



PACIFIC PIPE

บริษัท แปซิฟิกไพพ์ จำกัด (มหาชน)
PACIFIC PIPE PUBLIC COMPANY LIMITED

รายงานการดำเนินธุรกิจ
ด้วยความรับผิดชอบต่อสังคม
2559

CSR REPORT 2016



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CSR Message from Chairman



Pacific Pipe Company Limited holds a strong intention to drive the business with responsibility to the society in order to maximize all stakeholders' benefit. The Company believes that Corporate Social Responsibility (CSR) is a key factor for the Company's sustainable growth. Most of the Company's CSR activities are CSR-in-process covering the company's business operating in economic, social and environmental dimensions.

In 2016, the Company continued focusing mainly on its internal society, be it the employees and the community around its factories. The Company also developed and aligned the internal management system with the international standard. As a result, the Company received BS OHSAS 18001:2007 and TIS 18001:2011 standard certification for occupational health and safety management system from TUV NORD (Thailand) Ltd. The Company continues various CSR activities for the benefit of the Company's stakeholders.

Lastly, the Board of Director is grateful for the great and continual support in the Company's operation from all stakeholders, as well as the employees who adhere to performing under the Company's ethics. This is our commitment to operate with responsibility in order to be a part of the country's economic, social and environmental development and for the greatest advantage of all stakeholders.

Mr. Somchai Lekapojpanich
Chairman

Appointed as of 17 January 2017

Vision

Be
the quality
steel pipes
leader

Mission

1. Be the company that has the innovative production, distribution and on time delivery as customer requirement and in a competitive price
2. Aim to develop personnel and modern technology, innovative management as the result of intention, expertise and team working of personnel at all level
3. Participate in economic, social and environmental development of the country
4. Develop valuable business to sustainably yield to stakeholders

Value

F

Focus on
Customer

**A**

Achievement
Orientation

**S**

Share for
Knowledge
Management

**T**

Teamwork

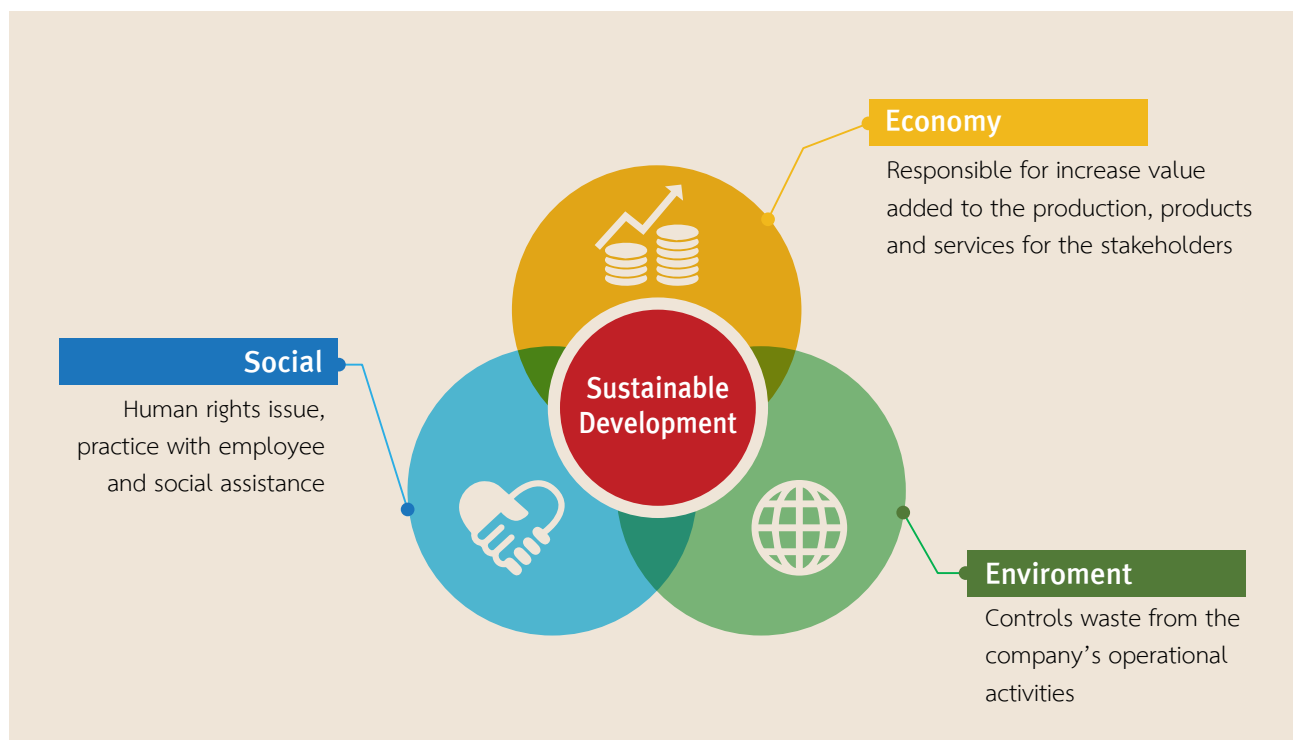


Sustainable Development Policy

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 2016, 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 economic, social and environment.

