



# CSR Corporate Social Responsibility 2020

“Strengthen the Core for the Future:



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Vision

# YOUR PARTNER for TOTAL SOLUTIONS

CHANGE





## Message from the Company

In 2020, Thailand and many other countries around the world faced serious natural challenges, including the COVID-19 pandemic and the effects of climate change. This caused enormous economic, social and environmental changes. In addition to that, this caused a change in daily life behavior and inevitably conducting business. Thus, it could not be denied that such problems would arise from humans, including all the industrial processes.

As a company, Pacific Pipe Public Company Limited's business operations are related to the production process under the group of heavy industry. The structure and natural challenges in the past year have made the Company very aware of the sustainability problem in the economic, social, and environmental aspects. As a result, in the past year, the Company was committed and aimed to be 1 in 100 listed companies to have an outstanding performance in environmental, social and corporate governance, or the "ESG 100 Group" in the future.

Therefore, in 2020, the Company prepared its readiness within the organization with the concept "Strengthen the Core for the Future". This started with preparing the employees by developing their knowledge, skills, and abilities via training, including promoting employees to have morals, ethics and a Code of Conduct in conducting good work operations. This included being ready to cultivate awareness of the use of resources and knowing their value and creating behavior in environmental management, which would be an important foundation for leading the organization to sustainability.

In the aspects of management and environmental management, the Company conducted good supervision of the working environment to contribute to the safety and efficiency of the work operations. There was also a systematic waste and chemical management system, as well as a complaints channel was opened, and the problem was surveyed along with ongoing activities that continually promoted the sustainability of the nearby communities.

In this report, the Company has compiled the results of various activities for the year 2020. This activity supported good business operations with responsibility to the economy, society, and the environment. Furthermore, the Company has continuously undertaken this every year in order for all concerned parties to acknowledge the commitment and determination of the Company that would lead the organization to sustainability in the future.

In conclusion, the Board of Directors would like to thank all the stakeholders of the Company who have supported the good operations and rest assured that the Company would continue to conduct business with responsibility for economic development along with society and the environment of the country in the future.

Somchai Lekapojpanich  
Chairman of the Board

Reimporn Panyasai  
Chief Executive Officer

## About This Report

Pacific Pipe Public Company Limited has prepared this report under the guidelines of the preparation of the Corporate Social Responsibility Report, which was published by the Stock Exchange of Thailand (SET). For this year, the Company presented a report with the concept “**Strengthen the Core for the Future**”, so to announce the commitment and determination of the Company to be one of the top 100 listed companies with

outstanding performance in environmental, social and corporate governance or the “ESG 100 Group” in the future. Therefore, in 2020, the Company prepared its readiness within the organization with the above-mentioned concept. This started with preparing the employees by developing their knowledge, skills, and abilities via training, including promoting employees to have morals, ethics and a Code of Conduct in conducting good work operations. This included being ready to cultivate the awareness of the use of resources and knowing their value and creating behavior in environmental management, which would be an important foundation for leading the organization to sustainability.

In addition, there were set guidelines for conducting business with social responsibility via corporate social responsibility (CSR) in the process. This developed products and services to meet the standards by using modern technology for production and business processes to respond to the needs and create maximum customer satisfaction. This also included

## Sustainable Development



the preparation that allowed employees to work from different locations in the event of a crisis, so that the Company could operate its business continually and with the utmost efficiency. This was an important factor in creating the organization's economic sustainability.

In the aspects of management and environmental management, the Company conducted good supervision of the working environment to contribute to the safety and efficiency of the work operations. There was also a systematic waste and chemical management system, as well as a complaints channel was opened, and the problem was surveyed along with ongoing activities that continually promoted the sustainability of the nearby communities.

Therefore, this report compiled information on various aspects, including the economy, society, and the environment, which reflected sustainable development and was also inclusive of social responsibility.





## About Pacific Pipe



Our Company: Pacific Pipe Public Company Limited

Name on the SET: PAP

### Vision:

“YOUR PARTNER FOR TOTAL SOLUTIONS”

### Business Operation:

The Company produces and distributes steel piping by using the electric resistance welded (ERW) system. This is an international standard and has been accredited by many renowned institutions around the world. The Company has two main types of steel pipe products: Black steel pipes that has a production capacity of 450,000 tons per year, and galvanized steel pipe, which has a production capacity of 50,000 tons per year.

### Company’s Locations:

The Company has 7 locations as follows:



#### 4 Plants

- |                   |               |
|-------------------|---------------|
| 1. Phra Pha Daeng | 2. Mahachai 1 |
| 3. Mahachai 2     | 4. Mahachai 3 |



#### 2 Distribution Centers

- |                 |            |
|-----------------|------------|
| 1. Lat Lum Kaeo | 2. Bang Na |
|-----------------|------------|



#### 1 Sales Office

- |            |
|------------|
| 1. Lumpini |
|------------|

### Number of Employees:

As of December 31, 2020, there were a total of 1,117 employees.

