and safety to people's daily life through its international standard quality product and accurate steel pipe structure usage, including strong and exquisite architecture development.



Society



Practice of Labor and Human Rights

The Company respects human rights and a conduct in accordance with the law. The Good Corporate Governance specifies the rights of stakeholders, as well as a policy and process of whistle blowing and set the committee to investigate the issue and find solutions.

The Company believes and values the importance of the personnel who are factors that drive the Company's

business forward to its goal. Thus, there are planning managing process starting from recruitment, retain and develop employee to have knowledge, skills, and abilities according to the Company expectation and under the Company's corporate value which are orientation achievement, teamwork, customer focus, and Knowledge Management in order to drive company into the same direction and achieves the Company's goals.

Operation Guidelines for Human Resource Management



Human Resource Management

Recruit and promote the employees to grow with ethics

- Recruit proper personnel for a position
- Provide training to improve capacity
- Encourage employees to have leadership.

Employee recruitment and development process

- Comply with the Company's CG
- Conduct business with ethics
- Oppose all types of Corruption

Complying with corporate governance policy, ethic and code of business conduct.

Employment

- At December 31, 2018, the number of employees is at 779, Thai nationality aged over 18 years old. The average age is 33 years old and the average year of service is 5 years.
 - There are 557 male employees.
 - There are 222 female employees.
- No child labor or forced labor.
- Fairly treat the employee regardless of gender, race, religion or culture.

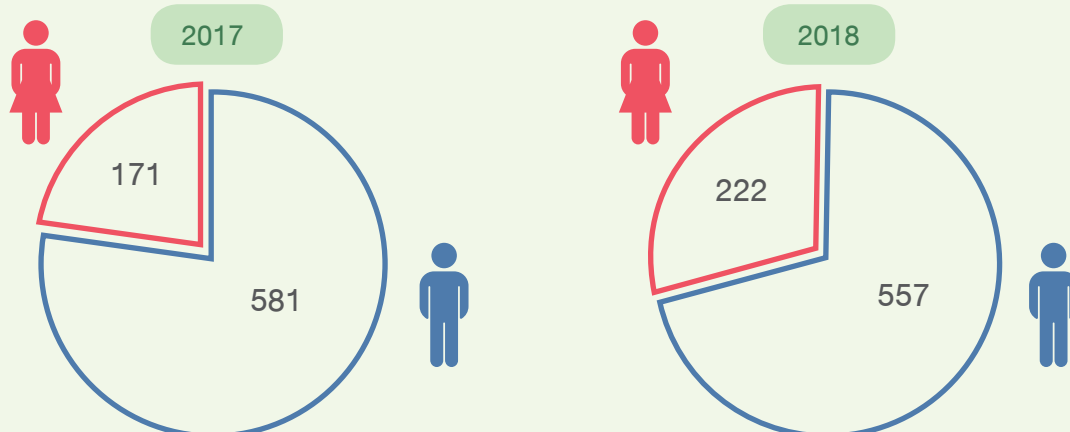
Employee Resourcing

1. Manpower Planning

Manpower planning is adapted from Strategy Map using the Balanced Scorecard (BSC) as a tool to clearly determine a strategy. Therefore, all divisions must consider appropriate manpower to fit the Company's goal or strategic plan. Then human resource division will review and consider the appropriated workload for employee's productivity

2. Recruitment

In recruitment process, qualified candidates for each position must be selected from their application. Then the applicant will be requested to do the test which consists of 3 parts: general knowledge, knowledge about a certain position and personality quiz. The final step is an interview by the manager and a human resource representative.



3. Personnel Training Road Map (TRM)

The Human Resource Department planned the trainings by discussing the training course with each department to address the internal training course and search from external institutes. Each department determines its individual development plan. The Human Resource Department frames the plan determination for each division’s senior supervisor. The process of conducting individual development plan can be described.

The result of the gap analysis will be taken as information for employee development by using various tools, such as training, coaching, on the job training, mentor, media training and gap close competency to provide the employees with knowledge, skills, and abilities according to the Company expectation.

4. Reward Management

The Company uses the compensation management policy as the primary tool for recruiting and retaining employees,

