



CSR REPORT 2017

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Message from Chairman

The Company maintained its corporate social responsibility activities emphasizing the CSR-in-process considering that the effective internal management enhances the capability and confidence towards all, and that any activity requires knowledge and proficiency of all employees. The employees, representatives of the organization, need to be equipped with the genuine concept of being a Pacific Pipe. Once we have strength in all dimensions, we can powerfully create values to the outer society.

In 2017 the Company also focused on the human resource development, environment management, and social care:

1. The Company constantly developed human resource and labor skill providing trainings. As a result, the Company was nominated for Outstanding Establishment in Skill Development Promotion award. The Company believed the employees' quality could reflect the products and service delivered to customers.
2. The Company organized environment management procedure, establishing environmental policy and monitoring, controlling, inspecting, solving and developing regularly. To enhance the capability of the organization, the system was inspected and certified by TUV NORD (Thailand) Ltd. with the international standard ISO14001 (Environment Management System (EMS) Standard). In addition, the Company participated in the Carbon Footprint for Organization Program or CFO which allowed the Company to assess the quantity of greenhouse effect gas emissions, finding a resolution to reduce the amount of carbon footprint.

3. The Company created a relationship with the community in the factory area by conducting surveys, hearing the locals' problem and finding resolution together, and create understanding between the community and the factory.

Arranging all the activities, the company had received kind and constant cooperation from the employees, executives and all stakeholders. We believe sustainable development is a supportive key for the business to gain society's acceptance and to reflect the good corporate image.