### Received Awards:

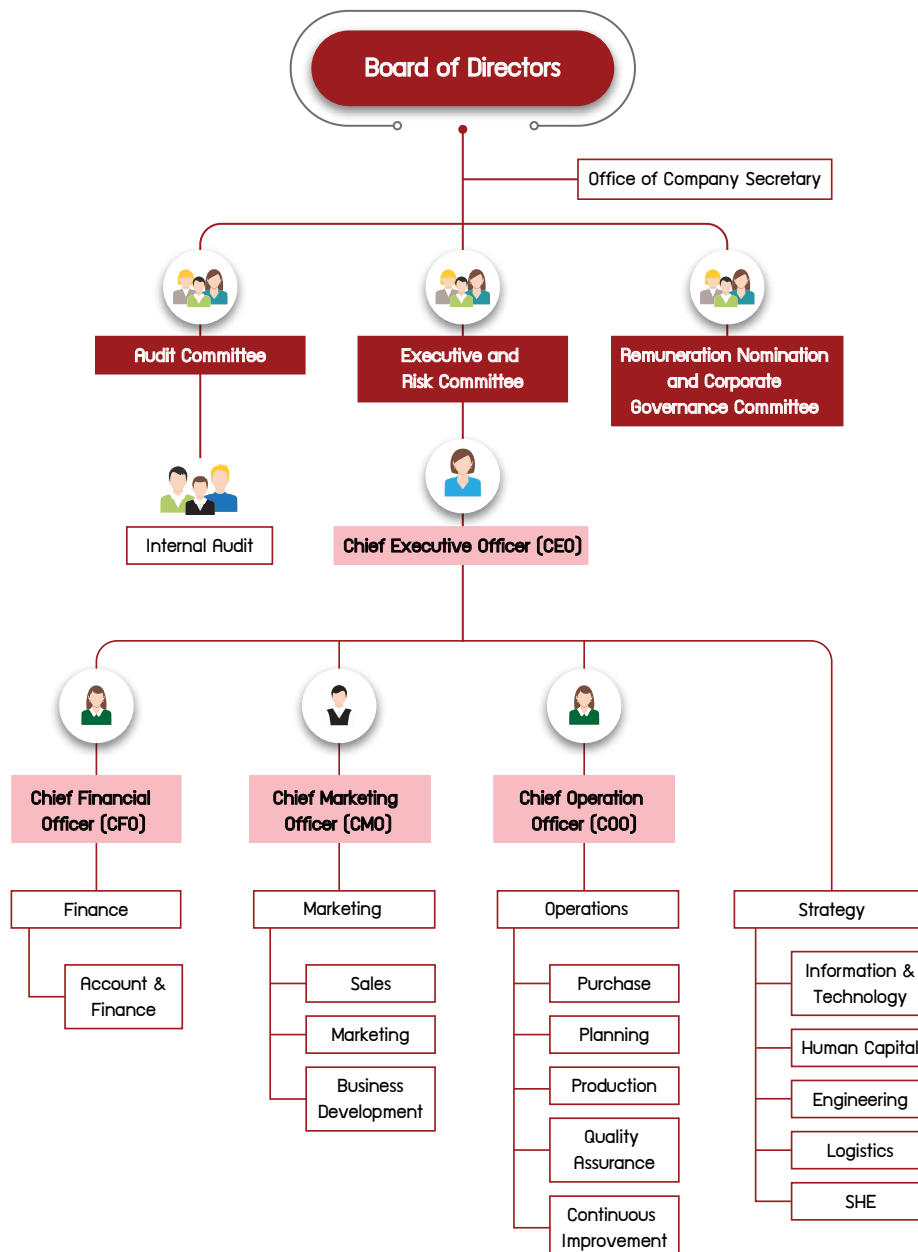
1. Was rated as a listed company with corporate governance at the level of “Excellence” or 5-Star.
2. Certified as a member of the Thai Private Sector Collective Action Coalition against Corruption.



## Management Structure of PAP

The Board of Directors consists of 7 directors that comprise 4 independent directors, 1 non-executive director, and 2 executive directors. From the total number of directors, there are 4 female directors. The organization of the Board of Directors is a structure that supports a balance of power with the management. There is also a specific committee consisting of the Audit Committee, Remuneration Nomination and Corporate Governance Committee, and Executive and Risk Management Committee. The Board of Directors is able to supervise and audit the transparency of the business

operations from determining the corporate strategy, risk management, practices of the stakeholders, and take into consideration items that may create a conflict of interest in the business management. This ensures that the organization conducts business in accordance with the laws, regulations, and Company's Articles of Association, Shareholders Meeting Resolutions and Good Corporate Governance Principles, so to be responsible and disclose information to the public in an accurate, complete, timely and transparent manner.





## Business Structure of PAP

PAP is a producer and distributor of black steel pipes and galvanized steel pipes that have a total production capacity of 450,000 tons per year. The production uses the electric resistance welded (ERW) method. Production is conducted by made to order and ready for distribution. This is classified by the type of use as follows:

- Steel piping for general purposes.
- Steel piping for structural work.
- Steel pipes for system applications.

At present, the Company has expanded into providing steel solution services, which offers services of coating, cutting, notching, drilling, and bending, so to add value to the steel pipe products of the Company. This also responds to the needs and convenience of the customers as well, and can be classified into 4 groups:

1. Project clients
2. Industrial clients
3. General distributors
4. Modern trade stores

## Business Strategy

In planning, developing strategies and working plans, the Board of Directors will consider and determine the vision, direction, and business goals by taking into account the business environment, opportunities, and acceptable risks to stakeholders, as well as to appropriately utilize innovation and technology to meet the needs of all groups of clients and stakeholders. This aforementioned issue will be reviewed at least every 5 years, as well as directing the management to communicate throughout the organization to be informed on the goals and direction of the business operations and follow-up to report the results. This aims to be effective in competitiveness, ethical business operations, environmental impact consideration, and be able to adapt under the changes that occur.

In late 2019, the Board of Directors established a strategy for the year 2020, as well as considered the business plans, goals and budget in order for the management to communicate down to the operators to prepare the action plan by reporting the work performance back to the meeting on a quarterly basis.

The follow-up, review, and improvement of the business plan during that year would be investigated by the Internal Audit Department and follow-up the implementation of the proposed plan to propose to the Audit Committee. The results of such monitoring were reported to the top management of the respective agency, including the chief executive of the organization. In addition, the Executive and Risk Management Committee would have regular meetings to consider the feasibility of the goal, and the business plan would be defined under changing circumstances to propose a review or report to the Board of Directors.

For the preparation of risk management plans, each department was assigned to develop a plan to propose to the Executive and Risk Management Committee to consider giving opinions as well as monitoring the progress of the various risk action plans to summarize and report to the Board of Directors. The Company set up a working group that would be responsible for social responsibility. This consisted of marketing agencies, human resource departments, safety and environmental agencies, and investor relations departments. The four agencies would jointly organize activities and report the results to the Remuneration Nomination and Corporate Governance Committee on a quarterly basis.