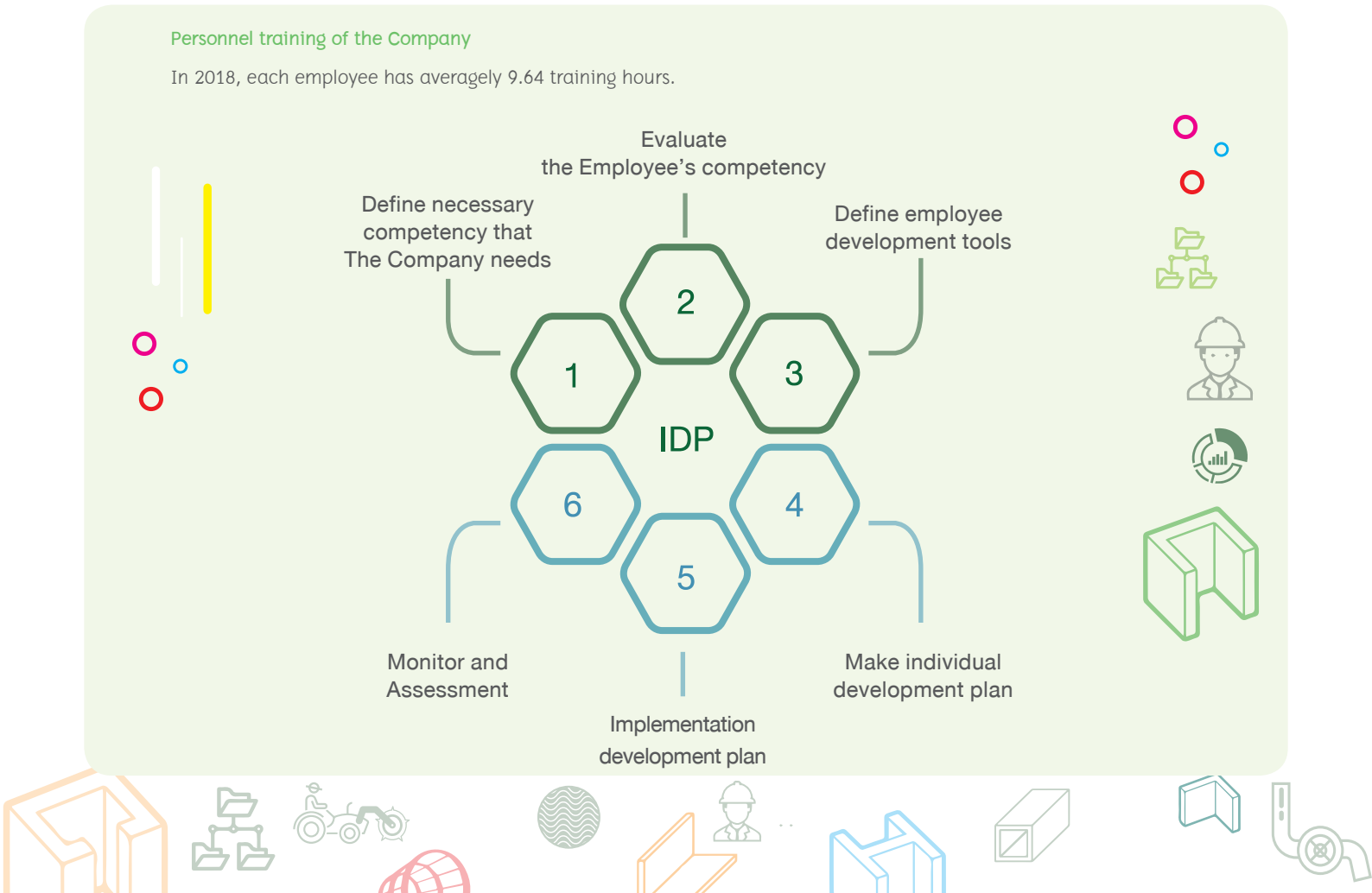
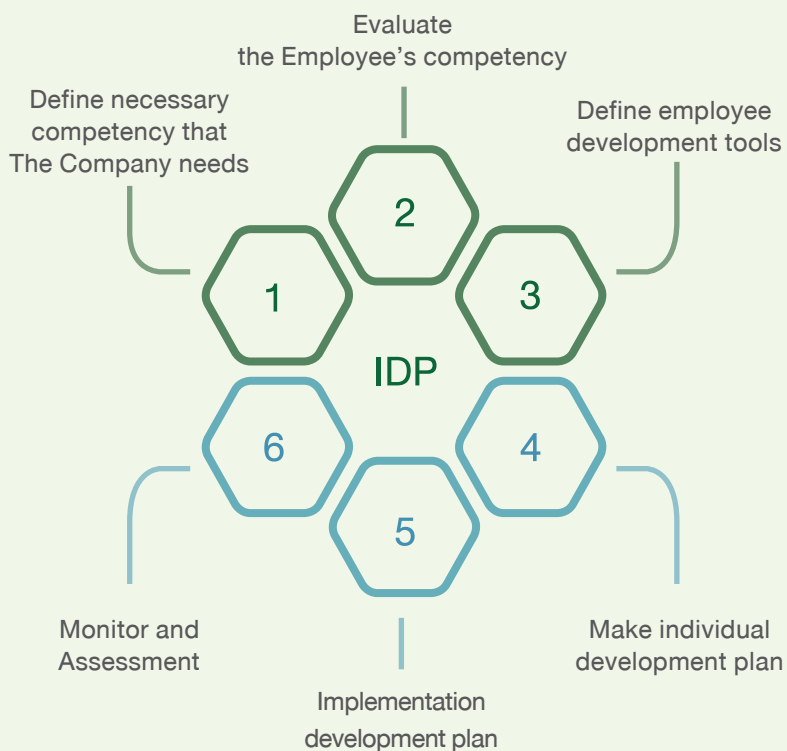
in terms of money and non-money compensation, through various activities. The money compensation will be reflected in the well-being of the employees from growing earnings by using job assessment which has the KPIs as indicators and offer a promotion by examination. The compensation in non-money form is to encourage to employees grow in career path, knowledge, skills on the job responsibilities through training activities, both internal training and training with external institutions. Providing an appropriate environment and basic facilities for work is important. The employee relations activities between employees and the Company are included to help employees relax from work such as sports day, seminars, outing, Thai cultural conservation activities, etc.