This paper reports the policies and practices to the stakeholders who are influenced by the business activities. 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.

The Company Structure of Pacific Pipe Public Company Limited



724

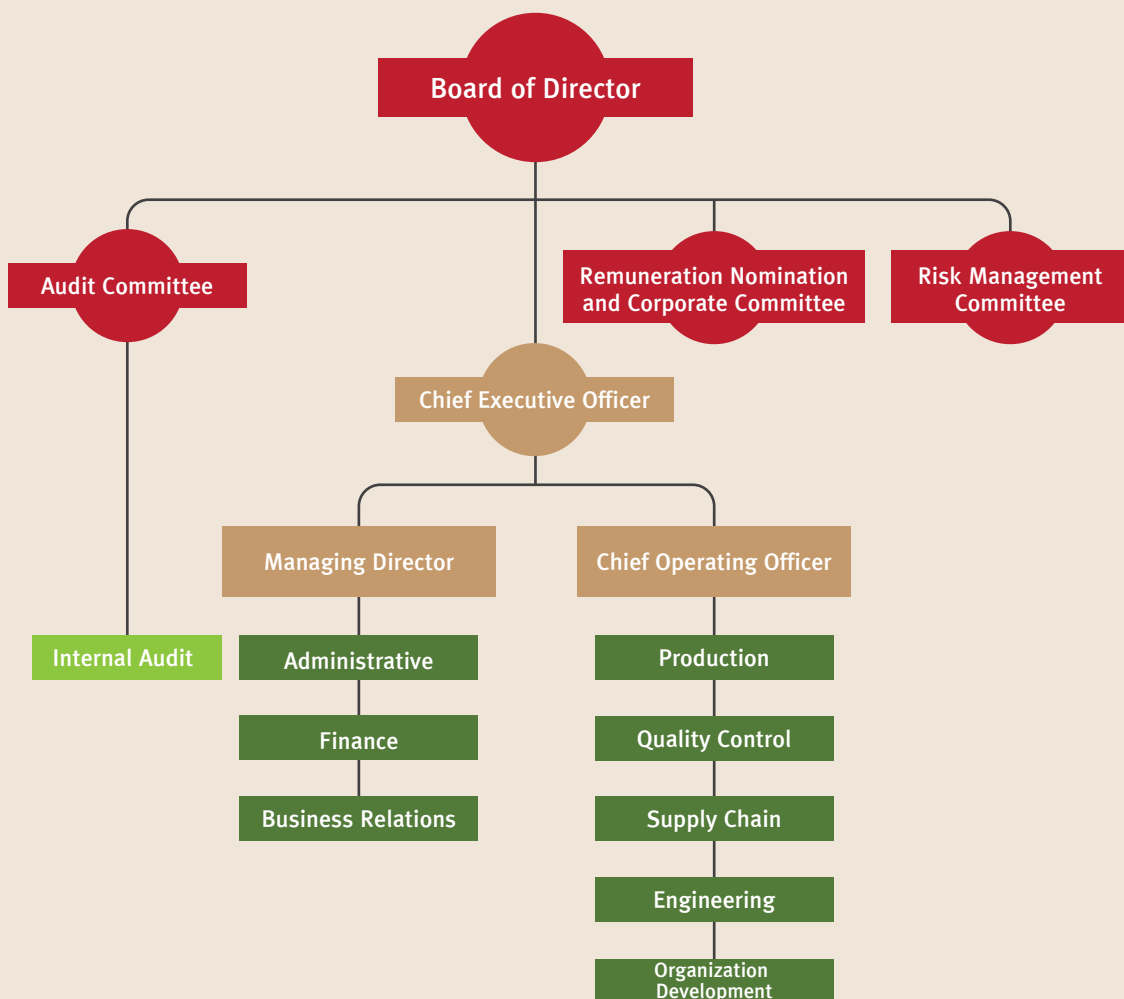
Total of employee
As at December 31, 2016



