



## **CODE of CONDUCT**

PADAENG INDUSTRY PUBLIC COMPANY LIMITED

## **Overview**

Padaeng Industry Public Company Limited (PDI) has established a new policy, the Code of Conduct, to enable and support the Board of Directors, the management, and all employees to efficiently and effectively conduct their business in a respectable and ethical manner. This Code of Conduct offers practical ways to deploy our vision, mission, and values in a practical way. It guides our actions for conducting business in a socially responsible and ethical manner, and differentiates PDI in the eyes of stakeholders. Each of us at PDI shall be committed to understanding this Code and acting by its principles.

In today's competitive global environment, we often encounter situations that test our judgment and commitment to transparency. As a PDI employee, we should always strive to exercise good judgment, care, and consideration in our daily work, as clarified in this Code of Conduct.

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## Message from the Managing Director

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PDI has a recognized track record of managing its business in a sustainable way, with respect to the needs of all stakeholders: our people, our customers, our suppliers, our shareholders and the society.

We at PDI believe that our strong reputation for integrity and honesty enables us to maintain an excellent relation with these stakeholders. We need every single person in our company to support us every day in meeting that commitment.

This Code of Conduct explains PDI's policies on how we should conduct our business. Each of us – employees, management, executives and board members – shall commit to understanding this Code and live and act by its principles.

These principles support compliance with all applicable laws but also embody the practical ways for us to put our values to work in everything we do, every day again. PDI's corporate values serve as the foundations of this Code. The Code will help us all to do the right things in the right way.

I strongly encourage you all to read, discuss and understand this Code. Never hesitate to seek support from your superiors, managers, the legal department or internal auditors, if you are faced with any legal, compliance or ethical issue.

Our success is the success of our people.

Our people make the difference.

## Section I.

### Declarations and Definitions

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#### 1.1 About PDI's Code of Conduct

The PDI Code of Conduct establishes a common understanding of the standards of behavior expected of PDI employees. It provides guidance for handling ambiguous ethical situations related to the business.

The PDI Code is inspired by our vision and core values. They highlight the principles that guide PDI business conduct. They also ensure that all business partners share PDI values and support the local community. It is important to note, that violations of the Code could result in disciplinary actions, including termination of employment, criminal charges, or both.

#### 1.2 The PDI Way: Vision and Core Values

At PDI we believe that future quality of life is dependent on both economic vitality as well as a healthy, sustainable natural environment. Therefore PDI is committed to pursuing its business in a safe, healthy, and eco-friendly way throughout the process of transforming its core business towards "green industry". Our sustainability strategy arises from our vision and values:

##### 1.2.1 Vision

PDI aims to create an ecological business environment that nurtures innovation and sustainable growth through awareness and commitment, maximizes added value for our clients, supports the community and society, provides fair returns for our shareholders, and respects people and the environment.

##### 1.2.2 Values

At PDI, our values stem from our long-term perspective for leadership and prosperity. These values are intended to be a foundational guide for all of our decisions. They are reflected in our business objectives and they represent the global standard by which all of our individual and collective actions will be measured.

Four key elements form the basis for our company values:

**1.2.2.a Transparency:** We will conduct all our business operations with righteousness, integrity, and ethical principles, incorporating our guiding policies at every stage of the process.

**1.2.2.b Commitment:** We are committed to accomplishing our duties in total compliance with contractual and legal obligations. We are also committed to creating and raising awareness of efficient and economical use of resources by placing the utmost importance on environmental management and social well-being.

**1.2.2.c Excellence:** We are dedicated to achieving excellence in management, products, and services, as well as fostering continuous quality improvement through continuous knowledge acquisition. We strive to generate innovative ideas in response to constantly changing local and global conditions.

**1.2.2.d Teamwork:** With respect to our team, our ultimate objective is to nurture a united organizational culture. We believe in teamwork and are devoted to the potential of our people. At PDI, teamwork is fostered by encouraging all staff to respect each other's role, and to cooperate with each other in order to achieve a unique and integrated culture within the organization.

### 1.3 Definitions and Glossary

1.3.1 The title ***PDI Code of Conduct*** or ***the Code***, refers to:

A set of visible guidelines that outline an acceptable standard of behavior expected of employees in all departments. It provides a framework for deciding an appropriate course of action when faced with an ethical issue.