5. Career Management

The Company provided the planning process and guidelines to bring potential of employees for their performance appropriately to support the performance result and their proper career growth

Personnel training of the Company

In 2018, each employee has averagely 9.64 training hours.



5.1) Career Path

Provide the career path of all employees thoroughly and fairly based on each position, considering the difficulty of the job, including ranking skills in each position to plan salary structure.

5.2) Promotion System

After an employee passed the training course, development of knowledge, skills and abilities, the Company will arrange the promote examination by testing all the skills that the company defines for that position

5.3) Senior Executive Recruitment and Succession Plan

To searching successors for the executive, the Company offers the first opportunity to the internal personnel. However, if there is no appropriated candidate, the new recruitment will be applied since the successors must have knowledge, abilities, experience and

understanding of the company’s business and culture and be honest and good ethics.

In recruitment, The Company will assign a task with challenges and evaluation of performance. Moreover the successor must study and perform other jobs in the Company to develop leadership skills and knowledge in all jobs.

6. Employee Relation

The employee started associating with labor relations activities from the first day of work until they resigned. The activities included employment contract signing, task assigning, labor welfare and work safety providing, position and annual wage promotion, employment conditions discussing, and labor relations activity and promotion arranging.

6.1) Employee Relation Activity Arrangement

Activity	Expectation	Assessment
<p>A Jar of Love</p> <p>is an activity allows the employees to fill the jar with candy, decorate it and give it to their loves ones as a Valentine’s Day gift.</p>	<p>To entertain and release the stress from work.</p>	<p>The satisfaction rate from the participant in this activity is over 90%</p>
<p>PAP and A Vintage Songkran</p> <p>is when the employees can bath rite for Buddha images, have free dessert, play games and win the price by joining a Thai costume dressing contest.</p>	<p>To entertain and release the stress from work and conserve beautiful Thai traditional culture.</p>	
<p>Festival For PAP</p> <p>The activity is arranged during the Festival, such as employee events carry a fan in summer by decorating a handy fan.</p>	<ul style="list-style-type: none"> • The employees in the office get to know each other more. • The employees release the stress from work. • The employee feel good and connect to the company. 	
<p>PAP Sport Day’s Party</p> <p>is a sport contest aiming to bound employees from different plants together and an opportunity for an annual feast.</p>	<p>The activities aim to encourage the employees to do an activity together which would create unity and good relationship among colleagues from different sectors, be it at work or other activities.</p>	



Activity	Expectation	Assessment
<p>PAP Mini Game</p> <p>is a small game contest arranged in the factory offices such as wooden blocks Jenga pulled game and Honeycomb hit games.</p>	<p>The activities aim to encourage the employees to do an activity together which would create unity and good relationship among colleagues from different department, be it at work or other activities.</p>	<p>The satisfaction rate from the participant in this activity is over 90%</p>

6.2) Communication

Activity	Expectation	Assessment
<p>1. Morning Talk</p> <p>2. Public relations via</p> <ul style="list-style-type: none"> - Intranet system - Publicity boards in every plants. - E-mail - K2 for ISO program 	<p>Created mutual understanding in the organization, be it latest or updated regulations, news, or useful information</p>	<p>The Employees' compliance with the regulations.</p>

6.3) Social Sharing and Voluntary Attitude Development Activity

Activity	Expectation	Assessment
<p>Donating computer and office equipment (unused)</p> <p>are donated to Suan Kaew Foundation.</p>		<p>The foundation to fix the equipment and utilize them.</p>
<p>“PAP Pun Rak Pun Jai” Project</p> <p>The Company collects and donates stationery or gift to element school students, aiming that the amount of the present given by the employee and the Company will be adequate with those schools.</p>	<p>Both activities encourage:</p> <ul style="list-style-type: none"> • Utmost utilization • Learning development and benefit to the community and society. • The employees to be a part in social support as much as one can do, emphasizing the good attitude about living together in the society. 	<p>The number of stationary and present provided by the employees together with ones supported by the Company which could be divided and distributed to schools.</p>
<p>The Project : advocacy, prevention of mosquito larvae in the community</p> <p>By giving sand to prevent mosquitoes and campaign to educate the elimination of mosquitoes breeding sites with community volunteers.</p>		<p>Communities that participate in activity do not cause an outbreak of diseases caused by mosquitoes.</p>
<p>PEA Project: care for live with 10 million liter blood donation</p>	<p>It is a blood donation campaign to support blood to National Blood Centre. More than 10 people.</p>	<p>Number of participated this activity.</p>





A Jar of Love



PAP and A Vintage Songkran



Festival For PAP



The employees decorate a handy fan



The employees can bath rite for Buddha images.