## Risk Management Process of the Organization

The Board of Directors appointed the Executive and Risk Management Committee to have the duty of defining and presenting corporate risk to present to the Board of Directors' meeting. In addition, every department in the Company owned the risk and was responsible for presenting the respective department's risk management plan to propose to the Executive and Risk Management Committee. The Company secretary would track the progress on a quarterly basis and report the results of the operations to report to the Executive and Risk Management Committee and Board of Directors, respectively.

# Stakeholders of the Company

Operations with stakeholders is an important issue that the Company has continually adhered to the principles of conducting its business operations under ethics and morals. Furthermore, there is different information, e.g., about the business environment, risk information that is assessed in different areas and used in planning strategies to meet the needs and expectations of all stakeholders. This can also create a balance between value and benefits from the business

operations for all stakeholders, as well as build good relationships and confidence in the operations of the Company and its stakeholders as well. The Company has divided the stakeholders into 6 groups as follows: The employees, partners, clients, shareholders, social community, and competitors. The guidelines to respond to the needs and expectations are as follows:



**Stakeholders**



	Needs and Expectations	Guidelines
Employees	<ol style="list-style-type: none"> <li>1. Career opportunities.</li> <li>2. Fair human resource management.</li> <li>3. Efficient processes, systems, work processes and procedures.</li> <li>4. Providing value.</li> </ol>	<ol style="list-style-type: none"> <li>1. Organize training to develop the personnel's potential in the organization for the growth of employees' work duties.</li> <li>2. Set fair compensation that is appropriate for the responsibilities and communicate with employees for them to understand the principles of the performance appraisal.</li> <li>3. Improve work processes to be consistent with the business and technological changes.</li> <li>4. Fair treatment based on the principles of human rights, appreciation, and stewardship of safety.</li> </ol>
Community and Society	<ol style="list-style-type: none"> <li>1. Operating business with safety for the community and society.</li> <li>2. Advance notification of activities or activities affecting the community.</li> <li>3. Provide assistance in improving the quality of life, income promotion for the community, and developing the environment in the community.</li> </ol>	<ol style="list-style-type: none"> <li>1. Prevent accidents and control the emission of waste to an acceptable level.</li> <li>2. Enter the area quickly to be notified by the community.</li> <li>3. Continuous interaction, communication, and visits.</li> <li>4. Support and assistance in different ways.</li> </ol>
Shareholders	<ol style="list-style-type: none"> <li>1. See good performance and stable growth.</li> <li>2. There is a satisfactory dividend payout paid on a regular basis.</li> <li>3. Have clear goals and directions for the business operations and invest in businesses that provide appropriate returns.</li> <li>4. Operate business with good corporate governance principles and transparency.</li> </ol>	<ol style="list-style-type: none"> <li>1. Pay dividends appropriately according to the Company's performance and policy.</li> <li>2. Arrange a meeting for the management to meet with the shareholders.</li> <li>3. Communicate various opinions and questions from the shareholders to the management.</li> <li>4. Transparent disclosure of various information useful to investors that is verifiable on the basis of equal truth.</li> </ol>

## Stakeholders

### Clients

#### Needs and Expectations

1. Product quality must be up to standard.
2. Ease of access to services and ordering.
3. Obtain accurate information.

#### Guidelines

1. Provide standard quality products, and there is a product warranty in case of damage from the company.
2. Have convenient and quick contact channels.
3. Continuously educate and train employees to provide accurate and fast customer information.
4. Conduct business at a fair price for both parties.
5. Provide a channel for clients to complain about the quality, quantity, and safety of the products and services.

### Competitors

1. Operate business with transparency under fair trade and competition.

1. Behave within the framework of good competition, do not misrepresent information, deceive, or use any other method that is not correct in the form of good competition.
2. Do not request for confidential information of competitors through dishonest or inappropriate means.
3. Do not damage the reputation of competitors by making malicious accusations, nor accuse competitors without reasonable information.

### Partners

1. Promptness and transparency in the procurement process
2. Obtain returns that are appropriate for the quality of the products and services.

1. Provide information to partners equally, accurately without any prejudice or discrimination.
2. Follow the framework of bona fide competition in accordance with contracts and ethics.
3. There are steps that can be verified for transparency and create the maximum benefit.

## Operations of Social Responsibility


### Economic Operations

#### Key Strategy for Sustainable Business Operations

The production of quality products has a standard to expand the customer base.

Continuous innovation and improvement of internal processes

Business operations under the principles of good governance



The Company has conducted business as a manufacturer of quality steel pipes for more than 35 years by adhering to the principle of producing quality steel pipe products and delivery in time. A logistics system has been developed to support the expansion of the customer base, including promoting the  brand “Pacific Pipe” to be widely known.

The issue that the company has always emphasized is education of innovation, improvement and development of the working system and the internal processes, so to be appropriate for the current changing situations and to encourage employees to continually learn and knowledge is passed onto employees in the organization.

The Company adheres to operations under the principles of good governance. The information is disclosed to investors and stakeholders with transparency and can be verified. Furthermore, it can be communicated through various channels, including the Intranet system for employees to acknowledge and understand the Company’s good corporate governance policy and disclosure through the annual report and the Company’s website. This allows investors and stakeholders to know the information about the Company in the same direction.