7,150.37_{MB}

Net Income of 2016

- Type of operation: manufacturing and selling steel pipes which registered establishment on September 19, 1991.
- The Company was converted to a public company limited as of 17 March, 2004 and securities were listed on the Stock Exchange of Thailand on November 8, 2004.
- The Company has registered capital of Baht 660,000,000 and paid up capital of Baht 660,000,000.
- The head office is located at 298, 298/2 Moo 1, Soi Klabchareon 3, Suksawad Road, Pakklongbangplakod, Phasamutjadee, Samuprakarn, Thailand 10290
- The Company acquired ISO 14001 Environmental Management Systems Use certification form TUV NORD (Thailand) Ltd. in 2015
- The Company acquired OHSAS18001 and TIS18001 or occupational Health and Safety Management System standards from TUV NORD (Thailand) Ltd. in 2016



Business Structure



**Manufacturer and distributor
of black Street Pipe and
galvanize street pipe**

**Pacific Pipe
Public Company Limited**

A manufacturer and distributor black steel pipe and galvanize 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



**Sale representative under
the brand  / **

**Tamose Trading
Company Limited
(Subsidiary)**

The sales representative of steel pipe by selling steel pipes divided into:

- For standard grade product, Tamose Trading acts as a selling agent that sells the product under the brand “” (Pacific Pipe) and receive the commission.
- For commercial grade product, Tamose Trading sell the product under its own brand “” (Tamose).



Shipping Agent

**Meesup Transport
Company Limited
(Subsidiary)**

Shipping Agent responsible for deliver the product to customer

Corporate Governance

The Board of Director consists of 10 directors which are 5 independent directors, 4 executive directors and 1 non-executive director. There are 5 female directors. The structure of the company's director supports the balance of authority with management and be able to verify the transparency of 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.

The management team develops the strategic plan aiming to achieve the corporate target with budgeting management including define the vision and mission then present to the Board of Director for consideration and give the opinions.



Establishing business plan, the top executive defines the corporate KPIs and budget by assigning the management to conduct SWOT and Balance Scorecard before assigning to all divisions for preparing the action plan and budget. The plan and budget are approved by the management and Board of Director.

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 Remuneration Nomination and Corporate 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 action plan/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	- 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	- 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	- 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	- Provide Information to traders with equally legitimate and non-discriminatory 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	- 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	- 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

Economic

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.