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

Mr. Somchai Lekapojpanich

Chairman



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**

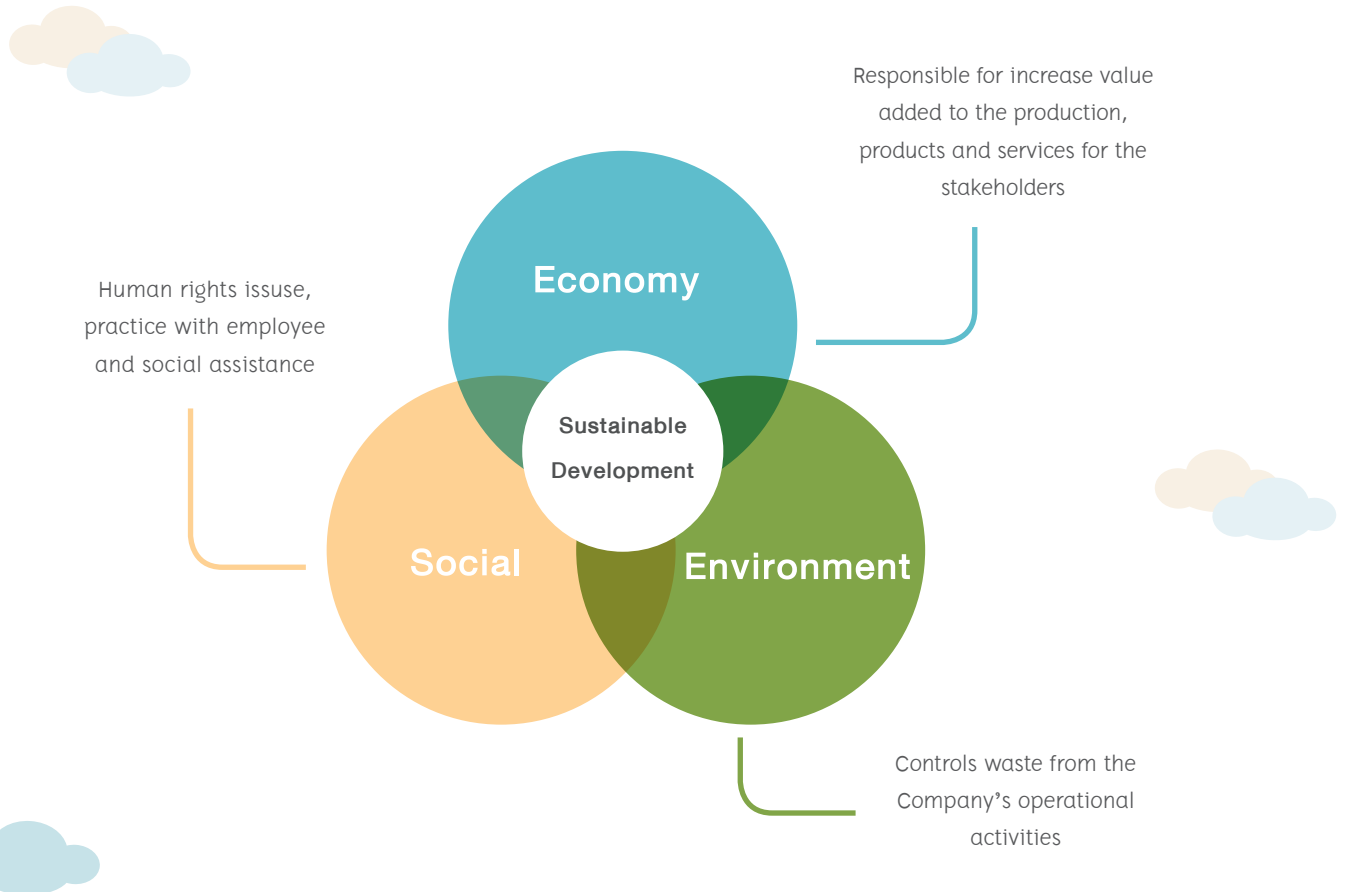


Sustainable Development Policy

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 2017, the company had disclosed the information of corporate social responsibility which intends for the investors to acknowledge and understand the Company's responsibilities in each dimension such as economy, society and environment.

This 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.



Our business

Pacific Pipe Public Company Limited is a manufacturer which the core business of the Company is manufacturing and distributing steel pipes, produced by process of Electric Resistance Welded production system (ERW) with expertise and experience for over 45 years. Our steel pipe produce through advanced technological facilities, sophisticated equipment and modern machines controlled by skilled engineers and technicians, thus our products have been certified by many reputable institutions around the world. Our products can be categorized into 2 types, which are (i) black steel pipes and (ii) galvanized steel pipes, and in each type, there are 2 grades, which are (i) standard grade and (ii) commercial grade. Steel pipes with

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

Business Structure



Pacific Pipe Public Company Limited

Manufacturer and distributor of black Steel Pipe and galvanized steel pipe

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

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



Tamose Trading Company Limited (Subsidiary)

Sales representative under the brand



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, in percentage of sales volume, in return.
- For commercial grade product, Tamose Trading sell the product under its own brand “” (Tamose).



Meesup Transport Company Limited (Subsidiary)

Shipping Agent

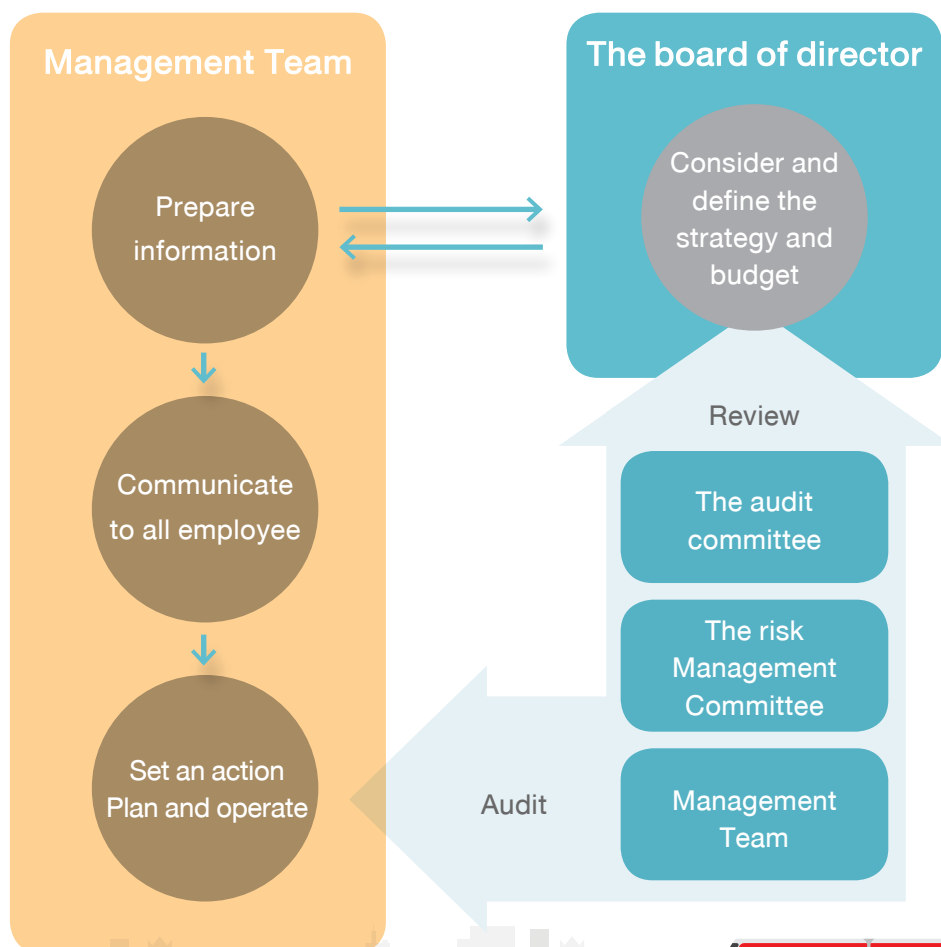
Shipping Agent responsible for deliver the product to customer