1.3.2 The name ***PDI*** and ***the Company*** refer to:

**Padaeng Industry Public Company Limited**

1.3.3 The term ***Subsidiaries*** refers to:

- a) Companies or legal entities that Padaeng Industry Public Company Limited owns entirely or in which it possesses shares with voting rights of over 50%, either directly or indirectly, or
- b) Companies or legal entities of which Padaeng Industry Public Company Limited has controlling authority to set financial and operational policies

1.3.4 ***Board of Directors*** or ***Directors*** refer to:

The directors of Padaeng Industry Public Company Limited

1.3.5 ***Employee*** refers to:

Anyone contracted to work or to provide special services for PDI

1.3.6 ***Business contacts*** refers to:

Persons or legal entities with whom PDI associates with in a normal cause of business, including the government, state agencies, state enterprises, private-sector organizations, and organizations for the public good.

1.3.7 ***Stakeholders*** refers to:

Persons or entities involved with PDI, such as directors, employees, shareholders, contractual parties, contractors, business contacts, creditors, debtors, society at large, and communities where PDI operates.

## Section II.

### Implementing the Code of Conduct

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#### 2.1 Scope and Responsibilities

The Code of Conduct lays out expectations and guiding principles for appropriate workplace behavior at PDI. The Company believes in being an integrated organization and that the action of every employee affects the entire organization and its reputation. Every employee is obliged to strive for the best interest of the Company within legal boundaries, and is responsible for the prevention of damages or loss. PDI expects all employees to abide by this Code in carrying out their duties and functions so as to preserve public trust and to ensure the Company's sustainable growth and development.

This Code of Conduct and its related procedures and measures are applicable to all employees (including temporary personnel) of PDI, its subsidiaries, and any other person or entity acting on its behalf. In case of non-compliance, the situation must be reported and the continuation of the relationship will be assessed.

Each employee will receive a copy of the Code of Conduct. It is the duty of management to include the Code of Conduct in employee training programs and to promote and monitor compliance with the Code.

The Code of Conduct will be communicated to all existing and new employees. Each year, the management will assess and review the Code to determine whether it needs to be updated and will inform the Audit Committee of their conclusion.

#### 2.2 Violations of the Code and Failure to Comply

PDI considers it to be the duty of every director, manager, and employee to strictly comply with all policies and practices stated in the Code of Conduct. The Code of Conduct is complied with, on a mandatory, not elective, basis. It is not acceptable for an employee to claim that he or she is not aware of these guidelines.

In addition to knowing and understanding this Code, the Company wishes to stimulate open and constructive discussions regarding the Code. No Code or manual can provide complete answers to all questions. In the end, employees must rely on his or her good sense of what the Company's high standards require. This includes knowing when to seek guidance on the proper course of action from supervisors, managers, the legal department or internal auditors.

Deliberate non-compliance with the Code of Conduct will not be tolerated and may, in accordance with relevant legislation, lead to internal disciplinary actions, dismissal or even criminal prosecution. Each case will be reviewed objectively in full recognition of the circumstances.

#### 2.3 Reporting Concerns and Filing Complaints

All misconduct or non-compliance of the Code of Conduct should be recorded and reported through line management, human resources (HR), or the Secretary of the Audit Committee channels. The Secretary of the Audit Committee will receive a final report and the measures that have been taken to address non-compliance issues.

#### 2.4 Receiving Complaints Regarding Corporate Governance and the Code of Conduct

- 2.4.1** Employees may directly submit their grievances regarding corporate governance and the Code of Conduct to the Secretariat of the Audit Committee, who is designated as the point of contact to receive such complaints.
- 2.4.2** Employees who wish to report or file a complaint are encouraged to contact the Secretary or Chairman of the Audit Committee via email.
- 2.4.3** Managers at all levels and HR will immediately inform the Secretary of the Audit Committee of any complaints submitted directly to them.

## **Section III:**

### **Guiding Principles for PDI- Code of Conduct**

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It is also a violation to discriminate against or harass anyone for making a report that brings to light a violation of law or PDI policy. Anyone submitting a false report with the obvious intention to harass will, however, be subject to disciplinary action.

#### **3.1 Personal Commitment**

PDI employees and representatives are expected to conduct business and behave appropriately towards business partners, colleagues, and stakeholders. This includes being sensitive to and respecting foreign cultures and customs.

PDI does not accept any form of harassment, discrimination, or other behavior that colleagues, business partners, or stakeholders may regard as offensive or degrading.