## Responsibility to Consumers

The Company realizes the importance of the responsibility to consumers, as it is both a producer and distributor of quality steel pipes under the trademark  "Pacific Pipe". Furthermore, the Company uses modern machinery and production technology supervised by a team of skilled and experienced engineers, who will supervise and inspect the machines to efficiently manufacture products according to the set standard. In addition, there is a testing process for products to meet the established standards in order to assure consumers that the products under the trademark  "Pacific Pipe" are strong, secure, and appropriate for the type of work used. Additionally, every time that a standard pipe is sold, the Company will issue a product quality certificate to the customer so to guarantee the quality and build confidence for consumers. Therefore, to operate the business to be strong, the Company adheres to the following principles of responsibility towards consumers:

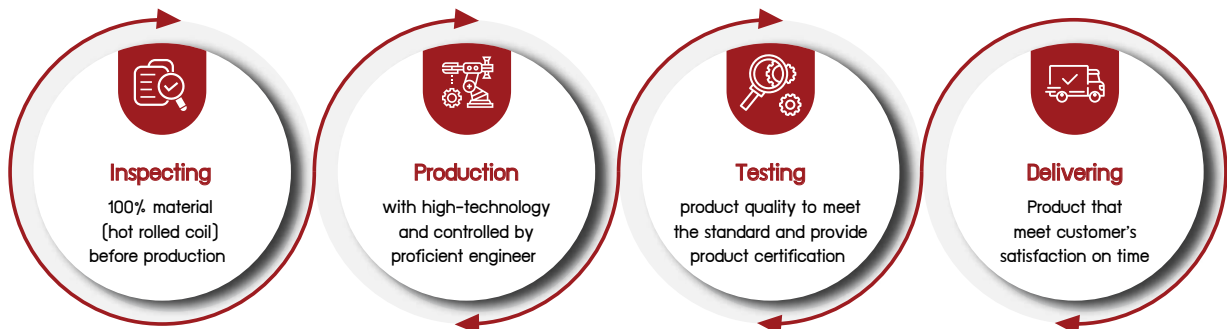
Responsibility to Consumers	
Products and Services	Consumers
<ul style="list-style-type: none"> <li>• Production of products that meet the standard and requirements.</li> <li>• Delivery of goods.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide accurate knowledge and information.</li> <li>• Open channels for receiving complaints</li> </ul>

Furthermore, in 2020, the Company invested in the information technology program system for customer relationship management (CRM), so to manage and handle clients' complaints and a digital systematic review, which separates complaints in the aforementioned systems as follows:

1. Problems with the products
2. Problems with storage and product movement
3. Problems with delivery of products
4. Document problems
5. Service issues

## Quality Products and Outstanding Services

To create sustainability for the business, the Company has a working process and develops the strengths of the products and services that has made the Company to be the leader in the market and quality steel pipe business of the country.



The Company has a raw material check (hot rolled steel sheet: steel coil) before entering the production process. The Company's product testing room received ISO/IEC 17025: 2017 accreditation from the Thai Industrial Standards Institute (TISI),

which tested the steel parts. The test was conducted by cutting a piece of every coil (100%) to check the quality, both mechanical and chemical, to see whether it met the various standards or not.

In addition, in the production process, the Company uses modern machinery and regularly passes the inspection of the condition. When the products are finished, they will enter different quality testing according to each product's standard, e.g., reception of water pressure, bending, seam test, and other important attributes. Moreover, the company will issue a product quality certificate to customers every time a quality product is sold.

The Company gives priority in terms of the delivery of products that meets the needs of customers in a timely and safe manner. To deliver quality products that are safe to users, the Company also attaches great importance to building a quality team, who are ready to deliver value to the stakeholders of the Company by organizing training projects to increase the skills necessary for employees in order to work well and be efficient in terms of production, sales, or delivery of the products.



## Access to Products

The company provides access to products by organizing seminars to provide knowledge about the Company’s products for customers who are distributors in different provinces. This is conducted to achieve accurate knowledge and understanding about the products and can be implemented in recommending products to buyers or users, who can apply the product appropriately. In addition to enhancing the safety of users, this increases the choice in choosing to buy quality products that can create sustainability for various construction work. This would lead to confidence in the product quality of the Company.

In the year 2020, the Company organized training to educate customers and partners, both in organized channels and meetings, as well as arranged seminars in the online format through the project “PAP Be Excellent”, which was held 4 times and had a total of 152 participants.

In addition, the Company organized plant visit activities for customers and partners, including students from different educational institutions. The main objective was to build confidence and ensure the quality of the work operations in all steps for the Company’s customers. This also built knowledge and understanding of the use of the different steel pipe structure. This was held 2 times and had a total of 34 participants.

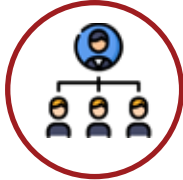
## Implementation of Human Resource Management

The Company has confidence and realizes the importance of personnel as an important factor in driving the organization toward success and sustainability. For this reason, the Company focused on human resource management from the recruitment process, knowledge retention and personnel

development, ability together with taking care of welfare and activities that promote happiness and unity within the organization. This was to prepare and keep pace with the changes that may rapidly occur in the future under the concept “**Strengthen the Core for the Future**”.

Recruit and promote the employees to grow with ethics	
<ul style="list-style-type: none"> <li>• Recruit proper personnel for a position</li> <li>• Provide training to improve capacity</li> <li>• Encourage employees to have leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the Company’s CG</li> <li>• Conduct business with ethics</li> <li>• Oppose all types of corruption</li> </ul>
Employee recruitment and development process	Complying with corporate governance policy, ethic and code of business conduct.

## Operation Guidelines for Human Resource Management



### Organizational Structure

Design organization structure which is suitable for job.



### Recruit And Selection

Develop processes, tests and interviews to applicants who have qualifications that the Company required.



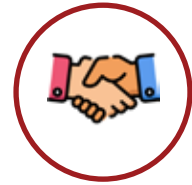
### Personnel promote and develop

Select the appropriate tools for properly develop employee skills such as manpower planning, Individuals Development Program (IDP), develop the skills that necessary to work.



### Fair Compensation Management system

Provide clear salary structure in accordance with the labor market and the jobs with the compensation for both finance and non-finance by using job assessment.