Corporate Governance

The Board of Director consists of 10 directors which are 7 independent directors and 3 executive directors. There are 5 female directors. The structure of the company's director supports the balance of authority with management. The board of director appointed the sub-committees which are the audit committee, the risk management committee and the remuneration nomination and corporate committee. Thus the board of director is able to verify the transparency of business operations from define the corporate strategy, risk management, ethics and code of conducts and investigation in each transaction that may cause a conflict of interests, to ensure that the Company complies with legal, regulation, article, the shareholder's resolution and the corporate governance policy, responsible and disclosure to the public properly, timely and transparency.

Business strategy

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



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

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

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

Process of Risk Management

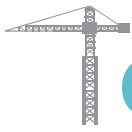
The Board of Director nominates Risk Management Committee responsible for defining and proposing corporate risks to the Board of Director. All departments in the organization own risks and are responsible for proposing their risk management plan to the Risk Management Committee. The Risk Management Committee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



Economy



Economic Performance

“ Total revenue of 2017 is 7,695.49 Million Baht which is increased 11.00 % from last year.

The net profit of the Company (exclude the subsidiaries) is 325.68 Million Baht
which is decreased 36.49 % from last year.”

The Company is committed to create sustainable economic growth and enhance the competitiveness to increase the value to the shareholders in the long term. The Company has a policy to pay the shareholders the dividend at the rate of no less than 40 per cent of the net profit after withholding reserves according to the law. Nonetheless, such dividend payment can be changed, depending on the Company's performance, financial status and investment plan.

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

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.

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.



Responsibility on Customer

As a manufacturer and distributor of quality steel pipes under the brand “” (Pacific Pipe) produced by modern-technology machines and control by proficient engineers and technicians who monitor and maintain the machines to produce standard steel pipes. Moreover, there is product testing procedures to ensure that the products comply with their specified standards, assuring

the customers that the products with the trademark are safe and appropriated with each work field. Thus, whenever the standard steel pipes are sold, the Company provides the customers with product quality certification to guarantee and build the customers’ confidence. To keep the business’s strength, the Company holds the following responsibility towards customers.

Responsibility on Customer

Product and Service

- Producing standard product that meets the demand
- Delivering product

Customer

- Providing accurate information
- Providing whistle-blowing channel

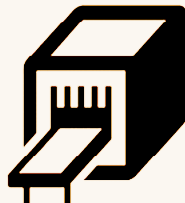
Quality Product and Exclusive Service

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



Inspecting

100% material
(hot rolled coil)
before production



Production

with high-technology
and controlled by
proficient engineer



Testing

product quality to
meet the standard
and provide product
certification



Delivering

Product that
meet customer’s
satisfaction on
time



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



Training our customer's sale team : Kriengthai Lohakit Company Limited

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.

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.



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



Society



Practice of Labor and Human Rights

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

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

Operation Guidelines for Human Resource Management

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.

Personel 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.

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, 2017, the number of employees is at 752, 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 581 male employees and 171 female employees.
- No child labor or forced labor.
- Fairly treat the employee regardless of gender, race, religion or culture.

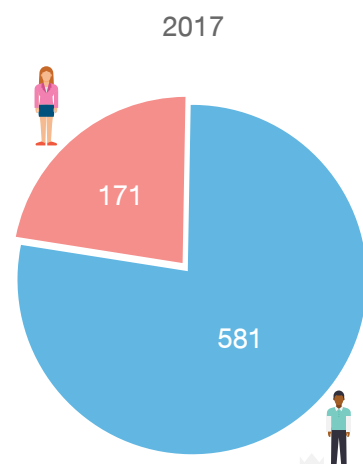
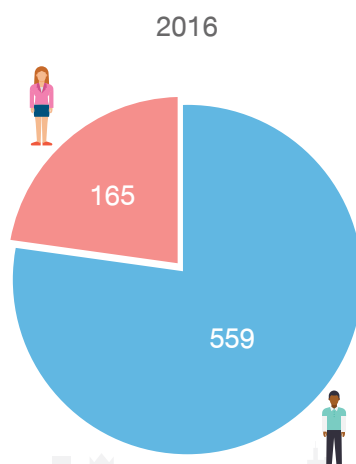
Employee Resourcing