#### **3.2 Equal Opportunities and Diversity**

PDI promotes diversity within the workforce as well as an inclusive work environment that helps each employee fully participate and contribute to PDI's success. The Company appreciates and recognizes that all people are unique and valuable, and should be respected for their individual abilities. The company's policy is strongly against discrimination in employment practices, wherever PDI operates. The Company provides equal employment opportunities which means no one will be subject to discrimination on the basis of: race, religion, color, national origin, nationality, age, sex, gender identity, gender expression, genetic information, disability, veteran status, political preference, sexual orientation, and membership or non-membership in any social responsible group.

#### **3.3 Drugs and Alcohol**

PDI prohibits the use, possession, distribution, purchase or sale of controlled substances on its premises while conducting business for the Company or while operating company equipment. Controlled substances include: illegal drugs and narcotics, prescription drugs obtained or used without a legal prescription, and other unlawful substances or materials.

Any person under the influences of alcohol is prohibited from entering the Company's premises, engaging in company business or operating company equipment unless prior permission has been obtained from appropriate company management in certain circumstance such as official company events. Where allowed by law, the Company may conduct searches and test for drug and alcohol use.

The Company does not seek to dictate how employees conduct themselves in their personal lives outside of work. However, unlawful, anti-social or other conduct by employees that may jeopardize the Company's reputation or position will be dealt with through disciplinary procedures.

#### **3.4 Preventing Violence and Harassment**

PDI prohibits actual or threatened violence against co-workers, stakeholders, or anyone else who is either on the Company's premises or has contact with employees in the course of their duties. Every threat of violence is serious and should be reported immediately.

#### **3.5 Human Rights**

Human rights are generally defined as basic standards of treatment to which all people are entitled to, regardless of nationality, gender, race, economic status or religion.

PDI is dedicated to sustainable development. PDI advocates the respect of human rights in the entire organization and by all of its stakeholders, and the Company recognizes its responsibility to respect human rights and play a positive role in the communities where it operates. As such, PDI's human rights policy is addressed in the following areas:

- 3.5.1 Compliance with Laws:** The Company manages its operations in compliance with all applicable laws, the United Nations Universal Declaration of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, concerning freedom of association and collective bargaining, non-discrimination, forced labor & underage workers.
- 3.5.2 Employees:** The Company treats all of its employees with respect and dignity and it promotes diversity. PDI enforces a zero tolerance policy for discrimination of age, race, religion, disability, gender or sexual preference. Child labor or any type of forced labor is prohibited. The company respects the privacy of all individuals and will not take any action that uses personal information of any kind, unless there is legal enforcement or significant ethical reasons to do so.
- 3.5.3 Security:** The Company protects its people and assets by providing a secure and safe working place. PDI performs the Environmental Health Impact Assessment (EHIA) in all major projects as well as existing processes in sensitive operating environments.
- 3.5.4 Communities:** The Company fosters ongoing, proactive, two-way communication with all stakeholders. PDI aims to contribute to the social, cultural and economic development in the communities where it operates.
- 3.5.5 Suppliers & Customers:** The Company selects partners, suppliers, and customers with consideration for the way they respectfully treat their employees and interact with communities, in compliance with PDI's human rights policy. PDI demands that its key suppliers adhere to applicable laws and encourage them to be consistent with ILO core labor principles.

Beyond national and international human rights laws and regulations, PDI is dedicated to playing an essential role in enhancing human rights by actively maintaining a constructive role in the communities where it operates. Line management has a leading role in promoting PDI's human rights policy. They must discuss it with their employees and manage all processes consistently with this policy.

### **3.6 Anti-Corruption Statement**

PDI conducts all its business in an honest and ethical manner. The Company adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly, and with integrity. PDI will implement and enforce effective systems to prevent and avoid bribery.

#### **Conflicts of Interest and Integrity**

- 3.6.1 Fraud and Conflicts of Interests:** Conflicts of interest may occur when an individual's outside activities or personal interests conflict or appear to conflict with his or her responsibilities at PDI. An outside activity would be considered a conflict of interest if it:
- a) Has a negative impact on PDI business interests
  - b) Negatively affects PDI's reputation or relations with others
  - c) Interferes with an individual's judgment in carrying out his or her job duties

PDI employees and directors, and their close relatives, must not take part in or seek to:

- a) Compete against the Company
- b) Use their position or influence to secure an improper benefit for themselves or others
- c) Use company information, assets, or resources for their personal gain or the improper benefit of others
- d) Take advantage of inside information or their position with the Company

If you become aware of a potential conflict of interest you must, without delay, notify your immediate superior, the legal department, or an internal auditor. For particularly sensitive

functions or areas of responsibility, each unit or department must evaluate the needed processes to identify potential conflicts of interest.