### Support Employee Relation Activities

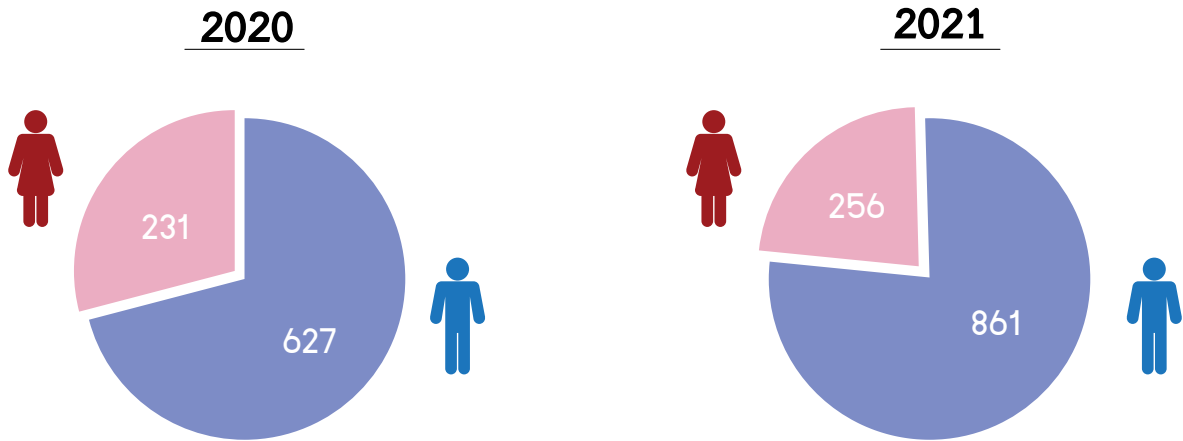
Employee relation activities support the employee performance which has balance between working and relationships of colleague and also to the management team.

## Labor Practices and Human Rights

The Company respects human rights and legal practices by setting the human rights policy of the stakeholders as one part of the Company's corporate governance policy, including the formulation of policies and procedures for complaints. In the event that an issue has not been fair or seen to be unusual, a committee would conduct an investigation of the facts for corrective action and disseminate channels for receiving complaints through the Company's website and the annual report.

## Employment

- As of December 31, 2020, there were a total of 1,117 employees with an average age of 35 years and average working life of 7 years. This is divided as follows:
  - Males: 861 - Females: 256
- No child labor or forced labor was hired.
- Employees are treated equally irrelevant of gender, race, religion, and/or culture.



## Planning and Recruiting

In the year 2020, the Company made a plan of the performance rate to be consistent with the organization’s strategy by using a Balanced Scorecard (BSC) as the tool for formulating the strategic plans. All departments therefore had to consider the performance rate of the workforce to be appropriate with the goals or strategic plans of the organization. As such, the Human Resources Department further reviewed this in order to be suitable for the workload and the quantity of people in the future. This year, technology was used to support the recruitment system to be more efficient by using interviews and recruiting personnel to work online to maintain social distancing between the applicant and the interviewer. In addition, recruitment channels were effectively expanded in order to be able to respond to the defined human resource plans.

## Human Resource Development

The Company made a commitment to develop the knowledge, skills and competence of the employees, so to develop employees to have knowledge and abilities in working so they could grow with the organization. This was conducted by continuously developing training courses for re-skilling and up-skilling in each line of work regardless if it was the production line, sales and marketing. This was operated under the PAP Academy Project with the management of learning and training, including knowledge, skills, and carrying out assignments through the design and providing a specific curriculum for the development of the employees’ potential

in the organization to be able to achieve their goals of the work, departments, and the organization. Thus, in 2020, the Company organized training and sent employees to receive training with the average training hours of 9.76 hours per person via the PAP Academy Project. There was a focus on three major curriculum topics as follows:

### 1. Mandatory Program

The Company conducted basic training courses for employees yearly, for employees of all levels in the organization where they could study and take an online test through the method of self-learning and testing. This consisted of 5 courses which were:

- Corporate Governance
- Product Knowledge
- Safety, ISO9001-2015
- Corporate Information
- PDPA

### 2. Leadership Development Program

The Company conducted the course of the Leadership Development Program to prepare 3 essential elements in terms of understanding and self-management to develop essential leadership skills and apply the knowledge to real work situations.

### 3. Super Sales Readiness Program

The Company conducted the course of the Super Sales Readiness Program in order to develop sales skills for salespeople from product sales presentation to sales offering value that would meet the business needs of customers, including building confidence and a growing sales attitude.



## Personnel Care and Retention

The company is committed to the retention of personnel in the organization from the time they begin working with the organization until the employee leaves. This is undertaken in terms of continuous compensation management, welfare and various activities because the Company believes that people are a valuable resource and an important factor in driving the organization's success. If the employees in the organization have a good quality of life, there would be a balance between work and personal life. This would result in the employees being happy at work and having strong bonds to the organization. The operations were conducted through the following concepts:

### 1. Compensation and Welfare Management

The Company used the compensation management policy as a main tool in recruiting and retaining employees. This was done both in terms of monetary remuneration and compensation in a non-monetary form through a variety of activities. The monetary compensation was measured in the well-being of the employees and from the growing income using performance appraisal. KPIs were used as the measure of performance and were offered to employees for examination promotions. For non-monetary compensation, the Company provided welfare for employees, e.g., a provident fund, various subsidies, accident insurance, health insurance, etc. This also included promoting employees to have professional advancement, knowledge, skills in a more responsible position through training activities, including internal training and sending staff to train at external institutions.

### 2. Career Management

The Company provided a planning process and set guidelines to leverage the potential of employees to be used appropriately to support the core performance and promote the appropriate career growth.

#### Career Path

Provided a comprehensive and fair career progression plan for employees according to the job position by considering the difficulty of the job, including the division of the skills level for each job position and used it in the preparation of the salary structure.

## Promotion System

After employees passed through the development system of knowledge, skills, and the ability that was appropriate for the position, the Company provided opportunities for employees to test for a promotion at all levels according to the criteria set by the company.

### Recruitment and succession plan for the executive

In recruiting executives, the Company would first consider the personnel in the organization before opening positions to outsiders. This was because the company believes that being an executive, besides having knowledge, ability and experience, they must have a real understanding of the Company's business. In addition, they must understand the organizational culture and be honest, including having good morals and ethics. By recruiting, the Company would delegate challenging tasks and conduct performance appraisals, as well as having to study and perform other tasks in the organization, so to develop leadership skills and knowledge in all areas of the work.