1. Manpower Planning

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

2. Recruitment

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

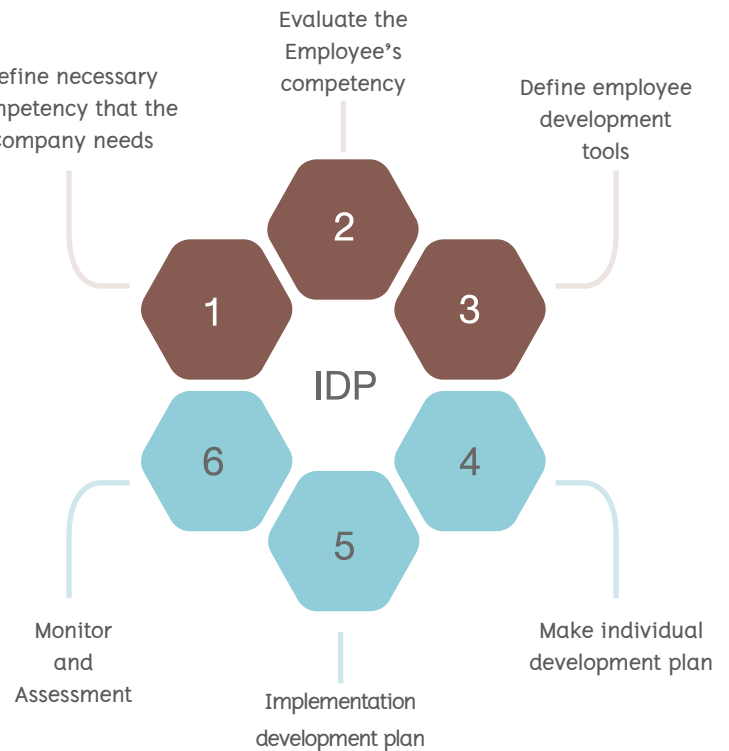


3. Personnel Training Road Map (TRM)

The Human Resource Department planned the trainings by discussing the training course with each department to address the internal training course and search from external institutes. Each department determines its individual development plan. The Human Resource Department frames the plan determination for each division's senior supervisor. The process of conducting individual development plan can be described 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 2017, each employee has averagely 10.86 training hours. The Company had always valued skills development and arranged education and skill training for the employees for over 5 years. As a result, the Company was nominated for Outstanding Establishment in Skill Development Promotion award by Department of Skill Development on 1st September 2017.



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, seminar, 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

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

1) Employee Relation Activity Arrangement

Practice	Expectation	Assessment
Arranged D.I.Y. activities on Valentine's Day, Songkran festival, Father's Day, and Mother's Day	Relieved the stress and allow the employees to form relationship between departments	Employee satisfaction survey result which 85.61% of the employees found the activities satisfying
Intranet Articles and the employees join the activity by answer the questions in intranet to get the rewards.	To provide employees with knowledge and share knowledge within the organization	The number of visitors in the intranet and the number of respondents increased from the past year, and the diversity of participating department.

2) Communication

Practice	Expectation	Assessment
Arranged Morning Talk activity / publicizing via Intranet system Publicizing via intranet system, notice board at all plants, E-mail, and E-Smart ISO	Created mutual understanding in the organization, be it latest or updated regulations, news, or useful information	The Employees' compliance with the regulations



3) Social Sharing and Voluntary Attitude Development

Practice	Expectation	Assessment
Project “PAP Pun Rak Pun Jai” 1. Arranged stationary or present for elementary school students	Encouraged the employees to participate in helping and sharing as much as they can and created conscience about living in the society	The number of stationary and present provided by the employees together with ones supported by the Company which could be divided and distributed to 6 schools
2. Arranged old clothes donation for The Mirror Foundation		The number qualified clothes donated together with the new polo shirts supported the Company which was 945 units.

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 2017, the Company has served the stakeholders as stated below.

Shareholders

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



Factory visit on 17th and 19th April 2017

Employees

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

Customers

The Company communicates with the customer via sales persons who have been trained and are proficient. The information on the Company and its products are disclosed via different channels such as The Company's website 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.





Environment Practice

Environmental Management

As a steel pipe manufacturer, the Company conducted several activities aiming for the systematic environment management. The reviews of environmental impact had been done periodically to ensure the continual control and improvement of the environmental operation. This was to comply with the Company's vision, "to be a part of the nation's society and economy development." The objectives were:

1. The Company shall effectively control the usage and reduce the damage of natural resources such as electricity, water, and, the main material of the business, steel, by planning for efficient utilization.
2. The Company shall reduce and/or eliminate the pollution from its production process causing harm in water, air, land, plant and animals in the ecosystem. The process shall comply with the law or beyond. There shall be the highest attempt to reuse the resources. In case of disposing the waste outside the Company, it shall be done according to the law.
3. The Company shall monitor, measure, and evaluate the environmental management result, rigorously complying to the law, government's regulations, the customer's condition and the Company's regulations.
4. The Company shall develop the management system and capacity in environment, health and safety appropriately according to the law, other agreements and any regulations involving environmental issues caused by the Company's activity or product and under the scope of the environmental management.