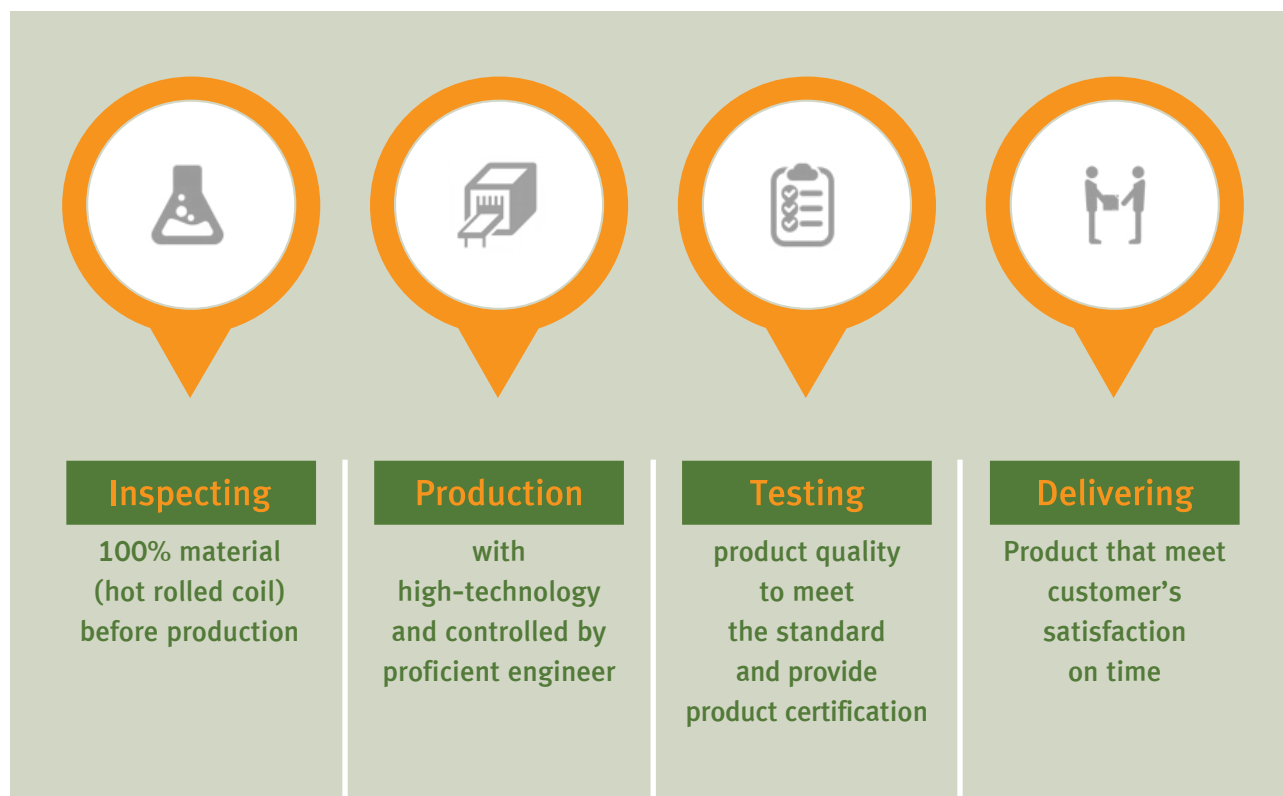
Responsibility on Customer

As a manufacturer and distributor of quality steel pipes under the brand “” (Pacific Pipe) produced by modern-technology machines and repaired by proficient engineers and technicians who monitor and maintain the machines to be ready and able 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	Customer
- Producing standard product that meets the demand - Delivering product	- Providing accurate information - Providing whistle-blowing channel

Quality Product and Executive 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.



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.



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.



Training for Mega Home Center sale persons

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.

Social

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



Professors and students from Metallurgical Engineering, Faculty of Engineering, Chulalongkorn University participating the Company's factory visit

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



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 Development

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.

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, 2016, the number of employees is at 724, 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 559 male employees and 165 female employees.
- No child labor or forced labor.
- Fairly treat the employee regardless of gender, race, religion or culture.

Employee Resourcing

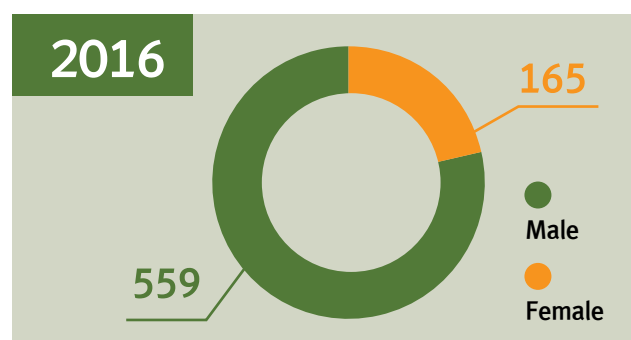
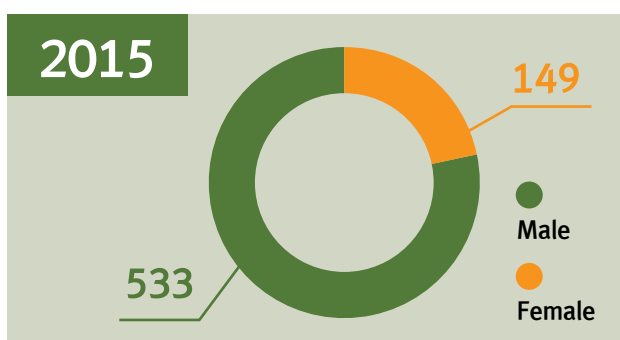
1. Manpower Planning

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.

Employee Growth Rate

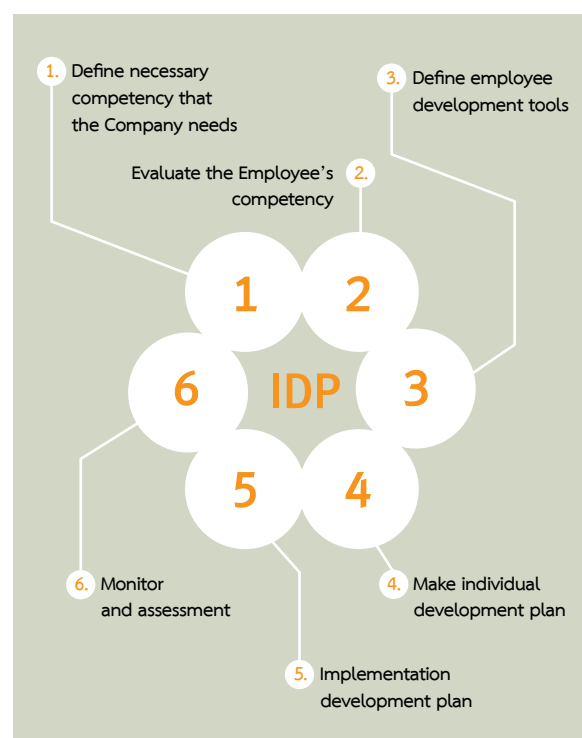


3. Personnel Training Training Road Map (TRM)

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 as follows:

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.