PAP Sport Day's Party



A sport contest aiming to bound employees from different plants.





PAP Mini Game



A small game contest arranged in the factory offices.



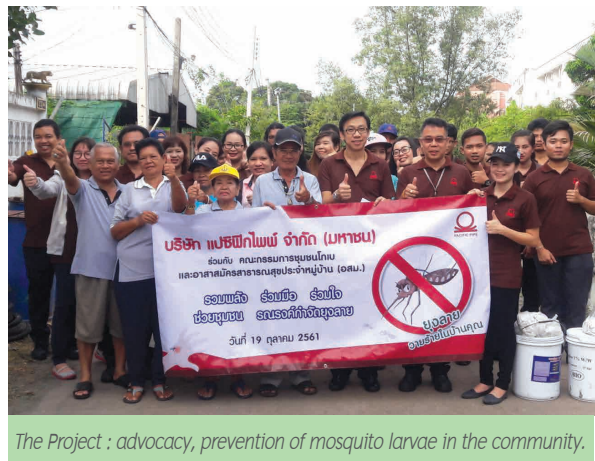
Donating computer and office equipment.



Donating computer and office equipment to Suan Kaew Foundation.



The Project : advocacy, prevention of mosquito larvae in the community.



The Project : advocacy, prevention of mosquito larvae in the community.



Fair Business Operation

The Company operates under the code of business conduct and ethics which are guidelines for the best practice compliance with the Company's important value and principles of behaving toward the stakeholders. In 2018, the Company has served the stakeholders as stated below.

Shareholders

The Company committed to the equal treat to the stakeholders and complies with its Corporate Social Governance by transparently communicating and disclosing necessary up-to-date information via the Company's website, annual report and minute of Annual General Meeting of Shareholders. The Company also arranges plant visit for the shareholders to witness steel pipe production process and to meet and share opinion with the executives. The meeting and interview with analysts from various institutions are arranges. The Company fulfills its shareholders' expectation with return on investment and business growth.

Employees

The Company provides its employees with well-being life and focus on training to develop knowledge for employees which the details are on the page 11. There are also annual health inspection and knowledge and skill training for the employee. The Company expects the activities for employee to help strengthen good relationship between colleagues and create positive attitudes toward the organization.

Customers

The Company communicates with the customer via sales persons who have been trained and are proficient. The

information on the Company and its products are disclosed via different channels such as The Company's website, facebook and catalogue. The Company also conducts seminars providing understanding on the products to the customer, trader and contractor. It aims to update present and new information of the products, create product acknowledgement and build confidence towards the product leading to the increasing in sales order.

Trade Partner

The Company manages relationship with the supplier appropriately by communicating via procurement officers, E-mails and tender document in order to create procurement procedures complying with trading conditions. It also provides equal information to all suppliers for accurate price offering and the same product terms. The evaluation is made on the conduct complying with the terms of procurement and trade conditions strictly with verifiable documents collected.

Competitors

The Company transparently practices under fair trade and competition expecting for free trade and for fair market activity.

Community

The Company continues its support to community and society. Focusing on its nearby community, the Company manages to receive complaints from the people who might be affected by the Company's business and arranges activities help creating a well-being for people in the community.



Environment Practice

Environmental Management

As a steel pipe manufacturer, the Company conducted several activities aiming for the systematic environment management. The reviews of environmental impact had been done periodically to ensure the continual control and improvement of the environmental operation. The company has announced the objectives, environmental management goals and energy management in order to all departments work in the same direction as follows;

Subject	Objective :	Target	direct supervision
1. The controlling of the electrical energy usage within the company.	Reduce the quantity of energy usage within the company.	Reduce the quantity of energy usage 2 % / kWh/tons (compare with year 2017)	Responsible for the power plant
2. Waste management within the company.	Reduce the waste caused by production process.	Be able to 1. Separate waste according to 100% by work instructions. 2. Reduce the scrap or unused materials 1% that caused by the production process. 3. Bring the remaining Cutting Fluid from the process to 100% Recycle.	Manager of SHE department
3. Water consumption control	Reduce the amount of water use in the company	Reduce water used 5% (compared to the year 2017)	Manager of SHE department
4. Environment control (noise pollution , PM10)	Environment control according to the law	Surveillance results which meet the criteria as required by law 100%	Manager of SHE department
5. Communication, public relations and campaign about environment	Employees aware and understand impact and relationship on the environment.	Publish media and activities 100% as planning.	Manager of SHE department

All activities are strictly implemented, maintain and continuous development. The executives have communicated to employees at all level to understand and participate in adhering to environmental sustainability policies.



Energy Management

The Company was a manufacturer in steel pipe and galvanized steel pipe industry. Currently, the nation was encountering an energy issue which significantly affected the lives of the employees and the country's economy. The Company thus applied the energy management system to the operation considering that energy preservation an important issue and the responsibility of all employees to continue the sustainable management of power. Accordingly, the Company established an energy saving policy as a guideline for the energy management and an encouragement for the most efficient utilization of energy.