### 3. Activities to strengthen relationships and unity

In the year 2020, the Company prepared a project to create a good environment and atmosphere by improving the working environment and facilities, e.g., making improvements to the cafeteria for better hygiene, including common area for employees to make use of, and made the Happy PAP Happy Workplace Project to provide opportunities for employees to do activities together, as well as to strengthen the good relationship between employees and allow employees to relieve stress from work. The goal was for employees to participate in activities, and there was a satisfaction rate of at least 90% with the activities.



## Communicating with employees

The Company gave importance and was aware of communication in the organization. Therefore, it conducted various communication channels to have greater efficiency to serve as a channel for informing and communicating with employees in the same direction of news throughout the organization. This was done through various activities, e.g., Morning Talk, CEO Town Hall, and public relations through various channels of the organization; such as, E-mail, Intranet system, publicity board, etc.

## Caring for the Surrounding Communities and Society

### Community Activities

The Company continuously gave support and assistance to the surrounding communities by listening to the opinions and needs of the people in the community to support and promote the quality of life, as well as the safety of the community. In the year 2020, the Company installed lamps on the wall around the factory to illuminate the road outside the factory to increase the safety of the traffic of people in the community. In addition, tables and chairs were donated for sitting and eating food in 4 schools and temples around the area.

### Social Activities

The Company provided knowledge support to educational institutions by giving opportunities to 8 Samut Sakhon Technical College students to receive training in practical professional skills and gain practical experience in the workplace. In the business sector, the Company also participated in the “Volunteer Coach Project”, which was part of the “SET Social Impact Gym Project” organized by the Stock Exchange of Thailand (SET) to transfer knowledge in management and experience to promote and develop the potential for business to grow stronger by serving as a coach for Thunyaosod Social Enterprise Company.

In terms of social responsibility to the disabled group under Article 35 of the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), the Company has organized a place within the establishment for the disabled to sell products without charge since 2012 till the present.

## Occupational Health and Safety Management

Pacific Pipe Public Company Limited has realized the importance of occupational health and safety management in all work activities. Therefore, the Safety, Occupational Health, and Environment Policy was established (effective from November 1, 2020) as follows:

1. Comply with all applicable safety occupational health, and environmental laws and regulations, as well as the requirements of the stakeholders of the company.
2. Find, control, and eliminate the potential risk of injury, or illness from work, as well as the significant impact on the environment resulting from the Company’s operations, including assets by strictly adhering to the preventive and corrective measures.
3. Protect, prevent and control environmental problems to reduce environmental pollution by following preventive measures and stringently resolve environmental impacts.
4. Conduct business in parallel with efficient use of resources to reduce any environmental impact that may occur.
5. Cultivate good awareness and educate about safety, occupational health, and environmental operations to employees and stakeholders.
6. Support the resources needed to manage the safety, occupational health, and environmental management.
7. Follow up and review objectives, goals, and performance in the safety, occupational health, and environmental management in order to achieve the highest efficiency and effectiveness as well as to continually improve the operation.

After the said policy was established, goals, strategies, and various methods of operation were set, e.g., hazard identification, risk assessment in all work activities, including improvements in various working areas to have safety, etc. In addition, an occupational health and safety management system ISO 45001: 2018 was adopted to be applied in the Mahachai PM2 Plant and received the official management system certification from TUV NORD (Thailand) Limited. In the future, the Company plans to expand and apply this management system in all centers under the Company's management.



## Promotion of Safety, Occupational Health, and the Environment in the Work

The Company added a communication channel for information about the safety requirements, provided personal protective equipment for employees, arranged to regularly measure a safe working environment, and managed the safety in the performance of duties for employees. This was done by providing knowledge and organizing activities as follows:

1. Measure the working environment by acquiring an external certified agency.

Regarding the working environment of the Company (light, sound, heat, and chemicals) to ensure it was appropriate according to the law and continually safe for employees within the organization, in 2020, the Company allowed Pentacle Pollutech Company Limited to be the inspector.

2. Training employees

- Training to provide knowledge and understanding related to the operations, organized training to provide knowledge and understanding about the operations, so that employees could perform their jobs appropriately and safely. After the training, it was found that the number of accidents resulting from the operations had decreased.
- Training on fire prevention and suppression in the workplace to prepare employees for possible incidents either in the factory or at the employee's accommodation. When the employees were trained by specialists, this also created knowledge and understanding so when an actual incident occurred, they were able to suppress the accident without panicking.

### 3. Security check

Arranged a Work-place Safety Inspection by a professional safety officer, safety service officer, a chief of safety to find unsafe working conditions and methods of working or unsafe working behavior. This presented the intention or commitment of the management to maintain safety. This also encouraged and reminded the operator of the danger, including the audit, performance assessment, and safety assessment according to the law that it met the requirements or standards or not.

### 4. Environment & safety communication

Prepared media to educate employees about safety and environment by posting information through publicity boards in each center and in different areas that employees could easily notice, so to provide them with knowledge and awareness of safety and the environment.

1. Protect, prevent and control environmental problems to reduce environmental pollution by strictly adhering to the environmental impact prevention and mitigation measures.
2. Conduct business in parallel with efficient use of resources to reduce any environmental impact that may occur.

After the said policy was established, goals, strategies, and various methods of operation were set, e.g., assessment of environmental problems, reduction of energy consumption, reducing the proportion of waste generation compared with the production volume, including improvements in various working areas to prevent and reduce the environmental impact, etc. In addition, an environmental management system ISO 14001: 2015 was adopted to be applied in the Mahachai PM2 Plant and received the official management system certification from TUV NORD (Thailand) Limited. In the future, the Company plans to expand and apply this management system in all centers under the Company's management.

## Accident Statistics of 2020

In the year 2020, Pacific Pipe Public Company Limited had a total of 126 accidents, which had decreased from 2019 by 28 times, or 14.94%. This was a demonstration of the determination as well that the Company had placed great emphasis on occupational health and safety management with the goal of preventing employees and stakeholders suffering harm from work.