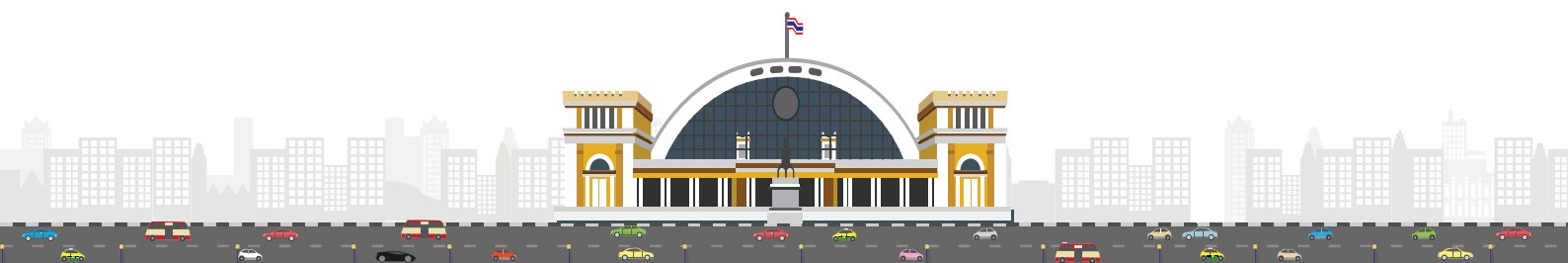
The environmental policy was referenced in a management guideline which received strict compliance and was continually maintained and improved. The management informed and communicated the environmental policy to all employees to sustainably understand and act accordingly.

Energy Management

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

Accordingly, the Company established an energy saving policy as a guideline for the energy management and an encouragement for the most efficient utilization of energy. The energy saving policy was described as follows:

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





Environment Management System

The process of environment management system started with determining the policy, appointing the environment management representative (EMR) in order to monitor the compliance with the policy, examining and resolve for the continual improvement of the system. The employees shall be provided with knowledge and training involving environment management system. Moreover, the external stakeholders such as subcontractors and contractors shall be informed about the environmental operation. There shall be a frequent monitoring on the conduct regarding the environment management.

The Company's environment management system was certified by TUV NORD (Thailand) Ltd. with the international standard ISO14001 (Environment Management System (EMS) Standard). It was to enhance the environmental capability in the organization, to encourage environmental sustainability and to be a motivation for sustainability as follows:

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



TUV NORD (Thailand) Ltd.



NSC-TISI-TIS 17021
EMS 004

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

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



Green Industry Certifying



Prapadaeng Office & Plant



Mahachai Plant 1



Mahachai Plant 2



Mahachai Plant 3

Industrial Waste Management

The Company managed the waste from manufacturing procedure by:

1. Selling the scrap metal (such as scraps after cutting)

Organization Carbon Footprint Management

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

- Aspect 1** Direct emissions from the operation such as combustion of machines, vehicle usage (owned by the Company), chemical use in waste water treatment, and any leaks from the process or activity
- Aspect 2** Energy indirect emissions such as purchasing energy for organizational usage: electricity, heat, and steam power
- Aspect 3** Other indirect emissions such as the employees' transportation, commuting to external seminar or the use of office equipment

Carbon Footprint for Organization Program allowed the Company to assess the quantity of greenhouse effect gas emissions, categorize the significant cause and find resolution to reduce the amount of carbon footprint. The reduction of carbon footprint can be traded into carbon credit or carbon offsetting with other organizations. In addition, in 2016-2017 the Company was certified by Thailand Greenhouse Gas Management Organization and received a certification from the Ministry of Natural Resource and Environment for participating the program.



Prapradaeng Office & Plan



Mahachai Plant 2

Environmental Activity

The Company managed the environment at the workplace and factory area by providing knowledge and activities:



1. PAP Waste Management Program

The garbage sorting bins were placed in the factory. The Company provided training on waste management to the employees. The garbage bins, green, red, blue and yellow, were sorted by the waste types with a signboard explaining garbage sorting method. The employees were educated on accurate garbage sorting and disposing method. And in order to create conscience and raise awareness among employees about the impact of waste on the environment, the Company promoted the appropriate conduct to solve waste issues.