In 2016, each employee has averagely 11.78 training hours.



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.

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.

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

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

Employee relations activities involve with the employees since the first day of working to the resignation. The examples of the activities are employment contracts, job assignments, welfare, workplace safety, position promotion, annual salary raising, the agreement on conditions of employment and activities to develop and promote employee relations, etc.

1) Employee Relation Activity Arrangement

The activities are arranged in order to support the main activity which is the operation and balance with the work. The Human Resource department arranges various activities with different objectives.

An obstacle found in employee relations activities might be employees' unwillingness to participate. Therefore, the Human Resource Department offers employees defining the

scope of activities. This method not only meets the employee satisfaction, it also affects the feeling of employee to join the activities.

The results obtained from the activities not only improve the employees to achieve the project's objective, but also allows the employees to join activities and strengthen the relation between colleagues to achieve good cooperation which drives the Company.

2) Communication

For public relations, be it activity or understanding the information, new regulation or adjustment, the Company provides various communication channels since there are employees in the factory, production lines and the office who need different way of publication and communication. In order to convey the content to all employees to have the same understanding, the Company provides communication channels such as morning talk (communication with employees at the plant every morning before work hours.), the Company intranet, board releases at all plants, e-mails and E-Smart ISO.

Employee Relation Activities of 2016 are described below:



The Company aims for its employee's satisfaction in the activities and relief from work, including positive relationship among the employee and between the employee and the Company. The activities are one factor leading to positive attitude towards organization, colleague and supervisor through different activities which encourage good will and unity in driving the organization to grow strong together. The employee's satisfaction towards the activities in 2016 was evaluated and the average satisfaction is at 88.51%



PAP Checkerboard Champion Cup

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 2016, the Company has served the stakeholders as stated below.



Site Visit for Shareholders

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 by arranging various internal sport competitions in each plan, token craft or activities for religious observances. The intentions are not only for relaxing but also a reward for the employees' earnestness in performing and developing the organization. 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. The evaluation was conducted on the number of employees participated and satisfaction towards the activities.



Amusing Songkran Day with PAP

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 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.

Trade 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. For example, a "stationary support to student" project is arranged annually by publicizing to all employees to participate and gather stationary, useful stuffs and presents. Apart from supporting the youth in the community, the activity also encourages the employee to embrace sharing culture and voluntary mind. The evaluation is conduct on the number and wellness of employees participated that increasing comparing to the previous years. Moreover, the Company also allows students from educational institutions to visit the factory and providing information on production, product quality test and control process in order to support engineering education.



Stationary Support to Student

Environmental

Workplace Safety, Health and Environment Management

The company focuses on management of safety, health and environmental in workplace in order to gain confidence from other related parties that the company, as a manufacturer of black and galvanized steel pipe, provides services and creates activities that enhance labor's standards and quality of life such as safe working environment in terms of physical and mental. Also, the employees are treated with fairness according to the law.

To emphasize the intention to continue the safety, health and environmental concerns, the Company has announced one of the national agenda declared by government "Safety Labor and Good Health" as the Company's policy. The missions are stated below:

1. The company supports and promotes the safety management as stated by law to control and reduce risks that are the cause of danger to the employees.
2. The company supports and encourages employees to have good health by setting up projects or campaigns for good health and happy work place.
3. The company supports the resources and raises awareness on safety, including distribution of safety law to employees and others concerned parties continually.
4. The Company supports and promotes to reduce number of accidents to zero. The number of accident causing the employees to be absent and mild accident in 2016 reduces 30% comparing to the previous year.

Safety, health and environmental policies must be strictly taken into action, maintained and improved. The employees at all levels in the organization must be informed with policies to understand and comply with the Safety, health and environmental policies.

Occupational health and safety Management

The company established an effective occupational health and safety management policy and practice and provides trainings to the employees: System Awareness Training, Risk Assessment Training, and Internal Audit Training. The participants would understand and be able to perform accurately and receive certifications from each training course. The management system is measured and evaluated for the continual review and improvement.

In 2016, the Company acquired from TÜV NORD (Thailand) Ltd. the Occupational health and safety management systems or BS OHSAS18001 certification and Occupational health and safety management system standards or TIS18001 certification which aims to reduce and control risks of harm towards employees and other stakeholders, to enhance operating capacity with safety and to create image to the organization regarding its responsibility towards its employees and environment.



Apart from proving the international efficiency of the Company's occupational health and safety management, the certification also:

1. Save cost in long-term since the Company can control and reduce number of accident incurred to employees and property, including impact on environment,
2. Create good working environment and safety to the employees,
3. Establish positive image to the Company,
4. Improve the employees' ability to plan, work in team, develop knowledge on management system, monitoring and examining, including revising continually for a better performing effectiveness, and,
5. Develop new technology in occupational health and safety management.