**3.6.2 *Accepting or Giving Bribes, Gifts, Fees, Favors or Other Advantages:*** It is also a conflict of interest for PDI employees or directors to give or receive gifts and entertainment, of more than nominal value or cash in any amount, to or from people or companies doing or seeking to do business with PDI. You are not permitted to:

- a) Accept fees or honoraria in exchange for services provided on behalf of the Company
- b) Provide or accept gifts or entertainment from anyone doing or seeking business with PDI or any of its affiliates
- c) Give a gift or entertainment to anyone for the purpose of improperly influencing him or her to take action in favor of PDI or other business related activities

If you are offered, have received or feel pressured to provide such favors beyond nominal gifts you must, without delay, notify your immediate superior, legal or an internal auditor.

**3.6.3 *Financial Interests in Other Businesses:*** As a PDI employee or director, you or any member of your immediate family must avoid having a personal ownership or interest, either directly or indirectly (whether as an investor, lender, employee, or other service provider), in any other enterprise, as it may compromise or appear to compromise your loyalty to the Company. Special attention must in all circumstances be given to potential conflicts of interest as described in section 3.6.1 above.

**3.6.4 *Activities with Competitors, Suppliers, or Other Business Associates:*** Before engaging in any activity that may be perceived to promote the interests of a competitor, supplier, or other business partner at the expense of PDI's interests, including serving on the board of such a company or organization, you should consult with your supervisor, the legal department, or an internal auditor. You may not market products or services in competition with PDI's business activities or broader interests.

**3.6.5 *Government Affairs and Political Involvement:*** How the Company conducts itself with government affairs and in the political arena can affect PDI's reputation, operations, and its ability to work with government officials and other stakeholders. Integrity and trust are essential to PDI's business, and it must continually earn it. Any interactions with governments or their representatives must not be conducted in order to persuade the government or government officials to do anything wrong or inappropriate. Mutual acknowledgement, as well as building good relations within the proper bounds, is acceptable.

**3.6.6 *Protection of Information and Assets:*** PDI employees, stakeholders and other business partners are obligated to ensure that company information and assets are used as wisely and effectively as possible, and that they are not wasted or used for the benefit of any individual. Assets are defined as movable property such as office equipment, tools, and machinery and immovable property such as land and buildings. They also refer to technologies, technical knowledge, copyrighted documents, intellectual property and confidential business information. The use of PDI assets for purposes not directly related to the Company's business is prohibited without authorization. The same applies to the removal or borrowing of PDI assets without permission.

### **3.7 Environment Health & Safety for Community and Society**

PDI has taken continuous steps to protect the environment, health, and safety of its employees, local communities and other concerned parties. All of us at PDI are responsible for complying with applicable company policies as well as government laws and regulations. The Company has the authority and responsibility to actively prevent any work or action if any hazardous risks pose a threat to the safety of PDI's employees, local communities, or the environment.

### **3.8 Compliance with Laws, Regulations and Rules**

PDI employees and directors must comply with all applicable laws and regulations when conducting business. Employees must not assist or participate in any breaches of law or illegal acts by business partners for the Company or themselves. It is the company's responsibility to seek to acquire a sufficient understanding of the applicable laws and regulations as they apply to its operations.

**3.8.1 *Antitrust and Competition:*** The Company is committed to compliance with anti-trust laws, just as it is committed to ethical trade practices, fair competition, and adherence to the laws governing competition where it conducts business.

**3.8.2 *Insider Trading:*** PDI employees, managers, and directors must abstain from trading or giving advice concerning trade in securities of the Company or any other listed companies on the basis of non-public information acquired through employees' work for or with PDI.

**3.8.3 *Records and Internal Control:*** PDI is committed to transparency and accuracy in all of its dealings, while respecting confidentiality obligations. All of PDI's accounts, financial books, and business records must be supported by enough documentation to provide a complete, accurate, valid, and auditable record of each transaction. In addition to this, reliable internal controls are critical for proper, complete, and accurate accounting and financial reporting. All employees are encouraged to report any suspicion of a control that does not adequately detect or prevent inaccuracy, waste or fraud.

**3.8.4 *Audits:*** Audits performed by PDI's internal and external auditors help ensure compliance with established policies, procedures and controls. The Company is required to cooperate fully with internal and external audits with clear and truthful information provided, and fully cooperate throughout the audit process.

### **3.9 Inquiries from the Press, Government, Communities and Other Organizations**

PDI's profile in domestic and international markets is greatly influenced by its ability to communicate consistently and professionally with external parties, including the media.