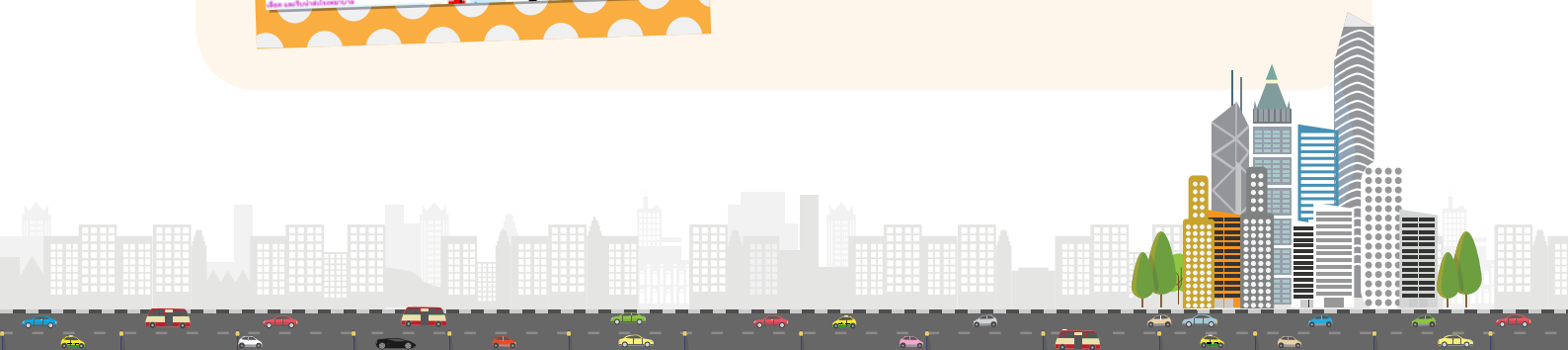
2. Workplace Environment Assessment

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



3. Environment & Safety Communication

The information about safety and environment was publicized via notice boards at each factory and office in the noticeable area to educate and raise awareness among the employees about the issue.



Social and Environmental Responsibility Attitude Development Activity

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

Accordingly, the Company arranged and encouraged the participation in lots of activities to instill care, conscience and

proudness of being a part of environment preservation of the internal and external community.

In 2017, the Company had arranged environmental activities with the external community by conducting surveys and communicating the environmental works to the community in 5 kilometers around the factory. The intentions were to create a good relationship between the community and the factory and to observe any complaint on the operating to avoid impacts on environment and community.



On 9th June 2017, surveyed the complaint from community in 5 kilometers area

The Company also collaborated with Samut Sakhon Industrial Estate in mangrove forest planting to develop the prosperity of nature, care and conscience towards nature to the people and their community.



22nd July 2017, mangrove forest planting project the Auspicious of His Majesty the King's 65th birthday, mangrove planting bed, Bang Yah Prag, Samut Sakohn

The Company also collaborated with northerner association of Samut Sakhon, village chief – Tha Sai Sub District Administration Organization, Moo 2, Tha Sai Sub District, Amphor Muang, Samut Sakhon, in a house renovation project for elderly, Jean and Anong Kaewduangteinwho lived at 11/1, Moo 2, Tha Sai Sub District, Amphor Muang, Samut Sakhon.



15th September 2017, house renovation project for elderly, Uncle Jean and Aunt Anong

The Company installed a flagstaff for Ban Yok Krabut School after old one had been damage from the long-time use. The flagstaff was delivered to the school deputy director – village chief – Tha Sai Sub District Administration Organization.

The Company arranged a marigold planting project to honor the memory and legacy of His Majesty the late King Bhumibol Adulyade.



15th September 2017, Flagstaff for Ban Yok Kra But School Project



20th September 2017, the marigold planting project to honor the memory and legacy of His Majesty the late King Bhumibol Adulyade



Labor Practice

Workplace Safety, Health and Environment Management

The Company valued the safety, health, and environment of the workplace. It could be assured that the Company, the steel pipe and galvanized steel pipe manufacturer, provided any service and activity aiming for the improvement of labor quality. The intention was to develop the employees' quality of living, be it physical or mental health, with safe and healthy workplace environment, and with fair treatment according to the law.

To express and practice according to the intention continually, the company applied the national agenda to the Company's policy stating, "Safe and Healthy Labor." The Company was obligated to:

1. Support and encourage the safety management to comply with the law in order to control and diminish the risks causing any danger to the employees working in the Company
2. Support for the employees' good health by establishing projects improving physical health and increase happiness at workplace
3. Support resources, create conscience, and publicize safety regulations to the employees and stakeholders consistently
4. Support, encourage, and campaign for zero accident (the accident leave and accident rate dropped by 30% comparing to the previous year.)