Accident Statistics of 2014 - 2016

	(Times)		
	2014	2015	2016
Phra Pradang Plant (PP)	77	60	41
Mahachai Plant 1 (PM1)	5	15	4
Mahachai Plant 2 (PM2)	40	28	18
Mahachai Plant 3 (PM3) ^{/1}	1	17	25
Total	123	120	88

Notes: / ¹ Mahachai Plant 3 (PM3) started operating in 2014 and launched its full production capacity in 2016

Environmental Management

The Company's environmental management procedure starts with establishing environmental policy. Environmental management representatives are entitled to monitor the compliance with the policy including reviewing and revising to continually improve the management system. The Employees are trained and educated about the environmental management. The external involving such as contractors or subcontractors will be informed about the Company's practice regarding environmental management policy. The Company will monitor the practice complying with the environmental policy continually.

The Company's environmental management is certified by TUV NORD (Thailand) Ltd. by acquiring international Environment Management System (EMS) Standard or ISO14001 which enhance the organization's environment and sustainability and to;

1. Acknowledge the principle of ISO 14001:2015 standard and apply it in the environmental management,
2. Be able to consider external and internal factors relating the company's objectives and strategy,
3. Be able to define the stakeholders, analyze and assess the risk related to environmental management,
4. Be able to apply the standard to internal monitoring activity,

5. Provide internal environmental effectiveness to the Company,
6. Be a part of development to sustainability,
7. Own fundamental structure that can integrate with other standards,
8. Create customers' confidence in the product and service regarding environmental aspect,
9. Be accepted among international level due to the management,
10. Fulfill needs and expectation of the stakeholders,
11. Strengthen relationship with the stakeholders and,
12. Enhance competitive capacity.

Moreover, the Company's environmental management acquires Green Industry (3 level Green System) from Department of Industrial Works as a guarantee that the environmental management is systematic with continual monitoring, evaluating and revise. The company also acquires accepted environmental rewards and international standard certification which is beneficial to the Company such as;

1. Exemption of annual fee for 5 years,
2. Publicity of a success in developing into green industry,
3. Using of Green Industry mark in trading,
4. Providing Green Loan or low-interest rate loan for projects involving green industry,
5. Collecting Green Directory or a list of entrepreneurs with Green Process and Green,
6. Raising awareness in Green Consumption among consumers.



Waste Management from Production Process

The company divides the operation of waste management from production process into two schemes.

1. The company employs waste disposal service provider to collect the wastes, such as wastes from watertreatment system, from Samutsakorn Industrial Estate Plant 1 or PM1

Since the hot dipped galvanized process uses water as main component, it is substantial to have water treatment system to reuse and

release waste water to wastewater treatment pond located in the Industrial Estate. The company must control the waste water treatment to be at standard rate Also, there is a daily inspection from the Industrial Estate before the waste water is allowed to release to the pond to start the water treatment again before disposing the water outside.

2. The company manages to sell scraps such as scraps from slitting process which come from Samutsakorn Industrial Estate Plant 2 and 3 or PM2 and PM3, including Phra Pradang Plant (PP)

Contaminant Measurement

At Samutsakorn Industrial Estate Plant 1 or PM1 which operates hot dipped galvanized process, there is hot dipped galvanized furnace that utilizes fuel oil and boiler generated by coal. In order to maintain the environment inside the plant and its surroundings, smoke prevention is implemented by using wet scrubber before exposing the smoke. Moreover, there is hood to control the steam from galvanized dipping process at the standard level as stated by law and defined by Samutsakorn Industrial Estate. The details are stated as follows:

Measuring Items	Standard Rat Defined by Law	Result	
		Boiler Chimney Disposal	Galvanized Boiler Chimney Disposal
1. Opacity of the carbon	10	5	5
2. Total Suspended Particulate	320	269	140
3. Sulfur dioxide	700	31	<0.1
4. Nitrogen dioxide	400	31	1
5. Carbon monoxide	690	541	6

Note: Refer to the measuring result from the inspector, P.M.C. Safety and Environment Company Limited

Carbon Footprint for Organization

The Company measures a quantity of greenhouse gas emission from activities in carbon dioxide equivalent considering 3 aspects;

- Aspect 1 Direct emissions from the organization's activities such as machine combustion, vehicle using (owned by the organization), chemical treatment of waste water, or leakage from process and activity,
- Aspect 2 Energy indirect emissions such as electric energy, thermal energy and steam energy,
- Aspect 3 Other indirect emissions such as the employees' commuting by vehicles not owned by the organization, commuting to outing or seminars, or device using.