## Environmental Management

The Company realized the importance of environmental management in all activities of the company. Therefore, the environmental policy was clearly established (source: Safety, Occupational Health, and Environment Policy was established (effective from November 1, 2020) as follows:



Furthermore, the Company has been certified by other management systems that are related to environmental management, e.g., Green Industry (GI), Carbon Footprint, etc.

Moreover, the overall results of the operations of the year 2020, found that Pacific Pipe Public Company Limited was able to perform according to the plan and environmental goals that had been defined, e.g., it could reduce the consumption of electricity from the project of changing the light bulb from ordinary lamps to High Bay LED at the Mahachai PM2 Plant, etc. As a result of this project, the Company could still save more than 40% in expenses from using electricity when compared with 2019. This was a good demonstration of the Company's commitment of giving great importance to environmental management with the goal of protecting the environment as well as making the best use of resources. This was also beneficial overall to the Company, the nation, and the world.

In the next 3 years (2021-2023), the Company has a commitment and clear goals for sustainable environmental management and will be 1 of 100 listed companies with outstanding performance in environmental conservation, society and governance, or the "ESG 100 Group". This is a great challenge for all executives and employees. As such, the Company strongly believes that having clear goals and strategies, including the cooperation of all levels of employees, who will make these goals easy to achieve.



## Management of the COVID-19 pandemic preventive measures

Throughout the year 2020, the Company established a policy to prevent the COVID-19 pandemic, which was consistent with the government's measures. These can be summarized as follows:

1. Establish a committee to monitor and resolve emergency situations from the COVID-19 pandemic.
2. Reduce the amount of work space congestion by issuing policies and working from the place of residence of the employee in order not to interrupt the operation of the company.
3. Issue a travel ban policy between centers by the executive, employees, and officers, including strictly canceling customer visits.
4. Cancel all activities that are at risk due to possible infection, both internally and externally of the organization.
5. Making publicity signs about warnings, observe the situation, educate about the prevention of the COVID-19 pandemic, both in Thai and Burmese languages, including managing the space in accordance with the social distancing guidelines.
6. Set up a safe product and document delivery service policy from the COVID-19 pandemic.
7. Have a daily temperature check before entering the Company area; in addition, inquire about the employees travel to risk areas on a weekly basis.
8. There are hand sanitizer service points in every public area of the Company, including a sterile spray to reduce the risk of spreading of the COVID-19 virus from the working area.



## ANTI-CORRUPTION POLICY

The Board of Directors, Executives and employees of the Company and its subsidiaries (if any) are prohibited from all kinds of corruption that leads to an abuse of power to seek direct and indirect advantage for themselves, family, friends and acquaintances. This includes cases that an individual is the recipient and benefactor, both in monetary or non-monetary for a government agency or private sector that the Company is undertaking business or has contact with; such as, accepting objects, gifts, being entertained, donations/solicited funds, or other advantages for oneself from persons that conduct business with the Company. The anti-corruption policy must be strictly complied.

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

### Definition

**Fraud or 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, ethics, and the law, regulations or policy with a government official or other persons that conducts business with the Company in order to gain or maintain any other advantage that is inappropriate to the organization, one's self or another related party, whereby there is an exception for cases allowed by law, the regulations, announcements, local norms and traditions, or trading traditions.

**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 or other aspects to support any political activity. Financial contributions include providing loans. Other contributions may include providing objects or services, advertising for or supporting a political party, purchasing tickets to a fundraising event, or donation to an organization with an intimate relationship with a political party. This includes launching opportunities for employees to have unpaid leave from the Company, or be a representative of the Company to participate in a political campaign that is also defined as a political contribution.

**Gift** refers to money or objects that can be traded for cash; such as, a gift card, voucher or gift cheque, or any object or privilege traded between a company and a contact person with the company by amicability, norm, traditions, or social etiquette practice; such as, a gift.

**Charitable donations** refer to the giving of money, objects or other benefits to a government agency, the private sector, juristic person or 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 needy students, etc.

### Responsibilities

1. The Remuneration Nomination and Corporate Governance Committee proposes the anti-corruption policy to the Board of Directors for consideration.
2. The Board of Directors is responsible for considering and approving the anti-corruption policy and assigning the Executive to initiate measures to combat corruption to the employees, including supervise a system that effectively supports anti-corruption to ensure that all Company employees understand and are aware of the importance of problems that may occur from corruption.
3. The Risk Management Committee is responsible for evaluating the possibility of corruption and proposes this to the Board of Directors to be utilized as guidelines for the Internal Audit Department for planning, auditing and following-up.



4. The Audit Committee has the following duties and responsibilities:
  - 4.1 Review the audit reports, internal control system and risk evaluation related to corruption in accordance with the Internal Audit Department's proposal to ensure that the aforementioned system has the least impact of risk to the financial position and operating results of the Company and have appropriateness for the Company's business model.
  - 4.2 Review the results of the report of the internal control systems and fraud risk evaluation to the Board of Directors.
5. The internal audit department has the following duties and responsibilities:
  - 5.1 Perform the stipulated duties in accordance with the internal audit plan and propose the internal audit control system and risk evaluation on corruption that occurs from the internal control system to the Audit Committee for acknowledgement.
  - 5.2 Perform any task assigned by the Audit Committee regarding the detection of fraud related to other organizations from the internal audit plan.
6. The Executives are responsible in establishing a system for the promotion and supporting of combatting corruption by communicating with the employees and relevant parties acknowledgement, as well as reviewing the appropriateness of the system and various measures to conform with the changes of the Company's business and laws.
7. The Board of Directors, Executives and employees are responsible for strictly complying with and supporting the anti-corruption policy by not becoming involved with any direct and indirect acts of corruption. In the case that an employee has any 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.
3. In the case of procurement or hiring must be conducted in accordance with the Company's regulations and must be transparent and verifiable.
4. In making a trade agreement with a business partner, the employee must avoid providing or accepting any object regarding the negotiation, contract and operation promised. Any gift provided or accepted must be done in accordance with the related Company policy and regulations strictly.
5. The employee must not attempt to influence a business partner and competitor illegally and unethically, be it providing privileged assistance, offering or accepting a gift and entertainment, or other benefits.
6. The Company conducts business with political neutrality by not providing any political contributions or support to a political party or a politician in any format, including not encouraging the Board of Directors, Executive or employees to participate any political activity representing the Company. The Company understands it is an individual's right and freedom in accordance with the law to participate political activity. However, one must not claim to be an employee of the Company or use the Company's property to support any political activity, or perform any act misleading about the Company's political participation or support. An expression and opinion regarding politics in the office or the Company area is deemed as an offense in accordance with the Company's regulations.
7. Charitable donations and financial support to any organization must be done transparently and strictly in accordance with the ethics, morals, law and the related Company policy and regulations. 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. The Board of Directors and Executive must be aware of the importance of knowledge dissemination, provide advice to generate understanding about combatting corruption to the subordinates for them to comply with the anti-corruption policy, including be a good role-model in having honesty. morals and ethics.