Workplace safety, health, and environment policy shall be practiced rigorously, and shall be maintained and developed by the management. All employees shall be informed about and comply with the policy.

Occupational Health and Safety Management

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

In 2016-2017 the Company was certified with BS OHSAS18001 (Occupational health and safety management systems) and TIS18001 (Occupational health and safety management system standards from TV NORD (Thailand) Ltd. The occupational health and safety standards aimed to diminish and control damage risks towards employees and stakeholders. They also enhanced the efficiency of the operation for safety and promoted the corporate image on how it was committed to the employees and society.



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

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

Accident Rate in 2014-2017

Unit: times

	2014	2015	2016	2017
Pra Pradang Plant (PP)	77	62	41	60
Mahachai Plant 1 (PM1)	5	15	4	9
Mahachai Plant 2 (PM2)	40	28	18	31
Mahachai Plant 3 (PM3)	1	17	25	34

Occupational Health and Safety Measurement

Work Place Light Intensity Measurement

Place of Measurement	Legal Standard Rate	Unit	Measurement Result			
			2016		2017	
			DAY	NIGHT	DAY	NIGHT
Office		LUX				
1. working desk	≥600		605	-	605	-
2. computer desk	≥600		614	-	620	-
Storage Department						
3. working desk	≥600		609	-	602	-
4. storage shelf	≥200		220	-	214	-
Shearing department						
5. shearing machine: back part	≥400		410	-	463	-
6. shearing machine: middle	≥400		412	401	461	404
7. shearing machine: front part	≥400		415	400	442	409
Maintenance department						
8. working desk	≥600		682	-	626	-
9. maintenance area	≥400		420	402	413	401
Electric maintenance Room						



Place of Measurement	Legal Standard Rate	Unit	Measurement Result			
			2016		2017	
			DAY	NIGHT	DAY	NIGHT
Warehouse department		LUX				
10. Doorway 1	≥50		264	88	610	415
11. Doorway 2	≥50		320	50	874	-
12. walk way area of warehouse	≥50		193	35	210	67
Lathe Room						
13. lathe machine	≥400		1409	-	1007	56
14. CNC machine computer	≥600		615	-	618	122
2nd floor Office						
15. working desk 1	≥600		610	-	609	-
16. working desk 2	≥600		612	-	643	-
17. working desk 3	≥600		625	-	604	-

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

Noise Measurement

Place of Measurement	Legal Standard Rate	Unit	Measurement Result			
			2016		2017	
			TWA 8 hrs	Lmax	TWA 8 hrs	Lmax
Average Noise Measurement TWA8 hrs	TAW 8 hrs within 90 / Lmax within 140	dB (A)				
1. at the end area of forming machine			89.0	-	-	-
2. shearing department			86.0	-	84.3	108.6

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

Heat Measurement Comparing to Standard Level

Place of Measurement	Legal Standard Rate	Unit	Measurement Result	
			2016	2017
			Result	Result
1. Rollformer machine: middle part	Not exceed 34	(°C)	30.0	29.1
2. Slitting machine			29.5	28.4
3. lathe room			29.1	28.2

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



Workplace Chemical Intensity Measurement

Place of Measurement	Legal Standard Rate	Unit	Measurement Result			
			2016		2017	
			1 st time	2 nd time	1 st time	2 nd time
1. Rollforming machine: middle part (Iron Fume)	Not exceed 5	Mg/ m ³	0.018	0.015	<0.003	-
2. Rollforming machine: back part (Toluene)	Not exceed 20	ppm	1.92	<0.02	60.41	-

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

Workplace Safety, Health and Environment Support

The Company publicized the safety regulation, provided the employees with personal protective equipment, and arranged workplace safety assessment regularly. The Company also

provided health check-up based on risk factor and annual health check-up for employees. To ensure the employees' occupational safety, the Company arranged the following activities:



1. Workplace environment assessment

The Company had the workplace environment (light, noise, heat and chemicals) assessed by certified external organization to ensure that the workplace is adequate and safe for the employees according to the law.

2. Knowledge development and training for employees

• Knowledge development on operation

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

• Corporate fire safety training

To ensure that the employees are prepared for the incident that might happen at the workplace or their dwelling, the employees were provided with trainings and fire drills from expert instructors. With this knowledge, they could manage the situation without being frantic.



3. Safety Inspection

The Company arranged work-place safety inspection by having safety officers, safety executives, and supervisors identify unsafe condition and operation. This reflected the management's intention and commitment to the safety policy. It also reaffirmed and raised awareness among the workers about safety and inspected the operation and safety evaluation lawfully to meet the regulation requirement.