Carbon Footprint for Organization project allows the Company to measure quantity of greenhouse gas emission from activities by categorizing the significant reasons in order to define methods to reduce carbon footprint. The reducing quantity of greenhouse gas can be traded with carbon credit or carbon offsetting with other organizations. Moreover, in 2016, the Company was certified by Thailand Greenhouse Gas Management Organization (Public Organization) and received the certification from the minister of Natural Resources and Environment.



Low Emission Support Scheme

The Company joins the Low Emission Support Scheme program or LESS. The program developer/owner will assess the reducing quantity of greenhouse gas from the program or activity and conduct LESS summary report and submit it with an application form to Thailand Greenhouse Gas Management Organization in order to receive the certification of the reducing greenhouse gas assessment result. Without verification from external or third party, Thailand Greenhouse Gas Management Organization will certify the result and provide letter of recognition to the program participant. There are 2 types of practicing;

Type 1 In case of self-conducting, the organization will grant a letter of recognition to the organization participating the program

Type 2 In case of supporting the program, the organization will grant a letter of recognition to the organization supporting and supported

Apart from allowing the community to receive support regarding money, technology to enhance ability to reduce greenhouse gas, creating job and income from the activity of reducing greenhouse gas, LESS program also encourages greenhouse gas reducing technology

development in the country, rehabilitates and preserves the ecology, natural resources and environment. More importantly, it raises awareness among the organization and community to reducing the greenhouse gas and participate environment-friendly activities.

Safety and Environment Activity

The Company managed work safety and environment for the employees by arranging trainings and activities as follows:

1. PAP Waste Management PAP Waste Management Program

The Company set up waste dump spots separated by the garbage type, provide knowledge about waste sorting and places garbage bins (green, red, blue, yellow) for each garbage type around the plant with boards showing an accurate way of waste sorting and waste disposal. The activity aims to inform and raise awareness among the employees about the effects from waste on environment by supporting the employee to change their behavior to accurately sort the garbage.

2. Work Environment Measurement

The Company entitled a certified external organization to inspect the working environment (light, noise, heat and chemical) in order to assure that the working environment is appropriate, according to the law, and safe for the employee.

3. Employee Training

- **Provide knowledge and understanding about work**

The Company arranged trainings to provide the employees with knowledge and understanding about the task so that the employees can perform accurately and safely. After the training, it was found that the accident number decreases.



Mahachai Plant Environment Measurement

- **Workplace fire prevention and response training**

The training aims to prepare the employees for emergency situations that might occur at the factory or their resident. After the employees were trained and practiced by professionals, they would be able to response to the emergencies with calm.

4. Safety Inspection

The Company managed Work-place Safety Inspection by safety officer professional level, safety officer management level and safety officer supervisory level to search for unsafe working condition, method or behavior. The activity represents the executives' intention and mission to sustain the safety and emphasize the risk to the Mahachai Plant Environment Measurement employees. Also, it is an operating and safety assessment whether the operating complies with the regulations and standard.

5. Improve Safety Signs Program

The Company posted safety signs in dangerous areas such as prohibition sign (no smoking sign, no fire sign, etc.) caution signs (forklift caution, danger caution, etc.) and safety first signs in order to reduce accident and raise the employees' awareness about safety and environment.

CSR Attitude Forming Activity

For the Company's corporate social responsibility, the Company starts with instilling attitudes toward CSR to the employees. Understanding the impacts from one's self and the Company's activity on the environment and society, the employees will develop mutual sense and understanding and be ready to drive the organization' CSR sustainably.

The Company, thus, arranges and supports the participating in activities that encourage caring and attitude to preserve the environment to the employees so that they will be proud to take care of their community, inside and outside the Company.

In 2016, the Company arranged CSR activity with the community by joining Phra Samutjadee sub - district municipality in "Kobe Lover Assemble" to encourage waste sorting in the community. The Company donated facilities and encouraged the employee to participate the exhibition about proper waste sorting method.

6. Employee Safety Manual

The Company managed employee safety manual to communicate and provide knowledge about working safety and environment as a guideline.

7. Environment & Safety Communication

Knowledge about safety and environment is provided to the employees through announcement board at each plant and noticeable areas so that the employees have knowledge and awareness about safety and environment.



Moreover, the company also join Phra Samutjadee sub - district municipality in planting tree around the community with the youth, water treatment with Enzymelonic Plasma, and mangrove forest planting to create enriching environment and build caring mind toward the environment to the people participating the activities.