The energy saving policy was described as follows:

1. The Company shall operate and improve the energy management system properly by applying energy saving as a part of the Company's operation according to the law and other related regulations.
2. The Company shall continually improve the energy utilization to be compatible with the business, current technology and the code of conduct. The aim is to reduce the use by 2% of the specific energy consumption in the previous year.
3. The Company shall determine yearly preservation plan and objective and communicate to all employees to understand and act accordingly.
4. The Company considers the energy preservation the responsibility of the owner, executives and all employees who are committed to comply with the measurement, monitor, examine and report to the energy management committee.
5. The Company shall adequately provide support in human resource, allowance, working time, training, and providing opinion for energy-work development.
6. The energy management executives and working unit shall review and revise the energy management policy, objective and plan annually.

Environment Management System

The process of environment management system started with determining the policy, operate, appointing the environment management representative (EMR) in order to monitor the compliance with the policy, examining and resolve for the continual improvement of the system. The employees shall be provided with knowledge and training involving environment management system. Moreover, the external stakeholders such

as subcontractors and contractors shall be informed about the environmental operation. There shall be a frequent monitoring on the conduct regarding the environment management. The Company's environment management system was certified by TUV NORD (Thailand) Ltd. with the international standard ISO14001 (Environment Management System (EMS) Standard).

Environment Management System is one of many tools in a tool that companies have used to enhance the environmental capability in the organization, to encourage environmental sustainability and to be a motivation for sustainability as follows:

1. The employee at all level acknowledges the requirements of ISO 14001:2015 and the appliance of the standard to the environment management.
2. The employee at all level can determine external and internal issues involving the Company's objective and strategic direction.
3. The employee at all level can identify the stakeholders, analyze, and estimate the risks regarding the environment management system.
4. The employee at all level can apply the standard to the organization's monitoring activity.
5. Enhance the efficiency of the Company's environment.
6. Be a part of the sustainable development.
7. Acquire a standard structure which can integrate with other standards.
8. Contribute customer reliance in environmental aspect of the product and service.
9. The management is internationally accepted.
10. Achieve the stakeholders' need and expectation.
11. Contribute good relationships with the stakeholders.
12. Increase the competitiveness.

In addition, the Company's environment management system was certified with the Green Industry by the Department of Industrial Works. This was the guarantee of the systematic environment management with consistently monitoring, evaluating, and revising for development. Acquiring such agreeable environmental awards and standards was beneficial to the Company in:



1. 5-year assumption on annual fee
2. Publicizing the achievement in developing into green industry
3. Using the Green Industry Mark in trading
4. Access of the Green Loan, low interest loan for projects regarding the green industry
5. Being listed as Green Process, an environment-friendly manufacture who produces Green Product, in the Green Directory
6. Raising awareness for the Green Consumption and promote consumers to favor green products

Industrial Waste Management

The Company managed the waste from manufacturing procedure by selling the scrap metal (such as scraps after cutting).

Organization Carbon Footprint Management

The Company measured the carbon footprint emission level as carbon dioxide equivalent (ton) considering 3 aspects:

Aspect 1 To direct emissions from the operation such as combustion of machines, vehicle usage (owned by the Company), chemical use in waste water treatment, and any leaks from the process or activity.

Aspect 2 Energy indirect emissions such as purchasing energy for organizational usage: electricity, heat, and steam power or activity.

Aspect 3 The other indirect emissions such as when the employees travel by using public vehicles to attend an external seminar or the use of office equipment etc.

Environmental Activity

1. PAP Waste Management Program

Implementing the determination of each type of garbage placement in the factory, training for knowledge about waste management for employees and placing each type of bin (green, red, blue, yellow) around the plant area along with creating a sign indicating the bins And the type of discarding method. Provide knowledge about waste separation before leaving and proper waste disposal in order to grow consciousness. Including allowing employees to be aware of the impact of waste on the environment.

2. Workplace Environment Assessment

The certified external organization had assessed the working environment (light, noise, heat or chemicals) in order to assure that the workplace is appropriate and safe for the employees in accordance with the law and safe for employees.

3. Environment & Safety Communication

Provide information about safety and environment by publishing via public relations boards in each plant. Aim to provide employees with knowledge and awareness of safety and the environment.

Operating with a responsibility towards society and environment, the Company needed to develop an idea about social responsibility in the employees' consciousness. Once they were aware and understand the impact of the business and their own on outer society and environment, they shall have the mutual understand and conscience to engine the Company's CSR sustainably.

Accordingly, the Company arranged and encouraged the participation in lots of activities to instill care and awareness of environmental. As well as being proud to be a part of taking care of the entire community environment with internal and external communities.

In 2018, the Company had arranged environmental activities with the external community by conducting surveys and communicating the environmental works to the community in 5 kilometers around the factory. The intentions were to create a good relationship between the community and the plant and to observe any complaint on the operating to avoid impacts on environment and community.