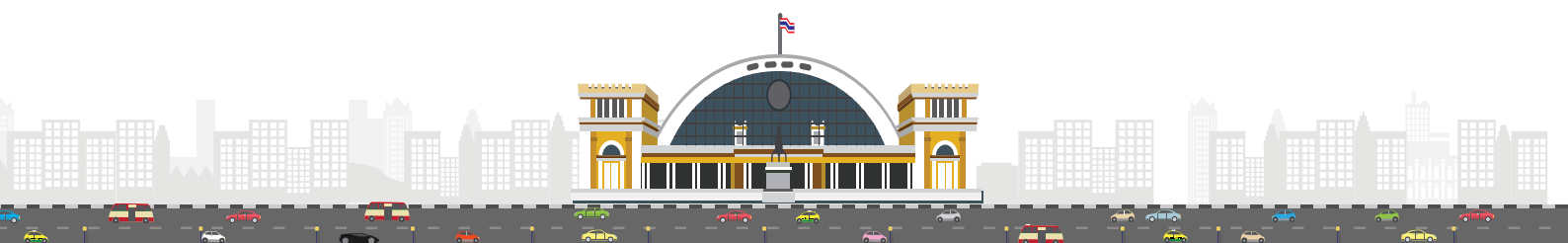
4. Annual Health Check-up

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



5. Environment & Safety Communication

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





Anti – Corruption Policy

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 Rakkulchon
E-mail: proact2000@pikanategroup.com
 - 2.3 Secretary of Remuneration Nomination and Corporate Committee director: Miss Nantana Lakkham
E-mail: 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 : +66 2679 9000

Facsimile : +66 2679 9201-3





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

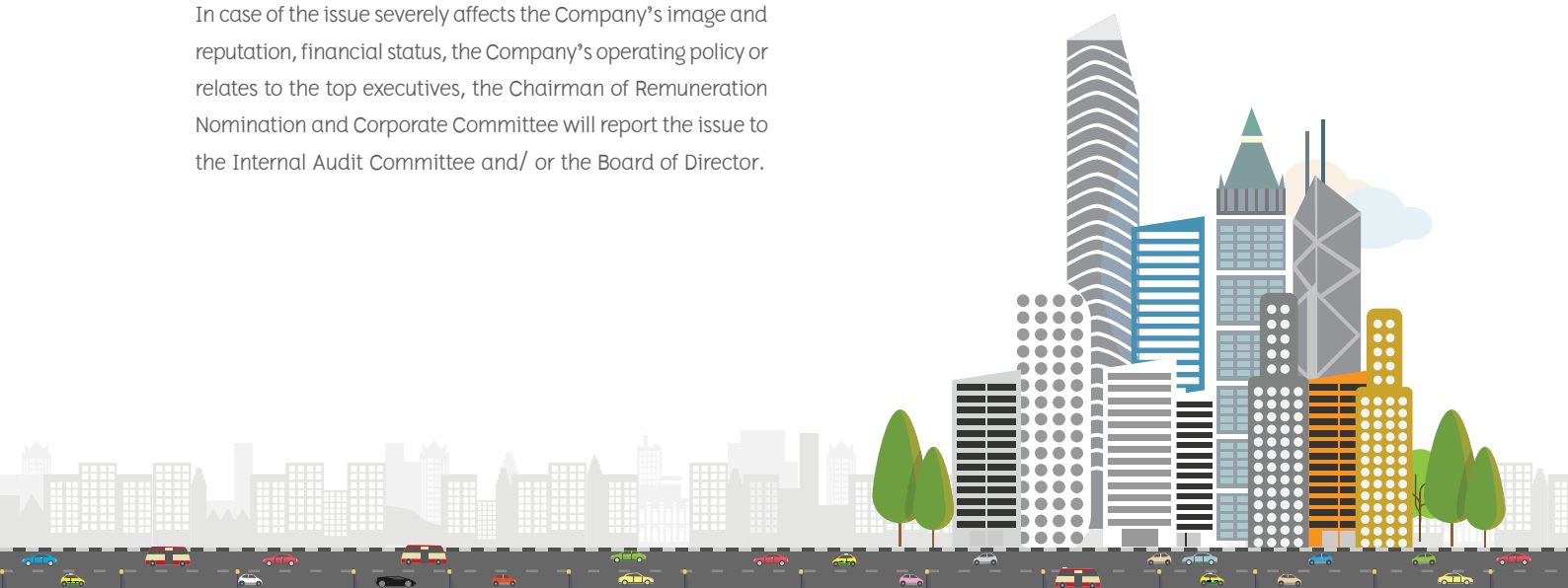
The internal audit manager and secretary of Remuneration/Nomination and Corporate Committee will report a result of the operations that have been done to the top executives and the board of directors.

All of the employees must sign the form as a 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.





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