Anti – Corruption Policy



Definition

Corruption is defined as to perform or refrain from any performances in the position and duties or omit any particular act in order to gain interest or take advantages from one's authority, including direct and indirect offering an interest in order to gain an illegal and unethical pay-off for both one and others, in terms of operation and policy.

Anti-Corruption Policy

The directors, management, personnel and employee of the Company are prohibited from any act related to all kinds of corruption. Seeking directly or indirectly for benefit for oneself, family, friends and acquaintances is prohibited, be it as a recipient or a provider, an offer bribe both of money or non-money to a State agency or private agency that the Company contact with and do the business with. All personnel must abide by anti-corruption policy.

Duty and responsibility

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 of all kinds, both direct and indirect, in order to use it as a guidelines of practices for all personnel of the organization.
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 follow;
 - 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. The management is responsible for communicate to the organization's personnel and related parties to acknowledge the anti-corruption policy.

Regulations

1. The Company's employees are prohibited from trying to illegally and unethically influence over business partner and competitor, such as offering a discriminately assistance and bribery.
2. Operating or involving with illegal business is not permitted.
3. In term of dealing with a business partner, the employees must avoid giving or receiving a stuff involved with a business negotiation, contract making or delivering a contract. For a receiving or giving stuff, it must be in a proper value or be legally approved. Moreover, the regulation applies to both giver and receiver.
4. It is the Company policy to oppose bribing a government officer and others to gain business benefit.
5. Procurement must be conducted through the Company's regulations must be transparency and can be verified.
6. The directors and executives must be aware of the importance of providing knowledge and consulting in order to create a better understanding to subordinates about the anti-corruption. Employees can practice in accordance with the anti-corruption policy and become a role model in terms of honesty, ethics and code of conduct.

To publish the anti-corruption policy

To have all personnel acknowledged the anti-corruption policy, the Company will perform as follow;

1. The Company will post a policy of anti-corruption at the signboard every plant of the Company.
2. The Company will publicize the anti-corruption policy through the communication channels of the Company such as company intranet, company website, Form 56-1 and annual report (56-2).
3. The Company will provide training the anti-corruption policies to new employees and provide details of anti-corruption into the employee's Handbook.

Complaint and Whistle Blowing Policy

Scope of complaint and Whistle Blowing

Should there be suspicion or encounter of a violation of the following issues

- Violation of the Company's corporate governances;
- Violating the Company's rules and regulations;
- Receiving an unfair treatment in work;
- Fraud action;

or other suspicious actions that could harm the organization are found, the employee shall ask or consult with a trusted supervisor of any level. Should the employee feel uncomfortable to report to their supervisor, the employee can directly report the issue as the detail in a complaint channel.

Complaint channel

The employees are able to file a complaint or clue via the following channel:

1. Report comment via a comment box at each plant
2. Contact/ report to the person in charge as followed:
 - 2.1 Internal Audit Manager :
Mr. Naritchai Bhurepongsanond
E-mail address : naritchai.bhu@pacificpipe.co.th
 - 2.2 Chairman of Remuneration Nomination and Corporate Committee :
Mr. Kriengkrai Rukkulchon
E-mail address : proact2000@pikanategroup.com
 - 2.3 Secretary of Remuneration Nomination and Corporate Committee director :
Miss Nantana Lakkham
E-mail address : nantana.lak@pacificpipe.co.th

Thus, the Company allows all stakeholders to report issues when they need to complaint or find clues about the Company's performance that are against the good corporate governance policy and/ or ethics and code of conducts. Additional questions or suggestion can be added to channel complaints as follows:

- Sending e-mail directly to responsible person according to the list in the 2.1 – 2.3.
- Sending a letter to
The Remuneration Nomination and Corporate Committee
Pacific Pipe Public Company Limited
Address : 1168/68-69 Floor 24th Lumpini Tower
Building, Rama IV Rd., Bangkok 10120
Telephone : (662) 679-9000
Facsimile : (662) 679-9075

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:

- 1) Human Resource Manager or a delegate in manager level or above.
- 2) Director in a complaint's department who is a person with no conflict or benefit with a complaint.
- 3) Internal Audit Manager

The Secretary of Remuneration Nomination and Corporate Committee Director participates as an 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 the managing director or chief executive office, depending on each case, for approval.

In case of the issue severely affects the Company's image and reputation, financial status, the Company's operating policy or relates to the top executives, the Chairman of Remuneration Nomination and Corporate Committee will report the issue to the Internal Audit Committee and/ or the Board of Director.

Reporting an operation and investigation results

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

All of the employees must sign the form as s confirmation to acknowledge and comply with the Company's corporate governance. The employees are unable to claim that they have not been informed about the Company's laws and regulations, to be a reason for violating them.

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.



PACIFIC PIPE

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