In addition, the company also participated in various activities with the continuation of Samut Sakhon Industrial Estate such as planting mangrove forests in the community area for the abundance of ecosystems and also helps to raise awareness of concern and care for the environment to the people in the community who participate in the activity, etc.



Labor Practice



Workplace Safety, Health and Environment Management

The Company valued the safety, health, and environment of the workplace. It could be assured that the Company, the steel pipe and galvanized steel pipe manufacturer, provided any service and activity aiming for the improvement of labor quality. The intention was to develop the employees' quality of living, be it physical or mental health, with safe and healthy workplace environment, and with fair treatment according to the law. To show the strong commitment and ensure that the company can continue to comply with the above intentions continuously, the company is determined to be a leader in the production of quality steel pipes that are safe, maintain and protect the environment according to international standards. The guidelines of operation are as follows;

1. Focus on continuous improvement of environmental management by reducing resource usage and increasing reused or recycle.
2. Develop environmental management system appropriately and comply with laws, regulations and other regulations what involve to company's product and the scope of environment management system define.
3. The company focuses the protection of environment, prevent the spread of pollution including the prevention of pollution to the environment, both within the public and plant, as well as disclosing to those concerned.
4. Create knowledge, awareness and raise the level of attention of employees and related people to see the benefits and the value of environmental operations by participating in various activities within the plant and continuously outside the plant.

To achieve the above policy, management will communicate to employee at all level to understand and can be practice seriously. As well as communicate to the public, related parties, contractors, subcontractors and those working in Pacific Pipe Public Company Limited.

Occupational Health and Safety Management

The Company defined the policy and manage for and effective occupational health and safety by providing trainings to the employees which include Awareness Training, Risk Assessment Training, and Internal Audit Training. The participants shall understand and be able to perform properly. They would acquire the certification for passing the courses. The Company also arranged the occupational health and safety evaluation to review and develop the system consistently.

In 2016–2018 the Company was certified with BS OHSAS18001 (Occupational health and safety management systems) and TIS18001 (Occupational health and safety management system standards from TV NORD (Thailand) Ltd. The occupational health and safety standards aimed to diminish and control damage risks towards employees and stakeholders. They also enhanced the efficiency of the operation for safety and promoted the corporate image on how it was committed to the employees and society.

Apart from proving the Company's occupational health and safety management effective according to national standards, the certification also benefited the Company by:

1. Reducing the cost in a long-term since the Company could control and decrease the rate of accident on the labor and property, and probably on the environment.
2. Creating pleasurable and safe workplace environment for the employees.
3. Creating positive corporate image.
4. Encouraging labor development by planning, collaborating, studying the management system, monitoring and inspecting, including solving and developing continually for advanced working capability.
5. Developing new technology for occupational health and safety management.



Accident Rate in 2016 - 2018

Unit : Times

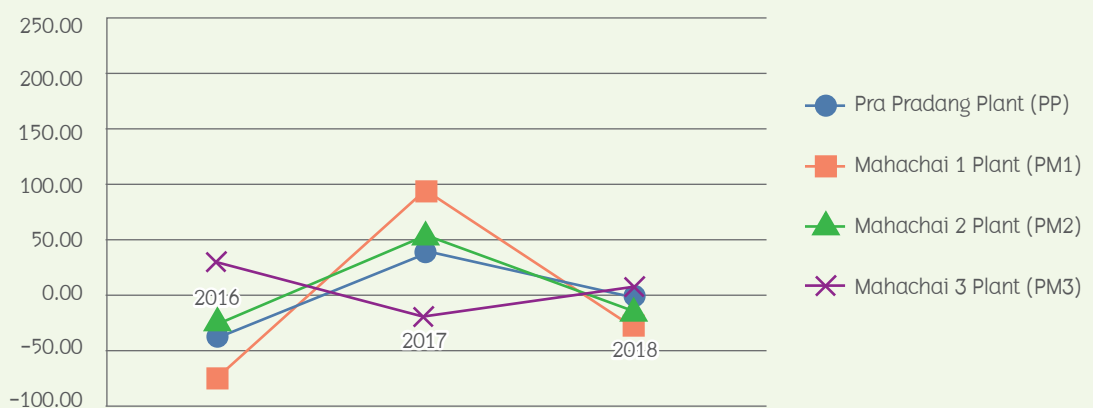
	2016	2017	2018
Pra Pradang Plant (PP)	41	60	57
Mahachai 1 Plant (PM1)	4	9	7
Mahachai 2 Plant (PM2)	18	31	30
Mahachai 3 Plant (PM3)	25	34	50

Comparison the Percentage of Accident

Unit : Percentage

	2016	2017	2018
Pra Pradang Plant (PP)	-33.65%	40.16%	-4.38%
Mahachai 1 Plant (PM1)	-71.47%	97.45%	-22.22%
Mahachai 2 Plant (PM2)	-23.16%	54.00%	-10.34%
Mahachai 3 Plant (PM3)	30.92%	-17.39%	8.49%

Comparison the Percentage of Accident (Percentage)