**3.9.1** The Company has designated the Managing Director (MD) as the main contact person for disclosing information and answering questions posed by shareholders, directors, the media, and third parties. Other employees may, with the explicit permission of the MD, also disclose such information. In particular, the MD has designated Investor Relations as the official point of contact for shareholders, fund managers, investors, financial institutions, and Corporate Communication as the point of contact for the media. The Secretary of the Board is responsible for providing information to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), as well as undertaking any communication related to shareholders' rights (Annual General Meeting, dividend payments, etc.).

**3.9.2** The Company will maintain a principle of transparency, honesty, and responsiveness when dealing with interested outside parties, including the media, analysts, and investors, as well as society at large. When communicating externally, all authorized employees are requested to respect this principle.

**3.9.3** PDI employees are prohibited from misusing company information (accessing unauthorized information, using inside information, and engaging in insider trading).

**3.9.4** PDI employees may not seek benefits for themselves, or others, by using, or being construed by others to use company information. This includes purchasing or selling shares prior to the announcement of operating results or in any other instances that may have an impact on the Company's share price, purchasing or selling land, or investing in businesses that are located in close proximity to a site where the Company is about to establish or expand its premises.

**3.9.5** Employees are not allowed to disclose financial information without authorization from their management to outsiders, except when the disclosure is requested by way of law or regulation.

Outsiders are understood to be any person not on the payroll of the Company, irrespective of their relationship with the Company, including non-executive directors and shareholders.

### **3.10 Upholding the Company's Reputation**

PDI employees must avoid any activity that may potentially have a negative impact on the Company's reputation and should preserve their own good name in society and in the community where the Company is located.

### **3.11 Exercising Political Rights**

PDI employees have a right to exercise personal choices in all political matters, such as voting or membership in political parties. However, employees must avoid actions that contradict the Company's strict political neutrality, such as becoming a member of the executive committee of a political party, conspicuously supporting a party or particular candidates, or seeking political office.

### **3.12 Moonlighting (Actions and Activities Outside the Company)**

All PDI employees are expected to dedicate their efforts on a full-time basis to the Company. However, in the event that employees find it necessary to engage in actions, activities, or other work outside the Company, such actions will:

**3.12.1** Not be illegal nor against socially acceptable norms

**3.12.2** Not damage the Company's reputation or business

**3.12.3** Not take place on Company premises

**3.12.4** Not be done during working hours, except with permission and if such activities have no negative impact on the individual's work

### **3.13 No Rights Created**

This Code of Conduct is a statement of certain fundamental PDI principles, policies, and procedures that govern the Company's employees and directors. It does not create any right for any customer, supplier, competitor, shareholder, stakeholder, or any other person or entity.







## Appendix

### B. DECLARATION OF GIFTS AND HOSPITALITY FORM

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#### Notification by employee of offer and/or receipt of gift or hospitality over a value of 5,000 THB

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I GIVE NOTICE that I have been offered, or received, the following gift(s) and/or hospitality over the value of 5,000 THB.

a) Date(s) of the offer and receipt of gift(s) and/or hospitality:

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b) Nature of the gift(s) and/or hospitality:

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c) Approximate value:

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d) Was the gift(s) and/or hospitality accepted? [YES] [NO]

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e) If yes – please give the justification for accepting the gift(s) and/or hospitality:

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f) Name(s) and address(es) of the donor(s):

Four horizontal lines for text entry.

g) The donor of the gift(s) and/or hospitality has, has had, or will have any dealings with any employees or committees. [YES] [NO]

Two horizontal lines for text entry.

h) If yes please specify:

Eight horizontal lines for text entry.

Date of declaration: .....

Name (please print) .....

Signed .....

This form must be printed and signed by the declaring Member and returned to the Human Resources or Internal Auditor of PDI.

## Appendix

### C. PDI- CODE OF CONDUCT COMMITMENT FORM

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#### Acknowledgement Form for PDI- Code of Conduct

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I have read and am familiar with the PDI- Code of Conduct. I will comply with and enforce the policies in this Code in its entirety.

I understand my responsibility to promptly report any incident of misconduct, or perceived misconduct, that I may experience or witness. I further understand that PDI takes a zero-tolerance approach to violations of this Code, and that violations of the Code, or retaliation against whistleblowers, can result in termination of employment.

By signing this acknowledgement I am indicating that I have read and will abide by PDI's Employee- Code of Conduct.

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Employee Signature

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Employee name (printed)

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Date

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Please print, sign, and return this form to the Human Resources Department.