#### Best Practices

1. Offering and accepting a bribe, or money, or compensation or any benefit that might cause or be considered as corruption is prohibited.
2. Any operation or becoming involved in any illegal business is not allowed.

## Measures/Operation

Focus on raising awareness about combatting corruption and bribery by communicating within the Company for the Board of Directors, Executive and employees to understand and acknowledge the importance of combatting corruption and bribery, including the related policy and various regulations through employee meetings, training, seminars and the Company's media, as well as employees with duties relevant with the Company's stakeholders is responsible for informing the stakeholders to acknowledge the policy via the various communication channels.

## Dissemination of the Anti-corruption Policy

The Company complies with the law of Thailand in combatting corruption and allows all individuals inside and outside the Company to acknowledge the anti-corruption policy. As such, the Company will proceed as follows:

1. Publicize the anti-corruption policy on all of the Company's signboards.
2. Disclose the anti-corruption policy via communication channels; such as, the intranet and company's website.
3. Provide training on anti-corruption for the employees.

## Complaints Policy and Guidelines for Reporting Wrongdoing

The scope of complaints and guidelines for reporting wrongdoing when in doubt or witness an act of violation should abide by good practices in the following issues:

- Violation of the compliance with the principles and guidelines of the Company's good corporate governance policy.
- Violation of the Company's rules and regulations.
- Receiving unfair treatment while working.
- Actions deemed as fraud, corruption and bribery, or actions that cause any suspicion and have a negative impact on the organization, the employee should enquire or consult with a trusted supervisor of any level. If the employee does not feel comfortable or is unsure of doing so, the employee can report the issue directly as per the details in a complaints channel.

## Complaints Channel

The employees are able to file a complaint or related information via the following channel;

1. Report the issue via a comment box at each plant and each distribution center of the Company.
2. Contact/report to the person in charge as follows:
  - 2.1 Chairman of the Audit Committee  
Dr. Vicharn Aramvareekul  
E-mail : huang\_vc@yahoo.com
  - 2.2 Chairman of the Remuneration Nomination and Corporate Governance Committee  
Mr. Kriengkrai Rakkulchon  
E-mail : kriangkrairukk@gmail.com
  - 2.3 Deputy Director of the Internal Audit  
Mr. Naritchai Bhureepongsanont  
E-mail : naritchai.bhu@pacificpipe.co.th

Thus, the Company allows all stakeholders to report issues when they need to lodge a complaint or find information about the Company's performance that are against the good corporate governance policy and/or ethics and code of conducts. If there are any additional questions or recommendation, these can be informed to complaints channel as follows:

- Send an e-mail directly to the responsible person in accordance with the list in Items 2.1 - 2.3.
- Send a letter by mail to:

**The Remuneration Nomination and Corporate Governance Committee**  
**Pacific Pipe Public Company Limited**  
Address : 1168/74, 26th Floor, Lumpini Tower Building  
Rama IV Road, Sathon, Bangkok 10120

## Process after Receiving a Complaint

1. Collection of the Facts  
The complaint receiver will compile the facts and then report to the Secretary of the Remuneration Nomination and Corporate Governance Committee.
2. Screening and Investigating the Data  
The Secretary of the Remuneration Nomination and Corporate Governance Committee will invite a representative to scrutinize and investigate the data within 3 days. The representative will participate in the investigation as follows:



**CASE A : Complaint about C-level Executive**

**Investigator Team :**

1. Chairman of the Audit Committee
2. Chairman of the Remuneration Nomination and Corporate Governance Committee
3. Deputy Director of the Internal Audit Department

**CASE B : In addition in CASE A**

**Investigator Team :**

1. C-level Executive representative
2. Deputy Director of the Internal Audit Department
3. Deputy Director of the Human Resources Department

Secretary of the Remuneration Nomination and Corporate Governance Committee attends as an observer.

3. Set the Operation Measures

The Secretary of the Remuneration Nomination and Corporate Governance Committee will be the person who summarizes the report and proposes the complaint's operation measures, and propose to

**The summary of CASE A is proposed to the Board of Directors. The summary of CASE B is proposed to the Chief Executive Officer (CEO).**

**Reporting of the Operations and Investigation**

The Deputy Director of the Internal Audit Department and Secretary of the Remuneration Nomination and Corporate Governance Committee will report the result of all the operations that have been conducted to the Executives and the Board of Directors. If the corporate governance policy has a cancellation of one of the requirements, then that cancellation must be approved by the Board of Directors and the cancelled item must be disclosed immediately in accordance with the law.

**Measures for the Protection of Complainants or Informants**

1. The Company will keep the information and identity of the complainant and respondent to be confidential.
2. The Company will disclose sufficient information by taking into account the safety and damage of the reporter, source of information, or related party.
3. The party receiving the damages shall receive appropriate and fair damage mitigation.
4. The Company will not act unfairly to the reporter or complainant.

**Penalty for Violation**

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

**Frequency of the Policy Review**

Every year or when there is a significant change.

**บริษัท แปซิฟิกไพพ์ จำกัด (มหาชน) สำนักงานใหญ่**  
**Pacific Pipe Public Company Limited**

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