Place of Measurement	Legal Standard Rate	Unit	Measurement Result			
			2017		2018	
			Day	Night	Day	Night
Electric maintenance Room						
10. SLITTING Machine Control Panel	≥400	LUX	463	-	549	-
Production Department						
11. Forming Machine : Front Part (FL10)	≥400		492	416	610	416
12. Forming Machine : Middle Part (FL10)	≥400		437	415	499	530
13. Forming Machine : Back Part (FL10)	≥200		449	312	613	496
14. Forming Machine : Front Part (FL08)	≥400		451	407	483	407
15. Forming Machine : Middle Part (FL08)	≥400		477	411	643	495
16. Forming Machine : Back Part (FL08)	≥200		441	373	439	460
17. Forming Machine : Front Part (FL11)	≥400		448	422	496	479
18. Forming Machine : Middle Part (FL11)	≥400		473	425	465	452
19. Forming Machine : Back Part (FL11)	≥200		216	348	530	540
WIP Department						
20. Coating Machine area	≥200		463	415	502	-
Warehouse Department						
21. Door way No.5	≥50		610	67	1365	107
22. Door way No.4	≥50		874	56	374	100
23. Door way No.F08	≥50		210	122	463	138
Lathe room						
25. Lathe No.1	≥400		1007	-	745	-
26. Computer fot CNC Machine	≥600		618	-	402	-
Office 2nd Floor						
27. Working desk 1	≥600		609	-	-	-
28. Working desk 2	≥600		643	-	-	-
29. Working desk 3	≥600		604	-	408	-

Note : Referenced from measurement result year 2017 by P.M.C Safety and Environment Company Limited and 2018 by Envirpro Company Limited



2. Knowledge Development and Training for Employees

- Knowledge development on operation

The knowledge development programs on operation were provided so that the employees could perform accurately with safety. It was found that the operation accident rate decreased after the program had been launched.

- Corporate fire safety training

To ensure that the employees are prepared for the incident that might happen at the workplace or their dwelling, the employees were provided with trainings and fire drills from expert instructors. With this knowledge, they could manage



3. Safety Inspection

The Company arranged work-place safety inspection by having safety officers, safety executives, and supervisors identify unsafe condition and operation. This reflected the management's intention and commitment to the safety

policy. It also reaffirmed and raised awareness among the workers about safety and inspected the operation and safety evaluation lawfully to meet the regulation requirement.



4. Annual Health Check-up

Providing annual health check-up program, the Company valued the physical healthcare of the employees considering every employee the most precious resource and engine that drives the organization to its growth. The program also benefited the employees: raising awareness about healthcare and understand their health condition in order to take care of their body and be able to perform effectively. The executive also acknowledged the employees' health condition annually. The information would be applied to the human resource management to find an in-time risk prevention and countermeasure for those with risks for disease.



5. Environment & Safety Communication

The employees are provided with information about safety and environment via the notice board at each plant and in the noticeable area to develop employee's knowledge and awareness about the issue.





Anti-Corruption Policy

Directors, executives and employees of the Company and its subsidiaries are prohibited from all kinds of corruption that leads to an abuse of power to seek direct and indirect advantage for an individual, family, friends and acquaintances. This includes a case that an individual is the taker and giver of the money or non-money to state agency or private sector doing the business with such as accepting objects, gifts, feast, donated/fund-raised money or other advantage to one's self from those who do business with the company. The Anti-Corruption Policy must be strictly complied.

The Company has no policy to demote, punish or cause negative effect to the employee who refuses to accept the corruption even though the act causes the Company to lose business opportunity.

Definition

Fraud and Corruption refers to an act or an omission of one's duty or a misuse of authority of any kind. This includes direct or indirect bribery, promising of providing, requesting or demanding from a state agency or other individuals doing business with the Company any asset, money, object, rights or other advantage that is against morals, law, regulations or policy in order to gain or maintain any advantage that is inappropriate to the organization, one's self or other related party, except for cases allowed by law, regulation, announcement, local norm and tradition or trading tradition.

Bribery refers to giving or accepting an asset or other advantage to persuade an individual to perform, refrain from or defer any act that is against one's duty

Political contribution refers to assistance in financial and other aspects to support political activity. Financial contribution includes providing loans. Other contribution may include providing objects or service, advertising for or supporting a political party, purchasing tickets to a fund raising event or donation to an organization with intimate relationship with a political party. Also, allowing employee

to be the Company representative or allow an unpaid day-off to join political campaign is defined as political contribution.

Gift refers to money or objects that can be traded for cash such as a gift card, voucher or gift check. It also includes any object or privilege traded between a company and a contactor by hospitality, norm, tradition or social etiquette such as a gift.

Charitable donation refers to providing money, object or any advantage to state agency, private sector, organization or an individual to support society, religion and education such as donating money or objects to disaster victims or donating money to a foundation providing lunch to students in need.

Duties and responsibilities

1. The Remuneration Nomination and Corporate Committee proposes the Anti-Corruption Policy to the Board of Director for approval.
2. The Board of Director is responsible for considering and approving the Anti-Corruption Policy and assign to executives communicate and supervise the policy to employee at all level. Including define the control to ensure that all employee understand and aware of the importance of problem that occurred by corruption.
3. The Risk Management Committee is responsible for fraud risk assessment and proposing it for the Board of Director's approval. It is used as guidelines for the Internal Audit Division for planning, auditing and monitoring.
4. The Audit Committee has the duties and responsibilities as follows;
 - 4.1 Review the audit reports, internal control system and risk assessment related to corruption according to the internal audit Department has proposed to ensure that internal control systems have least impact of risk to the financial position and operating results of the Company and are appropriate to the Company's business model.



- 4.2 Report on the verify results of the internal control systems and fraud risk assessment to the Board of Directors.
5. The internal audit department has duties and responsibilities as follow;
 - 5.1 Perform to comply with the internal audit plan and report the internal audit control system and risk assessment on corruption occur from the internal control system to the Audit Committee.
 - 5.2 Perform any task assigned, by the Audit Committee, about the corruption issue related to the organization and beyond what stated in the internal audit plan.
6. Executives are responsible for settling an Anti-Corruption support system by conveying the employee and related individuals about the system and reviewing the practicality of the system and measures in order to conform to the change in business and law.
7. All directors, executives and employees are responsible for strictly complying to and supporting the Anti-Corruption Policy by not getting involved with any direct and indirect acts of corruption. Should the employee have questions or witness the violation of this policy, the employee must report to one's superior or via the complaint channel according to complaint and whistle-blowing policy.
5. The employee must not attempt to overpower a business partner and competitor illegally and unethically, be it providing privilege assistance, giving or taking a gift and feast or other advantage.
6. The Company operates with political neutrality by not providing political contribution or support to a political party or a politician in any aspect and not encouraging the directors, executives and employees to participate any political activity representing the Company. The Company understands it is an individual's rightful rights and freedom to participate political activity. But one must not claim the position in the Company or use the Company's property to support political activity, not perform any act misleading about the Company's political participation or support. An expression of opinion and action regarding politics in the office or the Company area is deemed offense to the Company regulations.
7. Charitable donation and financial support to any organization must be done transparently and strictly in accordance with ethics, morals, law and related Company regulation. Such action must not cause conflict of interest, be it an individual's or the Company's, and must not be used as a claim for fraud and corruption.
8. Directors and executives must be aware of the importance of knowledge dissemination and providing advice about the Anti-Corruption to the subordinates for them to comply with the Anti-Corruption Policy and must be a good role-model in having honest and ethics.

Best practice

1. Offering and accepting a bribe, reward or any advantage that might cause or count as corruption is prohibited.
2. Any operation or relation with illegal business is not allowed.
3. Procurement must be made by the Company procedure and in accordance with the regulation and must be transparent and verifiable.
4. Making trading agreement with a business partner, the employee must avoid providing or accepting any object regarding the negotiation, contract and operation promised. Any gift giving or taking must be done in accordance with the related Company policy and regulation strictly.

Measure / Conduct

The Company aims to raise awareness about Anti-Corruption and bribery by communicating within the Company for the directors, executives and employees to understand and acknowledge the importance of Anti-Corruption and bribery, including the related policy and regulation through employee meetings, trainings, seminars and the Company's media. The employee working in relevant with the Company's stakeholders is responsible for informing the policy via the communication channels.



Process after receiving a complaint

1. Fact gathering

A complaint receiver will gather a fact and then report to the Secretary of Remuneration Nomination and Corporate Committee.

2. Data Screening

The Secretary of Remuneration Nomination and Corporate Committee will invite a delegate from the management for the investigation within 3 days, the participants in the investigation include:



CASE A : Complaints about CEO / CFO / COO

Investigator Team :

1. Chairman of Audit Committee
2. Chairman of Remuneration / Nomination and Corporate Committee
3. Assistant Director of Internal Audit

CASE B : In addition in CASE A

Investigate Team :

1. CFO or COO
2. Assistant Director of Internal Audit
3. Assistant Director of Human Resource

Secretary of Remuneration Nomination and Corporate Committee attend as observer.

3. Operation measurement's specification

Secretary of Remuneration Nomination and Corporate Committee will summarize a report and propose a complaint's operation measurement, and propose to CASE A report to The Board of director approval
CASE B report to Chief Executive Officer (CEO)

Reporting an operation and investigation results

The internal audit manager and secretary of Remuneration/ Nomination and Corporate Committee will report a result of the operations that have been done to the top executives and the board of directors.

Moreover, any cancellation of the Company's corporate governance must be approved by the directors announced immediately according to the law.

Measurement of protecting the violation's reporters and appellants

1. The Company will keep a reporter's, an appellant's and a respondent's information confidential.
2. The Company will disclose sufficient information, considering the damage and safety for a petitioner, source of information or related party.
3. The injured party shall receive proper and fair damage alleviation.
4. The Company shall not treat the reporter or appellant unfairly.

Penalty for the violation

The penalty for the violation is in accordance with the Company regulations and/or related law.

The frequency of policy review

Every year or when there is a significant change.





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